



**Xingye Copper International Group Limited**  
**興業銅業國際集團有限公司**

(incorporated in the Cayman Islands with limited liability)

Stock Code : 00505



INTERIM REPORT **2015**



# Contents

- 2 Corporate Information
- 3 Corporate Structure
- 4 Condensed Consolidated Statement of Profit or Loss
- 5 Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 6 Condensed Consolidated Statement of Financial Position
- 8 Condensed Consolidated Statement of Changes in Equity
- 9 Condensed Consolidated Statement of Cash Flows
- 10 Notes to the Condensed Consolidated Interim Financial Statements
- 26 Management Discussion and Analysis
- 31 Other Information

## Corporate Information

### BOARD OF DIRECTORS

#### Executive Directors

Mr. HU Changyuan (*Chairman*)  
Mr. HU Minglie (*Chief Executive Officer*)  
Mr. WANG Jianli  
Mr. MA Wanjun  
Mr. CHEN Jianhua

#### Non-Executive Director

Mr. DAI Jianchun (*Appointed as an independent non-executive director on 19 January 2015 and re-designated as a non-executive director on 17 August 2015*)

#### Independent Non-Executive Directors

Mr. MAO Xuechang  
Mr. CHAI Chaoming  
Dr. LOU Dong (*Appointed on 17 August 2015*)  
Ms. LI Li (*Resigned on 14 January 2015*)  
Mr. CUI Ming (*Resigned on 19 January 2015*)

#### Audit Committee

Mr. CHAI Chaoming (*Chairman*)  
Mr. MAO Xuechang  
Mr. DAI Jianchun

#### Remuneration Committee

Dr. LOU Dong (*Chairman*)  
(*Appointed on 17 August 2015*)  
Mr. MAO Xuechang  
Mr. WANG Jianli  
Mr. Dai Jianchun (*Chairman*)  
(*resigned on 17 August 2015*)

#### Nomination Committee

Mr. CHAI Chaoming (*Chairman*)  
Mr. MAO Xuechang  
Mr. DAI Jianchun  
Mr. MA Wanjun  
Dr. LOU Dong (*Appointed on 17 August 2015*)

#### COMPANY SECRETARY

Ms. MUI Ngar May, Joel

#### AUTHORISED REPRESENTATIVES

Mr. WANG Jianli  
Ms. MUI Ngar May, Joel

#### PRINCIPAL LEGAL ADVISORS

##### Hong Kong

Woo Kwan Lee & Lo

##### Cayman Islands

Conyers Dill & Pearman, Cayman

### AUDITORS

KPMG

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### PRINCIPAL PLACE OF BUSINESS

#### Hong Kong

Flat 11, 11/F., Hung Tai Industrial Building  
37-39 Hung To Road, Kwun Tong  
Kowloon, Hong Kong

#### PRC

No. 68, Jin Xi Road  
Hangzhou Bay New Zone  
Ningbo  
Zhejiang Province  
315336, PRC

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
P.O. Box 705  
Grand Cayman KY1-1110  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### PRINCIPAL BANKERS

Agricultural Bank of China  
China Construction Bank  
Bank of China

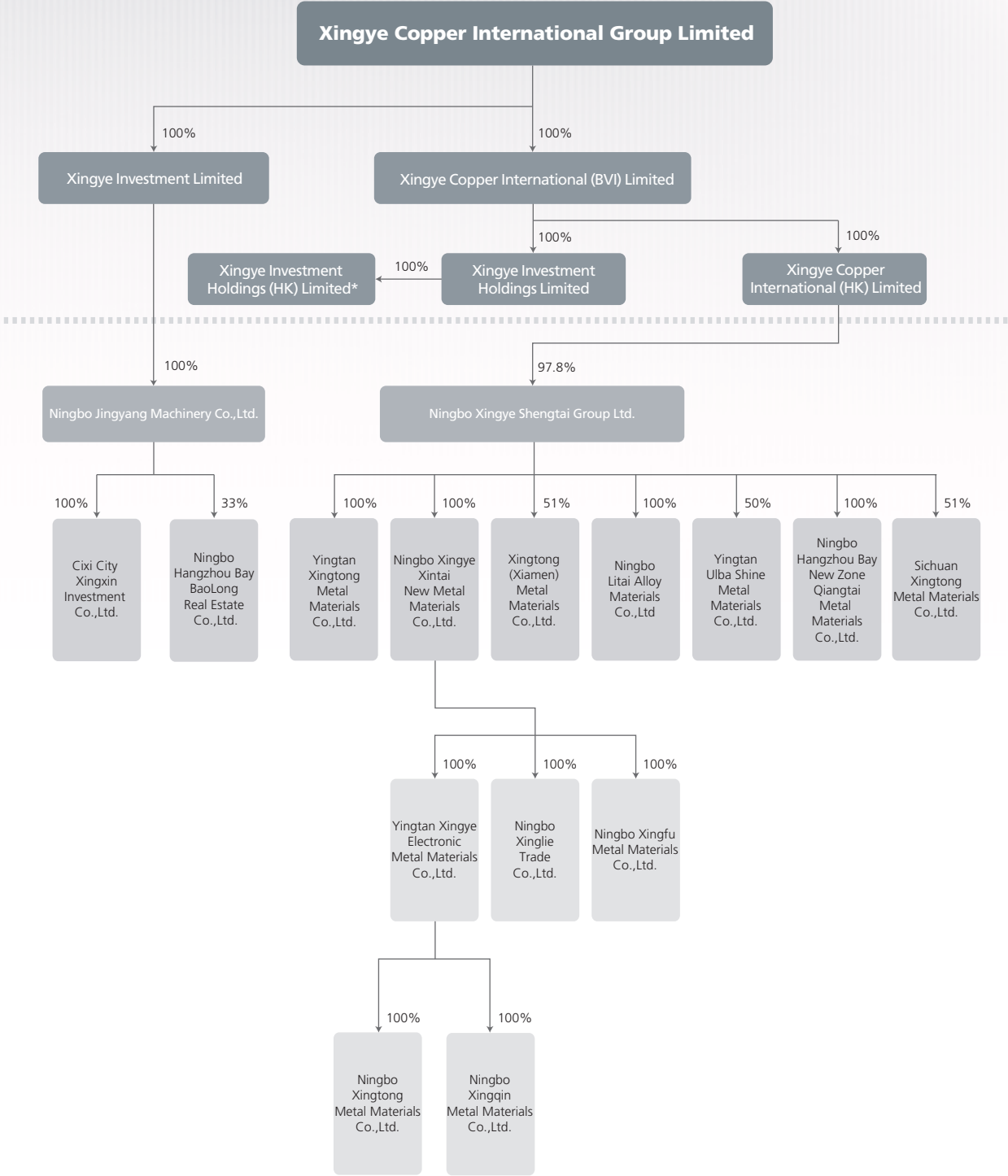
### COMPANY WEBSITE

[www.xingyecopper.com](http://www.xingyecopper.com)

### STOCK CODE

505

# Corporate Structure



\* Xingye Investment Holdings (HK) Limited was incorporated on 17 August 2015.

## Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2015 (unaudited)

	Notes	Six months ended 30 June	
		2015 RMB'000	2014 RMB'000
<b>Revenue</b>	4	<b>1,476,040</b>	1,667,383
Cost of sales		<b>(1,347,319)</b>	(1,536,692)
Gross profit		<b>128,721</b>	130,691
Other income		<b>13,206</b>	11,062
Other gains and losses, net		<b>21,424</b>	(19,409)
Distribution expenses		<b>(13,136)</b>	(11,325)
Administrative expenses		<b>(90,349)</b>	(79,652)
Share of profit of an associate		–	–
Share of loss of a joint venture		–	–
Finance costs	5	<b>(20,311)</b>	(20,490)
<b>Profit before tax</b>		<b>39,555</b>	10,877
Income tax expense	6	<b>(6,109)</b>	(2,462)
<b>Profit for the period</b>	7	<b>33,446</b>	8,415
<b>Profit for the period attributable to:</b>			
Owners of the Company		<b>31,920</b>	7,786
Non-controlling interests		<b>1,526</b>	629
		<b>33,446</b>	8,415
<b>Earnings per share</b>			
– Basic and diluted ( <i>RMB cents</i> )	9	<b>4.56</b>	1.11

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015 (unaudited)

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	<i>RMB'000</i>
Profit for the period	<b>33,446</b>	8,415
<b>Other comprehensive income for the period:</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations, net of nil tax	<b>(22)</b>	171
Total comprehensive income for the period	<b>33,424</b>	8,586
Total comprehensive income for the period attributable to:		
Owners of the Company	<b>31,898</b>	7,957
Non-controlling interests	<b>1,526</b>	629
	<b>33,424</b>	8,586

## Condensed Consolidated Statement of Financial Position

As at 30 June 2015 (unaudited)

	<i>Notes</i>	<b>At 30 June 2015 RMB'000</b>	At 31 December 2014 RMB'000 (Restated)
<b>Non-current assets</b>			
Property, plant and equipment	10	1,121,176	1,058,412
Lease prepayments		14,378	14,557
Interest in an associate		6,579	6,579
Available-for-sale investment	11	–	33,908
Deposit for acquisition of property, plant and equipment		11,397	12,596
		<b>1,153,530</b>	1,126,052
<b>Current assets</b>			
Inventories	12	414,483	497,998
Trade and other receivables	13	393,321	425,647
Loan receivables	14	–	49,334
Pledged deposits	15	64,109	222,319
Cash and cash equivalents		79,557	123,058
Derivative financial instruments		2,039	3,809
		<b>953,509</b>	1,322,165
<b>Current liabilities</b>			
Trade and other payables	16	462,831	547,444
Interest-bearing borrowings	17	569,197	840,800
Income tax payables		13,651	2,568
		<b>1,045,679</b>	1,390,812
<b>Net current liabilities</b>		<b>(92,170)</b>	(68,647)
<b>Total assets less current liabilities</b>		<b>1,061,360</b>	1,057,405
<b>Non-current liabilities</b>			
Interest-bearing borrowings	17	263,996	284,691
Deferred income		49,293	43,056
Deferred tax liabilities		11,242	12,488
		<b>324,531</b>	340,235
<b>Net assets</b>		<b>736,829</b>	717,170

## Condensed Consolidated Statement of Financial Position

As at 30 June 2015 (unaudited)

	<i>Notes</i>	<b>At 30 June 2015 RMB'000</b>	At 31 December 2014 RMB'000 (Restated)
<b>Capital and reserves</b>			
Share capital	18	<b>65,016</b>	64,881
Reserves		<b>647,985</b>	615,837
<b>Equity attributable to owners of the Company</b>		<b>713,001</b>	680,718
Non-controlling interests		<b>23,828</b>	36,452
<b>Total equity</b>		<b>736,829</b>	717,170



# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015 (unaudited)

Note	Attributable to owners of the Company							Total RMB'000	Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	PRC statutory reserve RMB'000	Translation reserve RMB'000	Share-based compensation reserve RMB'000	Retained earnings RMB'000			
At 1 January 2015	64,881	227,978	259,726	80,826	(18,379)	349	65,337	680,718	36,452	717,170
<b>Changes in equity for the six months ended 30 June 2015:</b>										
Profit for the period	-	-	-	-	-	-	31,920	31,920	1,526	33,446
<b>Other comprehensive income</b>	-	-	-	-	(22)	-	-	(22)	-	(22)
Total comprehensive income for the period	-	-	-	-	(22)	-	31,920	31,898	1,526	33,424
Share options exercised	19	135	628	-	-	(49)	0	714	-	714
Transfer to reserve	-	-	-	-	-	-	-	-	-	-
Outstanding share options lapsed	19	-	-	-	-	(300)	-	(300)	-	(300)
Equity-settled share-based payments	-	-	-	-	-	-	-	-	-	-
Disposal of interest in a subsidiary	-	-	-	(29)	-	-	-	(29)	(14,150)	(14,179)
<b>At 30 June 2015</b>	<b>65,016</b>	<b>228,606</b>	<b>259,726</b>	<b>80,797</b>	<b>(18,401)</b>	<b>0</b>	<b>97,257</b>	<b>713,001</b>	<b>23,828</b>	<b>736,829</b>

Note	Attributable to owners of the Company							Total RMB'000	Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	PRC statutory reserve RMB'000	Translation reserve RMB'000	Share-based compensation reserve RMB'000	Retained earnings RMB'000			
At 1 January 2014	64,881	227,978	259,726	66,785	(15,524)	7,596	51,905	663,347	19,567	682,914
<b>Changes in equity for the six months ended 30 June 2014:</b>										
Profit for the period	-	-	-	-	-	-	7,786	7,786	629	8,415
<b>Other comprehensive income</b>	-	-	-	-	171	-	-	171	-	171
Total comprehensive income for the period	-	-	-	-	171	-	7,786	7,957	629	8,586
Transfer to reserve	-	-	-	361	-	-	(361)	-	-	-
Equity-settled share-based payments	-	-	-	-	-	1,926	-	1,926	-	1,926
Share options cancelled	-	-	-	-	-	(8,292)	8,292	-	-	-
<b>At 30 June 2014</b>	<b>64,881</b>	<b>227,978</b>	<b>259,726</b>	<b>67,146</b>	<b>(15,353)</b>	<b>1,230</b>	<b>67,622</b>	<b>673,230</b>	<b>20,196</b>	<b>693,426</b>

