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 2015

1. IMPORTANT NOTICE

1.1 The board of directors, the supervisory committee, the directors, supervisors and senior management members of Luoyang Glass Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") 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 of directors' meeting to consider the quarterly report.

1.3 Ma Liyun, Person in Charge of the Company, Sun Lei, the Chief Accountant, and Chen Jing, the Person in Charge of Accounting Department (Accounting Supervisor), warrant that the financial statements in this quarterly report are true, accurate and complete.

1.4 The first quarterly report of the Company is unaudited.

* *For identification purpose only*

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

2.1 Major Financial Data

Unit: Yuan Currency: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	**1,117,103,454.82**	1,057,067,719.83	5.68
Net assets attributable to shareholders of the Company	**17,381,327.47**	49,399,018.40	–64.81

	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	**–43,524,086.16**	–4,499,325.52	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	**122,412,046.29**	126,378,728.92	–3.14
Net profit attributable to shareholders of the listed company	**–32,043,478.77**	70,489,403.90	–145.46
Net profit attributable to shareholders of the listed company after deducting extraordinary profit or loss	**–31,876,034.29**	–24,386,176.12	N/A
Weighted average return on net assets *(%)*	**–96.00**	102.83	Decreased by 198.83 percentage points
Basic earnings per share *(RMB/share)*	**–0.0641**	0.1410	–145.46
Diluted earnings per share *(RMB/share)*	**–0.0641**	0.1410	–145.46

Extraordinary Items and Amounts

☑ Applicable ☐ Not applicable

Unit: RMB

Extraordinary Items	Amount for the reporting period	Explanation
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)	**423,263.04**	
Profit/loss from debt restructuring	**63,665.10**	
Other net non-operating income and expenses excluding the aforesaid items	**-704,612.78**	
Effect of minority interests (after tax)	**28,844.76**	
Effect of income tax	**21,395.40**	
Total	**-167,444.48**	

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	15,705 including 15,648 holders of A Shares and 57 holders of H Shares

Shareholdings of the top 10 shareholders

Name of shareholders (full name)	Total number of share 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	Pledged or frozen Number	Nature of shareholder
HKSCC Nominees Limited	247,948,998	49.59	0	Unknown		Overseas legal person
China Luoyang Float Glass (Group) Company Limited	159,018,242	31.80	159,018,242	Pledged	159,018,242	State-owned legal person
Zhang Lixin	2,760,000	0.55	0	Unknown		Domestic natural person
Industrial and Commercial Bank of China-CMB Core Value Mixed Securities Investment Fund (中國工商銀行 — 招商核心價值混合型證券投資基金)	2,497,991	0.50	0	Unknown		Others
Mao Jianghui	2,092,599	0.42	0	Unknown		Domestic natural person
China Foreign Economic and Trade Trust Co., Ltd.-Zunjia ALPHA Securities Investment Limited Partnership Trust Plan of Assemble Funds (中國對外經濟貿易信託有限公司 — 尊嘉ALPHA證券投資有限合夥企業集合資金信託計劃)	1,224,600	0.24	0	Unknown		Others
Beijing Daiwei Debang Investment Consultation Co., Ltd.	730,000	0.15	0	Unknown		Domestic non-state-owned legal person

Zhongrong International Trust Co., Ltd. — Zhongrong — Haiying No. 1 Securities Investment Assembled Funds Trust Plan (中融國際信託有限公司 — 中融 — 海贏1號證券投資集合資金信託計劃)	700,000	0.14	0	Unknown	Others
Wanjia Funds- Industrial and Commercial Bank of China — WETOGETHER Pattern No. 1 Asset Management Plan (萬家基金 — 工商銀行 — 吾同格局1號資產管理計劃)	518,120	0.104	0	Unknown	Others
The Bank of China Limited — Jiashi New Revenue Flexible Allocation Mixed Securities Investment Fund (中國銀行股份有限公司 — 嘉實新收益靈活配置混合型證券投資基金)	514,850	0.102	0	Unknown	Others

