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)

THIRD 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 shall warrant that the information contained in this quarterly report is true, accurate, and complete without any false and misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.

1.2 All Directors attended the Board meeting to consider the quarterly report.

1.3 Ma Liyun, Chairman of the Company, Sun Lei, the Financial Controller, and Chen Jing, the Manager of Finance Centre, warrant that the financial statements in this quarterly report are true, accurate and complete.

1.4 The third quarterly report of the Company is unaudited.

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	**1,136,606,488.34**	1,226,528,319.88	–7.33
Net assets attributable to shareholders of the Company	**40,645,697.76**	33,306,058.69	22.04

	From beginning of the year to the end of the reporting period (January – September)	From beginning of the previous year to the end of the reporting period of the previous year (January – September)	Year-on-year increase/ decrease *(%)*
Net cash flows from operating activities	**–28,655,885.17**	37,293,978.17	–176.84

	From beginning of the year to the end of the reporting period (July – September)	From beginning of the previous year to the end of the reporting period of the previous year (January – September)	Year-on-year increase/ decrease *(%)*
Operating income	**432,785,559.45**	219,854,060.74	96.85
Net profit attributable to shareholders of the listed company	**7,250,484.21**	–61,585,936.52	111.77
Net profit attributable to shareholders of the listed company after deducting extraordinary profit or loss	**–85,320,886.22**	–70,803,820.47	N/A
Weighted average return on net assets *(%)*	**19.63**	–60.78	Increased by 80.41 percentage points
Basic earnings per share *(RMB/share)*	**0.0145**	–0.1232	111.77
Diluted earnings per share *(RMB/share)*	**0.0145**	–0.1232	111.77

Extraordinary Items and Amounts:

Unit: RMB

Extraordinary Items	**Amount for the reporting period (July – September)**	Amounts for the period from beginning of the year to the end of the reporting period (January – September)	Explanations
1. Profit/loss from disposal of non-current assets	**241,358.48**	94,153,153.96	
2. 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**	1,161,789.12	
3. Gain from debt restructuring	**25,000.00**	212,500.00	
4. Fee and commission incomes arising from trusted customer asset management business			
5. Other non-operating income and expenses excluding the aforesaid items	**–2,289,123.70**	–2,594,183.71	
6. Effect of income tax	**68,854.88**	55,099.13	
7. Effect of minority interests (after tax)	**–400.59**	–416,988.07	
Total	**–1,567,047.89**	92,571,370.43	

2.2 Total number of shareholders, top 10 shareholders and top 10 holders of tradable 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	17,831 including 17,774 holders of A Shares and 57 holders of H Shares.

Shareholdings of the top 10 shareholders

Name of shareholders (full name)	Increase/ decrease in the reporting period	Total number of shares held as at the end of the reporting period	Shareholding Percentage (%)	Number of shares subject to trading moratorium held	Pledged or frozen Status of shares	Number	Nature of shareholder
HKSCC Nominees Limited	12,000	247,860,998	49.57	0	Unknown		Overseas legal person
China Luoyang Float Glass (Group) Company Limited	0	159,018,242	31.8	0	Pledged	159,018,242	State-owned legal person
Zhang Lixin	0	2,760,000	0.55	0	Unknown		Domestic natural person
Mao Jianghui	0	2,092,599	0.42	0	Unknown		Domestic natural person
Ji Haibin	0	1,266,454	0.25	0	Unknown		Domestic natural person
Liu Yujun	0	1,022,613	0.20	0	Unknown		Domestic natural person
Beijing Daiwei Debang Investment Consultation Co., Ltd. (北京代維德邦投資諮詢有限公司)	0	1,021,853	0.20	0	Unknown		Domestic non-state-owed legal person
Zhang Ruiying	0	1,000,000	0.20	0	Unknown		Domestic natural person
China Everbright Bank — Penghua assets Longqi Chitu assets quantitative hedging management plan (光大銀行 — 鵬華資產龍旗赤兔量化對沖資產管理計劃)	0	850,100	0.17	0	Unknown		Other
Zhang Wenming	0	590,000	0.12	0	Unknown		Domestic natural person

