



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

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 0868)

2007
Interim Report

Contents

	<i>Page</i>
Financial Highlights	2
Chairman's Statement	3
Financial Review	6
Condensed Consolidated Balance Sheet	10
Condensed Consolidated Income Statement	12
Condensed Consolidated Statement of Changes in Equity	13
Condensed Consolidated Cash Flow Statement	14
Notes to the Condensed Consolidated Financial Information	15
Further information on the Group	36
Corporate Information	43

Financial Highlights

	Six months ended 30 June	Year ended 31 December	
	2007	2006	2006
(in HK\$'000)			
Turnover	1,224,197	701,579	1,933,173
Profit before taxation	319,325	145,344	401,793
Profit attributable to			
Company's shareholders	300,062	140,030	388,235
Dividends	144,420	64,186	176,512
Equity attributable to			
Company's shareholders	2,425,192	1,995,111	2,248,030
(number of ordinary shares ("Share") in '000)			
Weighted average number of Shares in issue	1,604,662	1,551,469	1,578,115
(in HK cents)			
Earnings per Share - basic	18.7	9.00	24.60
Earnings per Share - diluted	18.7	9.00	24.60
Dividends per Share	9.0	4.00	11.00
Equity attributable to			
Company's shareholders per Share	151.13	128.59	142.31

Chairman's Statement

BUSINESS REVIEW

Continuing the impressive performance in previous years, Xinyi Glass Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) recorded substantial business growth during the six-month period ended 30 June 2007. The Group’s turnover and net profit reached approximately HK\$1,224.2 million and HK\$300.1 million, respectively, representing a period-to-period increase of approximately 74.5% and 114.3%, respectively, as compared to HK\$701.6 million and HK\$140.0 million for the six months ended 30 June 2006.

BUSINESS OUTLOOK

The Group’s third high quality float glass production line with a daily melting capacity of 500 tonnes commenced its trial operation in June 2007. A photovoltaic glass production line of a daily melting capacity of 300 tonnes and a high quality float glass production line of a daily melting capacity of 900 tonnes will be built in the second half of 2007.

The Group achieved impressive growth in the first half of 2007 with total turnover grew by approximately 74.5% to approximately HK\$1,224.2 million. This was primarily due to the substantial increase in the sales of the Group’s automobile glass products in both the PRC and overseas markets. The Group accelerated global marketing efforts for high quality automobile glass and strengthened our long-term partnership with selected automobile manufacturers and wholesalers in different countries. The Group continues to be the largest automobile glass and windshield exporter in the PRC, a position we have maintained since 2004.

In April 2007, the final results of “Sunset Review” of US Department of Commerce has revoked the PRC automotive replacement glass windshield antidumping duty order that no anti-dumping duty is imposed on the automotive windshields sold by the Group to customers in the US. This latest development strengthens the Group’s already leading position in North America market.

Our construction glass business also experienced significant improvement with operating result increased by 63.3% to approximately HK\$49.2 million for the six months ended 30 June 2007. This was a result of the Group's continuous efforts to improve the product quality, production efficiency and strengthen the production and selling the environmental - friendly and energy - saving low emission coated glass products. In accordance with the government policy in the PRC and the increasing market demands, all new buildings in the PRC are expected to use not less than 50% of its materials with environmental - friendly and energy - saving functions by 2010. The "urbanization" scheme adopted in the PRC also increases the market demand.

Our float glass business achieved an impressive results with the turnover of HK\$180.1 million. The Group's high quality float glass successfully gained recognition both in PRC and overseas markets. The increasing market demand accelerated the demand for our float glass products with high production efficiency. Running a vertical integrated of float glass production line with economies of scale, the Group has better control on production costs and the logistics which enable the Group to continue to deliver a constant supply of a variety of high quality float glass products.

In 2006, we had two high quality float glass lines (500 and 700 daily melting tonnes) commenced their productions. At the end of 2007, two additional new high quality float glass lines (500 and 900 daily melting tones) and one 300 daily melting tones photovoltaic glass production glass for renewal energy business will be built and completed.

Looking ahead, the Group's business objective is to continue to enhance the product quality, explore new products, improve the production efficiency and strengthen the cost control, in order to meet the increasing demand and expectations from our existing and future customers, thereby to increase the market share and the competitiveness of the Group. The Directors are optimistic to the enormous PRC environmental - friendly and energy - saving glass products market. The Group recently acquired three low emission glass coating machines (two for construction glass market and one for automobile glass, Solar-X, market) which will be delivered in late 2007 and commence production in first half of 2008. These newly acquired production facilities will increase the Group's production capacity of low emission coated glass to fulfill the increasing market demand and strengthen the Group's leading position in the environmental and energy-saving glass products market.

Chairman's Statement

On the other hand, there is a trend that traditional single glazing glass design will be gradually changed to double glazing insulated glass design in order to meet the new PRC environmental - friendly and energy - saving standards. This change is expected to be one of the future growth drivers for high quality float glass business. The Group's blue print for future expansion will aim to capture additional business opportunities arising from this new market trend.

LEE Yin Yee

Chairman

Hong Kong, 13 August 2007

OPERATIONAL REVIEW

TURNOVER

During the six months ended 30 June 2007, the growth in turnover was mainly attributable to the significant surge in automobile glass and float glass sales. Our major long-standing customers in North America continued to increase automobile glass aftermarket orders. North America continued to be our largest overseas market during the six-month period.

In addition, sales of float glass were also a major growth driver for the six month ended 30 June 2007 as a result of the strong demand in the PRC as well as overseas markets. Sales of float glass products commenced in June 2006 and as such, its contribution to the results of the Group for the six months ended 30 June 2006 only represented the one-month sales performance.

GROSS PROFIT

Cost of sales for the six months ended 30 June 2007 increased by approximately 63.7% which is commensurate with the increase in the turnover. Gross profit was approximately HK\$492.6 million for the six months ended 30 June 2007, representing an increase of approximately 93.4% as compared to the six months ended 30 June 2006. The overall gross profit margin increased from approximately 36.3% for the six months ended 30 June 2006 to approximately 40.2% for the six months ended 30 June 2007, which was primarily due to better cost control and increasing vertical integration in the production process, thereby improving the production efficiency with a better product mix, i.e. with additional sales on the high value-added low-emission coated glass, during the six months ended 30 June 2007.

