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: 01108)

# FIRST QUARTERLY REPORT 2014

## 1. IMPORTANT NOTICE

1.1 The board of directors (the "Board"), the supervisory committee, the directors (the "Directors"), supervisors and senior management members of the Company 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 content contained herein.

1.2 All Directors attended the Board meeting.

1.3 The first quarterly financial statements of the Company are unaudited.

1.4 Mr. Ma Liyun, Chairman of the Company, Ms. Sun Lei, the Financial Controller, and Ms. Chen Jing, the Head of Finance Department, warrant that the financial statements in this quarterly report are true, accurate and complete.

* *For identification purpose only*

## 2. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS OF THE COMPANY

### 2.1 Major Financial Data

*Unit: RMB*

| | **At the end of the reporting period** | At the end of the previous year | Increase/ decrease at the end of the reporting period as compared with the end of the previous year *(%)* |
|---|---|---|---|
| Total assets | **1,202,813,553.52** | 1,226,528,319.88 | -1.93 |
| Net assets attributable to shareholders of the Company | **103,831,313.86** | 33,306,058.69 | 211.75 |

| | **From beginning of the year to the end of the reporting period** | From beginning of the previous year to the end of the reporting period of the previous year | Year-on-year increase/decrease *(%)* |
|---|---|---|---|
| Net cash flows from operating activities | **-4,499,325.52** | -6,734,546.74 | N/A |

| | **From beginning of the year to the end of the reporting period** | From beginning of the previous year to the end of the reporting period of the previous year | Year-on-year increase/decrease *(%)* |
|---|---|---|---|
| Operating income | **126,378,728.92** | 64,450,159.03 | 96.09 |
| Net profit attributable to shareholders of the listed company | **70,489,403.90** | -25,438,985.47 | N/A |
| Net profit attributable to shareholders of the listed company after deducting extraordinary profit or loss | **69,183,524.58** | -26,348,870.19 | N/A |
| Weighted average return on net assets *(%)* | **102.83** | -21.30 | Increased by 124.13 percentage points |
| Basic earnings per share | **0.1410** | -0.0509 | N/A |
| Diluted earnings per share | **0.1410** | -0.0509 | N/A |

**Extraordinary Items and Amounts:**

*Unit: RMB*

| Extraordinary Items | Amount for the reporting period (January - March) |
|---|---|
| Profit/loss from disposal of non-current assets | 418,189.09 |
| Government grants credited to current profit or loss (except for those which are closely related to the Company's ordinary business, in accordance with national policies and continuously received in certain standard amounts and quantities) | 387,263.04 |
| Profit/loss from debt restructuring | 187,500.00 |
| Other net non-operating income and expenses excluding the aforesaid items | 706,575.72 |
| Aggregate effect of extraordinary items on total profit | 1,699,527.85 |
| Less: Amount of effect on income tax | 9,358.88 |
| Less: Amount of effect on minority interest | 384,289.65 |
| Extraordinary profit or loss effect attributable to the Company | 1,305,879.32 |

## 2.2 Total number of shareholders, top 10 shareholders and top 10 holders of shares not subject to trading moratorium at the end of the reporting period

*Unit: Share*

| | |
|---|---|
| Total number of shareholders as at the end of the reporting period | 16,071 including 16,017 holders of A Shares and 54 holders of H Shares. |

### Shareholdings of the top 10 shareholders

| Name of shareholders (full name) | Total number of shares held | Shareholding Percentage | Number of shares subject to trading moratorium held | Number of shares pledged or frozen | | Nature of shareholder |
|---|---|---|---|---|---|---|
| | | (%) | | Status of shares | Number | |
| HKSCC Nominees Limited | 247,848,998 | 49.57 | 0 | Unknown | | Overseas legal person |
| China Luoyang Float Glass (Group) Company Limited | 159,018,242 | 31.80 | 0 | Pledged | 159,018,242 | State-owned legal-person |
| Zhang Lixin | 2,764,944 | 0.55 | 0 | Unknown | | Domestic natural person |
| Mao Jianghui | 2,092,599 | 0.42 | 0 | Unknown | | Domestic natural person |
| Ji Haibin | 1,666,233 | 0.33 | 0 | Unknown | | Domestic natural person |
| Dedicated securities account for stock repo trading of Guosen Securities Co., Ltd. | 1,302,650 | 0.26 | 0 | Unknown | | Other |
| Beijing Daiwei Debang Investment Consultation Co., Ltd. | 1,021,853 | 0.20 | 0 | Unknown | | Domestic legal person |
| Liu Yujun | 999,400 | 0.20 | 0 | Unknown | | Domestic natural person |
| Zhang Wenming | 870,000 | 0.17 | 0 | Unknown | | Domestic natural person |
| Zhang Ruiying | 670,000 | 0.13 | 0 | Unknown | | Domestic natural person |

