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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 2018

I. 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 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 this quarterly report of the Company.
- 1.3 Zhang Chong, Person-in-charge of the Company, Ma Yan, Person-in-charge of accounting, and Chen Jing, Person-in-charge of accounting institution (head of accounting department), warrant that the financial statements in this quarterly report are true, accurate and complete.
- 1.4 This third quarterly report of the Company is unaudited.

* For identification purposes only

II. BASIC INFORMATION OF THE COMPANY

2.1 Major Financial Data

Unit: yuan Currency: RMB

		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 (%)
	At the end of the reporting period	After the adjustment	Before the adjustment		
Total assets	4,042,279,073.91	3,998,223,959.03	1,373,132,245.83		1.10
Net assets attributable to shareholders of the Company	1,243,172,199.57	1,131,687,647.58	559,139,146.36		9.85
	From beginning of the year to the end of the reporting period (January to September)	From beginning of the previous year to the end of the reporting period of the previous year (January to September)		Year-on-year increase/ decrease (%)	
		After the adjustment	Before the adjustment		
Net cash flows from operating activities	-129,421,564.68	-252,820,793.34	-28,226,880.48		N/A

	From beginning of the year to the end of the reporting period (January to September)	From beginning of the previous year to the end of the reporting period of the previous year (January to September)		Year-on-year increase/ decrease (%)
		After the adjustment	Before the adjustment	
Operating income	1,010,046,101.54	1,096,217,617.07	261,438,363.61	-7.86
Net profit attributable to shareholders of the Company	2,445,374.15	39,603,334.87	569,179.05	-93.83
Net profit attributable to shareholders of the Company after deducting extraordinary profit or loss	-25,088,831.79	-19,578,380.26	-19,578,380.26	N/A
Weighted average return on net assets (%)	0.20	3.78	0.11	Decreased by 3.58 percentage points
Basic earnings per share (RMB/share)	0.0044	0.0715	0.0011	-93.85
Diluted earnings per share (RMB/share)	0.0044	0.0715	0.0011	-93.85

The Company completed a significant asset restructuring during the reporting period, it incorporated Hefei New Energy, Tongcheng New Energy and Yixing New Energy into its consolidated statements as business combinations under common control and restated its comparative figures retrospectively. All the financial figures for the beginning of the reporting period and the same period of last year were represented by the adjusted ones.

Extraordinary Items and Amounts

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Items	Amount for the current period (July– September)	Amount for the period from the beginning of the year to the end of the reporting period (January to September)	Explanation
Gain or loss from disposal of non-current assets	792,372.56	923,447.71	
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)	9,489,887.03	12,939,349.38	
Profit or loss from debt restructuring	55,898.60	315,560.13	
Net profit or loss for the period of subsidiaries formed by business combination under common control from the beginning of the period to the date of combination		20,491,900.89	
Other non-operating income and expenses excluding the aforesaid items	-11,303.73	-63,158.40	
Effect of minority interests (after tax)	-743,369.51	-5,689,785.62	
Effect of income tax	-998,977.63	-1,383,108.15	
Total	<u>8,584,507.32</u>	<u>27,534,205.94</u>	

2.2 Total number of shareholders, shareholdings of top 10 shareholders and top 10 holders of circulating shares (or holders of shares not subject to trading moratorium) as at the end of the reporting period

Unit: Share

Total number of shareholders 53,726 shareholders (including 53,681 holders of A shares and 45 holders of H shares)