Particulars of the top 10 holders of circulating shares not subject to trading Moratorium

Name of shareholders	Number of circulating shares not subject to trading moratorium	Class and number of shares	
		Class	Number
HKSCC Nominees Limited	247,948,998	Overseas listed foreign shares	247,948,998
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
Industrial and Commercial Bank of China — CMB Core Value Mixed Securities Investment Fund (中國工商銀行 — 招商核心價值混合型證券投資基金)	2,497,991	Ordinary shares denominated in RMB	2,497,991
Mao Jianghui	2,092,599	Ordinary shares denominated in RMB	2,092,599

Name of shareholders	Number of circulating shares not subject to trading moratorium	Class and number of shares	
		Class	Number
China Foreign Economic and Trade Trust Co., Ltd. — Zunjia ALPHA Securities Investment Limited Partnership Trust Plan of Assemble Funds (中國對外經濟貿易信託有限公司 — 尊嘉ALPHA證券投資有限合夥企業集合資金信託計劃)	1,224,600	Ordinary shares denominated in RMB	1,224,600
Beijing Daiwei Debang Investment Consultation Co., Ltd.	730,000	Ordinary shares denominated in RMB	730,000
Zhongrong International Trust Co., Ltd. — Zhongrong — Haiying No. 1 Securities Investment Assembled Funds Trust Plan (中融國際信託有限公司 — 中融 — 海贏1號證券投資集合資金信託計劃)	700,000	Ordinary shares denominated in RMB	700,000
Wanjia Funds- Industrial and Commercial Bank of China — WETOGETHER Pattern No. 1 Asset Management Plan (萬家基金 — 工商銀行 — 吾同格局1號資產管理計劃)	518,120	Ordinary shares denominated in RMB	518,120
The Bank of China Limited — Jiashi New Revenue Flexible Allocation Mixed Securities Investment Fund (中國銀行股份有限公司 — 嘉實新收益靈活配置混合型證券投資基金)	514,850	Ordinary shares denominated in RMB	514,850

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

2.3 total number of holders of preference shares, the top 10 holders of preference shares and the top 10 holders of preference shares not subject to trading moratorium as at the end of the reporting period

☐ Applicable ☑ Not applicable

3 SIGNIFICANT EVENTS

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

☑ Applicable ☐ Not applicable

(1) Bill receivable increased by 754.58% as compared with the beginning of the year, mainly due to the increase in the bills received in the period;

(2) Payments received in advance increased by 131.80% as compared with the beginning of the year, mainly due to the increase in the payments received in advance in the period;

(3) Other current assets increased by 33.63% as compared with the beginning of the year, mainly due to the increase in remaining tax credit of the tax payable in the period;

(4) Construction in progress increased by 1,039.42% as compared with the beginning of the year, mainly due to the incurred new construction and renovation project of the subsidiaries in the period;

(5) Other payables increased by 57.71% as compared with the beginning of the year, mainly due to increase in the repayment of advance payment of the Company provided by the subsidiaries of China Building Materials in the period;

(6) Finance expenses decreased by 97.18% as compared with the corresponding period of last year, mainly due to year-on-year decrease in discount charge in the period;

(7) Investment income decreased by 100% as compared with the corresponding period of last year, mainly due to the income from disposal of equity interest in a subsidiary of the Company in the corresponding period of last year;

(8) Non-operating income decreased by 71.37% as compared with the corresponding period of last year, mainly due to the income from disposal of assets in the corresponding period of last year;

(9) Net cash outflow from operating activities decreased by RMB39,024,800 as compared with the corresponding period of last year, mainly due to the increase in the materials payment in the period;

(10) Net cash from investment activities decreased by RMB46,675,100 as compared with the corresponding period of last year, mainly due to the collection of payments in respect of land acquisition for reserve last period;

(11) Net cash from financing activities increased by RMB43,367,200 as compared with the corresponding period of last year, mainly due to the increase in the repayment of advance payment of the Company provided by the subsidiaries of China Building Materials in the period.

