

Section VIII Financial Report

I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Interim Balance Sheet

	Note	RMB'000	2015-12-31 RMB'000 (audited)
Property, plant and equipment	6		10,806,529
Leasehold land and land use rights	7		1,067,429
Intangible assets	8		153,912
Investments in joint ventures	9		46,449
Long-term prepaid rental expenses			44,851
Deferred income tax assets	10		204,649
			<u>12,323,819</u>
Inventories			2,494,921
Trade and other receivables	11		3,783,579
Derivative financial instruments			13,687
Restricted cash			5,905,158
Cash and cash equivalents			<u>12,197,345</u>
Assets of disposal group classified as held-for-sale	12		320,468
			<u>12,517,813</u>
			<u>24,841,632</u>
Share capital	13		2,508,618
Share premium	14		6,202,553
Other reserves	14		1,098,091
Retained earnings			6,614,026
			<u>16,423,288</u>
			<u>6,439</u>
			<u>16,429,727</u>

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I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

Condensed Consolidated Interim Balance Sheet (Continued)

	Note	RMB'000	2015-12-31 RMB'000 (audited)
Borrowings	15		848,000
Deferred income tax liabilities	10		92,583
Deferred income on government grants	16		368,472
			1,309,055
Trade and other payables	17		2,940,670
Current income tax liabilities			262,137
Borrowings	15		3,871,051
Derivatives financial instruments			925
Current portion of deferred income on government grants	16		18,515
			7,093,298
Liabilities of disposal group classified as held-for-sale			9,552
			7,102,850
			8,411,905
			24,841,632

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I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

Condensed Consolidated Interim Income Statement

	Note	RMB'000	Accumulated in June 2015 RMB'000 (Unaudited)
Cost of sales			6,591,325 -3,838,748
Distribution costs			2,752,577
Administrative expenses			-494,713
Research and development expenses			-556,487
Other income			-297,006
Other gains/(losses) – net	18		26,472 -30,916
Finance income	19		1,399,927
Finance costs			9,716 -94,721
Share of profit of joint ventures			-85,005 2,884
Income tax expense	20		1,317,806 -99,924
			1,217,882
Equity holders of the Company			1,215,259
Non-controlling interests			2,623
			1,217,882
– Basic and diluted earnings per share (expressed in RMB per share)	21		0.54
	22		–

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I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

Condensed Consolidated Interim Statement of Comprehensive Income

Note	RMB'000	Accumulated in June 2015 RMB'000 (Unaudited)
		1,217,882
<i>Items that may be subsequently reclassified to profit or loss</i>		
Currency translation differences		-5,684
		-5,684
		1,212,198
Equity holders of the Company		1,209,575
Non-controlling interests		2,623
		1,212,198

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I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

Condensed Consolidated Interim Statement of Changes in Equity (Continued)

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		
	2,002,986	184,347	873,803	5,752,510	8,813,646	4,320	8,817,966
Profit for the period				1,215,259	1,215,259	2,623	1,217,882
Currency translation differences – the Group			-5,684		-5,684		-5,684
			-5,684	1,215,259	1,209,575	2,623	1,212,198
Proceeds from issuance of shares	505,632	6,010,191			6,515,823		6,515,823
Dividends declared for 2014				-1,502,239	-1,502,239		-1,502,239
Others			-1		-1		-1
	505,632	6,010,191	-1	-1,502,239	5,013,583		5,013,583
	2,508,618	6,194,538	868,118	5,465,530	15,036,804	6,943	15,043,747

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I.

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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), which was established in the People's Republic of China (the "PRC") on 14 April 1987 as a sino-foreign equity joint venture. On 21 June 1992, the Company was converted into a sino-foreign joint stock company with limited liability under the PRC Company Law and was renamed as Fuyao Glass Industry Group Co., Ltd. (福耀玻璃工業集團股份有限公司).