Financial Review

OTHER REVENUE

Other revenue for the six months ended 30 June 2007 was approximately HK\$16.5 million, as compared to approximately HK\$9.1 million in the same period in 2006, with the increase principally attributable to the increase in government grants received in the PRC under the “tax refund on reinvestment” scheme. For the six months ended 30 June 2007, the Group received approximately HK\$14.1 million government grants, representing an increase of approximately HK\$6.9 million over the amount received during the same period in 2006.

EARNINGS BEFORE INTERESTS AND TAXES (“EBIT”) AND OPERATING PROFIT

EBIT increased by approximately 123.9% for the six months ended 30 June 2007 as compared with the same period in 2006. Such increase is consistent with the increase in the turnover and the net profit of the Group during the six months ended 30 June 2007.

TAXATION

Tax payment amounted to HK\$18.3 million for the six months ended 30 June 2007, with effective tax rate increased slightly from 4.9% to approximately 5.7% with a major subsidiary of the Company in the PRC entering into the “50% tax-exemption period” in 2007, as compared to the full tax-exemption year in 2006.

NET PROFIT FOR THE PERIOD

Net profit for the six months ended 30 June 2007 was approximately HK\$300.1 million, representing an increase of approximately 114.3% as compared with the same period in 2006. The net profit margin for the period increased significantly to approximately 24.5%, as compared to 20.0% in 2006, which was principally due to the increase in the gross profit margin and better control in the administrative costs.

CAPITAL EXPENDITURE

For the six months ended 30 June 2007, the Group incurred an aggregate amount of approximately HK\$497.4 million for purchase of plant and machinery, construction of additional factory premises and the float glass production lines at the Group's production complex in Dongguan, the PRC. The Group also implemented various renovations at its production complex in Shenzhen, the PRC.

NET CURRENT LIABILITIES

As at 30 June 2007, the Group had net current liabilities of approximately HK\$39.7 million which were primarily attributable to increase in short - term bank borrowings for the capital expenditure of the Group. The net current liabilities position of the Group is expected to be returned as net current assets position by a long-term syndicated loan obtained on 14 August 2007.

FINANCIAL RESOURCES AND LIQUIDITY

In 2007, the Group's primary source of funding included cash generated from operating activities and credit facilities provided by principal banks in Hong Kong and the PRC. As at 30 June 2007, the net cash inflow from operating activities amounted to approximately HK\$357.1 million (2006: HK\$128.1 million). As at 30 June 2007, the Group had balances of cash and cash equivalent of approximately HK\$112.9 million (2006: approximately HK\$131.5 million).

The total bank borrowings as at 30 June 2007 were approximately HK\$607.8 million. Net debt gearing ratio, as calculated by dividing net total bank borrowings by total shareholders' equity, increased to approximately 20.4%, as compared to approximately 9.6% in 2006, principally due to the increased bank borrowings to finance the Group's capital expenditure during the period.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's transactions are mainly denominated in Renminbi, United States dollars and Hong Kong dollars with operations mainly in the PRC. As at 30 June 2007, its bank borrowings were denominated in Renminbi and Hong Kong dollars bearing interest rates ranging from 5.1% to 5.0% per annum. Hence, the Group's exposure to foreign exchange fluctuations was therefore minimal and did not experience any material difficulties and liquidity problems resulting from currency exchange fluctuation. The Group may utilize financial instruments for hedging purpose as and when required.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2007, the Group had 6,215 full-time employees of whom 6,176 were based in Hong Kong and the PRC with 39 based in other countries. The Group strives to maintain good working relationship with its employees and to provide the employees with sufficient training on updated business knowledge including applications of the Group's products and skills on maintaining long-term relationship with customers. Remuneration packages offered to the Group's employees are competitive and consistent with the industry practice. Discretionary bonuses may be awarded to employees after assessment of performance of the Group and an individual employee.

The Group's subsidiaries in the PRC participate in the required contribution retirement schemes which are administered by relevant government authorities in the PRC. The Group's employees in Hong Kong are all covered by retirement schemes adopted in accordance with the mandatory provident fund requirements under the applicable laws and regulations.

The Company also adopted a share option scheme on 18 January 2005 for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations. The Directors may, at their discretion, invite any employees and other selected participants as set out in the scheme, to accept options to be granted by the Group for subscription for the Shares. For the period up to the date of this interim report, 8,520,000 share options and 13,552,000 share options were granted under the share option scheme on 27 January 2006 and 1 July 2007, respectively, and 7,910,000 share options were outstanding as at 30 June 2007.

Condensed Consolidated Balance Sheet

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

		As at	
	Note	30 June 2007 (Unaudited)	31 December 2006 (Audited)
ASSETS			
Non-current assets			
Leasehold land and land use rights	5	127,161	128,539
Property, plant and equipment	6	2,026,838	1,790,017
Deposits for property, plant and equipment		319,017	121,109
Available-for-sale financial assets		500	500
Interest in an associate		10,904	11,932
Deferred income tax assets		2,608	3,676
		2,487,028	2,055,773
Current assets			
Inventories		400,306	371,081
Trade and other receivables	7	637,819	568,938
Amounts due from customers for contract work		72,740	61,222
Financial assets at fair value through profit or loss		9,558	15,231
Cash and cash equivalents			
Pledged		10,581	10,449
Unpledged		102,316	162,330
		1,233,320	1,189,251
Total assets		3,720,348	3,245,024
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	8	1,011,270	1,011,270
Other reserves	9	227,859	238,433
Retained earnings			
– Dividends		144,420	112,326
– Others		1,041,643	886,001
		2,425,192	2,248,030
Minority interest		(717)	(1,707)
Total equity		2,424,475	2,246,323

The notes on pages 15 to 35 are an integral part of these condensed consolidated financial information.