Particulars of the top 10 holders of circulating 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 and number of shares	
		Class	Number
HKSCC Nominees Limited	247,860,998	Overseas listed foreign shares	247,860,998
China Luoyang Float Glass (Group) Company Limited	159,018,242	Ordinary shares denominated in RMB	159,018,242
Zhang Lixin	2,760,000	Ordinary shares denominated in RMB	2,760,000
Mao Jianghui	2,092,599	Ordinary shares denominated in RMB	2,092,599
Ji Haibin	1,266,454	Ordinary shares denominated in RMB	1,266,454
Liu Yujun	1,022,613	Ordinary shares denominated in RMB	1,022,613
Beijing Daiwei Debang Investment Consultation Co., Ltd. (北京代維德邦投資諮詢有限公司)	1,021,853	Ordinary shares denominated in RMB	1,021,853
Zhang Ruiying	1,000,000	Ordinary shares denominated in RMB	1,000,000
China Everbright Bank — Penghua assets Longqi Chitu assets quantitative hedging management plan (光大銀行 — 鵬華資產龍旗赤兔量化對沖資產管理計劃)	850,100	Ordinary shares denominated in RMB	850,100
Zhang Wenming	590,000	Ordinary shares denominated in RMB	590,000

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.
Explanations on preference shareholders with voting rights restored and the number of shares held	None

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 2014**	31 December 2013	Increase/ (decrease) (%)	Reasons for changes
Notes receivable	1,332,935.00	39,799,612.49	-96.65	Mainly due to decrease in notes received
Accounts receivable	17,889,012.13	29,651,547.60	-39.67	Mainly due to recovery of loans
Prepayments	29,500,213.10	13,806,820.85	113.66	Mainly due to prepayments for bulk raw materials
Other receivables	34,234,935.05	81,916,322.40	-58.21	Mainly due to receipt of balance of payments in respect of land acquisition for reserve of previous years
Long-term receivables	47,909,392.19		100	Mainly due to that the receivables due from the disposal of equity interest in Luoyang Glass Industrial Co., Ltd. have not been received
Short-term loans	10,000,000.00	50,696,833.33	-80.27	Mainly due to repayment of loans
Payments received in advance	83,014,634.88	41,704,096.40	99.06	Mainly due to the increase in payments received in advance from goods sold or/and services provided
Staff remuneration payables	37,590,738.28	59,538,138.48	-36.86	Mainly due to payment of social insurance premium for previous years
Other payables	78,935,097.45	126,044,622.62	-37.38	Mainly due to the transfer of initial payment collected at the earlier stage as a result of the completion of the disposal of equity interest in the Luoyang Glass Industrial Co., Ltd. in the period

Item	January to September 2014	January to September 2013	Increase/ (decrease) (%)	
Operating income	432,785,559.45	219,854,060.74	96.85	Mainly due to increase in both production capacity and sales volume
Operating cost	411,223,424.85	183,358,706.24	124.27	Mainly due to increase in both production capacity and sales volume
Financial expenses	3,762,203.85	8,160,395.35	-53.90	Mainly due to the year-on-year decrease in notes discount charge and year-on-year increase in interest income in the period
Impairment losses on assets	5,085,670.60	3,435,910.70	48.02	Mainly due to the increase in inventory impairment provided for in the period
Investment income	94,619,131.73	2,410,572.50	3825.17	Mainly due to the gains from disposal of the equity interest in Luobo Industrial Co., Ltd. in the period
Non-operating income	3,212,895.23	10,286,981.47	–68.77	Mainly due to decrease in subsidies from the government

Item	January to September 2014	January to September 2013	Increase/ (decrease) (%)	
Net cash flow from operating activities	–28,655,885.17	37,293,978.17	–176.84	Mainly due to payment of social insurance premium for the previous period with cash in the period
Net cash flow from investment activities	35,101,404.33	–33,048,824.89	206.21	Mainly due to receipt of balance of payments in respect of land acquisition for reserve of previous years in the period
Net cash outflow from financing activities	–25,273,531.17	–50,773,594.54	N/A	Mainly due to the decrease in net expense on bills due for payment and relevant deposit thereof in the reporting period as compared to the same period last year

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

✓ Applicable ☐ Not Applicable

As the Company is planning material assets reorganisation, through application, the shares of the Company were continuously suspended since 14 July 2014. At present, the Company and relevant parties are proactively proceeding with the due diligence, law, audit, valuation, etc. involved in the material assets reorganisation and further studying, demonstrating and refining the material assets reorganisation. For details and progress, please refer to the announcements published on the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

