洛阳玻璃股份有限公司

LUOYANG GLASS COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1108)

THIRD QUARTERLY REPORT 2009

This quarterly report is published in compliance with Rule 6.1 of the Shanghai Stock Exchange Share Listing Rules and Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

1. IMPORTANT NOTICE

1.1 The board of directors (the "Board") and the supervisory committee of Luoyang Glass Company Limited (the "Company") and its directors, supervisors and senior management members warrant that there is no false representation or misleading statement in or material omission from this report and jointly and severally accept responsibilities for the truthfulness, accuracy and completeness of the contents contained herein.

1.2 None of the directors, supervisors and senior management members of the Company has made any statement that he could not confirm or has expressed any objection to the truthfulness, accuracy and completeness of this report.

1.3 All directors of the Company attended the Board meeting held on 27 October 2009.

1.4 The third quarterly financial statements of the Company are unaudited.

1.5 Mr. Song Jianming, the Chairman of the Company, Ms. Song Fei, the Financial Controller, and Ms. Hai Sumin, the Head of Finance Department, warrant that the financial statements in this quarterly report are true and complete.

2. CORPORATE PROFILE

2.1 Major Accounting Data and Financial Indicators

	As at the end of the reporting period *(RMB)*	As at the end of last year *(RMB)*	Increase/(decrease) at the end of this reporting period from the end of last year *(%)*
Total assets	1,636,281,439.69	2,003,149,707.07	(18.31)
Owners' equity (or shareholders' equity)	113,821,820.68	229,156,045.71	(50.33)
Net asset per share attributable to shareholders of the listed company	0.228	0.458	(50.22)

	From beginning of the year to the end of the reporting period *(RMB)*	Increase/(decrease) as compared with the corresponding period last year *(%)*
Net cash inflow from operating activities	43,280,848.14	417.17%
Net cash inflow from operating activities per share	0.087	417.76%

	Reporting period *(RMB)*	From the beginning of the year to the end of the reporting period *(RMB)*	Increase/(decrease) as compared with the corresponding period last year *(%)*
Net profit/(loss) attributable to shareholders of the listed company	(2,863,834.85)	(90,212,751.32)	(94.68)
Basic earnings/(loss) per share	(0.006)	(0.180)	(94.44)
Basic earnings/(loss) per share after extraordinary items	—	(0.232)	—
Diluted earnings/(loss) per share	(0.006)	(0.180)	(94.44)
Return/(loss) on net assets (fully diluted)	(2.52)%	(79.26)%	Loss ratio decresed by 45.75 percentage points
Return/(loss) on net assets after extraordinary profit/(loss) (fully diluted)	(2.56)%	(101.85)%	Loss ratio decresed by 46.93 percentage points

Extraordinary items	**Amount from the beginning of the year to the end of the reporting period** *(RMB)*
Gain from disposal of non-current assets	24,901,455.27
Gain from debt restructuring	772,096.55
Other net non-operating income excluding the aforesaid items	35,732.80
Effect of extraordinary profit on minority interest	—
Total	25,709,284.62

2.2 Total number of shareholders and top 10 holders of circulating shares at the end of the reporting period

Unit: Share

Total number of shareholders as at the end of the reporting period	16,815 shareholders, including 16,743 holders of A Shares and 72 holders of H Shares.

Particulars of the top 10 holders of shares not subject to trading moratorium

Name of shareholders (full name)	Number of circulating shares not subject to trading moratorium as at the end of the reporting period	Class of shares (A, B, H share or others)
HKSCC (Nominees) Limited	247,560,998	H Share
Ma Li (馬黎)	645,449	A Share
Li Zunnong (李尊農)	530,030	A Share
Jiang Zhongshan (姜忠善)	438,100	A Share
Wang Chizhen (王持真)	409,599	A Share
Wu Minghui (吳銘惠)	396,050	A Share
Liu Shengli (劉勝利)	381,800	A Share
Chuk Yee Men Liza	374,000	H Share
Cao Haiqiong (曹海瓊)	366,800	A Share
Ye Liwei (葉立偉)	350,000	A Share