Condensed Consolidated Balance Sheet

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

		As at	
	Note	30 June 2007 (Unaudited)	31 December 2006 (Audited)
LIABILITIES			
Non-current liabilities			
Bank borrowings	11	22,833	79,917
		<u>22,833</u>	<u>79,917</u>
Current liabilities			
Trade and other payables	10	676,207	570,749
Amount due to customers on contract work		344	1,165
Bank borrowings	11	584,917	334,667
Current income tax liabilities		11,572	12,203
		<u>1,273,040</u>	<u>918,784</u>
Total liabilities		<u>1,295,873</u>	<u>998,701</u>
Total equity and liabilities		<u>3,720,348</u>	<u>3,245,024</u>
Net current (liabilities)/assets		<u>(39,720)</u>	<u>270,467</u>
Total assets less current liabilities		<u>2,447,308</u>	<u>2,326,240</u>

The notes on pages 15 to 35 are an integral part of these condensed consolidated financial information.

Condensed Consolidated Income Statement

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

		Unaudited Six months ended 30 June	
	Note	2007	2006
Sales	4	1,224,197	701,579
Cost of sales	12	(731,559)	(446,868)
Gross profit		492,638	254,711
Other revenue	4	16,491	9,143
Other gains		25,351	8,370
Selling and marketing costs	12	(142,768)	(76,030)
Administrative expenses	12	(60,581)	(51,053)
Operating profit		331,131	145,141
Finance income		1,609	1,533
Finance costs	13	(13,971)	(1,217)
Share of an associate's results		556	(113)
Profit before income tax		319,325	145,344
Income tax expense	14	(18,251)	(7,151)
Profit for the period		301,074	138,193
Attributable to:			
Equity holders of the Company		300,062	140,030
Minority interest		1,012	(1,837)
		301,074	138,193
Interim dividend		144,420	64,186
Earnings per Share for profit			
attributable to the equity holders of the Company during the period (expressed in HK cents per share)		HK cents per Share	HK cents per Share
– basic	16	18.7	9.0
– diluted	16	18.7	9.0

The notes on pages 15 to 35 are an integral part of these condensed consolidated financial information.

Condensed Consolidated Statement of Changes in Equity

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

	Note	Unaudited Attributable to equity holders of the Company				Total
		Share capital	Other reserves	Retained earnings	Minority interest	
Balance at 1 January 2006		824,975	122,493	800,094	2,517	1,750,079
Currency translation differences		—	(2,228)	—	—	(2,228)
Profit for the period		—	—	140,030	(1,837)	138,193
		<u>824,975</u>	<u>120,265</u>	<u>940,124</u>	<u>680</u>	<u>1,886,044</u>
Proceeds from Shares issued		191,326	—	—	—	191,326
Share issuance costs		(4,977)	—	—	—	(4,977)
Contribution from minority shareholders		—	—	—	610	610
Dividends paid to minority shareholders		—	—	—	(2,412)	(2,412)
Share-base payment		—	545	—	—	545
Dividends relating to 2005	15	—	—	(77,147)	—	(77,147)
		<u>186,349</u>	<u>545</u>	<u>(77,147)</u>	<u>(1,802)</u>	<u>107,945</u>
Balance at 30 June 2006		<u>1,011,324</u>	<u>120,810</u>	<u>862,977</u>	<u>(1,122)</u>	<u>1,993,989</u>
Balance at 1 January 2007		1,011,270	238,433	998,327	(1,707)	2,246,323
Currency translation differences		—	(11,162)	—	(22)	(11,184)
Profit for the period		—	—	300,062	1,012	301,074
		<u>1,011,270</u>	<u>227,271</u>	<u>1,298,389</u>	<u>(717)</u>	<u>2,536,213</u>
Share-base payment		—	588	—	—	588
Dividends relating to 2006	15	—	—	(112,326)	—	(112,326)
		<u>—</u>	<u>588</u>	<u>(112,326)</u>	<u>—</u>	<u>(111,738)</u>
Balance at 30 June 2007		<u>1,011,270</u>	<u>227,859</u>	<u>1,186,063</u>	<u>(717)</u>	<u>2,424,475</u>

The notes on pages 15 to 35 are an integral part of these consolidated financial information.

Condensed Consolidated Cash Flow Statement

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

		Unaudited Six months ended 30 June	
	Note	2007	2006
Cash flows from operating activities			
Cash generated from operations		391,945	150,720
Interest paid		(17,048)	(9,453)
Income tax paid		(17,814)	(13,172)
Net cash generated from operating activities		357,083	128,095
Cash flows from investing activities			
Payment for capital expenditure		(494,325)	(214,548)
Proceeds from disposals of property, plant and equipment		15	1,729
Purchase of financial assets at fair value through profit or loss		(32,920)	(17,290)
Disposal of financial assets at fair value through profit or loss		37,416	—
Loans advances to an associate		(7,270)	—
Loans repayments from an associate		8,854	—
Acquisition of a subsidiary and business		—	(2,826)
Interest received		1,609	1,533
Net cash used in investing activities		(486,621)	(231,402)
Cash flows from financing activities			
Net proceeds from new Shares issued		—	186,349
Proceeds from short-term bank borrowings		266,000	19,231
Repayments of short-term bank borrowings		(50,000)	(20,000)
Repayments of long-term bank borrowings		(22,834)	—
Contribution from minority shareholders		—	610
(Decrease)/increase in pledged bank deposits		(132)	665
Dividends paid to Company's equity holders	15	(112,326)	(77,147)
Dividends paid to minority shareholders		—	(2,412)
Net cash generated from financing activities		80,708	107,296
Net (decrease)/increase in cash and cash equivalents		(48,830)	3,989
Cash and cash equivalents at beginning of the year		162,330	129,779
Exchange difference on cash and cash equivalents		(11,184)	(2,228)
Cash and cash equivalents at 30 June		102,316	131,540

The notes on pages 15 to 35 are an integral part of these condensed consolidated financial informations.

Notes to the Condensed Consolidated Financial Information

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

1 GENERAL INFORMATION

The Company and the Group is principally engaged in the production and sales of automobile, construction and float glass products, which are carried out internationally, through production complexes located in the PRC.