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

✓ Applicable ☐ Not Applicable

Undertaker	Contents of undertaking	Performance	Remarks
China National Building Materials Group Corporation	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.	CNBMG honored its undertaking	

CBM Glass	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.	CBM Glass honored its undertaking	
CNBMG and CBM Glass	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.	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.	On 27 June 2014, CNBMG undertook that it will assist the Company to strip the ordinary float glass business away before 30 June 2015 through feasible methods of business and asset reorganisation and others. The material assets reorganisation is under progress.
CNBMG	In order to avoid or reduce the potential related party transaction in the future, 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 try its best to 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."	CNBMG honored its undertaking	

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

3.5 Effects of executing new accounting standards on the consolidated financial statement

For execution of new accounting standards by the Company, only the revised Accounting Standards for Business Enterprises No.2 — Long-term Equity Investments will affect the items and amounts of available-for sale financial assets and long-term equity investment and will not affect the operating results and cash flows for 2013 and the period, and it is not required to make retrospective adjustments.

3.5.1 Effects of the changes in standards for long-term equity investment on the consolidated financial statement (I)

Unit: RMB

		1 January 2013	31 December 2013		
Investee	**Basic information on transaction**	**Equity attributable to the shareholders of the parent company (+/-)**	**Long-term equity investment (+/-)**	**Available-for sale financial assets (+/-)**	**Equity attributable to the shareholders of the parent company (+/-)**
CLFG Jingwei Glass Fibre Co., Ltd.	Luoyang Glass Company Limited, parent of the company, holds 35.9% equity interests in the company, but there is no material impact.	0	0	0	0

CLFG Luoyang Jingjiu Glass Products Company Limited	Luoyang Glass Company Limited, parent of the company, holds 31.08% equity interests in the company, but there is no material impact.	0	0	0	0
CLFG New Lighting Company Limited	Luoyang Glass Company Limited, parent of the company, holds 29.45% equity interests in the company, but there is no material impact.	0	0	0	0
Luoyang Jingxin Ceramic Co. Ltd.	Luoyang Glass Company Limited, parent of the company, holds 49% equity interests in the company.	0	0	0	0
Bank of Sanmenxia Co., Ltd.	CLFG Longfei Glass Co. Ltd., a subsidiary of the company, holds 2.92% equity interests in the company.	0	–7,000,000.00	7,000,000.00	0
Total	—	0	–7,000,000.00	7,000,000.00	0

Explanations:

In accordance with the new accounting standards, the Company changed the way of accounting for the above investees. The long-term equity investment was accounted for as available-for sale financial assets, and retrospective adjustments were made to the opening balance:

I. The costs of long-term equity investment in CLFG Jingwei Glass Fibre Co., Ltd., CLFG Luoyang Jingjiu Glass Products Company Limited and CLFG New Lighting Company Limited by the Company amounted to RMB7,791,217.53 which was removed from "long-term equity investment" and included in "available-for sale financial assets". The impairment provision for long-term equity investment that had been made amounted to RMB7,791,217.53 which was removed from "provision for impairment of long-term equity investment" and included in "provision for impairment of available-for sale financial assets";

II. The long-term equity investment in Bank of Sanmenxia Co., Ltd. by the Company amounted to RMB7,000,000.00 which was removed from "long-term equity investment" and included in "available-for sale financial assets".

III. Luoyang Jingxin Ceramic Co. Ltd. is currently in the stage of bankrupcy liquidation. The Company has no material impact on it. The accounting with equity method for long-term equity investment was changed to accounting for available-for sale financial assets measured at costs and its fair value amounted to RMB0.

Luoyang Glass Company Limited
Legal representative: **Ma Liyun**
28 October 2014

IV. APPENDIX

4.1 Financial Statement

Consolidated Balance Sheet

30 September 2014

Prepared by: Luoyang Glass Company Limited

Unit: RMB Type of audit: unaudited

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current assets:		
Bank balance and cash	**109,509,179.57**	128,509,961.33
Balances with clearing companies		
Placements with banks and other financial institutions		
Held-for-trading financial assets		
Notes receivable	**1,332,935.00**	39,799,612.49
Accounts receivable	**17,889,012.13**	29,651,547.60
Prepayments	**29,500,213.10**	13,806,820.85
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Interest receivable		
Dividends receivable		
Other receivables	**34,234,935.05**	81,916,322.40
Financial assets purchased under resale agreements		
Inventory	**237,398,362.60**	200,349,541.58
Non-current assets due within one year		
Other current assets		
Total current assets	**429,864,637.45**	494,033,806.25