Shareholdings of the top 10 shareholders

Name of shareholders (full name)	Number of shares held as at the end of the reporting period	Shareholding percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen Status of shares	Number	Nature of shareholder
HKSCC NOMINEES LIMITED	248,730,699	44.43	0	Nil	0	Overseas legal person
China Luoyang Float Glass (Group) Company Limited	115,115,830	20.56	25,097,588	Pledged	41,000,000	State-owned legal person
(CNBM) Bengbu Design & Research Institute for Glass Industry Co., Ltd.	71,365,976	12.75	2,365,976	Nil	0	State-owned legal person
Triumph Science & Technology Co., Ltd.	7,508,991	1.34	7,508,991	Nil	0	State-owned legal person
Anhui Huaguang Photoelectricity Materials Technology Group Co., Ltd.	6,377,490	1.14	6,377,490	Nil	0	State-owned legal person
Hefei Gaoxin Development and Investment Group Company*	3,029,276	0.54	3,029,276	Nil	0	State-owned legal person
Yixing Environmental Technology Innovation Venture Investment Company Limited* (宜興環保科技創 新創業投資有限公司)	1,877,247	0.34	1,877,247	Nil	0	State-owned legal person
GCL System Integration Technology Co., Ltd. (協鑫 集成科技股份有限公司)	1,065,338	0.19	1,065,338	Nil	0	Domestic non-state-owned legal person
Wang Jinnan (王進南)	808,690	0.14	0	Nil	0	Domestic natural person
China Triumph International Engineering Co., Ltd. (中國 建材國際工程集團有限 公司)	708,610	0.13	708,610	Nil	0	Domestic non-state-owned legal person

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

Name of shareholders	Number of circulating shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
HKSCC NOMINEES LIMITED	248,730,699	Overseas listed foreign shares	248,730,699
China Luoyang Float Glass (Group) Company Limited	90,018,242	Ordinary shares denominated in RMB	90,018,242
(CNBM) Bengbu Design & Research Institute for Glass Industry Co., Ltd.	69,000,000	Ordinary shares denominated in RMB	69,000,000
Wang Jinnan(王進南)	808,690	Ordinary shares denominated in RMB	808,690
Hong Kong Securities Clearing Company Limited	399,403	Domestic listed foreign shares	399,403
Zhao Fenfei(趙奮飛)	368,300	Ordinary shares denominated in RMB	368,300
Yin Tierong	286,000	Ordinary shares denominated in RMB	286,000
Zhao Shengqi	284,100	Ordinary shares denominated in RMB	284,100
Jin Ruiming	280,294	Ordinary shares denominated in RMB	280,294
Zhao Yueling	278,800	Ordinary shares denominated in RMB	278,800
Explanation on connected relationship or parties acting in concert among the aforesaid shareholders	Among the top 10 shareholders of the Company, China Luoyang Float Glass (Group) Company Limited, Bengbu Design & Research Institute for Glass Industry Co., Ltd., Anhui Huaguang Photoelectricity Materials Technology Group Co., Ltd., Triumph Science & Technology Co., Ltd. and China Triumph International Engineering Co., Ltd. are related parties or persons acting in concert as defined under the 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」). The Company is not aware of any parties acting in concert or any related relationship among other holders of circulating shares.		

Notes:

1. Shares held by HKSCC NOMINEES LIMITED are held on behalf of various customers.
2. The ordinary shares dominated in Renminbi held by Hong Kong Securities Clearing Company Limited are held on behalf of overseas investors who held these shares via Northbound Trading in the Shanghai-Hong Kong Stock Connect.

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

☐ Applicable ☒ Not applicable

III. SIGNIFICANT EVENTS

3.1 Details of and reasons for material changes in the major financial statement items and financial indicators of the Company

☒ Applicable ☐ Not applicable

Item	Amount at the end of the period	Amount at the beginning of the period	Changes (%)	Explanation
Prepayments	45,104,555.66	20,321,794.16	121.95	Mainly due to increase in prepayments for raw material and fuel
Other receivables	56,216,032.14	90,685,860.01	-38.01	Mainly due to recovery of deposit for the land during the reporting period
Inventories	270,152,048.58	180,924,918.81	49.32	Mainly due to increase in inventories of products
Construction in progress	487,136,614.00	282,018,299.91	72.73	Mainly due to increase in investment in new projects
Long-term deferred expenses	3,823,794.58	5,539,138.34	-30.97	Mainly due to amortisation of handling charges for finance leasing
Deferred income tax assets	4,410,246.35	2,504,761.54	76.07	Mainly due to the effect of change arising from the adjustment to expected credit loss following the change in accounting policies
Taxes payable	18,204,745.11	31,525,000.52	-42.25	Mainly due to decrease in income tax payable