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

| Name of shareholder | Number of shares held not subject to trading moratorium | Type and number of shares: Type | Number |
|---|---|---|---|
| HKSCC Nominees Limited | 247,848,998 | Overseas listed foreign shares | 247,848,998 |
| China Luoyang Float Glass (Group) Company Limited | 159,018,242 | Ordinary shares denominated in RMB | 159,018,242 |
| Zhang Lixin | 2,764,944 | Ordinary shares denominated in RMB | 2,764,944 |
| Mao Jianghui | 2,092,599 | Ordinary shares denominated in RMB | 2,092,599 |
| Ji Haibin | 1,666,233 | Ordinary shares denominated in RMB | 1,666,233 |
| Dedicated securities account for stock repo trading of Guosen Securities Co., Ltd. | 1,302,650 | Ordinary shares denominated in RMB | 1,302,650 |
| Beijing Daiwei Debang Investment Consultation Co., Ltd. | 1,021,853 | Ordinary shares denominated in RMB | 1,021,853 |
| Liu Yujun | 999,400 | Ordinary shares denominated in RMB | 999,400 |
| Zhang Wenming | 870,000 | Ordinary shares denominated in RMB | 870,000 |
| Zhang Ruiying | 670,000 | Ordinary shares denominated in RMB | 670,000 |

| | |
|---|---|
| Explanation on connected relationship or action acting in concert among the aforesaid shareholders: | There are no connected parties or persons acting in concert as defined by Regulations for Disclosure of Changes in Shareholding of Listed Companies(《上市公司股東持股變動信息披露管理辦法》) issued by CSRC among the top ten shareholders of the Company, including China Luoyang Float Glass (Group) Company Limited and other shareholders of circulating shares. The Company is not aware of any parties acting in concert or any connected relationship among other shareholders of circulating shares. Shares were held by HKSCC Nominees Limited, representing its various customers. |

# 3 SIGNIFICANT EVENTS

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

(1) Bills receivable decreased by 83.41% as compared with the beginning of the year, mainly due to the repayment of loans in the period;

(2) Other receivables decreased by 48.00% as compared with the beginning of the year, mainly due to the collection of payments in respect of land acquisition for reserve in the period;

(3) Long-term receivables increased by 100% as compared with the beginning of the year, mainly due to that the receivables due from the disposal of equity interest in Luoyang Glass Industrial Co., Ltd. have not been received in the period;

(4) Short-term loans decreased by 60.64% as compared with the beginning of the year, mainly due to the repayment of loans in the period;

(5) Payments received in advance increased by 38.93% as compared with the beginning of the year, mainly due to the increase in payments received in advance in the period;

(6) Taxes payable increased by 48.62% as compared with the beginning of the year, mainly due to the decrease in the amount retained for added-value tax in the period;

(7) Other payables decreased by 56.06% as compared with the beginning of the year, mainly due to the accounting adjustment for the funds temporarily received in the earlier stage from the disposal of equity interest in the Luoyang Glass Industrial Co., Ltd. in the period;

(8) Operating income increased by 96.09% as compared with the corresponding period of last year, mainly due to the increase in both production capacity and sales volume in the period;

(9) Operating cost increased by 110.46% as compared with the corresponding period of last year, mainly due to the increase in both production capacity and sales volume in the period;

(10) Business taxes and surcharges increased by 30.31% as compared with the corresponding period of last year, mainly due to the increase in relevant taxes as a result of increase in income in the period;

(11) Investment income increased by 3,781.64% as compared with the corresponding period of last year, mainly due to the income from disposal of equity interest in Luoyang Glass Industrial Co., Ltd., a subsidiary of the Company, in the period;

(12) Non-operating income increased by 34.85% as compared with the corresponding period of last year, mainly due to the increase in income from disposal of assets in the period;

(13) Non-operating expenses decreased by 88.53% as compared with the corresponding period of last year, mainly because the non-operating expenses for the last period contained the loss from disposal of assets;

(14) Net cash outflow from operating activities decreased by RMB2,235,200 as compared with the corresponding period of last year, mainly due to the receipt of government grant by a subsidiary;

(15) Net cash inflow from investment activities increased by RMB36,458,400, as compared with the corresponding period of last year, mainly due to the collection of payments in respect of land acquisition for reserve in the period;

(16) Net cash outflow from financing activities decreased by RMB29,579,500 as compared with the corresponding period of last year, mainly because the net cash outflow from financing activities for the corresponding period of last year contained the net outflow for repayment of advance payment by China Building Materials Glass Company.