Non-current assets:		
Entrusted loans and advances granted		
Available-for-sale financial assets	**7,000,000.00**	7,000,000.00
Held-to-maturity investments	**—**	—
Long-term receivables	**47,909,392.19**	—
Long-term equity investments	**—**	—
Investment properties	**—**	—
Fixed assets	**591,105,320.82**	644,340,372.61
Construction in progress	**2,720,759.98**	2,139,957.20
Construction materials	**544,484.59**	506,186.30
Disposal of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	**52,398,940.91**	73,958,045.12
Development expenses		
Goodwill		
Long-term deferred expenses	**513,000.00**	—
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	**706,741,850.89**	732,494,513.63
Total assets	**1,136,606,488.34**	1,226,528,319.88

Current liabilities:		
Short-term loans	**10,000,000.00**	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	**294,500,724.42**	282,538,381.85
Payments received in advance	**83,014,634.88**	41,704,096.40
Disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payables	**37,590,738.28**	59,538,138.48
Taxes payable	**–5,840,986.04**	–7,987,198.97
Interest payable		
Dividends payable		
Other payables	**78,935,097.45**	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	**47,616,446.91**	47,612,486.96
Other current liabilities	**—**	—
Total current liabilities	**695,816,655.90**	750,147,360.67

Non-current liabilities:		
Long-term loans	**471,092,952.68**	506,104,010.11
Debentures payable		
Long-term payables		
Specific payables		
Accrued liabilities		
Deferred income tax liabilities		
Other non-current liabilities	**9,017,256.63**	10,179,045.75
Total non-current liabilities	**480,110,209.31**	516,283,055.86
Total liabilities	**1,175,926,865.21**	1,266,430,416.53
Owners' equity (or Shareholder's equity):		
Paid-in-capital (or 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	**457,049.38**	367,894.52
Surplus reserve	**51,365,509.04**	51,365,509.04
General risk provision		
Retained earnings	**–1,368,645,509.56**	–1,375,895,993.77
Currency translation differences		
Total equity attributable to the equity holders of the Company	**40,645,697.76**	33,306,058.69
Minority interests	**–79,966,074.63**	–73,208,155.34
Total owners' equity	**–39,320,376.87**	–39,902,096.65
Total liabilities and owners' equities	**1,136,606,488.34**	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

30 September 2014

Prepared by: Luoyang Glass Company Limited

Unit: RMB Type of audit: unaudited

Item	**Balance as at the end of the period**	Balance as at the beginning of the year
Current assets:		
Bank balance and cash	**101,831,298.11**	100,484,846.41
Held-for-trading financial assets		
Notes receivable	**122,935.00**	37,380,000.00
Accounts receivable	**604,849,267.36**	536,576,422.25
Prepayments	**18,795,480.01**	1,099,223.51
Interest receivable		
Dividends receivable		
Other receivables	**262,580,249.72**	291,258,468.88
Inventory	**9,937.74**	5,787,785.18
Non-current assets due within one year		
Other current assets		
Total current assets	**988,189,167.94**	972,586,746.23

Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments	**135,089,000.00**	139,969,000.00
Long-term receivables	**47,909,392.19**	0.00
Long-term equity investments	**52,597,961.54**	92,519,028.76
Investment properties	**0.00**	0.00
Fixed assets	**3,753,085.21**	5,035,983.24
Construction in progress		
Construction materials	**428,213.56**	443,778.51
Disposal of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	**6,912,367.33**	7,080,505.96
Development expenses	**0.00**	0.00
Goodwill	**0.00**	0.00
Long-term deferred expenses	**513,000.00**	0.00
Deferred income tax assets	**0.00**	0.00
Other non-current assets	**0.00**	0.00
Total non-current assets	**247,203,019.83**	245,048,296.47
Total assets	**1,235,392,187.77**	1,217,635,042.70