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015 (unaudited)

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
<b>Operating Activities</b>		
Cash generated from/(used in) operations	117,322	(11,024)
Tax refund/(paid)	4,974	(4,415)
<b>Net cash generated from/(used in) operating activities</b>	<b>122,296</b>	<b>(15,439)</b>
<b>Investing Activities</b>		
Payment for the purchase of property, plant and equipment	(105,698)	(153,414)
Other cash flow arising from investing activities	73,297	(20,604)
<b>Net cash used in investing activities</b>	<b>(32,401)</b>	<b>(174,018)</b>
<b>Financing Activities</b>		
Proceeds from borrowings	838,207	1,236,141
Repayment of borrowings	(1,130,505)	(762,344)
Other cash flow arising from financing activities	158,924	(184,058)
<b>Net cash generated from financing activities</b>	<b>(133,374)</b>	<b>289,739</b>
Net increase in cash and cash equivalents	(43,479)	100,282
Cash and cash equivalents at 1 January	123,058	56,730
Effect of foreign exchange rate changes	(22)	171
Cash and cash equivalents at 30 June, represented by bank balances and cash	<b>79,557</b>	<b>157,183</b>

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

## 1. BASIS OF PREPARATION

Xingye Copper International Group Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 19 July 2007 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The interim financial report as at and for the six months ended 30 June 2015 comprises the financial information of the Company and its subsidiaries (together referred to as the "Group").

The interim financial report has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details for any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in accordance with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

In preparing the interim financial report, the directors of the Company have given careful consideration to the future liquidity of the Group for the twelve months from the end of the reporting period in light of the Group's financial position and substantial capital commitment.

As at 30 June 2015, the Group had net current liabilities of approximately RMB92.2 million. The Group has unutilised banking facilities of RMB552.5 million as at 30 June 2015 that will not expire within 12 months from 30 June 2015. Taking into account the Group's financial position, results of operations and credit history, the directors of the Company considered it is unlikely that the banks will terminate the facilities granted to the Group prior to their expiry and the directors of the Company did not foresee any difficulties for the Group to renew the facilities. Taking into account such, in the opinion of the directors of the Company, the Group will have sufficient working capital for the twelve months after the end of the reporting period and thus it is appropriate to prepare the condensed consolidated interim financial statements on the going concern basis.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

## 2. CHANGES IN ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, the following new Interpretation and amendments to IFRSs issued by the International Accounting Standard Board ("IASB") that are relevant for the preparation of the Group's condensed consolidated interim financial statements:

*Annual Improvement to IFRSs 2010-2012 Cycle*

*Annual Improvement to IFRSs 2011-2013 Cycle*

The application of the above new interpretation and amendments to IFRSs in the current interim period has had no material effect on how the Group's results and financial position for the current or prior period have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current interim period.

## 3. CORRECTION OF PRIOR PERIOD ACCOUNTING ERRORS

During the current interim period, the directors of the Company corrected two accounting errors on the consolidated statement of financial position as at 31 December 2014 in respect of elimination of intercompany balances and raw material purchase cut off. The effect of the corrections on the consolidated statement of financial position as at 31 December 2014 is set out as follows:

	<b>As previously reported</b> <i>RMB'000</i>	<b>Correction of intercompany elimination error</b> <i>RMB'000</i>	<b>Correction of purchase cut off error</b> <i>RMB'000</i>	<b>As restated</b> <i>RMB'000</i>
Inventories	420,290	–	77,708	497,998
Trade and other receivables	530,047	(104,400)	–	425,647
Trade and other payables	574,136	(104,400)	77,708	547,444

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

## 4. REVENUE AND SEGMENT REPORTING

### Segment results

The following is an analysis of the Group's revenue and results by reportable segments:

Six months ended 30 June 2015 (unaudited):

	Sales of copper products <i>RMB'000</i>	Trading of raw materials <i>RMB'000</i>	Processing services <i>RMB'000</i>	Investment <i>RMB'000</i>	Elimination on consolidation <i>RMB'000</i>	Total <i>RMB'000</i>
<b>SEGMENT REVENUE</b>	<b>3,082,169</b>	<b>137,309</b>	<b>81,900</b>	<b>-</b>	<b>(1,825,338)</b>	<b>1,476,040</b>
<b>SEGMENT REVENUE AND OTHER INCOME</b>						
External sales	1,277,667	126,460	71,913	-	-	1,476,040
Intra-segment sales	1,804,502	10,849	9,987	-	(1,825,338)	-
Segment revenue	3,082,169	137,309	81,900	-	(1,825,338)	1,476,040
Total segment revenue and other income	3,082,169	137,309	81,900	-	(1,825,338)	1,476,040
Segment profit	85,542	3,665	39,514			128,721
Unallocated income and gains						34,630
Unallocated expense						(103,485)
Finance costs						(20,311)
Profit before tax						39,555

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

### 4. REVENUE AND SEGMENT REPORTING (CONTINUED)

#### Segment results (continued)

Six months ended 30 June 2014 (unaudited):

	Sales of copper products <i>RMB'000</i>	Trading of raw materials <i>RMB'000</i>	Processing services <i>RMB'000</i>	Investment <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
<b>SEGMENT REVENUE</b>	1,475,131	1,272,485	71,989	1,093	(1,152,222)	1,668,476
<b>SEGMENT REVENUE AND OTHER INCOME</b>						
External sales	1,291,154	308,573	67,656	–	–	1,667,383
Intra-segment sales	183,977	963,912	4,333	–	(1,152,222)	–
Segment revenue	1,475,131	1,272,485	71,989	–	(1,152,222)	1,667,383
Total segment revenue and other income	1,475,131	1,272,485	71,989	–	(1,152,222)	1,667,383
Segment profit	81,918	5,708	43,065			130,691
Unallocated income and gains						(8,347)
Unallocated expense						(90,977)
Finance costs						(20,490)
Profit before tax						10,877