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

☑ Applicable ☐ Not Applicable

1. During transfer of relevant equity interests, 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, Triumph Technology, the controller of the Company, undertook on 9 December 2010 that: Triumph Technology 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 Triumph Technology 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, Triumph Technology honored its undertaking.

4. In transferring relevant equity interests, CNBMG and Triumph Technology, the de facto controllers of the Company, 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 have also respectively taken targeting measures to solve relevant horizontal competition problems over the last three 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. On 27 June 2014, CNBM standardized and updated the undertakings in accordance with the related requirements of No. 4 Regulatory Guideline on Listed Companies — De Facto Controller, Shareholders, Affiliated Parties, Buyer of Listed Companies and Undertakings and Performance of Undertakings of Listed Companies issued by CSRC, undertaking 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 restructuring and others.

   As at the end of the reporting period, the restructuring for purpose of performing such undertaking was in progress.

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

Company Name **Luoyang Glass Company Limited**
Legal Representative **Ma Liyun**

Date 28 April 2015

4. APPENDIX

4.1 Financial Statement

Consolidated Balance Sheet
31 March 2015

Prepared by: Luoyang Glass Company Limited

Unit: Yuan Currency: RMB Unaudited

Item	**Balance as at the end of the period**	Balance as at the beginning of the year
Current assets:		
Bank balance and cash	**68,836,879.49**	68,478,221.61
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	**3,418,334.52**	400,000.00
Accounts receivable	**29,461,959.37**	23,412,089.50
Prepayments	**17,831,003.35**	7,692,326.00
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Interest receivable		
Dividends receivable		
Other receivables	**33,844,348.57**	37,020,177.60
Financial assets purchased under resale agreements		
Inventory	**262,042,691.58**	211,781,486.51
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	**29,218,185.59**	21,865,034.21
Total current assets	**444,653,402.47**	370,649,335.43

Item	**Balance as at the end of the period**	Balance as at the beginning of the year
Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets	**4,343,500.00**	4,343,500.00
Held-to-maturity investments		
Long-term receivables	**49,401,611.03**	48,649,780.65
Long-term equity investments		
Investment properties		
Fixed assets	**547,598,075.88**	568,040,126.38
Construction in progress	**7,961,511.42**	698,734.75
Construction materials	**428,213.56**	428,213.56
Disposal of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	**54,048,297.60**	54,815,729.68
Development expenses		
Goodwill		
Long-term deferred expenses	**459,000.00**	486,000.00
Deferred income tax assets	**3,105,355.07**	3,821,811.59
Other non-current assets	**5,104,487.79**	5,134,487.79
Total non-current assets	**672,450,052.35**	686,418,384.40
Total assets	**1,117,103,454.82**	1,057,067,719.83

Item	**Balance as at the end of the period**	Balance as at the beginning of the year
Current liabilities:		
Short-term loans	**10,000,000.00**	10,000,000.00
Loans from central bank		
Deposit taking and deposit in inter-bank market		
Placements from banks and other financial institutions		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	**110,000,000.00**	90,000,000.00
Accounts payable	**292,401,913.29**	266,198,092.81
Payments received in advance	**73,662,930.99**	57,399,049.54
Disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payables	**53,860,529.23**	48,625,920.94
Taxes payable	**20,415,996.64**	27,800,706.43
Interest payable		
Dividends payable		
Other payables	**127,279,580.82**	80,705,153.66
Reinsurance accounts payable		
Reserve for insurance contracts		
Customer deposits for trading in securities		
Customer deposits for underwriting		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	**46,293,636.87**	46,293,636.87
Other current liabilities		
Total current liabilities	**733,914,587.84**	627,022,560.25