Item	Amount from the beginning of the year to the end of the reporting period	Amount for the same period last year	Changes (%)	Explanation
Credit impairment losses	-4,173,671.55		-100.00	Mainly due to the recovery of receivables
Other income	12,735,449.53	28,360,135.73	-55.09	Mainly due to the year-on-year decrease in government subsidies related to daily activities
Non-operating income	7,539,476.33	2,669,768.90	182.40	Mainly due to the year-on-year increase in government subsidies
Income tax expenses	8,923,374.38	17,430,694.27	-48.81	Mainly due to the year-on-year decrease in total profit
Net cash flows from operating activities	-129,421,564.68	-252,820,793.34	N/A	Mainly due to increase in cash received for sale of goods and rendering of services
Net cash flow from investment activities	-104,391,351.20	-9,052,488.03	N/A	Mainly due to increase in investment in projects

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

☒ Applicable ☐ Not applicable

The procedures for the transfer and delivery of the target assets, and the registration and listing of the new shares in respect of the assets acquisition by issuance of shares under the significant asset restructuring were completed. As for the issuance of shares for supporting fundraising that may subsequently be implemented according to the stock market and actual situation of the Company, disclosure on the progress will be made in due time pursuant to relevant requirements.

3.3 Overdue undertakings not fully performed during the reporting period

☐ Applicable ☒ Not applicable

3.4 The warning of projection on cumulative net profit for the period from the beginning of the year to the end of the next reporting period to be at a loss or expected to have material changes as compared to the corresponding period of prior year and its explanation

☐ Applicable ☒ Not applicable

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2018

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: 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	237,682,759.34	204,245,757.54
Bills and accounts receivable	782,784,767.78	1,022,562,666.40
Including: Bills receivables	288,871,758.92	490,712,129.45
Accounts receivable	493,913,008.86	531,850,536.95
Prepayments	45,104,555.66	20,321,794.16
Other receivables	56,216,032.14	90,685,860.01
Inventories	270,152,048.58	180,924,918.81
Other current assets	32,980,498.17	41,988,762.45
Total current assets	1,424,920,661.67	1,560,729,759.37

Item	Balance as at the end of the period	Balance as at the beginning of the year
Non-current assets:		
Long-term receivables	55,000,000.00	55,000,000.00
Long-term equity investment		
Fixed assets	1,696,691,669.12	1,766,535,573.58
Construction in progress	487,136,614.00	282,018,299.91
Intangible assets	358,923,683.80	317,529,993.66
Development expenditures	9,697,904.39	
Long-term deferred expenses	3,823,794.58	5,539,138.34
Deferred income tax assets	4,410,246.35	2,504,761.54
Other non-current assets	1,674,500.00	8,366,432.63
Total non-current assets	2,617,358,412.24	2,437,494,199.66
Total assets	4,042,279,073.91	3,998,223,959.03
Current liabilities:		
Short-term borrowings	871,834,000.00	812,509,000.00
Bills and accounts payable	810,321,286.44	711,594,663.17
Receipts in advance		21,475,187.43
Contract liabilities	24,203,227.97	
Employee compensation payable	16,490,159.35	21,985,112.19
Taxes payable	18,204,745.11	31,525,000.52
Other payables	333,858,172.81	377,009,364.49
Including: Interest payable	3,910,626.66	3,418,456.33
Dividend payable		
Non-current liabilities due within one year	160,278,709.83	196,946,248.22
Other current liabilities		
Total current liabilities	2,235,190,301.51	2,173,044,576.02

Item	Balance as at the end of the period	Balance as at the beginning of the year
Non-current liabilities:		
Long-term borrowings	355,621,063.68	370,796,745.65
Deferred income	109,796,414.67	108,193,683.26
Total non-current liabilities	465,417,478.35	478,990,428.91
Total Liabilities	2,700,607,779.86	2,652,035,004.93
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	559,797,391.00	526,766,875.00
Capital reserve	1,979,561,502.32	1,891,845,868.90
Surplus reserve	51,365,509.04	51,365,509.04
Undistributed profit	-1,347,552,202.79	-1,338,290,605.36
Total owners' equity attributable to owners of the Company	1,243,172,199.57	1,131,687,647.58
Minority interests	98,499,094.48	214,501,306.52
Total owners' equity (or shareholders' equity)	1,341,671,294.05	1,346,188,954.10
Total liabilities and owners' equity (or shareholders' equity)	4,042,279,073.91	3,998,223,959.03