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

☐ Applicable ☑ Not Applicable

### 3.3 Performance of undertakings of the Company and shareholders holding 5% or more of the Company's shares

1. During transfer of relevant equity interests, China National Building Materials Group Corporation ("CNBMG"), the de facto controller of the Company, undertook on 11 September 2007 that: CNBMG (including its controlled enterprises by now) would not directly or indirectly involve in any businesses which constitute competition with the Company. In the event that the business opportunities obtained would compete with the operations of the Company, it would notify the Company of such business opportunities. Save as a financial investor, CNBMG would not invest in any businesses which may constitute competition with the operations of the Company, and would take measures to prevent the possibility of substantial competition when continuing to acquire other businesses which have horizontal competition with the Company directly or indirectly under appropriate conditions. In case of violation of the above undertakings, CNBMG would fully indemnify the Company for any loss so caused.

   As at the end of the reporting period, CNBMG honored its undertaking.

2. The de facto controller of the Company, CNBMG, undertook on 11 September 2007 when conducting allocation of relevant equity that: "the Company (including the controlled enterprises at present) will avoid and reduce the connected transactions with Luoyang Glass. For the connected transactions inevitable or due to reasonable reasons, the Company undertakes to comply with principles of market impartiality, fairness and openness, and enter into agreements according to laws, perform legal procedures, perform information disclosure obligation and conduct relevant reporting and approving procedures in accordance with relevant requirements, and warrants not to prejudice the legal interests of Luoyang Glass and other shareholders through connected transactions."

   As at the end of the reporting period, CNBMG honored its undertaking.

3. During transfer of relevant equity interests, CBM Glass, the controller of the Company, undertook on 9 December 2010 that: CBM Glass and its controlled enterprises will not directly or indirectly involve in any businesses or activities in competition with the principal operations of the Company, by any means (including but not limited to the independent business, joint venture or having shares or interest in another company or enterprise). In the event that the business opportunities obtained by CBM Glass or its controlled enterprises will compete with the principal operations of the Company, it will notify the Company of those matters as soon as possible and pass such business opportunities to the Company to ensure that there is no prejudice to the interests of the shareholders of the Company as a whole.

   As at the end of the reporting period, CBM Glass honored its undertaking.

4. In transferring relevant equity interests, CNBMG, the de facto controllers of the Company, and CBM Glass, undertook on 9 December 2010 that: they would come up with a comprehensive solution to the problem of horizontal competition between the Company and Longxin Company, Fangxing Science & Technology and Zhonglian Glass by way of consolidation in the form of a series of business and asset restructuring with the Company as a platform in the coming three years.

   With respect to aforesaid undertakings, CNBM and CNBM Glass also respectively have taken targeting measures to solve relevant horizontal competition problems over the last years. However, relevant undertakings have not been fulfilled according to schedule due to the effect of some factors like macro-economic situation and industry policies, and so on. The company has released the Announcement of Luoyang Glass Company Limited on the Implementation of the Undertakings of Avoiding Horizontal Competition by the Actual Controller and Interested Party on 6 December 2013, disclosing the measures that CNBM and CNBM Glass had taken to implement the undertakings, the reasons for failure to complete the undertakings on time and the commitment of deferring solving horizontal competition and other relevant information in detail. Subsequently, in accordance with the relevant requirements of CSRC, the Company made special disclosure as for the performance and progress of undertakings on 14 February 2014 and 28 March 2014, respectively.

In accordance with related requirements of No. 4 Regulatory Guideline on Listed Companies-Actual Controller, Shareholders, Affiliated Parties, Buyer of Listed Companies and Undertakings and Performance of Undertakings of Listed Companies issued by CSRC, CNBM expressed that it will standardize and update the methods of, deadline for and capacity of performing the undertakings, risks and countermeasures by 27 June 2014.