The Company was incorporated in the Cayman Islands on 25 June 2004 as an exempted company with limited liability under the Company Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Island (the “**Cayman Companies Law**”). The ordinary shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 3 February 2005.

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2007 is presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The address of the principal place of business in Hong Kong is 95-99 Fuk Hi Street, Yuen Long Industrial Estate, Yuen Long, New Territories, Hong Kong.

This unaudited condensed consolidated interim financial information is presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated and has been approved for publication by the Board of Directors on 13 August 2007.

2 BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2007 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, ‘Interim financial reporting’ and should be read in conjunction with the annual financial statements for the year ended 31 December 2006.

3 ACCOUNTING POLICIES

The accounting policies applied in preparing this unaudited condensed consolidated interim financial information are consistent with those applied in preparing the financial statements for the year ended 31 December 2006.

Notes to the Condensed Consolidated Financial Information

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

4 SEGMENT INFORMATION

The Group is principally engaged in the production and sale of automobile, construction and float glass products. Revenues recognised by the Group are as follows:

	For the six months ended 30 June	
	2007	2006
Turnover		
Sales of goods	1,177,900	674,267
Construction contract revenue	46,297	27,312
	<u>1,224,197</u>	<u>701,579</u>
Other revenue		
Government grant (<i>Note</i>)	14,110	7,192
Rental income	1,881	821
Royalty income	500	1,130
	<u>16,491</u>	<u>9,143</u>

Note:

These amounts represent government grants given to a subsidiary of the Group in form of "tax refund on reinvestment" in relation to the Group's re-investment of dividends declared by a subsidiary in PRC and received by a subsidiary in PRC as additional capital contributions. Such grants were approved by the local tax bureau in accordance with relevant tax law of PRC.

Other gains

Other gains represent mainly net gain on disposals of other financial assets at fair value through profit or loss.

Notes to the Condensed Consolidated Financial Information

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

4 SEGMENT INFORMATION (Continued)

PRIMARY REPORTING FORMAT - BUSINESS SEGMENTS

At 30 June 2007, the Group was organised into three main business segments:

- Automobile glass — Manufacturing and sales of automobile glass
- Construction glass — Manufacturing, sales and installation of construction glass
- Float glass — Manufacturing and sales of float glass

The segment results for the period ended 30 June 2007 are as follows:

	Automobile glass (Unaudited)	Construction glass (Unaudited)	Float glass (Unaudited)	Group (Unaudited)
Sale				
Total gross segment sales	787,093	256,993	441,945	1,486,031
Inter-segment sales	—	—	(261,834)	(261,834)
	<hr/>	<hr/>	<hr/>	<hr/>
External sales	787,093	256,993	180,111	1,224,197
	<hr/>	<hr/>	<hr/>	<hr/>
Segment results	216,798	49,188	39,255	305,241
	<hr/>	<hr/>	<hr/>	
Unallocated other gains				41,453
Unallocated costs				(15,563)
				<hr/>
Operating profit				331,131
Finance income				1,609
Finance costs (Note 13)				(13,971)
Share of an associate's results			556	556
				<hr/>
Profit before income tax				319,325
Income tax expense (Note 14)				(18,251)
				<hr/>
Profit for the period				301,074
				<hr/>

Notes to the Condensed Consolidated Financial Information

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

4 SEGMENT INFORMATION (Continued)

PRIMARY REPORTING FORMAT - BUSINESS SEGMENTS (Continued)

The segment results for the period ended 30 June 2006 are as follows:

	Automobile glass (Unaudited)	Construction glass (Unaudited)	Float glass (Unaudited)	Group (Unaudited)
Sale				
Total gross segment sales	518,289	178,223	14,530	711,042
Inter-segment sales	—	—	(9,463)	(9,463)
External sales	518,289	178,223	5,067	701,579
Segment results	111,626	30,124	(6,329)	135,421
Unallocated other gains				17,138
Unallocated costs				(7,418)
Operating profit				145,141
Finance income				1,533
Finance costs (Note 13)				(1,217)
Share of an associate's results				(113)
Profit before income tax				145,344
Income tax expense (Note 14)				(7,151)
Profit for the period				138,193

Notes to the Condensed Consolidated Financial Information

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

4 SEGMENT INFORMATION *(Continued)*

PRIMARY REPORTING FORMAT - BUSINESS SEGMENTS *(Continued)*

Other segment terms included in the income statements are as follows:

Six months ended 30 June 2007

	Automobile glass	Construction glass	Float glass	Unallocated	Group
Depreciation <i>(Note 6)</i>	26,676	9,000	26,661	24	62,361
Amortisation <i>(Note 5)</i>	624	144	411	199	1,378

Six months ended 30 June 2006

	Automobile glass	Construction glass	Float glass	Unallocated	Group
Depreciation	21,859	9,129	4,714	24	35,726
Amortisation	521	74	732	—	1,327

The segment assets and liabilities at 30 June 2007 and capital expenditure for the six months ended 30 June 2007 then ended are as follows:

	Automobile glass	Construction glass	Float glass	Unallocated	Group
Assets	1,410,053	489,049	1,775,162	35,180	3,709,444
Associate	—	—	10,904	—	10,904
Total assets	1,410,053	489,049	1,786,066	35,180	3,702,348
Total liabilities	638,999	109,726	161,767	385,381	1,295,873
Capital expenditure	47,595	16,223	433,520	64	497,402

Notes to the Condensed Consolidated Financial Information

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

4 SEGMENT INFORMATION (Continued)

PRIMARY REPORTING FORMAT - BUSINESS SEGMENTS (Continued)

The segment assets and liabilities at 31 December 2006 and capital expenditure for the six months ended 30 June 2006 are as follows:

	Automobile glass	Construction glass	Float glass	Unallocated	Group
Assets	1,267,619	551,157	1,319,645	94,671	3,233,092
Associate	—	—	11,932	—	11,932
Total assets	<u>1,267,619</u>	<u>551,157</u>	<u>1,331,577</u>	<u>94,671</u>	<u>3,245,024</u>
Total liabilities	<u>438,156</u>	<u>154,128</u>	<u>109,132</u>	<u>297,285</u>	<u>998,701</u>
Capital expenditure	<u>42,751</u>	<u>3,353</u>	<u>168,370</u>	<u>74</u>	<u>214,548</u>

Segment assets consist primarily of leasehold land and land use rights, property, plant, equipment, inventories, receivables and operating cash.