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

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

### 5. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Interest on bank borrowings	29,065	24,309
Less: Interest capitalised	(8,754)	(3,819)
	20,311	20,490

### 6. INCOME TAX EXPENSE

Tax expense is recognised based on management's best estimates of the weighted-average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

Income tax expense in the condensed consolidated interim statement of profit or loss represents:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
<b>Current tax expense</b>		
Provision for PRC corporate income tax	7,355	7,863
<b>Deferred tax</b>	(1,246)	(5,401)
	6,109	2,462

The Group's consolidated effective tax rate for the six months ended 30 June 2015 was 15% (six months ended 30 June 2014: 23%). The change in effective tax rate was caused mainly by the fact that Ningbo Xingye Shengtai Group Ltd. ("Shengtai") was certified as "High Technology and Innovative Enterprise" in October 2014 and was entitled to the preferential income tax rate of 15% instead of the statutory income tax rate of 25% since then. For the six months ended 30 June 2014, income tax provision of Shengtai was calculated using the applicable rate of 25%.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

### 7. PROFIT FOR THE PERIOD

Profit for the period is arrived at after charging (crediting):

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Cost of inventories recognised as an expense	<b>1,347,319</b>	1,536,692
Staff costs	<b>41,810</b>	35,749
Depreciation of property, plant and equipment	<b>34,301</b>	29,590
Amortisation of lease prepayments	<b>179</b>	427
Total depreciation and amortisation	<b>34,480</b>	30,017
Government grants	<b>(8,444)</b>	(5,175)
Bank interest income	<b>(4,762)</b>	(2,613)
Interest income from loan receivables	–	(3,248)
Loss on disposal/written-off of property, plant and equipment	<b>356</b>	14,299
Net realised gains on derivative financial instruments	<b>(17,776)</b>	(16,654)
Net unrealised loss on derivative financial instruments	<b>1,770</b>	3,241
Net exchange losses (gains)	<b>(2,053)</b>	2,832
Impairment loss in respect of property, plant and equipment	–	19,335
Reversal of impairment loss in respect of prepaid lease payment	–	(1,977)
Share-based payment expenses	–	1,926
Loss on disposal of interest in a subsidiary	<b>426</b>	–



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

## 8. DIVIDENDS

During the period ended 30 June 2015, no dividend was declared or distributed and the directors of the Company have determined that no dividend will be paid in respect of the interim period.

## 9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the six months ended 30 June 2015 is based on the profit attributable to the equity shareholders of the Company of RMB31,920,000 (six months ended 30 June 2014: RMB7,786,000) and the weighted average number of 700,351,950 (six months ended 30 June 2014: 699,501,950) ordinary shares in issue during the period.

Number of shares ('000)	Six months ended 30 June	
	2015	2014
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	700,352	699,502

The computation of diluted earnings per share for the six months ended 30 June 2014 does not assume the exercise of the Group's outstanding share options as the exercise price of those options was higher than the average market price of the Company's shares.

## 10. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, additions to property, plant and equipment amounted to RMB97,115,000 (six months ended 30 June 2014: RMB240,977,000) in aggregate. Items of property, plant and equipment with a net book value of RMB406,000 (six months ended 30 June 2014: RMB8,905,000) were written off/disposed of during the six months ended 30 June 2015 and resulted in a loss on disposal of RMB356,000 (six months ended 30 June 2014: loss of RMB14,299,000). An impairment loss of RMB nil (six months ended 30 June 2014: RMB19,335,000) was recognised during the current interim period in respect of obsolete plant and machinery.

## 11. AVAILABLE-FOR-SALE INVESTMENT

On 18 March 2015, the Group entered into an agreement for the disposal of its 60% equity interest in the subsidiary, Shanghai Yuanzhan Houde Investment Partnership ("Yuanzhan Houde"), to an independent third party for a cash consideration of RMB20,800,000. As at 31 December 2014, Yuanzhan Houde held available-for-sale investment with a carrying amount of RMB33,908,381. Upon the disposal of the equity interest in Yuanzhan Houde, the Group does not hold any interest in Yuanzhan Houde.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

### 12. INVENTORIES

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i> (Restated)
Raw materials	30,478	145,994
Work in progress	276,801	240,205
Finished goods	106,537	111,162
Others	667	637
	<b>414,483</b>	497,998

As at 30 June 2015, inventories amounted to RMB328,500,000 (31 December 2014: RMB338,000,000) were pledged for short-term bank loans.

### 13. TRADE AND OTHER RECEIVABLES

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i> (Restated)
Trade and bills receivables	277,251	277,460
Trade receivable from a joint venture	47	10,090
Sub-total	277,298	287,550
Less: accumulated impairment	-	(4,782)
	<b>277,298</b>	282,768
Other receivables	68,559	76,153
Prepayments	47,105	66,367
Current portion of lease prepayment	359	359
	<b>393,321</b>	425,647

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

### 13. TRADE AND OTHER RECEIVABLES (CONTINUED)

Credit terms granted to customers ranged from 0 to 90 days depending on the customers' relationship with the Group, its creditworthiness and settlement record.

An ageing analysis of trade and bills receivables of the Group, based on invoice date, which approximate the revenue recognition date, is as follows:

	<b>At 30 June 2015 RMB'000</b>	At 31 December 2014 RMB'000 (Restated)
Within 3 months	<b>257,009</b>	245,043
Over 3 months but less than 6 months	<b>15,649</b>	30,550
Over 6 months but less than 1 year	<b>3,366</b>	1,100
Over 1 year	<b>1,274</b>	6,075
	<b>277,298</b>	282,768

### 14. LOAN RECEIVABLES

The loan receivables as at 31 December 2014 were settled during the six months ended 30 June 2015.

### 15. PLEDGED DEPOSITS

Pledged deposits represented guarantee deposits for issuance of commercial bills and short-term banking facilities.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

### 16. TRADE AND OTHER PAYABLES

	<b>At 30 June 2015 RMB'000</b>	At 31 December 2014 RMB'000 (Restated)
Trade and bills payables	<b>348,023</b>	424,298
Trade payable due to a joint venture	<b>38</b>	54
Sub-total	<b>348,061</b>	424,352
Other payables and accruals*	<b>114,770</b>	123,092
	<b>462,831</b>	547,444

\* Included in other payables is an advance of RMB2,450,000 (2014: RMB2,450,000) received from a non-controlling interest which is unsecured, interest-free and repayable on demand.