**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 the next reporting period or any material changes compared to the corresponding period of last year**

☐ Applicable ☑ Not Applicable

**Luoyang Glass Company Limited**
*Chairman:* **Ma Liyun**

28 April 2014

## Consolidated Balance Sheet

Prepared by: Luoyang Glass Company Limited 31 March 2014 *Unit: RMB*

| Item | **Balance as at the end of the period** | Balance as at the beginning of the year |
|---|---|---|
| **Current assets:** | | |
| Bank balance and cash | **151,201,833.63** | 128,509,961.33 |
| Balances with clearing companies | | |
| Placements with banks and other financial institutions | | |
| Held-for-trading financial assets | | |
| Notes receivable | **6,604,275.93** | 39,799,612.49 |
| Accounts receivable | **36,822,112.23** | 29,651,547.60 |
| Prepayments | **17,569,151.13** | 13,806,820.85 |
| Premiums receivable | | |
| Reinsurance accounts receivable | | |
| Reinsurance contract reserves receivable | | |
| Interest receivable | | |
| Dividends receivable | | |
| Other receivables | **42,596,459.77** | 81,916,322.40 |
| Financial assets purchased under resale agreements | | |
| Inventory | **207,564,069.56** | 200,349,541.58 |
| Non-current assets due within one year | | |
| Other current assets | | |
| **Total current assets** | **462,357,902.25** | 494,033,806.25 |

| | | |
|---|---|---|
| **Non-current assets:** | | |
| Entrusted loans and advances granted | | |
| Available-for-sale financial assets | | |
| Held-to-maturity investments | | |
| Long-term receivables | **46,462,247.12** | 0.00 |
| Long-term equity investments | **7,000,000.00** | 7,000,000.00 |
| Investment properties | | |
| Fixed assets | **625,097,084.75** | 644,340,372.61 |
| Construction in progress | **3,185,993.05** | 2,139,957.20 |
| Construction materials | **506,186.30** | 506,186.30 |
| Disposal of fixed assets | | |
| Biological assets for production | | |
| Fuel assets | | |
| Intangible assets | **53,654,187.65** | 73,958,045.12 |
| Development expenses | | |
| Goodwill | | |
| Long-term deferred expenses | | |
| Deferred income tax assets | **2,437,064.61** | 2,437,064.61 |
| Other non-current assets | **2,112,887.79** | 2,112,887.79 |
| **Total non-current assets** | **740,455,651.27** | 732,494,513.63 |
| **Total assets** | **1,202,813,553.52** | 1,226,528,319.88 |

| | | |
|---|---|---|
| **Current liabilities:** | | |
| Short-term loans | **19,951,833.32** | 50,696,833.33 |
| Loans from central bank | | |
| Deposit taking and deposit in inter-bank market | | |
| Placements from banks and other financial institutions | | |
| Held-for-trading financial liabilities | | |
| Notes payable | **150,000,000.00** | 150,000,000.00 |
| Accounts payable | **284,493,630.44** | 282,538,381.85 |
| Payments received in advance | **57,937,937.61** | 41,704,096.40 |
| Disposal of repurchased financial assets | | |
| Handling charges and commissions payable | | |
| Staff remuneration payables | **59,175,778.59** | 59,538,138.48 |
| Taxes payable | **–4,103,681.80** | –7,987,198.97 |
| Interest payable | | |
| Dividends payable | | |
| Other payables | **55,379,269.52** | 126,044,622.62 |
| Reinsurance accounts payable | | |
| Reserve for insurance contracts | | |
| Customer deposits for trading in securities | | |
| Customer deposits for underwriting | | |
| Non-current liabilities due within one year | **47,612,486.96** | 47,612,486.96 |
| Other current liabilities | | |
| **Total current liabilities** | **670,447,254.64** | 750,147,360.67 |
| **Non-current liabilities:** | | |
| Long-term loans | **494,501,095.05** | 506,104,010.11 |
| Debentures payable | | |
| Long-term payables | | |
| Specific payables | | |
| Accrued liabilities | | |
| Deferred income tax liabilities | | |
| Other non-current liabilities | **9,791,782.71** | 10,179,045.75 |
| **Total non-current liabilities** | **504,292,877.76** | 516,283,055.86 |

| | | |
|---|---|---|
| **Total liabilities** | **1,174,740,132.40** | 1,266,430,416.53 |
| **Owners' equity:** | | |
| Share capital | **500,018,242.00** | 500,018,242.00 |
| Capital reserve | **857,450,406.90** | 857,450,406.90 |
| Less: Treasury stock | | |
| Special reserve | **403,745.79** | 367,894.52 |
| Surplus reserve | **51,365,509.04** | 51,365,509.04 |
| General risk provision | | |
| Retained earnings | **–1,305,406,589.87** | –1,375,895,993.77 |
| Currency translation differences | | |
| Total equity attributable to the equity holders of the Company | **103,831,313.86** | 33,306,058.69 |
| Minority interests | **–75,757,892.74** | –73,208,155.34 |
| **Total owners' equity** | **28,073,421.12** | –39,902,096.65 |
| **Total liabilities and shareholders' equities** | **1,202,813,553.52** | 1,226,528,319.88 |

| *Legal representative:* | *Chief accountant:* | *Person in charge of accounting department:* |
|---|---|---|
| **Ma Liyun** | **Sun Lei** | **Chen Jing** |