The Company's shares have been listed on both the SSE ("A shares") and the Hong Kong Stock Exchange ("H shares"). As at June 30, 2016, the Company had 2,002,986,332 A shares and 505,631,200 H shares in total, among which, Mr. Cho Tak Wong (曹德旺), the single largest shareholder, held (directly and indirectly through Sanyi Development Ltd. and Home Bridge Overseas Ltd.) 16.06% equity interests in the Company. Together with the 1.37% equity interests in the Company held by his spouse Ms. Chan Fung Ying, Mr. Cho Tak Wong was deemed to directly and indirectly hold 17.43% equity interests in the Company in total.

The address of the Company's registered office is Fuyao Industrial Zone, Rongqiao Economic & Technological Development Zone, Fuqing City, Fujian Province, the PRC. The Company and its

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

2. Accounting Policies *(Continued)*

(Continued)

- Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment entities: applying the consolidation exception”
- Amendments to IAS 1 “Disclosure initiative”

The adoption of the above new standard, amendments and improvements starting from January 1, 2016 did not give rise to any significant impact on the Group’s results of operations and financial position for the six months ended June 30, 2016.

The Group has not early adopted any new accounting and financial reporting standards, amendments and improvements to existing standards which have been issued but are not yet effective for the financial year ending on December 31, 2016.

3. Financial Risk Management

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 2015.

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

3. Financial Risk Management *(Continued)*

The 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 to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings, including interest payables				
Derivative financial instruments				
Financial liabilities included in trade payables and other payables				
	3,964,730	811,667	52,547	4,828,944
	925	-	-	925
	<u>2,461,953</u>	<u>-</u>	<u>-</u>	<u>2,461,953</u>
	<u>6,427,608</u>	<u>811,667</u>	<u>52,547</u>	<u>7,291,822</u>

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

3. Financial Risk Management *(Continued)*

(a) The table below analyses the Group's financial instruments carried at fair value as at 31 December 2015 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

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

	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
– forward foreign exchange contract – short call on foreign exchange				
– forward foreign exchange contract	–	825	–	825
– short call on foreign exchange	–	100	–	100
	–	925	–	925

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

3. Financial Risk Management (*Continued*)

(*Continued*)

- (b) Valuation techniques used to derive Level 2 fair values

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

- (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 carrying amount:

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

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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

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

4. Critical Accounting Estimates and Judgements (*Continued*)

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 income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or 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 taxation charges in the period in which such estimate is changed.

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 for impairment at each balance sheet date.

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 the higher of 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:

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

5. Segment Information

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.

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

6. Property, Plant and Equipment

	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Opening net book amount as at January 1, 2016						
Transfer						
Other additions						
Disposals						
Depreciation						
Currency translation difference						
Closing net book amount as at June 30, 2016						
	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
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
Currency translation difference	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

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

7. Leasehold Land and Land Use Rights

	RMB'000	2015 RMB'000
Opening net book amount		874,692
Currency translation difference		-5
Additions		14,366
Disposals		
Amortisation charges		-10,056
Closing net book value		878,997

8. Intangible Assets

	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Opening net book amount as at January 1, 2016						
Currency translation difference						
Additions						
Disposals						
Amortisation charges						
Closing net book amount as at June 30, 2016						

	Goodwill RMB'000	Patents RMB'000	License fee RMB'000	Computer software RMB'000	Others RMB'000	Total RMB'000
Opening net book amount as at January 1, 2015	74,678	8,393	41,472	14,852	17,482	156,877
Currency translation difference			-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

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

9. Investments in Joint Ventures

	RMB'000	2015 RMB'000
Opening balance		161,045
Disposal of joint ventures		-34,571
Dividends received		-75,784
Share of results		2,884
Closing balance		53,574

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:

	RMB'000	RMB'000
As at January 1, 2016		
Recognised in the consolidated income statement As at June 30, 2016		
As at January 1, 2015	189,318	73,755
Recognised in the consolidated income statement As at June 30, 2015	-6,236 183,082	7,012 80,767