Capital expenditure comprises additions to for property, plant, equipment, leasehold land, land use rights and deposits for property, plant and equipment.

Notes to the Condensed Consolidated Financial Information

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

4 SEGMENT INFORMATION *(Continued)*

SECONDARY REPORTING FORMAT - GEOGRAPHICAL SEGMENTS

The Group's revenue is mainly derived from customers located in the Greater China (including PRC, Hong Kong and Taiwan) and North America while the Group's business activities are conducted predominately in the Greater China. The following table provides an analysis of the Group's sales by geographical location of its customers.

Sales

	For the six months ended 30 June	
	2007	2006
Greater China <i>(Note (a))</i>	478,778	262,676
North America	444,276	286,157
Europe	117,417	33,111
Australia and New Zealand	60,518	45,058
Other countries <i>(Note (b))</i>	123,208	74,577
	<u>1,224,197</u>	<u>701,579</u>

Notes:

- (a) Greater China includes the PRC, Hong Kong and Taiwan.
- (b) Other countries included countries in Africa, South America, Asia (other than Greater China) and Middle East.

Notes to the Condensed Consolidated Financial Information

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

4 SEGMENT INFORMATION (Continued)

SECONDARY REPORTING FORMAT - GEOGRAPHICAL SEGMENTS

(Continued)

The following is an analysis of the carrying amount of segment assets and capital expenditure by the geographical area in which the assets are located.

Total assets

	As at	
	30 June 2007	31 December 2006
PRC	3,177,272	2,837,241
Hong Kong	516,612	392,734
Canada	25,493	14,454
Japan	971	595
	<u>3,720,348</u>	<u>3,245,024</u>

Capital expenditures

	For the six months ended 30 June	
	2007	2006
PRC	400,910	214,200
Hong Kong	96,312	155
Canada	125	148
Japan	55	45
	<u>497,402</u>	<u>214,548</u>

Notes to the Condensed Consolidated Financial Information

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

5 LEASEHOLD LAND AND LAND USE RIGHTS

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

	As at	
	30 June 2007	31 December 2006
In Hong Kong, held on:		
Leases of between 10 to 50 years	3,928	3,977
Outside Hong Kong, held on:		
Land use rights of between 10 to 50 years	<u>123,233</u>	<u>124,562</u>
	<u>127,161</u>	<u>128,539</u>

	As at	
	30 June 2007	31 December 2006
Opening	128,539	120,785
Exchange difference	—	4,669
Additions	—	5,779
Amortisation	<u>(1,378)</u>	<u>(2,694)</u>
	<u>127,161</u>	<u>128,539</u>

Notes to the Condensed Consolidated Financial Information

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

6 PROPERTY, PLANT AND EQUIPMENT

	Construction in progress	Buildings	Plant and machinery	Office equipment	Total
Opening net book amount as at 1 January 2007	114,214	484,363	1,180,590	10,850	1,790,017
Additions	279,993	81	18,541	879	299,494
Transfer upon completion	(56,891)	40,394	16,457	40	—
Disposals	—	—	(310)	(2)	(312)
Depreciation	—	(9,222)	(51,604)	(1,535)	(62,361)
Closing net book amount as at 30 June 2007	<u>337,316</u>	<u>515,616</u>	<u>1,163,674</u>	<u>10,232</u>	<u>2,026,838</u>

7 TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2007	31 December 2006
Trade receivables (Note (a))	498,959	445,586
Bills receivables (Note (b))	39,604	45,363
	<u>538,563</u>	<u>490,949</u>
Less: provision for impairment of receivables (Note (c))	(4,498)	(4,207)
Trade and bills receivables - net	534,065	486,742
Prepayment, deposits and other receivables	103,754	82,196
	<u>637,819</u>	<u>568,938</u>

Notes to the Condensed Consolidated Financial Information

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

7 TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) The ageing analysis of the Group's trade receivables is as follow:

	As at	
	30 June 2007	31 December 2006
0 - 90 days	425,821	366,374
91 - 180 days	24,876	46,138
181 - 365 days	31,968	15,808
1 - 2 years	13,700	16,208
Over 2 years	2,594	1,058
	<u>498,959</u>	<u>445,586</u>

- (b) Bills receivable have maturities ranging from 3 to 6 months.
- (c) The carrying amounts of trade and other receivables were approximately at their fair values.

8 SHARE CAPITAL

	Number of Shares	Ordinary shares of HK\$0.1 each	Share premium	Total
Authorised:				
At 30 June 2007 and 31 December 2006	<u>2,500,000,000</u>	<u>250,000</u>	<u>—</u>	<u>250,000</u>
Issued and fully paid:				
At 1 January 2007 and 30 June 2007	<u>1,604,662,000</u>	<u>160,466</u>	<u>850,804</u>	<u>1,011,270</u>

Notes to the Condensed Consolidated Financial Information

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

8 SHARE CAPITAL (Continued)

Note:

Details of share options granted by the Company pursuant to the share option schemes adopted by the Company and the share options outstanding at 30 June 2007 are as follows:

Grant date	Exercise price HK\$	Exercisable period	As at 01/01/2007	Lapsed	As at 30/06/2007
27 January 2006	2.15	27/01/2008- 26/01/2009	7,950,000	(40,000)	7,910,000

9 OTHER RESERVES

	Statutory reserve fund	Enterprise expansion fund	Translation	Capital reserve	Share option reserve	Total
Balance at 1 January 2007	101,627	40,363	83,428	11,840	1,175	238,433
Currency translation differences	—	—	(11,162)	—	—	(11,162)
Share-base payment	—	—	—	—	588	588
	—	—	(11,162)	—	588	(10,574)
Balance at 30 June 2007	101,627	40,363	72,266	11,840	1,763	227,859