**Balance Sheet of the Company**

Prepared by: Luoyang Glass Company Limited 31 March 2014 *Unit: RMB*

| Item | Balance as at the end of the period | Balance as at the beginning of the year |
|---|---|---|
| **Current assets:** | | |
| Bank balance and cash | **100,910,522.62** | 100,484,846.41 |
| Held-for-trading financial assets | | |
| Notes receivable | **4,275,377.50** | 37,380,000.00 |
| Accounts receivable | **549,975,025.81** | 536,576,422.25 |
| Prepayments | **3,209,984.45** | 1,099,223.51 |
| Interest receivable | | |
| Dividends receivable | | |
| Other receivables | **302,675,624.79** | 291,258,468.88 |
| Inventory | **5,787,785.18** | 5,787,785.18 |
| Non-current assets due within one year | | |
| Other current assets | | |
| **Total current assets** | **966,834,320.35** | 972,586,746.23 |

| | | |
|---|---|---|
| **Non-current assets:** | | |
| Available-for-sale financial assets | | |
| Held-to-maturity investments | **139,969,000.00** | 139,969,000.00 |
| Long-term receivables | **46,462,247.12** | 0.00 |
| Long-term equity investments | **52,597,961.54** | 92,519,028.76 |
| Investment properties | | |
| Fixed assets | **4,882,545.37** | 5,035,983.24 |
| Construction in progress | **540,000.00** | 0.00 |
| Construction materials | **443,778.51** | 443,778.51 |
| Disposal of fixed assets | | |
| Biological assets for production | | |
| Fuel assets | | |
| Intangible assets | **7,024,459.75** | 7,080,505.96 |
| Development expenses | | |
| Goodwill | | |
| Long-term deferred expenses | | |
| Deferred income tax assets | | |
| Other non-current assets | | |
| **Total non-current assets** | **251,919,992.29** | 245,048,296.47 |
| **Total assets** | **1,218,754,312.64** | 1,217,635,042.70 |

| | | |
|---|---|---|
| **Current liabilities:** | | |
| Short-term loans | **19,951,833.32** | 50,696,833.33 |
| Held-for-trading financial liabilities | | |
| Notes payable | **150,000,000.00** | 150,000,000.00 |
| Accounts payable | **82,371,153.58** | 105,199,176.11 |
| Payments received in advance | **55,430,123.37** | 39,196,282.16 |
| Staff remuneration payables | **35,780,515.07** | 35,821,245.04 |
| Taxes payable | **1,742,655.93** | 678,566.99 |
| Interest payable | | |
| Dividends payable | | |
| Other payables | **178,742,449.27** | 205,350,299.14 |
| Non-current liabilities due within one year | **43,463,566.40** | 43,463,566.40 |
| Other current liabilities | | |
| **Total current liabilities** | **567,482,296.94** | 630,405,969.17 |
| **Non-current liabilities:** | | |
| Long-term loans | **463,621,095.05** | 474,504,010.11 |
| Debentures payable | | |
| Long-term payables | | |
| Specific payables | | |
| Accrued liabilities | | |
| Deferred income tax liabilities | | |
| Other non-current liabilities | | |
| **Total non-current liabilities** | **463,621,095.05** | 474,504,010.11 |
| **Total liabilities** | **1,031,103,391.99** | 1,104,909,979.28 |

| | | |
|---|---|---|
| **Owners' equity:** | | |
| Share capital | **500,018,242.00** | 500,018,242.00 |
| Capital reserve | **891,129,782.23** | 891,129,782.23 |
| Less: Treasury stock | | |
| Special reserve | | |
| Surplus reserve | **51,365,509.04** | 51,365,509.04 |
| General risk provision | | |
| Retained earnings | **–1,254,862,612.62** | –1,329,788,469.85 |
| **Total owners' equity** | **187,650,920.65** | 112,725,063.42 |
| **Total liabilities and shareholders' equities** | **1,218,754,312.64** | 1,217,635,042.70 |

| *Legal representative:* | *Chief accountant:* | *Person in charge of accounting department:* |
|---|---|---|
| **Ma Liyun** | **Sun Lei** | **Chen Jing** |