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

11. Trade and Other Receivables

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
Notes receivables		569,748
Trade receivables		2,758,178
Less: provision for impairment		-32
Trade receivables – net		3,327,894
Other receivables		73,501
Less: provision for impairment		
Other receivables – net		73,501
	<i>(Note 24(3))</i>	
Trade receivables		4,259
Other receivables		170
		<u>4,429</u>
Prepayments		178,812
Prepaid current income tax and value-added tax recoverable and refundable		198,943
		<u>377,755</u>
		<u>3,783,579</u>

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (*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, 2016 and December 31, 2015 was as follows:

	RMB'000	As at December 31, 2015 RMB'000
Trade receivables – gross		
– Within 3 months		2,947,352
– 3 to 6 months		347,466
– 6 to 12 months		24,990
– Over 1 year		8,118
		<hr/>
		3,327,926

12. Assets and Liabilities of Disposal Group Classified as Held-for-Sale

The assets and liabilities related to Fuyao Group Shuangliao Co., Ltd. (福耀集團雙遼有限公司), a 100% owned subsidiary of the Group, was presented as held-for-sale. Pursuant to the equity transfer agreement with Jinyuan Glass Manufacturing Co., Ltd. (“Jinyuan Glass”), an independent third party, Jinyuan Glass will purchase 100% shares of Fuyao Group Shuangliao Co., Ltd., at a cash consideration of RMB390,000,000.

As at June 30, 2016, Jinyuan Glass has paid RMB95,000,000 to the Group and the remaining is expected to be settled in 2016.

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

12. Assets and Liabilities of Disposal Groups Classified as Held-for-Sale *(Continued)*

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
Land use rights		10,501
Property, plant and equipment		189,957
Intangible assets		230
Deferred income tax assets		80
Inventories		117,730
Trade and other receivables		895
Cash and cash equivalents		1,075
		<u>320,468</u>

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
Trade and other payables		9,552
		<u>9,552</u>

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

13. Share Capital

	<i>Thousands</i>	<i>Thousands</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Issued and fully paid As at June 30, 2016 and as at January 1, 2016					
	Number of A shares <i>Thousands</i>	Number of H shares <i>Thousands</i>	A shares of RMB1 each <i>RMB'000</i>	H shares of RMB1 each <i>RMB'000</i>	Total shares capital <i>RMB'000</i>
Issued and fully paid As at January 1, 2015	2,002,986		2,002,986		2,002,986
Issue of H Shares ⁽¹⁾ As at June 30, 2015	2,002,986	505,632 505,632	2,002,986	505,632 505,632	505,632 2,508,618

- (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.

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

14. Share Premium and Other Reserves

	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at January 1, 2016					
Foreign currency translation differences					
As at June 30, 2016					
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
Foreign currency translation differences			-5,684		-5,684
Disposal of joint ventures				-1	-1
As at June 30, 2015	6,194,538	1,102,138	-259,499	25,479	7,062,656

15. Borrowings

	<i>RMB'000</i>	As at December 31, 2015 <i>RMB'000</i>
Non-current		848,000
Current		3,871,051
Total borrowings		4,719,051

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

15. Borrowings (Continued)

Movement in borrowings is analysed as follows:

Opening net book amount as at January 1, 2016

Additions

Deduction

Closing net book amount as at June 30, 2016

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

4,874,268

16. Deferred Income on Government Grants

Current portion

Non-current portion

RMB'000

As at
December 31, 2015
RMB'000

18,515

368,472

386,987

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

17. Trade and Other Payables

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
Payables to third parties		834,815
Notes payable		460,160
Dividends payables		
Payables for purchasing of property, plant and equipment		369,553
Staff salaries and welfare payables		353,760
Accrued taxes other than income tax		73,202
Amount due to related parties <i>(Note 24(3))</i>		78,336
Advance from customers		33,985
Interest payables		22,643
Other payables and accruals		714,216
		<hr/>
		2,940,670

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
- Within 3 months		1,056,806
- 3 to 6 months		214,665
- 6 to 12 months		11,096
- over 1 year		12,408
		<hr/>
		1,294,975