Notes to the Condensed Consolidated Financial Information

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

10 TRADE AND OTHER PAYABLES

	As at	
	30 June 2007	31 December 2006
Trade payables (<i>Note (a)</i>)	151,939	103,405
Bills payables (<i>Note (b)</i>)	299,160	238,710
	<hr/>	<hr/>
	451,099	342,115
Accruals and other payables	225,108	228,634
	<hr/>	<hr/>
	676,207	570,749
	<hr/>	<hr/>

Notes:

(a) The ageing analysis of the trade payables were as follows:

	As At	
	30 June 2007	31 December 2006
0 - 90 days	147,204	92,808
91 - 180 days	1,363	3,105
181 - 365 days	2,030	3,065
1 - 2 years	578	4,361
Over 2 years	764	66
	<hr/>	<hr/>
	151,939	103,405
	<hr/>	<hr/>

(b) Bills payables have maturities ranging from 3 to 6 months.

Notes to the Condensed Consolidated Financial Information

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

11 BANK BORROWINGS

	As at	
	30 June 2007	31 December 2006
Non-current		
Secured	102,750	125,584
Less: Current portion	(79,917)	(45,667)
	<u>22,833</u>	<u>79,917</u>
Shown as non-current liabilities		
Current		
Secured	265,000	159,000
Unsecured	240,000	130,000
	<u>505,000</u>	<u>289,000</u>
Current portion of non-current borrowings	79,917	45,667
	<u>584,917</u>	<u>334,667</u>
Shown as current liabilities		
Total bank borrowings	<u>607,750</u>	<u>414,584</u>

The maturity of bank borrowings is as follows:

	As at	
	30 June 2007	31 December 2006
Within 1 year	584,917	334,667
Between 1 and 2 years	22,833	79,917
	<u>607,750</u>	<u>414,584</u>

Notes to the Condensed Consolidated Financial Information

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

11 BANK BORROWINGS (Continued)

The carrying amounts of the bank borrowings are denominated in the following currencies:

	As at	
	30 June 2007	31 December 2006
Hong Kong dollars	432,750	284,584
Renminbi	175,000	130,000
	<u>607,750</u>	<u>414,584</u>

The carrying amounts of bank borrowings were approximately their fair values.

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

	30 June 2007		31 December 2006	
	RMB	HK\$	RMB	HK\$
Bank borrowings	<u>5.1%</u>	<u>5.0%</u>	<u>4.7%</u>	<u>5.0%</u>

Notes to the Condensed Consolidated Financial Information

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

12 EXPENSES BY NATURE

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

	For the six months ended 30 June	
	2007	2006
Cost of inventories	687,226	426,554
Depreciation and amortisation	63,676	37,054
Employee benefit expense	40,835	30,345
Foreign exchange (gain)/ loss, net	(10,720)	800
Goodwill	—	255
Impairment of trade and other receivables, net	152	54
Operating lease payments in respect of land and buildings	1,778	1,867
Other selling expenses (including transportation and advertising costs)	91,027	46,677
Other expenses, net	60,934	30,345
	<hr/>	<hr/>
Total of cost of sales, selling and marketing costs and administrative expenses	934,908	573,951
	<hr/>	<hr/>

Notes to the Condensed Consolidated Financial Information

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

13 FINANCE COSTS

	For the six months ended 30 June	
	2007	2006
Interest on bank borrowings	17,048	9,453
Less: interest expenses capitalised under construction in progress	(3,077)	(8,236)
	<u>13,971</u>	<u>1,217</u>

14 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2007	2006
Current income tax		
– Hong Kong profits tax	313	234
– PRC foreign enterprise income tax	14,886	6,055
– Overseas taxation	1,984	459
Deferred income tax	1,068	403
	<u>18,251</u>	<u>7,151</u>

Notes to the Condensed Consolidated Financial Information

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

15 DIVIDENDS

	For the six months ended	
	30 June 2007	30 June 2006
Final dividend paid for 2006 of 7.0 HK cents (2005: 5.0 HK cents) per Share	112,326	77,147
Interim dividend of 9.0 HK cents (2006: 4.0 HK cents) per ordinary Share	<u>144,420</u>	<u>64,186</u>
	<u>256,746</u>	<u>141,333</u>

Note: At a Board of Directors' meeting held on 13 August 2007 the Directors declared an interim dividend of 9.0 HK cents per Share for the period ending 30 June 2007. This interim dividend is not reflected as a dividend payable in this condensed consolidated interim financial information, but will be reflected as an appropriation of retained earning for the year ending 31 December 2007.

Notes to the Condensed Consolidated Financial Information

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

16 EARNINGS PER SHARE

BASIC

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

	For the six months ended	
	30 June 2007	30 June 2006
Profit attributable to equity holders of the Company	300,062	140,030
Weighted average number of Shares in issue (thousands)	<u>1,604,662</u>	<u>1,551,469</u>
Basic earnings per Share (HK cents per Share)	<u>18.7</u>	<u>9.0</u>

Notes to the Condensed Consolidated Financial Information

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

16 EARNINGS PER SHARE (Continued)

DILUTED

Diluted earnings per Share is calculated adjusting the weighted average number of Shares outstanding to assume conversion of all dilutive potential Shares. The diluted potential Share of the Company is share options. The adjustment for share options is determined by the number of Shares that could have been acquired at fair value (determined as the average annual market share price of the Shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of Shares calculated as above is compared with the number of Shares that would have been issued assuming the exercise of the share options.

	For the six months ended	
	30 June 2007	30 June 2006
Profit attributable to equity holders of the Company and use to determine diluted earnings per Share	300,062	140,030
Weighted average number of Shares in issue (thousands)	1,604,662	1,551,469
Adjustments for share options (thousands)	<u>4,164</u>	<u>1,298</u>
Weighted average number of ordinary shares for diluted earnings per Shares (thousands)	<u>1,608,826</u>	<u>1,552,767</u>
Basic earnings per share (HK cents per Share)	<u>18.7</u>	<u>9.0</u>

Notes to the Condensed Consolidated Financial Information

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

17 COMMITMENTS

CAPITAL COMMITMENTS

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

	As at	
	30 June 2007	31 December 2006
Property, plant and equipment Contracted but not provided for	<u>432,854</u>	<u>212,347</u>

18 EVENTS AFTER THE BALANCE SHEET DATE

Save as disclosed to elsewhere in this unaudited condensed consolidated accounts, no other significant event has taken place subsequent to 30 June 2007.