An ageing analysis of trade and bills payables of the Group, based on invoice date, is as follows:

	<b>At 30 June 2015 RMB'000</b>	At 31 December 2014 RMB'000 (Restated)
Within 3 months	<b>327,403</b>	396,642
Over 3 months but less than 6 months	<b>2,716</b>	22,069
Over 6 months but less than 1 year	<b>14,987</b>	2,745
Over 1 year	<b>2,955</b>	2,896
	<b>348,061</b>	424,352

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

### 17. INTEREST-BEARING BORROWINGS

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Secured bank loans	765,818	879,417
Discounted bills	1,500	132,015
Unsecured bank loans	65,875	114,059
	<b>833,193</b>	1,125,491
Carrying amount payable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	569,197	840,800
More than one year, but not exceeding five years	263,996	284,691
	<b>833,193</b>	1,125,491
Less: Amounts due within one year shown under current liabilities	<b>(569,197)</b>	(840,800)
Amounts shown under non-current liabilities	<b>263,996</b>	284,691

During the current interim period, the Group raised new borrowings and repaid borrowings of RMB838 million (period ended 30 June 2014: RMB1,236 million) and RMB1,131 million (period ended 30 June 2014: RMB762 million) respectively.

### 18. SHARE CAPITAL

	Number of ordinary shares '000	Nominal value Amount <i>HK\$'000</i>	Equivalent <i>RMB'000</i>
Authorised:			
Ordinary shares of HK\$0.10 each	5,000,000	500,000	468,100
Issued and fully paid:			
At 1 January 2014, 31 December 2014, 1 January 2015	699,502	69,950	64,881
Share option exercised	1,700	170	135
At 30 June 2015	701,202	70,120	65,016

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

## 18. SHARE CAPITAL (CONTINUED)

### Placing of new shares (the “Placing Shares”) under general mandate

On 3 July 2015, the Group completed a placing (the “Placing”) of new shares under general mandate. An aggregate of 109,914,000 Placing Shares (representing approximately 13.55% of the issued share capital of the Company as enlarged by the 109,914,000 Placing Shares) have been allotted and issued to not less than six placees at the placing price of HK\$0.88 per Placing Share. The gross proceeds from the Placing of 109,914,000 Placing Shares at the placing price of HK\$0.88 per Placing Share are approximately HK\$96.72 million and the net proceeds, after deducting the placing commission payable to the placing agent and other expenses incurred in the Placing, are approximately HK\$95.49 million. Right after the Placing, the total number of shares in issue of the Company was 811,115,950.

## 19. EQUITY-SETTLED SHARE-BASED PAYMENTS

### Share Option Scheme

The Company has adopted a share option scheme (“the Share Option Scheme”) pursuant to the shareholders’ written resolution passed on 1 December 2007.

The maximum number of shares that may be granted under the Share Option Scheme and other share option schemes shall not exceed 30% of the number of issued shares of the Company from time to time. No option may be granted to any person such that the total number of shares of the Company issued and to be issued upon exercise of all options granted and to be granted to each participant in any 12-month period up to the date of the latest grant exceeds 1% of the number of shares of the Company in issue.

An option under the Share Option Scheme may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the board of directors of the Company, which must not be more than 10 years from the date of the grant.

The fair value of service received in return for share options granted under the Share Option Scheme was measured with reference to the fair value of share options. The estimate of the fair value of the share options granted was measured at the date of grant based on the Black-Scholes-Merton Option Pricing Model. The variables and assumptions used in computing the fair value of the share options were based on the directors’ best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

## 19. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONTINUED)

### Share Option Scheme (continued)

The following table summarises the movements in the share options of the Company:

	<b>No. of share options (‘000)</b>
Outstanding at 1 January 2015	13,897
Lapsed during the period	(12,197)
Exercised during the period	(1,700)
Granted during the period	–
Outstanding at 30 June 2015	–

## 20. RELATED PARTY TRANSACTIONS

### (a) Transactions with a jointly-controlled entity of the Group

During the six months ended 30 June 2015, the Group had transactions with related parties as follows:

#### (i) Related party transactions

Name of related party	Relationship with the Group	Nature of transactions	2015 <i>RMB’000</i>	2014 <i>RMB’000</i>
Yingtian Ulba Shine	Joint venture	Selling of products	–	2,975
Metal Materials		Purchasing of Products	–	1,755
Co. Ltd.		Rental Income	–	302

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

### 20. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Compensation of key management personnel

The remuneration of directors and other members of key management who have authority and responsibility, directly or indirectly, for planning, directing and controlling the activities of the Group during the reporting periods were as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Short-term benefits	1,750	1,778
Post-employment benefits	20	12
Share-based payments	–	291
	<b>1,770</b>	2,081

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

### 21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### (a) Financial assets and liabilities measured at fair value

##### (i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs



## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

### 21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (a) Financial assets and liabilities measured at fair value (continued)

##### (i) Fair value hierarchy (continued)

	Fair value at	Fair value measurements as at		
	30 June	30 June 2015 categorised into		
	2015	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Recurring fair value measurement</b>				
Financial assets:				
Derivative financial instruments				
– Copper future contracts	2,039	2,039	–	–

	Fair value at	Fair value measurements as at		
	30 June	30 June 2014 categorised into		
	2014	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Recurring fair value measurement</b>				
Financial assets:				
Derivative financial instruments				
– Copper future contracts	3,809	3,809	–	–

#### (b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2014 and 30 June 2015.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2015

### 22. CAPITAL COMMITMENTS

Capital commitments outstanding at the end of the reporting period were as follows:

	<b>At 30 June 2015 RMB'000</b>	At 31 December 2014 RMB'000
Authorised but not contracted for in respect of acquisition of property, plant and equipment	–	–
Contracted for in respect of acquisition of:		
– Property, plant and equipment	<b>8,316</b>	39,707
	<b>8,316</b>	39,707

### 23. OPERATING LEASE COMMITMENTS

As at the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>At 30 June 2015 RMB'000</b>	At 31 December 2014 RMB'000
Less than 1 year	<b>8</b>	288
Over 1 year but less than 5 years	–	–
	<b>8</b>	288



## Management Discussion and Analysis

### PROSPECTS

During the first half year of 2015, as the growth of global economy continued to present a downward trend and the growth of trading industry was weak, the road to global economic recovery would still be winding. Yet, despite the slowdown of economic growth in the face of pressure exerted on economic transformation and structural adjustments, it appeared to be more obvious that China was gaining a good momentum. With the combined impact of the general fall in international commodity prices in the non-ferrous metal industry, excess production capacity and other factors, the downward pressure on prices of copper in the medium to long run was still high. And as a result, the development of the industry has entered a period of strategic adjustments. Although copper prices experienced a short-term rebound in the first half of 2015, given the strong U.S. dollar, it is expected that copper prices will search for a bottom after continuous volatility. In spite of the difficulties experienced in the course of adjustments regarding the copper processing industry as a whole, with strategies developed by the newly-formed core management team and unremitting efforts of employees, the Group recorded significant profit growth as compared to the corresponding period of last year. Specific measures are as follows:

We integrated our resources and focused on the establishment of talent echelon. Also, we adjusted our internal organizational structure to improve the management system. Through closing, merging and incorporation of the entities within the Group, we rationalized our mechanism to further consolidate and optimize our resources. We focused on the recruitment of “top-tier” professionals, paid more efforts to train management officers, created the position of assistant to department head and trained a team of talents familiar with specialized technologies and management skills.