Item	**Balance as at the end of the period**	Balance as at the beginning of the year
Non-current liabilities:		
Long-term loans	**447,690,435.62**	459,535,761.38
Debentures payable		
Including: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term salaries payable		
Specific payables		
Accrued liabilities		
Deferred income	**9,511,651.11**	9,898,914.15
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	**457,202,086.73**	469,434,675.53
Total liabilities	**1,191,116,674.57**	1,096,457,235.78

Item	**Balance as at the end of the period**	Balance as at the beginning of the year
Owners' equity:		
Share capital	**500,018,242.00**	500,018,242.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	**857,450,406.90**	857,450,406.90
Less: Treasury stock		
Other comprehensive income		
Special reserve	**481,945.58**	456,157.74
Surplus reserve	**51,365,509.04**	51,365,509.04
General risk provision		
Retained earnings	**–1,391,934,776.05**	–1,359,891,297.28
Total equity attributable to the equity holders of the Company	**17,381,327.47**	49,399,018.40
Minority interests	**–91,394,547.22**	–88,788,534.35
Total owners' equity	**–74,013,219.75**	–39,389,515.95
Total liabilities and shareholders' equities	**1,117,103,454.82**	1,057,067,719.83

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

Balance Sheet of the Company
31 March 2015

Prepared by: Luoyang Glass Company Limited

Unit: Yuan Currency: RMB Unaudited

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current assets:		
Bank balance and cash	**65,137,307.75**	45,193,116.50
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	**1,069,872.40**	
Accounts receivable	**580,830,561.90**	556,257,598.52
Prepayments	**5,413,743.85**	1,485,067.67
Interest receivable		
Dividends receivable		
Other receivables	**161,685,993.62**	179,069,893.00
Inventory		
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets		
Total current assets	**814,137,479.52**	782,005,675.69

Item	**Balance as at the end of the period**	Balance as at the beginning of the year
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables	**49,401,611.03**	48,649,780.65
Long-term equity investments	**52,597,961.54**	52,597,961.54
Investment properties		
Fixed assets	**3,688,157.00**	3,813,540.76
Construction in progress		
Construction materials	**428,213.56**	428,213.56
Disposal of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	**6,800,274.91**	6,856,321.12
Development expenses		
Goodwill		
Long-term deferred expenses	**459,000.00**	486,000.00
Deferred income tax assets		
Other non-current assets		
Total non-current assets	**113,375,218.04**	112,831,817.63
Total assets	**927,512,697.56**	894,837,493.32

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current liabilities:		
Short-term loans	**10,000,000.00**	10,000,000.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	**110,000,000.00**	90,000,000.00
Accounts payable	**65,793,116.19**	75,935,633.93
Payments received in advance	**47,088,343.52**	50,176,727.50
Staff remuneration payables	**18,866,938.50**	13,822,236.57
Taxes payable	**2,703,275.61**	7,262,758.60
Interest payable		
Dividends payable		
Other payables	**86,287,552.26**	50,643,969.60
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	**43,413,636.87**	43,413,636.87
Other current liabilities		
Total current liabilities	**384,152,862.95**	341,254,963.07

Item	Balance as at the end of the period	Balance as at the beginning of the year
Non-current liabilities:		
Long-term loans	**419,690,435.62**	430,815,761.38
Debentures payable		
Including: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term salaries payable		
Specific payables		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	**419,690,435.62**	430,815,761.38
Total liabilities	**803,843,298.57**	772,070,724.45
Owners' equity:		
Share capital	**500,018,242.00**	500,018,242.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	**891,129,782.23**	891,129,782.23
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	**51,365,509.04**	51,365,509.04
Retained earnings	**–1,318,844,134.28**	–1,319,746,764.40
Total owners' equity	**123,669,398.99**	122,766,768.87
Total liabilities and shareholders' equities	**927,512,697.56**	894,837,493.32