<i>Legal representative:</i> Zhang Chong	<i>Person in charge of accounting:</i> Ma Yan	<i>Person in charge of accounting department:</i> Chen Jing
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Balance Sheet of the Company*30 September 2018*

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: 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	90,698,729.92	52,744,789.07
Bills and accounts receivable	208,691,465.53	211,797,338.88
Including: Bills receivables	7,301,763.29	7,469,611.05
Accounts receivable	201,389,702.24	204,327,727.83
Prepayments	79,938.00	30,238.87
Other receivables	80,651,819.61	31,131,296.66
Other current assets		489,663.39
Total current assets	<u>380,121,953.06</u>	<u>296,193,326.87</u>
Non-current assets:		
Long-term receivables	55,000,000.00	55,000,000.00
Long-term equity investment	1,690,841,658.35	868,986,593.99
Fixed assets	2,255,764.03	2,508,762.95
Intangible assets	34,567,235.44	63,612,709.86
Long-term deferred expenses	81,000.00	162,000.00
Total non-current assets	<u>1,782,745,657.82</u>	<u>990,270,066.80</u>
Total assets	<u>2,162,867,610.88</u>	<u>1,286,463,393.67</u>

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current liabilities:		
Short-term borrowings	236,634,000.00	347,509,000.00
Bills and accounts payable	144,034,557.48	5,062,801.26
Receipts in advance		7,813,062.37
Contract liabilities	10,384,482.48	
Employee compensation payable	4,887,049.47	8,089,982.67
Taxes payable	597,000.76	566,122.59
Other payables	549,406,034.88	465,853,312.43
Non-current liabilities due within one year	658,460.51	404,406.94
Total current liabilities	946,601,585.58	835,298,688.26
Non-current liabilities:		
Long-term borrowings		606,605.65
Total non-current liabilities		606,605.65
Total Liabilities	946,601,585.58	835,905,293.91

Item	Balance as at the end of the period	Balance as at the beginning of the year
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	559,797,391.00	526,766,875.00
Capital reserve	1,958,137,769.14	1,268,692,769.04
Surplus reserve	51,365,509.04	51,365,509.04
Undistributed profit	<u>-1,353,034,643.88</u>	<u>-1,396,267,053.32</u>
Total owners' equity (or shareholders' equity)	<u>1,216,266,025.30</u>	<u>450,558,099.76</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>2,162,867,610.88</u>	<u>1,286,463,393.67</u>
<i>Legal representative:</i> Zhang Chong	<i>Person in charge of accounting:</i> Ma Yan	<i>Person in charge of accounting department:</i> Chen Jing

Consolidated Income Statement

January to September 2018

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	Amount for the current period (July–September)	Amount for the corresponding period last year (July–September)	Amount from the beginning of the year to the end of the reporting period (January–September)	Amount from the beginning of the
				previous year to the end of the reporting period of the previous year (January–September)
I. Total operating revenue	307,683,710.80	391,757,734.37	1,010,046,101.54	1,096,217,617.07
Including: Operating revenue	307,683,710.80	391,757,734.37	1,010,046,101.54	1,096,217,617.07
II. Total operating costs	341,938,833.53	363,487,997.50	1,013,737,360.14	1,059,369,219.69
Including: Operating costs	272,708,609.06	289,576,607.36	791,332,516.43	838,502,531.77
Taxes and surcharges	5,253,120.83	4,391,113.93	15,965,606.75	13,570,746.13
Selling expenses	11,722,341.72	13,002,350.55	33,646,307.55	41,056,029.18
Administrative expenses	19,157,618.17	21,850,180.09	65,678,911.55	67,121,434.50
Research and development expenses	11,921,571.38	14,692,371.00	50,364,853.05	43,375,932.88
Financial expenses	21,175,572.37	19,975,374.57	60,915,987.17	54,934,910.75
Including: Interest expenses	15,868,991.42	20,064,496.62	48,611,676.26	51,955,265.46
Interest income	422,562.19	208,110.71	721,863.65	931,180.38
Impairment losses of assets			6,849.19	807,634.48
Impairment losses of credit			-4,173,671.55	
Add: Other income	5,614,467.06	5,434,602.26	12,735,449.53	28,360,135.73
Investment income (loss is represented by “-”)				
Gain on disposal of assets (loss is represented by “-”)	792,372.56		923,447.71	83,418.35
Exchange gain (loss is represented by “-”)				