We were able to maintain our industry-leading position through innovation and continuous R&D. We introduced advanced technology management teams from overseas to refine our production techniques, and therefore enhanced the products yield and stabilized the quality. Through collaborating with renowned overseas and domestic universities and colleges, R&D offices and laboratory factories were established to focus on the development and commercial production of high-tech copper-based alloys strip products, aimed to substitute imported products.

We upgraded the management competence to sharpen our core competitiveness. We aim to improve the establishment of our information platform by introducing an advanced data collection and management system, and a workshop-based unit verification system and a product-based cost calculation system are being established to enhance the control on capital and logistics, thus upgrading the management standard and efficiency of the Group.

Our management believes, with the stable and positive development trend seen in the first half of 2015 and the collective endeavors of all employees, the Group will continue to deliver solid growth in earnings and be able to secure the industry-leading position through continuous improvements in production and management.

Meanwhile, the new management team led by the Group’s chief executive officer is actively considering our development direction and finding ways to search for investment with better yield in the internet era, thus creating more value for the Group and its shareholders.

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue and gross profit

The Group's revenue for the six months ended 30 June 2015 amounted to RMB1,476.0 million, representing a decrease of 11.5% compared to RMB1,667.4 million of the corresponding period in 2014. Sales generated from the sale of high precision copper plates and strips, provision of processing services and trading of raw materials amounted to RMB1,277.7 million, RMB71.9 million and RMB126.4 million respectively (for the six months ended 30 June 2014: RMB1,291.2 million, RMB67.7 million and RMB308.5 million respectively). For the six months ended 30 June 2015, 86.6%, 4.9% and 8.5% of total revenue was derived from the sales of high precision copper plates and strips, provision of processing services and trading of raw materials respectively (for the six months ended 30 June 2014: 77.4%, 4.1% and 18.5% respectively). The volume of sales of high precision copper plates and strips, provision of processing services and trading of raw material were 31,417 tonnes, 13,917 tonnes and 3,914 tonnes respectively, making 63.8%, 28.3% and 7.9% of the total.

The decrease in revenue was mainly because the Group had reduced the volume of raw material trading during the current interim period as compared with that of the corresponding period last year.

The overall gross profit of the Group for the period under review increased to 8.7% from 7.8% of the corresponding period in 2014, which was mainly due to a decrease in production cost per ton as a result of improvement of efficiency.

### Other income

During the six months ended 30 June 2015, the Group's other income amounted to RMB13.2 million in total, representing an increase of 18.9% compared to RMB11.1 million of the corresponding period of last year, which was mainly attributable to an increase in government grants by RMB3.2 million.

### Other net gains and losses

For the six months ended 30 June 2015, the Group recorded other net gains amounting to RMB21.4 million while recording other net losses of RMB19.4 million for the corresponding period of last year. Such increase was mainly due to i) the write-off of equipments of approximately RMB14.3 million which were scrapped in the corresponding period of last year because they were no longer in use; ii) an impairment loss of approximately RMB19.3 million in respect of an idle equipment recognised in the corresponding period of last year; iii) an increase in gain from hedging activities involving copper futures contracts by RMB2.6 million to RMB16.0 million in the current interim period from RMB13.4 million in the same period of last year; and iv) the recording of a net foreign exchange gain of RMB2.1 million in the current interim period while recording a net loss of approximately RMB2.8 million in the same period of last year.



## Management Discussion and Analysis

### Distribution expenses

For the six months ended 30 June 2015, the ratio of distribution expenses to revenue rose to 0.89% as compared to 0.68% of the corresponding period of last year.

### Administrative expenses

For the six months ended 30 June 2015, the Group's administrative expenses increased by 13.3% to RMB90.3 million from RMB79.7 million in the same period of last year, which was attributable to an increase in research and development expenses by RMB15.3 million to RMB58.1 million from RMB42.8 million of the corresponding period of last year.

### Finance costs

Including the financial costs capitalized for construction in progress amounting to RMB8.8 million (corresponding period of last year: RMB3.8 million), the Group's finance costs for the six months ended 30 June 2015 amounted to RMB29.1 million, representing an increase of 19.6% compared to that of RMB24.3 million of the corresponding period of last year, which was mainly due to an increase in long-term bank borrowings.

### Income tax

For the six months ended 30 June 2015, the Group's income tax expense was RMB6.1 million (corresponding period of last year: RMB2.5 million). The effective tax rate decreased to 15.4% in the six months ended 30 June 2015 from 22.6% for the corresponding period of last year, which was primarily attributable to the fact that Ningbo Xingye Shengtai Group Ltd. ("Shengtai") was certified as a "High Technology and Innovative Enterprise" in October 2014 and entitled to the preferential income tax rate of 15% instead of the statutory income tax rate of 25% since then. For the six months ended 30 June 2014, the tax provision of Shengtai was calculated using the applicable rate of 25%.

### Profit attributable to owners of the Company

The profit attributable to owners of the Company for the six months ended 30 June 2015 amounted to RMB31.9 million, representing an increase of RMB24.1 million compared to that of RMB7.8 million of the corresponding period of last year.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, the Group recorded net current liabilities of RMB92.2 million, which was primarily due to capital expenditure made in current period under review being largely financed by short-term bank borrowings. Capital expenditures are used to purchase manufacturing equipment, land and buildings according to the development plan of the Group.

As a percentage of total interest-bearing borrowings, the short-term interest-bearing borrowings represented 68.3% as at 30 June 2015. As at the date of this report, the Group had not experienced any difficulty in raising funds by securing and rolling over the short-term loans borrowed from various banks in the PRC, which were renewed on an annual basis in accordance with local market practice.