Current liabilities:		
Short-term loans	**10,000,000.00**	50,696,833.33
Held-for-trading financial liabilities		
Notes payable	**150,000,000.00**	150,000,000.00
Accounts payable	**71,348,821.56**	105,199,176.11
Payments received in advance	**77,929,572.26**	39,196,282.16
Staff remuneration payables	**9,155,730.19**	35,821,245.04
Taxes payable	**4,964,421.17**	678,566.99
Interest payable		
Dividends payable		
Other payables	**56,520,115.89**	205,350,299.14
Non-current liabilities due within one year	**43,467,526.35**	43,463,566.40
Other current liabilities	**0.00**	0.00
Total current liabilities	**423,386,187.42**	630,405,969.17
Non-current liabilities:		
Long-term loans	**441,652,952.68**	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	**441,652,952.68**	474,504,010.11
Total liabilities	**865,039,140.10**	1,104,909,979.28

Owners' equity (or shareholders' equity):		
Paid-in-capital (or 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	**–1,072,160,485.60**	–1,329,788,469.85
Total owners' equity (or shareholders' equity)	**370,353,047.67**	112,725,063.42
Total liabilities and owners' equities (or shareholders' equity)	**1,235,392,187.77**	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

Unit: RMB Type of audit: unaudited

Item			Reporting period (July – September)	Corresponding period last year (July – September)	Amounts for the period from the beginning of the year to the end of the reporting period (January – September)	Amounts for the period from the beginning of the year to the end of the reporting period last year (January – September)
I.	Total operating revenue		167,151,705.53	86,536,382.51	432,785,559.45	219,854,060.74
	Including:	Operating revenue	167,151,705.53	86,536,382.51	432,785,559.45	219,854,060.74
		Interest income				
		Premiums earned				
		Handling charges and commission income				
II.	Total operating costs		188,623,938.08	110,378,250.32	518,293,111.27	297,628,706.23
	Including:	Operating costs	160,922,325.50	73,280,171.49	411,223,424.85	183,358,706.24
		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	1,154,789.55	1,129,157.17	5,427,597.46	3,450,501.87
		Selling expenses	6,008,779.63	4,953,445.57	18,637,852.99	17,081,061.75
		Administration expenses	22,468,529.51	24,711,980.77	74,156,361.52	82,142,130.32
		Finance expenses	–1,923,486.11	2,867,584.62	3,762,203.85	8,160,395.35
		Impairment loss on assets	–7,000.00	3,435,910.70	5,085,670.60	3,435,910.70
	Add:	Gains from changes in fair value (losses are represented by "–")	—	—	—	—
		Investment income (losses are represented by "–")	1,224,570.83	—	94,619,131.73	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 "–")**	**-20,247,661.72**	–23,841,867.81	**9,111,579.91**	–75,364,072.99
	Add: Non-operating income	**983,952.57**	7,389,773.13	**3,212,895.23**	10,286,981.47
	Including: Gain from disposal of non-current assets	**540,151.02**	1,905.73	**1,057,385.60**	214,711.83
	Less: Non-operating expenses	**2,619,454.75**	10,681.93	**3,674,196.76**	883,031.92
	Including: Loss from disposal of non-current assets	**298,792.54**		**298,792.54**	327,425.21
IV.	**Total profit (total loss is represented by "–")**	**–21,883,163.90**	–16,462,776.61	**8,650,278.38**	–65,960,123.44
	Less: Income tax expenses	**4,736,389.06**	794,761.96	**8,240,010.25**	3,608,078.47
V.	**Net profit (net loss is represented by "–")**	**–26,619,552.96**	–17,257,538.57	**410,268.13**	–69,568,201.91
	Net profit attributable to the owners of the Company	**–25,017,325.29**	–14,273,971.53	**7,250,484.21**	–61,585,936.52
	Minority interests	**–1,602,227.67**	–2,983,567.04	**–6,840,216.08**	–7,982,265.39
VI.	**Earnings per share:**				
	(I) Basic earnings per share *(RMB/share)*	**–0.05**	–0.03	**0.01**	–0.12
	(II) Diluted earnings per share *(RMB/share)*	**–0.05**	–0.03	**0.01**	–0.12
VII.	**Other comprehensive income**				
VIII.	**Total comprehensive income**	**–26,619,552.96**	–17,257,538.57	**410,268.13**	–69,568,201.91
	Including: Total comprehensive income attributable to owners of the Company	**–25,017,325.29**	–14,273,971.53	**7,250,484.21**	–61,585,936.52
	Total comprehensive income attributable to minority interests	**–1,602,227.67**	–2,983,567.04	**–6,840,216.08**	–7,982,265.39

For business combination under common control during the reporting period, the profit realised by the acquiree before combination was RMB nil.