INTERIM DIVIDENDS AND CLOSURE OF REGISTER OF MEMBERS

Because of the impressive performance of the Group for the six months ended 30 June 2007, the Directors are please to recommend and declare an interim dividend of 9.0 HK cents per Share for the six months ended 30 June 2007, to be paid to all shareholders of the Company with their names recorded on the register of members of the Company at the close of business on Wednesday, 29 August 2007.

The Company's register of members will therefore be closed from Monday, 27 August 2007 to Wednesday, 29 August 2007 (both days inclusive), during such period no transfer of Shares will be registered. In order to qualify for the interim dividend, all transfer of our Shares accompanied by the relevant Share certificates must be lodged with our Company's branch share registrar in Hong Kong, Computershares Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration by 4:30 p.m. on Friday, 24 August 2007.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed interest in any of the Shares during the six months ended 30 June 2007.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2007, the Company complied with the applicable code provisions set out in the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Directors has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "**Model Code**"). The Company have made specific enquires with the Directors and all Directors have confirmed that they complied with the Model Code throughout the period ended 30 June 2007.

Further information on the Group

AUDIT COMMITTEE

The Company's audit committee, comprising two independent non-executive Directors, has reviewed the Company's unaudited consolidated interim results for the six months ended 30 June 2007. As announced by the Company on 9 July 2007, Mr. WONG Kong Hon, one of our independent non-executive Directors, passed away on 7 July 2007. The Board is actively identifying appropriate candidate to fill in the vacancy. The pass away of Mr. WONG Kong Hon has no material impact on the business operations of the Group and the discharge of duties by members of the audit committee of the Board.

REMUNERATION COMMITTEE

The committee, comprising two independent non-executive Directors and two executive Directors, is mandated to review and approve the remuneration packages of the Company's Directors and senior management. It has adopted the terms of reference in line with the code provisions of the Code on Corporate Governance.

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

As at 30 June 2007, the interests and short positions of the Directors and chief executive of the Company in the Shares, the underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which the Directors or the chief executive were taken or deemed to have under such provisions) and the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules as adopted by the Company, were as follows:

THE COMPANY

Long position in the Shares

Name of Director	Nature of interest	Number of ordinary Shares held	Percentage of the Company's issued share capital
Mr. LEE Yin Yee	Interest of a controlled corporation (Note a)	380,395,500	23.71%
	Interest of a controlled corporation (Note i)	16,618,000	1.04%
Mr. TUNG Ching Bor	Interest of a controlled corporation (Note b)	139,927,500	8.72%
	Interest of a controlled corporation (Note i)	16,618,000	1.04%
Mr. TUNG Ching Sai	Interest of a controlled corporation (Note c)	135,023,500	8.41%
	Interest of a controlled corporation (Note i)	16,618,000	1.04%
Mr. LI Ching Wai	Interest of a controlled corporation (Note d)	62,190,000	3.88%
	Interest of a controlled corporation (Note i)	16,618,000	1.04%
Mr. NG Ngan Ho	Interest of a controlled corporation (Note e)	41,460,000	2.58%
	Interest of a controlled corporation (Note i)	16,618,000	1.04%
Mr. LI Man Yin	Interest of a controlled corporation (Note f)	41,460,000	2.58%
	Interest of a controlled corporation (Note i)	16,618,000	1.04%
Mr. SZE Nang Sze	Interest of a controlled corporation (Note g)	57,007,500	3.55%
	Interest of a controlled corporation (Note i)	16,618,000	1.04%
Mr. LI Ching Leung	Interest of a controlled corporation (Note h)	41,460,000	2.58%
	Interest of a controlled corporation (Note i)	16,618,000	1.04%

Further information on the Group

THE COMPANY (Continued)

Long position in the Shares (Continued)

Notes:

- (a) Mr. LEE Yin Yee's interests in the Shares are held through Realbest Investment Limited ("**Realbest**"), a company incorporated in the BVI with limited liability on 2 July 2004 and wholly-owned by Mr. LEE Yin Yee.
- (b) Mr. TUNG Ching Bor's interests in the Shares are held through High Park Technology Limited ("**High Park**"), a company incorporated in the BVI with limited liability on 1 July 2004 and wholly-owned by Mr. TUNG Ching Bor.
- (c) Mr. TUNG Ching Sai's interests in the Shares are held through Copark Investment Limited ("**Copark**"), a company incorporated in the BVI with limited liability on 2 July 2004 and wholly-owned by Mr. TUNG Ching Sai.
- (d) Mr. LI Ching Wai's interests in the Shares are held through Goldbo International Limited ("**Goldbo**"), a company incorporated in the BVI with limited liability on 2 July 2004 and wholly-owned by Mr. LI Ching Wai.
- (e) Mr. NG Ngan Ho's interests in the Shares are held through Linkall Investment Limited ("**Linkall**"), a company incorporated in the BVI with limited liability on 2 July 2004 and wholly-owned by Mr. NG Ngan Ho.
- (f) Mr. LI Man Yin's interests in the Shares are held through Perfect All Investments Limited ("**Perfect All**"), a company incorporated in the BVI with limited liability on 28 June 2004 and wholly-owned by Mr. LI Man Yin.
- (g) Mr. SZE Nang Sze's interests in the Shares are held through Goldpine Limited ("**Goldpine**"), a company incorporated in the BVI with limited liability on 2 July 2004 and wholly-owned by Mr. SZE Nang Sze.
- (h) Mr. LI Ching Leung's interests in the Shares are held through Herosmart Holdings Limited ("**Herosmart**"), a company incorporated in the BVI with limited liability on 1 July 2004 and wholly-owned by Mr. LI Ching Leung.
- (i) The interests in the Shares are held through Full Guang Holdings Limited ("**Full Guang**"), a company incorporated in the BVI with limited liability on 19 December 2005. Full Guang is owned by Mr. LEE Yin Yee as to 33.98%, Mr. TUNG Ching Bor as to 12.50%, Mr. TUNG Ching Sai as to 19.91%, Mr. LI Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. LI Ching Leung as to 3.70%.