Item	Amount for the current period (July– September)	Amount for the corresponding period last year (July–September)	Amount from the beginning of the year to the end of the reporting period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
III. Operating profit (loss is represented by “-”)	-27,848,283.11	33,704,339.13	9,967,638.64	65,291,951.46
Add: Non-operating income	5,764,195.60	391,993.31	7,539,476.33	2,669,768.90
Less: Non-operating expense	11,583.73		222,958.45	236,378.61
IV. Total profit (total loss is represented by “-”)	-22,095,671.24	34,096,332.44	17,284,156.52	67,725,341.75
Less: Income tax expenses	-2,216,504.85	8,079,447.29	8,923,374.38	17,430,694.27
V. Net profit (net loss is represented by “-”)	-19,879,166.39	26,016,885.15	8,360,782.14	50,294,647.48
(I) Classified on a going concern basis				
1. Net profit from continuing operation (Net loss is represented by “-”)	-19,879,166.39	26,016,885.15	8,360,782.14	50,294,647.48
2. Net profit from discontinued operation (Net loss is represented by “-”)				
(II) Classified by ownership				
1. Net profit attributable to the owners of the Company	-19,532,296.88	19,869,396.64	2,445,374.15	39,603,334.87
2. Profit or loss attributable to minority interests	-346,869.51	6,147,488.51	5,915,407.99	10,691,312.61
VI. Other comprehensive income, net of tax				

Item	Amount for the current period (July– September)	Amount for the corresponding period last year (July–September)	Amount from the beginning of the year to the end of the reporting period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
VII. Total comprehensive income	-19,879,166.39	26,016,885.15	8,360,782.14	50,294,647.48
Total comprehensive income attributable to owners of the Company	-19,532,296.88	19,869,396.64	2,445,374.15	39,603,334.87
Total comprehensive income attributable to minority interests	-346,869.51	6,147,488.51	5,915,407.99	10,691,312.61
VIII. Earnings per share:				
(I) Basic earnings per share <i>(RMB/share)</i>	-0.0351	0.0359	0.0044	0.0715
(II) Diluted earnings per share <i>(RMB/share)</i>	-0.0351	0.0359	0.0044	0.0715

For the business combination under common control in the reporting period, the net profit realized by the combined party(ies) before the combination was RMB20,491,900.89, and the net profit realized by the combined party(ies) in the corresponding period last year was RMB49,725,468.43.

Legal representative:
Zhang Chong

*Person in charge of
accounting:*
Ma Yan

*Person in charge of
accounting department:*
Chen Jing

Income Statement of the Company

January – September 2018

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	Amount for the current period (July– September)	Amount for the corresponding period last year (July–September)	Amount from the beginning of the year to the end of the reporting period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
I. Operating revenue	35,754,939.80	66,316,501.31	130,975,415.58	138,755,254.26
Less: Operating costs	35,178,624.59	63,624,990.72	128,446,844.20	135,877,816.05
Taxes and surcharges	385,306.67	360,070.17	2,193,380.72	761,346.47
Selling expenses	99,521.74	127,346.34	389,344.50	346,004.31
Administrative expenses	3,235,935.08	5,224,171.99	11,067,796.45	4,085,002.41
Research and development expenses				
Financial expenses	6,748,842.91	7,192,775.59	22,010,853.08	18,263,562.04
Including: Interest expenses	7,493,204.10	7,524,022.93	23,369,591.54	19,148,051.16
Interest income	1,170,130.26	357,081.18	1,860,405.06	1,067,745.68
Impairment losses of assets				600,521.20
Impairment losses of credit			-614,549.07	
Add: Other income				
Investment income (loss is represented by “-”)	5,433,173.99	2,800,159.39	69,990,946.90	8,315,524.31
Among which: Gains from investment in associates and joint ventures				
Income from net exposure hedges (loss is represented by “-”)				
Gain from changes in fair value (loss is represented by “-”)				
Gain on disposal of assets (loss is represented by “-”)			1,181,645.71	