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

Consolidated Income Statement

January to March 2015

Prepared by: Luoyang Glass Company Limited

Unit: Yuan Currency: RMB Unaudited

Item	January to March 2015	January to March 2014
I. Total operating revenue	**122,412,046.29**	126,378,728.92
Including: Operating revenue	**122,412,046.29**	126,378,728.92
Interest income		
Premiums earned		
Handling charges and commission income		
II. Total operating costs	**155,234,613.60**	151,888,664.01
Including: Operating costs	**124,392,829.67**	116,129,275.50
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	**1,081,040.12**	1,403,782.31
Selling expenses	**6,966,654.88**	5,846,805.87
Administration expenses	**22,715,292.77**	25,557,007.18
Finance expenses	**83,255.86**	2,951,793.15
Impairment loss on assets	**–4,459.70**	
Add: Gains from changes in fair value (losses are represented by "–")		
Investment income (losses are represented by "–")		93,569,700.70
Including: Gains from investment in associates and joint ventures		
Gains from currency exchange (losses are represented by "–")		

Item	January to March 2015	January to March 2014
III. Operating profit (loss is represented by "–")	**-32,822,567.31**	68,059,765.61
Add: Non-operating income	**495,979.02**	1,732,234.13
Including: Gains from disposal of non-current assets		418,189.09
Less: Non-operating expenses	**713,663.66**	32,706.28
Including: Loss from disposal of non-current assets		
IV. Total profit (total loss is represented by "–")	**-33,040,251.95**	69,759,293.46
Less: Income tax expenses	**1,633,043.85**	1,852,720.44
V. Net profit (net loss is represented by "–")	**-34,673,295.80**	67,906,573.02
Net profit attributable to the owners of the Company	**-32,043,478.77**	70,489,403.90
Minority interests	**-2,629,817.03**	-2,582,830.88
VI. Net other comprehensive income after taxes		
Net other comprehensive income attributable to owners of the parent company after taxes		
(I) Items that may not be reclassified subsequently to profit or loss		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Shares of other comprehensive income of investees that may not be reclassified to profit or loss under the equity method		
(II) Other comprehensive income that may be subsequently reclassified to profit or loss		
1. Shares of other comprehensive income of investees that may be reclassified to profit or loss under the equity method subsequently		
2. Gains or losses from changes in fair value of available-for-sale financial assets		
3. Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets		
4. Effective portion of cash flow adjusted for hedging gains or losses		
5. Exchange differences from retranslation of financial statements		
6. Others		
Net other comprehensive income attributable to minority interests after taxes		

Item	January to March 2015	January to March 2014
VII. Total comprehensive income	**-34,673,295.80**	67,906,573.02
Total comprehensive income attributable to owners of the Company	**-32,043,478.77**	70,489,403.90
Total comprehensive income attributable to minority interests	**-2,629,817.03**	-2,582,830.88
VIII. Earnings per share:		
(I) Basic earnings per share *(RMB/share)*	**-0.0641**	0.1410
(II) Diluted earnings per share *(RMB/share)*	**-0.0641**	0.1410

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

Income Statement of the Company

January to March 2015

Prepared by: Luoyang Glass Company Limited

Unit: Yuan Currency: RMB Unaudited

Item			January to March 2015	January to March 2014
I.	**Operating revenue**		**73,247,688.07**	124,895,139.38
	Less:	Operating costs	**72,095,470.74**	122,793,938.29
		Business taxes and surcharges	**173,974.13**	231,048.65
		Selling expenses	**483,255.77**	852,115.09
		Administration expenses	**5,275,743.05**	5,067,250.16
		Finance expenses	**–1,285,021.11**	–1,168,375.92
		Impairment loss on assets		
	Add:	Gains from changes in fair value Investment income (losses are represented by "–")		
		Investment income (losses are represented by "–")	**4,384,048.44**	77,554,019.11
		Including: Gains from investment in associates and joint ventures		
II.	**Operating Profit (losses are represented by "–")**		**888,313.93**	74,673,182.22
	Add:	Non-operating income	**30,660.38**	268,903.85
		Including: Gains from disposal of non-current assets		81,403.85
	Less:	Non-operating expenses	**16,344.19**	16,228.84
		Including: Loss from disposal of non-current assets		
III.	**Total profit (total loss is represented by "-")**		**902,630.12**	74,925,857.23
	Less: Income tax expenses			
IV.	**Net profit (net loss is represented by "-")**		**902,630.12**	74,925,857.23