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

Unit: RMB Type of audit: unaudited

Item	Reporting period (July – September)	Corresponding period last year (July – September)	Amounts for the period from the beginning of the year to the end of the reporting period (January – September)	Amounts for the period from the beginning of the year to the end of the reporting period last year (January – September)
I. Operating revenue	**211,439,637.51**	114,523,883.83	**505,828,036.49**	221,445,781.72
Less: Operating costs	**207,034,791.76**	112,513,823.92	**496,464,161.87**	217,017,964.80
Business taxes and surcharges	**288,640.30**	17,060.57	**2,400,606.23**	693,435.76
Selling expenses	**646,272.51**	893,098.02	**1,918,004.80**	1,850,135.11
Administration expenses	**5,848,373.11**	2,519,582.96	**16,556,677.04**	18,567,793.81
Finance expenses	**–2,439,990.92**	–693,658.97	**–5,752,163.93**	–255,593.85
Impairment loss on assets	**–7,000.00**	–1,804.40	**–7,000.00**	–1,804.40
Add: Gains from changes in fair value (losses are represented by “ -”)	**—**	—	**—**	
Investment income (losses are represented by “ -”)	**181,901,359.96**	6,380,859.96	**265,204,291.23**	17,265,103.86
Including: Gains from investment in associates and joint ventures				
II. Operating Profit (losses are represented by “ -”)	**181,969,910.71**	5,656,641.69	**259,452,041.71**	838,954.35
Add: Non-operating income	**575,151.02**	300.00	**854,054.87**	402,843.95
Including: Gains from disposal of non-current assets	**540,151.02**		**621,554.87**	189,674.52
Less: Non-operating expenses	**1,658,116.97**	—	**2,678,112.33**	437,425.21
Including: Loss from disposal of non-current assets	**298,792.54**		**298,792.54**	327,425.21

III.	**Total profit (total loss is represented by "–")**	**180,886,944.76**	5,656,941.69	**257,627,984.25**	804,373.09
	Less: Income tax expenses	**–**	–	**–**	
IV.	**Net profit (net loss is represented by "–")**	**180,886,944.76**	5,656,941.69	**257,627,984.25**	804,373.09
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**	**180,886,944.76**	5,656,941.69	**257,627,984.25**	804,373.09

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

Consolidated Cash Flow Statement

January —September 2014

Prepared by: Luoyang Glass Company Limited

Unit: RMB Type of audit: unaudited

Item	Amounts for the period from the beginning of the year to the end of the reporting period (January – September)	Amounts for the period from the beginning of the year to the end of the reporting period last year (January – September)
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	**230,616,637.84**	148,852,592.18
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	**13,355,727.13**	17,683,067.25
Sub-total of cash inflow from operating activities	**243,972,364.97**	166,535,659.43

Cash paid for goods purchased and services rendered	**142,240,803.73**	48,255,967.33
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	**84,668,903.82**	42,253,334.74
Tax payments	**31,063,172.79**	24,538,057.85
Other cash paid for activities related to operation	**14,655,369.80**	14,194,321.34
Sub-total of cash outflow from operating activities	**272,628,250.14**	129,241,681.26
Net cash flow from operating activities	**–28,655,885.17**	37,293,978.17

II.	**Cash flow from investment activities:**		
	Cash received from disposal of investment		
	Cash received from return of investments	**1,224,570.83**	2,410,572.50
	Net cash received from disposal of fixed assets, intangible assets and other long term assets	**38,524,655.62**	2,107,211.54
	Net cash received from disposal of subsidiaries and other operating entities	**4,000,000.00**	—
	Other cash received from activities related to investment		
	Sub-total of cash inflow from investment activities	**43,749,226.45**	4,517,784.04
	Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	**3,647,822.12**	37,566,608.93
	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**	—
	Sub-total of cash outflow from investment activities	**8,647,822.12**	37,566,608.93
	Net cash flow from investment activities	**35,101,404.33**	–33,048,824.89