3. SIGNIFICANT EVENTS

3.1 Substantial changes in major items of financial statements and financial indicators and the reasons thereof

☑ Applicable ☐ Not applicable

Item	30 September 2009 *(RMB)*	31 December 2008 *(RMB)*	Increase/ (decrease) *(%)*	Reasons for changes
Bank balance and cash	144,105,844.80	276,023,329.72	(47.79)	Mainly due to the repayment of bank loans in the reporting period
Bills receivables	23,161,391.33	7,437,000.00	211.43	Increased use of bills by the clients
Prepayments	12,523,633.33	20,814,460.85	(39.83)	Mainly due to decreased amount of prepayment for goods
Long-term equity investment	7,410,000.00	128,622,879.48	(94.24)	Disposal of equity in subsidiaries and associates
Tax payable	9,959,593.44	5,608,385.22	77.58	Increased VAT payable as a result of recovering market , higher product price, lower cost and the adjusted tax rate of procurement of certain raw materials

Item	January to September 2009 *(RMB)*	January to September 2008 *(RMB)*	Increase/ (decrease) *(%)*	Reasons for changes
Operating revenue	691,158,654.31	1,052,707,755.87	(34.34)	Mainly due to suspension of production of some production lines, which resulted in decreased revenue
Operating cost	643,301,069.77	1,052,585,843.40	(38.88)	Mainly due to suspension of production of some production lines, which resulted in lower cost
Business tax and surcharge	4,425,913.93	1,651,435.83	168	Mainly due to the higher product price, lower cost and the adjusted tax rate of procurement of certain raw materials
Investment gains	19,747,761.27	3,819,790.91	416.99	Mainly due to the disposal of equity of an associate company
Non-operating income	1,300,602.36	57,500,561.38	(97.74)	Mainly due to proceeds from disposal of land in the corresponding period last year, which resulted in increased revenue

Item	January to September 2009 *(RMB)*	January to September 2008 *(RMB)*	Increase/ (decrease) *(%)*	Reasons for changes
Net cash inflow/(outflow) from operating activities	43,280,848.14	8,368,787.58	417.17	Mainly due to the settlement of taxes
Net cash (outflow)/inflow from investing activities	(46,684.07)	69,589,643.75	N/A	Mainly due to disposal of fixed assets and equity interest in subsidiaries in the corresponding period last year
Net cash (outflow)/inflow from financing activities	(79,648,508.44)	(121,523,896.67)	34.46	Mainly due to contracted loan scale and lower interest rates

3.2 Analysis and explanation of progress and impact of significant events and their solutions

☑ Applicable ☐ Not applicable

The Company has published the announcement of resumption of trading in the Company's H Shares on 31 July. Trading in the H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited was resumed on 31 July 2009.

3.3 Performance of undertakings of the Company, shareholder and de facto controller

☑ Applicable ☐ Not applicable

Both the Company's controlling shareholder and de facto controller performed their undertakings in the reporting period.

3.4 Warning and explanation in the forecast of any possible loss in accumulated net profit from the beginning of the year to the end of next reporting period or any material changes compared to the corresponding period of last year

☐ Applicable ☑ Not applicable

3.5 Other material events

3.5.1 Securities investment

☐ Applicable ☑ Not applicable

3.5.2 Equity interest in other listed companies held by the Company

☐ Applicable ☑ Not applicable

By order of the Board
Luoyang Glass Company Limited
Song Jianming
Chairman

Luoyang, the PRC
27 October 2009

As at the date of this announcement, the Board comprises four executive Directors: Mr. Song Jianming, Ms. Song Fei, Mr. Ni Zhisen and Mr. Cheng Zonghui; three non-executive Directors: Mr. Shen Anqin, Mr. Bao Wenchun and Mr. Guo Yimin; and four independent non-executive Directors: Mr. Zhang Zhanying, Mr. Guo Aimin, Mr. Huang Ping and Mr. Dong Jiachun.