**Consolidated Income Statement**

Prepared by: Luoyang Glass Company Limited January to March 2014 *Unit: RMB*

| Item | January to March 2014 | January to March 2013 |
|---|---|---|
| **I. Total operating revenue** | **126,378,728.92** | 64,450,159.03 |
| Including: Operating revenue | **126,378,728.92** | 64,450,159.03 |
| Interest income | | |
| Premiums earned | | |
| Handling charges and commission income | | |
| **II. Total operating costs** | **151,888,664.01** | 93,695,959.53 |
| Including: Operating costs | **116,129,275.50** | 55,177,864.81 |
| Interest expenses | | |
| Handling charges and commission expenses | | |
| Surrender payment | | |
| Net expenditure for compensation payments | | |
| Net provision for insurance contracts | | |
| Policyholder dividend expenses | | |
| Reinsurance costs | | |
| Business taxes and surcharges | **1,403,782.31** | 1,077,249.46 |
| Selling expenses | **5,846,805.87** | 6,561,556.45 |
| Administration expenses | **25,557,007.18** | 27,880,902.47 |
| Finance expenses | **2,951,793.15** | 2,998,386.34 |
| Impairment loss on assets | | |
| Others | | |
| Add: Gains from changes in fair value (losses are represented by "–") | | |
| Investment income (losses are represented by "–") | **93,569,700.70** | 2,410,572.50 |
| Including: Gains from investment in associates and joint ventures | | |
| Gains from currency exchange (losses are represented by "–") | | |

| | | | |
|---|---|---|---|
| **III.** | **Operating profit (loss is represented by "–")** | **68,059,765.61** | –26,835,228.00 |
| | Add: Non-operating income | **1,732,234.13** | 1,284,605.08 |
| | Less: Non-operating expenses | **32,706.28** | 285,184.71 |
| | Including: Net loss from disposal of non-current assets | | |
| **IV.** | **Total profit (total loss is represented by "–")** | **69,759,293.46** | –25,835,807.63 |
| | Less: Income tax expenses | **1,852,720.44** | 1,684,989.45 |
| **V.** | **Net profit (net loss is represented by "–")** | **67,906,573.02** | –27,520,797.08 |
| | Including: Net profit attributable to the owners of the Company | **70,489,403.90** | –25,438,985.47 |
| | Minority interests | **–2,582,830.88** | –2,081,811.61 |
| **VI.** | **Earnings per share:** | | |
| | (I) Basic earnings per share *(RMB/share)* | **0.1410** | –0.0509 |
| | (II) Diluted earnings per share *(RMB/share)* | **0.1410** | –0.0509 |
| **VII.** | **Other comprehensive income** | | |
| **VIII.** | **Total comprehensive income** | **67,906,573.02** | –27,520,797.08 |
| | Including: Total comprehensive income attributable to owners of the Company | **70,489,403.90** | –25,438,985.47 |
| | Total comprehensive income attributable to minority interests | **–2,582,830.88** | –2,081,811.61 |

| *Legal representative:* | *Chief accountant:* | *Person in charge of accounting department:* |
|---|---|---|
| **Ma Liyun** | **Sun Lei** | **Chen Jing** |

## Income Statement of the Company

Prepared by: Luoyang Glass Company Limited January to March 2014 *Unit: RMB*

| Item | **January to March 2014** | January to March 2013 |
|---|---|---|
| **I. Operating revenue** | **124,895,139.38** | 54,425,689.99 |
| Less: Operating costs | **122,793,938.29** | 53,561,295.78 |
| Business taxes and surcharges | **231,048.65** | 348,783.26 |
| Selling expenses | **852,115.09** | 380,406.80 |
| Administration expenses | **5,067,250.16** | 7,645,220.85 |
| Finance expenses | **–1,168,375.92** | 283,428.35 |
| Impairment loss on assets | | |
| Others | | |
| Add: Gains from changes in fair value | | |
| Investment income | **77,554,019.11** | 5,719,809.39 |
| Including: Gains from investment in associates and joint ventures | | |
| Gains from currency exchange (losses are represented by "–") | | |
| **II. Operating Profit** | **74,673,182.22** | –2,073,635.66 |
| Add: Non-operating income | **268,903.85** | 215,340.18 |
| Less: Non-operating expenses | **16,228.84** | 197,425.21 |
| Including: Net loss from disposal of non-current assets | | |
| **III. Total profit** | **74,925,857.23** | –2,055,720.69 |
| Less: Income tax expenses | | |
| **IV. Net profit** | **74,925,857.23** | –2,055,720.69 |

| | | |
|---|---|---|
| **V. Earnings per share** | | |
| (I) Basic earnings per share *(RMB/share)* | | |
| (II) Diluted earnings per share *(RMB/share)* | | |
| **VI. Other comprehensive income** | | |
| **VII. Total comprehensive income** | **74,925,857.23** | –2,055,720.69 |

| *Legal representative:* | *Chief accountant:* | *Person in charge of accounting department:* |
|---|---|---|
| **Ma Liyun** | **Sun Lei** | **Chen Jing** |