III. Cash flow from financing activities:		
Cash received from investments		
Including: Proceeds received by subsidiaries from minority shareholders' investment		
Proceeds from loans	**10,000,000.00**	75,000,000.00
Cash received from issuing bonds		
Other cash received from financing-related activities	**310,622,187.01**	522,116,177.26
Sub-total of cash inflow from financing activities	**320,622,187.01**	597,116,177.26
Cash paid for repayment of loans	**34,644,918.18**	84,901,531.25
Cash paid for dividends, profit, or interest payments	**—**	918,240.55
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing-related activities	**311,250,800.00**	562,070,000.00
Sub-total of cash outflow from financing activities	**345,895,718.18**	647,889,771.80
Net cash flow from financing activities	**–25,273,531.17**	–50,773,594.54
IV. Effects of changes in exchange rate on cash and cash equivalents	**1,081.48**	–3,215.46
V. Net increase in cash and cash equivalents	**–18,826,930.53**	–46,531,656.72
Add: Opening balance of cash and cash equivalents	**28,316,110.10**	55,805,556.06
VI. Closing balance of cash and cash equivalents	**9,489,179.57**	9,273,899.34

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

Cash Flow Statement of the Company

January —September 2014

Prepared by: Luoyang Glass Company Limited

Unit: RMB Type of audit: unaudited

Item	**Amounts for the period from the beginning of the year to the end of the reporting period (January – September)**	Amounts for the period from the beginning of the year to the end of the reporting period last year (January – September)
I. Cash flow from operating activities:		
Cash received from sale of goods and provision of services	**208,609,622.19**	103,921,825.55
Tax rebates	**0.00**	0.00
Other cash received from activities related to operation	**279,605,742.32**	412,444,152.72
Sub-total of cash inflow from operating activities	**488,215,364.51**	516,365,978.27
Cash paid for goods purchased and service rendered	**17,669,710.06**	57,529,074.18
Cash paid to and on behalf of employees	**48,038,357.56**	15,679,522.52
Tax payments	**3,009,945.17**	1,859,368.82
Other cash paid for activities related to operation	**193,105,864.08**	150,416,305.04
Sub-total of cash outflow from operating activities	**261,823,876.87**	225,484,270.56
Net cash flow from operating activities	**226,391,487.64**	290,881,707.71

II.	**Cash flow from investment activities:**		
	Cash received from disposal of investments		
	Cash received from return of investments	**0.00**	2,946,866.81
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**38,524,655.62**	784,000.00
	Net cash received from disposal of subsidiaries and other operating entities	**4,000,000.00**	0.00
	Other cash received from activities related to investment	**0.00**	0.00
	Sub-total of cash inflow from investment activities	**42,524,655.62**	3,730,866.81
	Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	**0.00**	0.00
	Cash paid for investment	**0.00**	5,000,000.00
	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**	5,000,000.00
	Net cash flow from investment activities	**37,524,655.62**	–1,269,133.19
III.	**Cash flow from financing activities:**		
	Cash received from investments		
	Proceeds from loans	**10,000,000.00**	75,000,000.00
	Cash received from issuing bonds		
	Other cash received from activities related to financing	**11,500,000.00**	126,533,901.82
	Sub-total of cash inflow from financing activities	**21,500,000.00**	201,533,901.82

Cash paid for repayment of loans	**32,484,918.18**	62,741,531.25
Cash paid for dividends, profit, or interest payment	**0.00**	397,129.44
Other cash paid for financing-related activities	**251,500,000.00**	427,570,000.00
Sub-total of cash outflow from financing activities	**283,984,918.18**	490,708,660.69
Net cash flow from financing activities	**–262,484,918.18**	–289,174,758.87
IV. Effects of changes in exchange rate on cash and cash equivalents	**1,081.48**	–3,215.46
V. Net increase in cash and cash equivalents	**1,432,306.56**	434,600.19
Add: Opening balance of cash and cash equivalents	**398,991.55**	205,919.60
VI. Closing balance of cash and cash equivalents	**1,831,298.11**	640,519.79

Legal representative: **Ma Liyun**

Chief accountant: **Sun Lei**

Person in charge of accounting department: **Chen Jing**

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

Luoyang, the PRC
28 October 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; two non-executive Directors: Mr. Zhang Chengong and Mr. Zhang Chong; and four independent non-executive Directors: Mr. Huang Ping, Mr. Dong Jiachun, Mr. Liu Tianni and Mr. Jin Zhanping.

* *for identification purposes only*