## Management Discussion and Analysis

Despite the net current liability as at 30 June 2015, owing to the Group's ability to generate cash from operating activities, good credit standing and relationships with principal lending banks and available undrawn banking facilities of RMB552.5 million that will not expire within 12 months from 30 June 2015 (including long term loan facilities amounted to RMB135.4 million effective until 2017) and cash at banks of RMB143.7 million (comprised pledged deposits of RMB64.1 million and cash and cash equivalents of RMB79.6 million) respectively. Based on the previous experience and the Group's relationships with its principal lending banks, the board of directors of the Company (the "Board") believes that the Group can roll over the existing short-term bank borrowings upon maturity in the coming year. The Board is confident that the Group has adequate financial resources to sustain its working capital requirement and meet its foreseeable debt repayment requirements.

As at 30 June 2015, the Group had outstanding bank loans of approximately RMB833.2 million, of which RMB569.2 million shall be repaid within 1 year. As at 30 June 2015, 91.9% of the Group's debts was on secured basis.

The gearing ratio in the period under review was 39.5% (31 December 2014: 46.0%), which is calculated by dividing the total borrowings over the total assets.

### Charge on assets

As at 30 June 2015, the Group pledged assets with an aggregate carrying value of approximately RMB1,023.9 million (31 December 2014: RMB975.3 million) to secure bank loans and facilities of the Group.

### Capital expenditure

For the six months ended 30 June 2015, the Group has invested approximately RMB105.7 million for purchase of property, plant and equipment. These capital expenditures were financed by bank borrowings.

### Capital commitments

As at 30 June 2015, the Group had contracted but not provided for future capital expenditures amounting to RMB8.3 million.

### Contingent liabilities

As at 30 June 2015, the Group did not have any significant contingent liabilities.

## MARKET RISK

The Group is exposed to various types of market risks, including price risk, interest rate risk and foreign exchange risk.



## Management Discussion and Analysis

### Price risk

The Group is exposed to raw material price fluctuations. Cathode copper, alloy trimmings, zinc, tin, nickel and other metals are the principal raw materials used in the production of the Group's products. The Group had made such purchases at market prices. In addition, sales of all products of the Group were conducted according to market price, which might fluctuate and was beyond our control. Therefore, fluctuations in the prices of raw materials may have an adverse effect on the results of the Group's operations.

The Group uses its Shanghai Futures Exchange and London Metal Exchange copper futures contracts to hedge against fluctuations in copper price. The Group recorded a gain on futures contracts of approximately RMB16.0 million for the six months ended 30 June 2015, which was approximately RMB13.4 million in the corresponding period of last year.

### Interest rate risk

In addition to short-term deposits, the Group has no significant interest-bearing assets. Therefore, the Group's income and operating cash flows are, to a large extent, independent of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to fluctuations in interest rates on bank borrowings. The Group's exposure to debt is used for general corporate purposes, including capital expenditures and working capital needs. The Group's bank borrowings bear interest rates that are subject to adjustment by lenders in accordance with changes of the relevant regulations of the People's Bank of China ("PBOC"). The Group's financing costs will increase when the PBOC raises interest rates. Fluctuations in interest rates will affect the cost of undertaking new debts. The Group had not entered any interest rate swap to hedge against exposure to interest rate risk.

### Foreign exchange risk

The Group's export sales and certain part of the purchase of raw materials were denominated in foreign currencies, primarily U.S. dollars. Therefore, fluctuations in the exchange rate may have an impact on the Group's operating results. The Group has not entered into any foreign exchange contract to hedge against foreign exchange rate risk. For the period under review, the Group had recorded a net foreign exchange gain of RMB2.1 million while recording a net loss of RMB2.8 million for the corresponding period in 2014.

### Employees

As at 30 June 2015, the total number of the Group's employees was 1,202 (30 June 2014: 1,253). Remuneration policies are reviewed periodically to ensure that the Group is offering competitive employment packages to our employees. The employees' benefits include salaries, pensions, medical insurance scheme and other applicable social insurance. Promotion and salary increments are assessed in accordance with performance. The Group's business growth depends on its employees' skills and contributions. The Group believes in the important position of human resources in a highly competitive industry and has devoted resources for training its employees. The Group has established an annual training program for our new employees so that the new employees can master the basic skills required to perform their duties, and existing employees can enhance or upgrade their skills.

## Other Information

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and short positions of the directors ("Directors") and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

#### Interest in Shares of HK\$0.10 each of the Company

Name of Directors	Capacity	Number of ordinary shares held	Approximate percentage of shareholding (Note 1)
Hu Changyuan	Founder of a discretionary trust	265,200,000 (Note 2)	37.82%
Hu Minglie	Beneficial owner	400,000	0.06%
Chen Jianhua	Beneficial owner	1,480,000	0.21%
Wang Jianli	Beneficial owner	1,060,000	0.15%
Ma Wanjun	Beneficial owner	1,060,000	0.15%
Chai Chaoming	Beneficial owner	134,000	0.02%
Mao Xuechang	Beneficial owner	500,000	0.07%

*Notes:*

1. The percentages are calculated based on the total issued number of shares of 701,201,950 as at 30 June 2015.
2. These 265,200,000 shares were held by Luckie Strike Limited and Come Fortune International Limited which were wholly owned by Dynamic Empire Holdings Limited. The entire issued share capital of Dynamic Empire Holdings Limited was beneficially owned by the Hu Family Trust which was founded by Mr. Hu Changyuan. Mr. Hu Changyuan was deemed to be interested in these shares by virtue of the SFO.

Save as disclosed above and share options stated in the paragraph headed "Share Option Scheme" below, as at 30 June 2015, none of the Directors or chief executive of the Company held or was deemed to hold any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or were required to be recorded in the register required to be kept pursuant to section 352 of the SFO, or is otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.



## Other Information

### SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 1 December 2007. Details of such share option schemes are set out in the published annual report of the Company for the year ended 31 December 2014.