## Consolidated Cash Flow Statement

Prepared by: Luoyang Glass Company Limited January to March 2014 *Unit: RMB*

| Item | | **January to March 2014** | January to March 2013 |
|---|---|---|---|
| **I.** | **Cash flows from operating activities:** | | |
| | Cash received from sale of goods or rendering of services | **59,670,356.73** | 37,860,851.87 |
| | Net increase in customer and interbank deposits | | |
| | Net increase in loans from central bank | | |
| | Net increase in loans from other financial institutions | | |
| | Cash received from premiums under original insurance contract | | |
| | Net cash received from reinsurance business | | |
| | Net increase in deposits of policy holders and investment | | |
| | Net increase in disposal of held-for-trading financial assets | | |
| | Cash received from interest, handling charges and commissions | | |
| | Net increase in loans | | |
| | Net increase in income from repurchase business | | |
| | Tax rebates | | |
| | Other cash received from activities related to operation | **6,180,242.17** | 3,441,589.59 |
| | **Sub-total of cash inflow from operating activities** | **65,850,598.90** | 41,302,441.46 |

| | | | |
|---|---|---|---|
| | Cash paid for goods purchased and services rendered | **38,207,364.53** | 16,126,433.31 |
| | Net increase in loans and advances from customers | | |
| | Net increase in deposits with central bank and interbank deposits | | |
| | Cash paid for compensation payments under original insurance contracts | | |
| | Cash paid for interest, handling charges and commissions | | |
| | Cash paid for insurance policy dividend | | |
| | Cash paid to and on behalf of employees | **17,362,760.95** | 16,543,737.01 |
| | Tax payments | **10,005,765.41** | 9,165,600.88 |
| | Other cash paid for activities related to operation | **4,774,033.53** | 6,201,217.00 |
| | **Sub-total of cash outflow from operating activities** | **70,349,924.42** | 48,036,988.20 |
| | **Net cash flow from operating activities** | **–4,499,325.52** | –6,734,546.74 |
| **II.** | **Cash flow from investment activities:** | | |
| | Cash received from disposal of investment | **4,000,000.00** | |
| | Cash received from return of investments | | 2,410,572.50 |
| | Net cash received from disposal of fixed assets, intangible assets and other long term assets | **38,043,000.00** | 570,000.00 |
| | Net cash received from disposal of subsidiaries and other operating entities | | |
| | Other cash received from activities related to investment | | 3,458.00 |
| | **Sub-total of cash inflow from investment activities** | **42,043,000.00** | 2,984,030.50 |

| | | |
|---|---|---|
| Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets | **171,970.00** | 2,571,417.46 |
| Cash paid for investment | | |
| Net increase in pledged loans | | |
| Net cash paid for acquisition of subsidiaries and other operating entities | | |
| Other cash paid for activities related to investment | **5,000,000.00** | 0.00 |
| **Sub-total of cash outflow from investment activities** | **5,171,970.00** | 2,571,417.46 |
| **Net cash flow from investment activities** | **36,871,030.00** | 412,613.04 |
| **III. Cash flow from financing activities:** | | |
| Cash received from investments | | |
| Including: Proceeds received by subsidiaries from minority shareholders' investment | | |
| Proceeds from loans | **0.00** | 20,000,000.00 |
| Cash received from issuing bonds | | |
| Other cash received from financing-related activities | **161,764,007.12** | 166,635,209.60 |
| **Sub-total of cash inflow from financing activities** | **161,764,007.12** | 186,635,209.60 |
| Cash paid for repayment of loans | **11,694,118.18** | 26,683,817.65 |
| Cash paid for dividends, profit, or interest payments | | 211,827.63 |
| Including: Dividend and profit paid by subsidiaries to minority shareholders | | |
| Other cash paid for financing-related activities | **159,750,800.00** | 199,000,000.00 |
| **Sub-total of cash outflow from financing activities** | **171,444,918.18** | 225,895,645.28 |
| **Net cash flow from financing activities** | **–9,680,911.06** | –39,260,435.68 |

| | | | |
|---|---|---|---|
| **IV.** | **Effects of changes in exchange rate on cash and cash equivalents** | **1,078.88** | –332.64 |
| **V.** | **Net increase in cash and cash equivalents** | **22,691,872.30** | –45,582,702.02 |
| | Add: Opening balance of cash and cash equivalents | **28,316,110.10** | 55,805,556.06 |
| **VI.** | **Closing balance of cash and cash equivalents** | **51,007,982.40** | 10,222,854.04 |

| *Legal representative:* | *Chief accountant:* | *Person in charge of accounting department:* |
|---|---|---|
| **Ma Liyun** | **Sun Lei** | **Chen Jing** |