Item	**January to March 2015**	January to March 2014
V. Net other comprehensive income after taxes		
(I) Items that may not be reclassified subsequently to profit or loss		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Shares of other comprehensive income of investees that may not be reclassified to profit or loss under the equity method		
(II) Other comprehensive income that may be subsequently reclassified to profit or loss		
1. Shares of other comprehensive income of investees that may be reclassified to profit or loss under the equity method subsequently		
2. Gains or losses from changes in fair value of available-for-sale financial assets		
3. Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets		
4. Effective portion of cash flow adjusted for hedging gains or losses		
5. Exchange differences from retranslation of financial statements		
6. Others		
VI. Total comprehensive income	**902,630.12**	74,925,857.23
VII. Earnings per share:		
(I) Basic earnings per share *(RMB/share)*	**0.0018**	0.1498
(II) Diluted earnings per share *(RMB/share)*	**0.0018**	0.1498

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

Consolidated Cash Flow Statement

January to March 2015

Prepared by: Luoyang Glass Company Limited

Unit: Yuan Currency: RMB Unaudited

Item		January to March 2015	January to March 2014
I.	**Cash flows from operating activities:**		
	Cash received from sale of goods or rendering of services	**61,152,674.17**	59,670,356.73
	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 financial assets at fair value and its changes are calculated into profit or loss in the current period		
	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	**3,342,455.19**	6,180,242.17
	Sub-total of cash inflow from operating activities	**64,495,129.36**	65,850,598.90

Item	**January to March 2015**	January to March 2014
Cash paid for goods purchased and services rendered	**72,117,889.75**	38,207,364.53
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	**14,321,958.61**	17,362,760.95
Tax payments	**8,600,289.65**	10,005,765.41
Other cash paid for activities related to operation	**12,979,077.51**	4,774,033.53
Sub-total of cash outflow from operating activities	**108,019,215.52**	70,349,924.42
Net cash flow from operating activities	**–43,524,086.16**	–4,499,325.52

Item		January to March 2015	January to March 2014
II.	**Cash flow from investment activities:**		
	Cash received from disposal of investment		4,000,000.00
	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
	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
	Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	**9,804,049.46**	171,970.00
	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	**9,804,049.46**	5,171,970.00
	Net cash flow from investment activities	**–9,804,049.46**	36,871,030.00

Item	January to March 2015	January to March 2014
III. Cash flow from financing activities:		
Cash received from investments		
Including: Proceeds received by subsidiaries from minority shareholders' investment		
Proceeds from loans		
Cash received from issue of bonds		
Other cash received from financing-related activities	**171,497,831.15**	161,764,007.12
Sub-total of cash inflow from financing activities	**171,497,831.15**	161,764,007.12
Cash paid for repayment of loans	**10,978,095.35**	11,694,118.18
Cash paid for dividends, profit, or interest payments	**135,000.00**	
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing-related activities	**126,698,397.78**	159,750,800.00
Sub-total of cash outflow from financing activities	**137,811,493.13**	171,444,918.18
Net cash flow from financing activities	**33,686,338.02**	–9,680,911.06
IV. Effects of changes in exchange rate on cash and cash equivalents	**455.48**	1,078.88
V. Net increase in cash and cash equivalents	**–19,641,342.12**	22,691,872.30
Add: Opening balance of cash and cash equivalents	**23,437,695.65**	28,316,110.10
VI. Closing balance of cash and cash equivalents	**3,796,353.53**	51,007,982.40