THE COMPANY (Continued)

Long position in the Shares (Continued)

Subsequent to 30 June 2007, Full Guang purchased 1,948,000 Shares on 17 August 2007, 634,000 Shares on 20 August 2007, 324,000 Shares on 21 August 2007 and 486,000 Shares on 22 August 2007 on the Stock Exchange, These additional purchases represent approximately 0.21% of the Shares in issue.

ASSOCIATED CORPORATIONS

Name of associated corporation	Name of Director	Class and number of shares held in the associated corporation	Approximate shareholding percentage
Realbest (Note j)	Mr. LEE Yin Yee	2 ordinary shares	100%
High Park (Note k)	Mr. TUNG Ching Bor	2 ordinary shares	100%
Copark (Note l)	Mr. TUNG Ching Sai	2 ordinary shares	100%
Telerich (Note m)	Mr. LEE Yau Ching	2 ordinary shares	100%
Goldbo (Note n)	Mr. LI Ching Wai	2 ordinary shares	100%
Linkall (Note o)	Mr. NG Ngan Ho	2 ordinary shares	100%
Perfect All (Note p)	Mr. LI Man Yin	2 ordinary shares	100%
Goldpine (Note q)	Mr. SZE Nang Sze	2 ordinary shares	100%
Herosmart (Note r)	Mr. LI Ching Leung	2 ordinary shares	100%
Full Guang (Note s)	Mr. LEE Yin Yee	734,000 ordinary shares	33.98%
	Mr. TUNG Ching Bor	270,000 ordinary shares	12.50%
	Mr. TUNG Ching Sai	430,000 ordinary shares	19.91%
	Mr. LEE Yau Ching	256,000 ordinary shares	11.85%
	Mr. LI Ching Wai	120,000 ordinary shares	5.56%
	Mr. NG Ngan Ho	80,000 ordinary shares	3.70%
	Mr. LI Man Yin	80,000 ordinary shares	3.70%
	Mr. SZE Nang Sze	110,000 ordinary shares	5.09%
	Mr. LI Ching Leung	80,000 ordinary shares	3.70%

Further information on the Group

ASSOCIATED CORPORATIONS *(Continued)*

Notes:

- (j) Realbest is wholly-owned by Mr. LEE Yin Yee.
- (k) High Park is wholly-owned by Mr. TUNG Ching Bor.
- (l) Copark is wholly-owned by Mr. TUNG Ching Sai.
- (m) Telerich is wholly-owned by Mr. LEE Sing Din, the father of Mr. LEE Yau Ching.
- (n) Goldbo is wholly-owned by Mr. LI Ching Wai.
- (o) Linkall is wholly-owned by Mr. NG Ngan Ho.
- (p) Perfect All is wholly-owned by Mr. LI Man Yin.
- (q) Goldpine is wholly-owned by Mr. SZE Nang Sze.
- (r) Herosmart is wholly-owned by Mr. LI Ching Leung.
- (s) Full Guang is owned by Mr. LEE Yin Yee as to 33.98%, Mr. TUNG Ching Bor as to 12.50%, Mr. TUNG Ching Sai as to 19.91%, Mr. LEE Sing Din (father of Mr. LEE Yau Ching) as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. LI Ching Leung as to 3.70%.

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

As at 30 June 2007, the interests and short positions of the persons, other than Directors and chief executive of the Company, in the Shares and the underlying share of the Company, as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, were as follows:

THE COMPANY

Long position in the Shares

Name of Shareholders	Number of Shares held	Capacity	Percentage of the Company's issued share capital
Realbest	380,395,500	Beneficial owner	23.71%
High Park	139,927,500	Beneficial owner	8.72%
Copark	135,023,500	Beneficial owner	8.41%
Telerich Investment Limited (<i>Note</i>)	132,672,000	Beneficial owner	8.27%

Note: These Shares are registered in the name of Telerich Investment Limited, the entire issued share capital of which is beneficially owned by Mr. LEE Sing Din, the father of Mr. LEE Yau Ching, who is an executive Director.

EXECUTIVE DIRECTORS

Mr. LEE Yin Yee (*Chairman*)^o
Mr. TUNG Ching Bor (*Vice Chairman*)
Mr. TUNG Ching Sai (*Chief Executive Officer*)^o
Mr. LEE Shing Put
Mr. LEE Yau Ching
Mr. LI Man Yin

NON-EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kwong Siu # * ^o +
Mr. WONG Chat Chor Samuel # ^o

- * Chairman of audit committee
- # Members of audit committee
- + Chairman of remuneration committee
- o Members of remuneration committee

COMPANY SECRETARY & QUALIFIED ACCOUNTANT

Mr. LAU Sik Yuen, *HKICPA, AICPA*

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

95-99 Fuk Hi Street, Yuen Long Industrial
Estate, Yuen Long, New Territories
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

Squire, Sanders & Dempsey
40th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

AUDITORS

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Citibank, N.A.
Hang Seng Bank Limited
KBC Bank N.V.
Sumitomo Mitsui Banking Corporation
Bank of Communications
Bank of China
Industrial and Commercial Bank of China

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

<http://www.xinyiglass.com>

SHARE INFORMATION

Place of listing:	Main board of the Stock Exchange of Hong Kong Limited
Stock code:	0868
Listing date:	3 February 2005
Board lot:	2,000 Shares
Financial year end:	31 December
Share price as at the date of this interim report:	HK\$8.29
Market capitalisation as at the date of this interim report:	Approximately HK\$13.303 billion

KEY DATES

Closure of register of members:
From 27 August 2007 to 29 August 2007
(both days inclusive)
Date of payment of interim dividend:
7 September 2007