Item	Amount for the current period (July– September)	Amount for the corresponding period last year (July–September)	Amount from the beginning of the year to the end of the reporting period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
II. Operating profit (loss is represented by “-”)	-4,460,117.20	-7,412,694.11	38,654,338.31	-12,863,473.91
Add: Non-operating income	4,886,631.05		5,097,666.19	1,036,395.35
Less: Non-operating expense			52,054.86	200,506.12
III. Total profit (total loss is represented by “-”)	426,513.85	-7,412,694.11	43,699,949.64	-12,027,584.68
Less: Income tax expenses				
IV. Net profit (net loss is represented by “-”)	426,513.85	-7,412,694.11	43,699,949.64	-12,027,584.68
(I) Net profit from continuing operation (Net loss is represented by “-”)	426,513.85	-7,412,694.11	43,699,949.64	-12,027,584.68
(II) Net profit from discontinued operation (Net loss is represented by “-”)				
V. Other comprehensive income, net of tax				
VI. Total comprehensive income	426,513.85	-7,412,694.11	43,699,949.64	-12,027,584.68
VII. Earnings per share:				
(I) Basic earnings per share (<i>RMB/share</i>)				
(II) Diluted earnings per share (<i>RMB/share</i>)				

Legal representative:
Zhang Chong

*Person in charge of
accounting:*
Ma Yan

*Person in charge of
accounting department:*
Chen Jing

Consolidated Cash Flow Statement

January – September 2018

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	695,028,592.64	346,203,005.95
Other cash received from activities related to operation	37,654,351.67	29,199,139.97
Sub-total of cash inflow from operating activities	732,682,944.31	375,402,145.92
Cash paid for goods purchased and services received	639,412,901.03	403,976,068.51
Cash paid to and on behalf of employees	137,442,887.50	146,889,293.50
Tax payments	58,483,431.25	43,725,578.25
Other cash paid for activities related to operation	26,765,289.21	33,631,999.00
Sub-total of cash outflow from operating activities	862,104,508.99	628,222,939.26
Net cash flow from operating activities	-129,421,564.68	-252,820,793.34

Item	Amount from the beginning of the year to the end of the reporting period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
II. Cash flow from investment activities:		
Net cash received from disposal of fixed assets, intangible assets and other long- term assets		2,348,600.00
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received from activities related to investment	<u>18,117,140.63</u>	<u>23,798,268.89</u>
Sub-total of cash inflow from investment activities	<u>18,117,140.63</u>	<u>26,146,868.89</u>
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	<u>122,508,491.83</u>	<u>35,199,356.92</u>
Other cash paid for activities related to investment		
Sub-total of cash outflow from investment activities	<u>122,508,491.83</u>	<u>35,199,356.92</u>
Net cash flow from investment activities	<u>-104,391,351.20</u>	<u>-9,052,488.03</u>
III. Cash flow from financing activities:		
Cash received from investments		
Including: Cash received by subsidiaries from minority shareholders' investment		
Proceeds from loans	<u>742,200,000.00</u>	<u>821,654,000.00</u>
Cash received from issuance of bonds		
Other cash received from financing- related activities	<u>457,335,336.43</u>	<u>419,512,700.40</u>
Sub-total of cash inflow from financing activities	<u>1,199,535,336.43</u>	<u>1,241,166,700.40</u>