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

Cash Flow Statement of the Company

January to March 2015

Prepared by: Luoyang Glass Company Limited

Unit: Yuan Currency: RMB Unaudited

Item		January to March 2015	January to March 2014
I.	**Cash flow from operating activities:**		
	Cash received from sale of goods and provision of services	**142,063,852.71**	54,912,370.26
	Tax rebates		
	Other cash received from activities related to operation	**45,462,626.59**	127,103,815.90
	Sub-total of cash inflow from operating activities	**187,526,479.30**	182,016,186.16
	Cash paid for goods purchased and service rendered	**3,672,755.00**	1,476,980.85
	Cash paid to and on behalf of employees	**1,497,574.82**	5,073,602.30
	Tax payments	**928,683.55**	1,153,712.43
	Other cash paid for activities related to operation	**47,392,237.03**	109,956,175.07
	Sub-total of cash outflow from operating activities	**53,491,250.40**	117,660,470.65
	Net cash flow from operating activities	**134,035,228.90**	64,355,715.51

Item		January to March 2015	January to March 2014
II.	**Cash flow from investment activities:**		
	Cash received from disposal of investments		4,000,000.00
	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
	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
	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
	Sub-total of cash outflow from investment activities		5,000,000.00
	Net cash flow from investment activities		37,043,000.00

Item	January to March 2015	January to March 2014
III. Cash flow from financing activities:		
Cash received from investments		
Proceeds from loans		
Other cash received from activities related to financing		10,000,000.00
Sub-total of cash inflow from financing activities		10,000,000.00
Cash paid for repayment of loans	**10,258,095.35**	10,974,118.18
Cash paid for dividends, profit, or interest payment	**135,000.00**	
Other cash paid for financing-related activities	**123,698,397.78**	100,000,000.00
Sub-total of cash outflow from financing activities	**134,091,493.13**	110,974,118.18
Net cash flow from financing activities	**–134,091,493.13**	–100,974,118.18
IV. Effects of changes in exchange rate on cash and cash equivalents	**455.48**	1,078.88
V. Net increase in cash and cash equivalents	**–55,808.75**	425,676.21
Add: Opening balance of cash and cash equivalents	**193,116.50**	398,991.55
VI. Closing balance of cash and cash equivalents	**137,307.75**	824,667.76

Legal representative:
Ma Liyun

Chief accountant:
Sun Lei

Person in charge of accounting department:
Chen Jing

5. RULES UNDER THE HONG KONG CODE ON TAKEOVERS AND MERGERS

Reference is made to the announcement of the Company dated 31 December 2014 in relation to, among other things, the Framework Agreement and the transactions contemplated thereunder, the specific mandates and the Whitewash Waiver. Capitalised terms used in this announcement shall have the same meanings as those defined in the announcement unless otherwise stated.

This announcement constitutes a profit forecast under Rule 10 of the Hong Kong Code on Takeover and Merger ("**Takeovers Code**") and would need to be reported on by the Company's financial adviser and its accountants or auditors in accordance with Rule 10 of the Takeovers Code. Since this announcement is required to be made pursuant to rule 6.1 of the listing rules of the SSE, which requires the Company to issue this announcement as soon as practicable and given the time constraints, it is difficult for the Company (in terms of time or others) to meet the requirements set out in Rule 10.4 of the Takeovers Code.

The Company would like to draw the attention of the Shareholders and potential investors of the Company to that this announcement does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should exercise caution in placing reliance on such forecasts in assessing the merits and demerits of the proposed transactions under the Framework Agreement (the "Proposed Transactions").

Pursuant to Rule 10.4 of the Takeovers Code, the reports from the Company's auditors and financial adviser on the profit estimate are required to be included in the next document to be sent to the Shareholders in connection with the Proposed Transactions.

Shareholders and potential investors of the Company are also advised to exercise caution when dealing in the Shares.

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

Luoyang, the PRC
28 April 2015

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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to CLFG) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of CLFG jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *for identification purposes only*