## Cash Flow Statement of the Company

Prepared by: Luoyang Glass Company Limited January to March 2014 *Unit: RMB*

| Item | **January to March 2014** | January to March 2013 |
|---|---|---|
| **I. Cash flow from operating activities:** | | |
| Cash received from sale of goods and provision of services | **54,912,370.26** | 20,254,221.68 |
| Tax rebates | | |
| Other cash received from activities related to operation | **127,103,815.90** | 151,546,375.05 |
| **Sub-total of cash inflow from operating activities** | **182,016,186.16** | 171,800,596.73 |
| Cash paid for goods purchased and service rendered | **1,476,980.85** | 15,869,084.35 |
| Cash paid to and on behalf of employees | **5,073,602.30** | 4,566,348.42 |
| Tax payments | **1,153,712.43** | 691,540.56 |
| Other cash paid for activities related to operation | **109,956,175.07** | 69,556,760.22 |
| **Sub-total of cash outflow from operating activities** | **117,660,470.65** | 90,683,733.55 |
| **Net cash flow from operating activities** | **64,355,715.51** | 81,116,863.18 |

| | | |
|---|---|---|
| **II. Cash flow from investment activities:** | | |
| Cash received from disposal of investments | **4,000,000.00** | 0.00 |
| Cash received from return of investments | | |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | **38,043,000.00** | 570,000.00 |
| Net cash received from disposal of subsidiaries and other operating entities | | |
| Other cash received from activities related to investment | | |
| **Sub-total of cash inflow from investment activities** | **42,043,000.00** | 570,000.00 |
| Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets | | |
| Cash paid for investment | | |
| Net cash paid for acquisition of subsidiaries and other operating entities | | |
| Other cash paid for activities related to investment | **5,000,000.00** | 0.00 |
| **Sub-total of cash outflow from investment activities** | **5,000,000.00** | 0.00 |
| **Net cash flow from investment activities** | **37,043,000.00** | 570,000.00 |

| | | |
|---|---|---|
| **III. Cash flow from financing activities:** | | |
| Cash received from investments | | |
| Proceeds from loans | | 20,000,000.00 |
| Cash received from issuing bonds | | |
| Other cash received from activities related to financing | **10,000,000.00** | 58,307,222.09 |
| **Sub-total of cash inflow from financing activities** | **10,000,000.00** | 78,307,222.09 |
| Cash paid for repayment of loans | **10,974,118.18** | 25,963,817.65 |
| Cash paid for dividends, profit, or interest payment | **0.00** | 211,827.63 |
| Other cash paid for financing-related activities | **100,000,000.00** | 134,000,000.00 |
| **Sub-total of cash outflow from financing activities** | **110,974,118.18** | 160,175,645.28 |
| **Net cash flow from financing activities** | **–100,974,118.18** | –81,868,423.19 |
| **IV. Effects of changes in exchange rate on cash and cash equivalents** | **1,078.88** | –332.64 |
| **V. Net increase in cash and cash equivalents** | **425,676.21** | –181,892.65 |
| Add: Opening balance of cash and cash equivalents | **398,991.55** | 205,919.60 |
| **VI. Closing balance of cash and cash equivalents** | **824,667.76** | 24,026.95 |

| *Legal representative:* | *Chief accountant:* | *Person in charge of accounting department:* |
|---|---|---|
| **Ma Liyun** | **Sun Lei** | **Chen Jing** |

By order of the Board of
**Luoyang Glass Company Limited***
**Ma Liyun**
*Chairman*

Luoyang, the PRC
28 April 2014

*As at the date of this announcement, the Board comprises four executive Directors: Mr. Ma Liyun, Mr. Ni Zhisen, Ms. Sun Lei and Mr. Xie Jun; three non-executive Directors: Mr. Zhang Chengong, Mr. Guo Yimin and Mr. Zhang Chong; and three independent non-executive Directors: Mr. Huang Ping, Mr. Dong Jiachun and Mr. Liu Tianni.*

* *For identification purposes only*