Item	Amount from the beginning of the year to the end of the reporting period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
Cash paid for repayment of loans	722,448,495.67	637,622,895.57
Cash paid for dividends, profit, or interest payments	48,448,283.90	36,741,095.85
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing-related activities	272,592,292.16	405,469,454.26
Sub-total of cash outflow from financing activities	<u>1,043,489,071.73</u>	<u>1,079,833,445.68</u>
Net cash flow from financing activities	<u>156,046,264.70</u>	<u>161,333,254.72</u>
IV. Effects of changes in exchange rate on cash and cash equivalents	106,587.22	7,912.24
V. Net increase in cash and cash equivalents	-77,660,063.96	-100,532,114.41
Add: Opening balance of cash and cash equivalents	198,797,788.08	191,575,911.27
VI. Closing balance of cash and cash equivalents	<u>121,137,724.12</u>	<u>91,043,796.86</u>
<i>Legal representative:</i> Zhang Chong	<i>Person in charge of accounting:</i> Ma Yan	<i>Person in charge of accounting department:</i> Chen Jing

Cash Flow Statement of the Company

January – September 2018

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	67,311,676.51	62,006,009.32
Other cash received from activities related to operation	40,346,016.54	37,570,255.20
Sub-total of cash inflow from operating activities	107,657,693.05	99,576,264.52
Cash paid for goods purchased and services received		1,086,900.00
Cash paid to and on behalf of employees	10,916,348.99	9,387,306.23
Tax payments	5,141,155.42	1,051,391.90
Other cash paid for activities related to operation	46,439,305.48	105,188,358.49
Sub-total of cash outflow from operating activities	62,496,809.89	116,713,956.62
Net cash flow from operating activities	45,160,883.16	-17,137,692.10

Item	Amount from the beginning of the year to the end of the reporting period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
II. Cash flow from investment activities:		
Cash from recovery of investment		
Cash received from investment income	3,129,244.82	
Net cash received from disposal of fixed assets, intangible assets and other long- term assets		400,000.00
Other cash received from activities related to investment	18,117,140.63	43,164,222.88
Sub-total of cash inflow from investment activities	21,246,385.45	43,564,222.88
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		3,360,750.60
Cash paid for investment	70,000,000.00	80,000,000.00
Net cash paid for acquisition of subsidiaries and other operating entities		
Other cash paid for activities related to investment		
Sub-total of cash outflow from investment activities	70,000,000.00	83,360,750.60
Net cash flow from investment activities	-48,753,614.55	-39,796,527.72
III. Cash flow from financing activities:		
Cash received from investments		
Proceeds from loans	235,084,000.00	262,654,000.00
Other cash received from financing- related activities	736,675,989.97	759,853,947.99
Sub-total of cash inflow from financing activities	971,759,989.97	1,022,507,947.99

Item	Amount from the beginning of the year to the end of the reporting period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
Cash paid for repayment of loans	346,334,603.35	295,494,384.61
Cash paid for dividends, profit, or interest payments	8,798,014.65	9,652,811.34
Other cash paid for financing-related activities	<u>635,081,023.64</u>	<u>712,662,411.76</u>
Sub-total of cash outflow from financing activities	<u><u>990,213,641.64</u></u>	<u><u>1,017,809,607.71</u></u>
Net cash flow from financing activities	<u><u>-18,453,651.67</u></u>	<u><u>4,698,340.28</u></u>
IV. Effects of changes in exchange rate on cash and cash equivalents	323.91	-329.97
V. Net increase in cash and cash equivalents	-22,046,059.15	-52,236,209.51
Add: Opening balance of cash and cash equivalents	51,344,789.07	64,837,249.29
VI. Closing balance of cash and cash equivalents	<u><u>29,298,729.92</u></u>	<u><u>12,601,039.78</u></u>
<i>Legal representative:</i> Zhang Chong	<i>Person in charge of accounting:</i> Ma Yan	<i>Person in charge of accounting department:</i> Chen Jing

4.2 Audit Report

☐

Applicable

☒

Not applicable

Company name **LUOYANG GLASS COMPANY LIMITED***
Legal representative **Zhang Chong**
Date 30 October 2018

As at the date of this announcement, the Board comprises four executive Directors: Mr. Zhang Chong, Mr. Ni Zhisen, Mr. Wang Guoqiang and Mr. Ma Yan; one nonexecutive Director: Mr. Xie Jun; and four independent non-executive Directors: Mr. Jin Zhanping, Mr. Liu Tianni, Mr. Ye Shuhua and Mr. He Baofeng.