The following table discloses movements in the Company's share options during the period:

Name or type of grantee	Date of grant	Exercisable period	Exercise price per share HK\$	Number of share options				Outstanding as at 30 June 2015	Approximate percentage of the total number of issued shares of the Company (Note 1)
				Outstanding as at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period		
<b>Directors</b>									
Hu Changyuan	1-4-2014	1-4-2014 to 31-3-2015	0.65	500,000	-	-	500,000	-	-
Chen Jianhua	1-4-2014	1-4-2014 to 31-3-2015	0.65	2,000,000	-	-	2,000,000	-	-
Wang Jianli	1-4-2014	1-4-2014 to 31-3-2015	0.65	4,500,000	-	-	4,500,000	-	-
Ma Wanjun	1-4-2014	1-4-2014 to 31-3-2015	0.65	3,500,000	-	-	3,500,000	-	-
Mao Xuechang	26-5-2014	26-5-2014 to 31-3-2015	0.53	500,000	-	500,000	-	-	-
Chai Chaoming	1-4-2014	1-4-2014 to 31-3-2015	0.65	99,000	-	-	99,000	-	-
Cui Ming (Note 3)	1-4-2014	1-4-2014 to 31-3-2015	0.65	99,000	-	-	99,000	-	-
Li Li (Note 4)	1-4-2014	1-4-2014 to 31-3-2015	0.65	99,000	-	-	99,000	-	-
				11,297,000	-	500,000	10,797,000	-	-
<b>Employees</b>									
	1-4-2014	1-4-2014 to 31-3-2015	0.65	1,000,000	-	-	1,000,000	-	-
	26-5-2014	26-5-2014 to 31-3-2015	0.53	1,600,000	-	1,200,000	400,000	-	-
				2,600,000	-	1,200,000	1,400,000	-	-
				13,897,000	-	1,700,000	12,197,000	-	-

## Other Information

### Notes:

1. The percentages are calculated based on the total issued shares of 701,201,950 as at 30 June 2015.
2. The vesting period of the share options is from the date of grant until the commencement of the exercisable period.
3. Mr. Cui Ming has resigned as an independent non-executive Director on 19 January 2015.
4. Ms. Li Li has resigned as an independent non-executive Director on 14 January 2015.
5. The weighted average closing share price immediately before the date of exercise of share options was HK\$0.62.

### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2015, the following persons or corporations (other than Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity	Number of ordinary shares	Approximate percentage of shareholding (Note 1)
Luckie Strike Limited	Beneficial owner	110,000,000(L)	15.69%
Come Fortune International Limited	Beneficial owner	155,200,000(L)	22.13%
Dynamic Empire Holdings Limited (Note 2)	Interest of a controlled corporation	265,200,000(L)	37.82%
Barclays Wealth Trustees (Singapore) Limited (Note 2)	Trustee (other than a bare trustee)	265,200,000(L)	37.82%
Barclays PLC (Note 3)	Interest of a controlled corporation	32,000(S)	0.005%
		32,000(L)	0.005%
	Trustee (other than a bare trustee)	265,200,000(L)	37.82%
Yu Yuesu (Note 4)	Interest of spouse	265,200,000(L)	37.82%

The letter "S" denotes a short position in the share

The letter "L" denotes a long position in the share



## Other Information

### Notes:

1. The percentages are calculated based on total number of issued shares of 701,201,950 as at 30 June 2015.
2. The shares were held by Luckie Strike Limited and Come Fortune International Limited which was wholly owned by Dynamic Empire Holdings Limited. The entire issued share capital of Dynamic Empire Holdings Limited was beneficially owned by the Hu Family Trust, the trustee of which was Barclays Wealth Trustees (Singapore) Limited. Dynamic Empire Holdings Limited was deemed to be interested in all the shares in which Luckie Strike Limited and Come Fortune International Limited is interested by virtue of the SFO. Barclays Wealth Trustees (Singapore) Limited was deemed to be interested in all the shares in which Dynamic Empire Holdings Limited was interested by virtue of the SFO. The shares registered in the name of Luckie Strike Limited and Come Fortune International Limited was also disclosed as the interest of Mr. Hu Changyuan in the section headed "Directors and chief executive's interests in shares, underlying shares and debentures" above.
3. Barclays PLC, through its 100% controlled corporations, is interested in (i) an aggregate of 265,232,000 shares (including unlisted derivative interests of 3,000 shares with cash settled in long position) and (ii) 32,000 shares in short position. Among them, 265,200,000 shares were held by Barclays Wealth Trustees (Singapore) Limited as trustee. Barclays Wealth Trustees (Singapore) Limited was wholly owned by Barclays PLC. Barclays PLC was deemed to be interested in all the shares in which Barclays Wealth Trustees (Singapore) Limited was interested by virtue of the SFO.
4. Ms. Yu Yuesu is deemed to be interested in these shares under the SFO by virtue of being the spouse of Mr. Hu Changyuan.

Save as disclosed herein, as at 30 June 2015, so far as the Directors are aware, there were no other person, other than the Directors and chief executive of the Company, who had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

### PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 3 July 2015, the Group completed a placing of new shares (the "Placing Shares") under general mandate (the "Placing"). An aggregate of 109,914,000 Placing Shares (representing approximately 13.55% of the issued share capital of the Company as enlarged by the 109,914,000 Placing Shares) have been allotted and issued to not less than six placees at the placing price of HK\$0.88 per Placing Share. The gross proceeds from the Placing of 109,914,000 Placing Shares at the Placing Price of HK\$0.88 per Placing Share are approximately HK\$96.72 million and the net proceeds, after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing, are approximately HK\$95.49 million. Right after the Placing, the total number of shares in issue of the Company is 811,115,950. Details of the Placing can be made reference to the announcements on 22 June 2015 and 3 July 2015.

## Other Information

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than disclosed above under the paragraph headed "Share Option Scheme", at no time during the period under review were the Company or its subsidiaries parties to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive of the Company, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

### AUDIT COMMITTEE

The audit committee of the Board has reviewed with the management the accounting principles and practices adopted by the Group and discussed the financial reporting matters including the review of the interim report for the period under review prepared in accordance with the International Financial Reporting Standards.

The accounting information given in the interim report for the six months ended 30 June 2015 has not been audited.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the period under review.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2015.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

### INTERIM DIVIDEND

The Board does not declare the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).



## Other Information

### CHANGES OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Changes in the information of Directors of the Company since the disclosure made in the annual report of the Company for the year ended 31 December 2014, that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

1. Each of Mr. Dai Jianchun, Mr. Mao Xuechang and Mr. Chai Chaoming is entitled to a Director's fee of HK\$102,000 per annum with effect from April 2015.
2. Mr. Dai Jianchun has been re-designated from an independent non-executive Director of the Company to a non-executive Director of the Company for a term of 3 years commencing on 17 August 2015 and has resigned as the chairman and a member of the remuneration committee of the Company with effect from 17 August 2015.

By order of the Board

**Xingye Copper International Group Limited**

**Hu Changyuan**

*Chairman*

Hong Kong, 26 August 2015