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

18. Other Gains/(Losses) – Net

	RMB'000	2015 RMB'000
Exchange gains/(losses) – net		-5,672
Donation		-42,904
Loss on disposal of property, plant and equipment		-17,848
Changes in fair value of the derivative financial instruments		4,486
Gain on disposal of joint ventures (Note 1)		18,222
Gain on disposal of joint ventures		12,800
Others		-30,916

Note: In accordance with the strategic development plans of the Company, with the purpose of further centralizing resources for development of the core business – automobile glass, promotion of structure adjustment and optimizing of the assets of the Company, the Company and Fujian Wanda (a wholly-owned subsidiary of the Company) and Fujian Triplex Industrial Development Co., Ltd. entered into the Equity Transfer Agreement of Fuzhou Fuyao Mold Technology Co., Ltd. on March 19, 2016, pursuant to which the Company and Fujian Wanda have transferred a total of 100% of equity interests in Fuzhou Mold to Fujian Triplex. Fuzhou Mold completed the business registration procedures of the above equity transfer as at March 31, 2016.

19. Operating Profit

	RMB'000	2015 RMB'000
The following items have been charged to the operating profit during the period:		
Employee benefit expenses		956,916
Depreciation of property, plant and equipment (Note 6)		471,121
Transportation and storage expenses		235,013
Packing expenses		146,155
Amortisation of leasehold land and land use rights (Note 7)		10,056
Amortisation of intangible assets (Note 8)		5,971
Reversal of inventories to net realisable value		-527

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

20. Income Tax Expense

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

	RMB'000	2015 RMB'000
Current income tax		86,676
Deferred income tax <i>(Note 10)</i>		13,248
Income tax expense		99,924

The corporate 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.

Certain subsidiaries are qualified for new/high-tech technology enterprises status or Chinese western development enterprises status and enjoyed preferential income tax rate of 15% during the year.

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

20. Income Tax Expense *(Continued)*

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

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

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

German profits tax has been provided for at the rate of 30% 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 from using the statutory tax rates of 11% to 40% applicable as follows:

	RMB'000	2015 RMB'000
Profit before tax		1,317,806
Tax calculated at the applicable income tax rate		208,107
Tax effect of:		
Expenses not deductible for tax purpose		

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

21. 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 years.

		2015
Net profit attributable to the equity holders of the Company <i>(RMB'000)</i>		1,215,259
Weighted average number of ordinary shares in issue <i>(thousand)</i>		2,244,810
Basic earnings per share <i>(RMB)</i>		0.54

Section VIII Financial Report

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

23. Commitments

As at June 30, 2016 and December 31, 2015, capital expenditure contracted for but not yet performed is as follows:

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
Property, plant and equipment	_____	1,465,948

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:

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
No later than 1 year		21,572
Later than 1 year and no later than 2 year		21,572
Later than 2 year and no later than 5 year		21,572
	_____	64,716

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

24. 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 period ended June 30, 2016 and 2015:

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Section VIII Financial Report

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

24. Related Party Transactions *(Continued)*

Continuing transactions

(a) Sales of goods

	RMB'000	2015 RMB'000
Fujian Triplex Auto Services Co., Ltd.		
Hubei Jierui Automotive Glass Co., Ltd.		7,359
Fujian Hongxie Clutch Automobile Parts Co., Ltd.		9,939
Tri-Wall Packaging (Fuzhou) Co., Ltd.		1,821
Fujian Triplex Auto Parts Development Co., Ltd.		
Hunan Jierui Automotive Glass Co., Ltd.		881
Fujian Triplex Machinery Technology Co., Ltd.		
Fuzhou Fuyao Mold Technology Co., Ltd.		
Chongqing Hongxie Clutch Automobile Parts Co., Ltd.		123
		20,123
		20,123

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

24. Related Party Transactions *(Continued)*

(Continued)

Continuing transactions *(Continued)*

(b) Purchase of goods

	2015 RMB'000
Ningbo Hongxie Clutch Automobile Parts Co., Ltd.	50,811
Tri-Wall Packaging (Fuzhou) Co., Ltd.	65,421
Fujian Triplex Machinery Technology Co., Ltd.	
Fuzhou Fuyao Mold Technology Co., Ltd.	
Fujian Hongxie Clutch Automobile Parts Co., Ltd.	49,466
Chongqing Hongxie Clutch Automobile Parts Co., Ltd.	11,961
Fujian Triplex Auto Parts Development Co., Ltd.	
	<u>177,659</u>

(c) Rental income

	2015 RMB'000
Fujian Triplex Machinery Technology Co., Ltd.	
Fujian Triplex Auto Parts Development Co., Ltd.	
Chongqing Hongxie Clutch Automobile Parts Co., Ltd.	29
Fujian Hongxie Clutch Automobile Parts Co., Ltd.	4,442
Tri-Wall Packaging (Fuzhou) Co., Ltd.	66
	<u>4,537</u>

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Section VIII Financial Report

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

24. Related Party Transactions (Continued)

Amount due from related parties:

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
Accounts receivables (i)		4,259
Other receivables (ii)		170
Prepayments (iii)		2,843
		<u>7,272</u>

(i) Trade receivables:

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
– Fujian Triplex Auto Services Co., Ltd.		
– Fujian Hongxie Clutch Automobile Parts Co., Ltd.		2,466
– Hubei Jierui Automotive Glass Co., Ltd.		1,475
– Fujian Triplex Auto Parts Development Co., Ltd.		185
– Hunan Jierui Automotive Glass Co., Ltd.		131
– Fujian Triplex Machinery Technology Co., Ltd.		2
		<u>4,259</u>

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
Ageing analysis of trade receivables due from related parties are as follows:		
– Within 3 months		4,259
– 3 to 6 months		
		<u>4,259</u>

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

24. Related Party Transactions (Continued)

(Continued)

(ii) Other receivables:

	RMB'000	As at December 31, 2015 RMB'000
– Fujian Triplex Machinery Technology Co., Ltd.		
– Fujian Triplex Auto Parts Development Co., Ltd.		1
– Tri-Wall Packaging (Fuzhou) Co., Ltd.		88
– Ningbo Hongxie Clutch Automobile Parts Co., Ltd.		49
– Fuzhou Fuyao Mold Technology Co., Ltd.		
– Fujian Hongxie Clutch Automobile Parts Co., Ltd.		32
		170

(iii) Prepayment:

	RMB'000	As at December 31, 2015 RMB'000
– Fujian Triplex Machinery Technology Co., Ltd.		2,843
		2,843

Section VIII Financial Report

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

24. Related Party Transactions *(Continued)*

(Continued)

Amount due to related parties:

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
Trade payables <i>(iv)</i>		74,298
Other payables <i>(v)</i>		4,038
		<u>78,336</u>

(iv) Trade payables:

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
– Fujian Triplex Machinery Technology Co., Ltd.		4,172
– Ningbo Hongxie Clutch Automobile Parts Co., Ltd.		36,996
– Fujian Hongxie Clutch Automobile Parts Co., Ltd.		17,859
– Chongqing Hongxie Clutch Automobile Parts Co., Ltd.		6,858
– Tri-Wall Packaging (Fuzhou) Co., Ltd.		8,413
– Fujian Triplex Auto Parts Development Co., Ltd.		
– Fuzhou Fuyao Mold Technology Co., Ltd.		
		<u>74,298</u>

Section VIII Financial Report

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

24. Related Party Transactions *(Continued)*

(Continued)

(iv) Trade payables: *(Continued)*

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

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
– Within 3 months		69,680
– 3 to 6 months		1,264
– 6 to 12 months		3,354
		74,298

(v) Other payables to related parties:

	RMB'000	As at December 31, 2015 <i>RMB'000</i>
– Fuzhou Fuyao Mold Technology Co., Ltd.		2,995
– Ningbo Hongxie Clutch Automobile Parts Co., Ltd.		158
– Fujian Triplex Machinery Technology Co., Ltd.		787
– Fujian Hongxie Clutch Automobile Parts Co., Ltd.		98
– Tri-Wall Packaging (Fuzhou) Co., Ltd.		
		4,038