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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 2019

1. IMPORTANT NOTICE

- 1.1 The board of directors (the “Board”), the supervisory committee, the directors (the “Directors”), supervisors and senior management members of the Company warrant that 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.

2. BASIC INFORMATION 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	5,187,871,442.81	4,504,181,920.36	15.18
Net assets attributable to shareholders of the Company	1,291,616,616.44	1,245,216,484.61	3.73
	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 (%)
Net cash flows from operating activities	-92,001,401.99	-129,421,564.68	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 (%)
Operating income	1,323,310,730.96	1,010,046,101.54	31.01
Net profit attributable to shareholders of the Company	46,400,131.83	2,445,374.15	1,797.47
Net profit attributable to shareholders of the Company after deducting extraordinary profit or loss	5,367,118.71	-25,088,831.79	N/A
Weighted average return on net assets(%)	3.66	0.20	Increased by 3.46 percentage points
Basic earnings per share (RMB/share)	0.0829	0.0044	1,784.09
Diluted earnings per share (RMB/share)	0.0829	0.0044	1,784.09

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		12,318,957.84	
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)	24,655,535.09	32,699,053.27	
Other non-operating income and expenses excluding the aforesaid items	6,686.09	-1,887,911.87	
Effect of minority interests (after tax)	-61,500.40	-397,605.01	
Effect of income tax	-559,362.13	-1,699,481.11	
Total	<u>24,041,358.65</u>	<u>41,033,013.12</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 44,842 shareholders (including 44,797 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	248,640,699	44.42	0	Unknown	–	Overseas legal person
China Luoyang Float Glass (Group) Company Limited	115,115,830	20.56	10,097,588	Pledged	57,557,915	State-owned legal person
(CNBM) Bengbu Design & Research Institute for Glass Industry Co., Ltd.	71,365,976	12.75	2,365,976	Nil	–	State-owned legal person
Triumph Science & Technology Co., Ltd.	7,508,991	1.34	7,508,991	Nil	–	State-owned legal person
Anhui Huaguang Photoelectricity Materials Technology Group Co., Ltd.	6,377,490	1.14	6,377,490	Nil	–	State-owned legal person
Hefei Gaoxin Development and Investment Group Company*	3,029,276	0.54	0	Nil	–	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	–	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	–	Domestic non-state-owned legal person
Hong Kong Securities Clearing Company Limited	797,935	0.14	0	Unknown	–	Overseas legal 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	–	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	248,640,699	Overseas listed foreign shares	248,640,699
China Luoyang Float Glass (Group) Company Limited	105,018,242	Ordinary shares denominated in RMB	105,018,242
(CNBM) Bengbu Design & Research Institute for Glass Industry Co., Ltd.	69,000,000	Ordinary shares denominated in RMB	69,000,000
Hefei Gaoxin Development and Investment Group Company*	3,029,276	Ordinary shares denominated in RMB	3,029,276
Hong Kong Securities Clearing Company Limited	797,935	Ordinary shares denominated in RMB	797,935
Shi Xiumin (石秀民)	562,000	Ordinary shares denominated in RMB	562,000
CHUK YEE MEN LIZA U/D	374,000	Overseas listed foreign shares	374,000
Zhao Fenfei(趙奮飛)	368,300	Ordinary shares denominated in RMB	368,300
Zhang Yanyu(張燕瑜)	345,100	Ordinary shares denominated in RMB	345,100
Wang Jinnan(王進南)	308,550	Ordinary shares denominated in RMB	308,550

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.

Explanations on preferential shareholders with voting rights restored and the number of shares held

Nil

- 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

Not applicable

3. SIGNIFICANT EVENTS

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

Item	Closing balance of current period	Percentage of closing balance of current period over the total asset (%)	Closing balance of last period	Percentage of closing balance of last period over the total assets (%)	Increase/decrease of closing balance of current period over closing balance of last period (%)	Explanation
Monetary funds	384,380,496.35	7.41	276,132,689.62	6.13	39.20	The increase in the notes payable, resulting in the corresponding increase in the note deposits in the reporting period
Accounts receivable	703,846,410.05	13.57	492,277,446.70	10.93	42.98	The increase in the sales volume, resulting in the corresponding increase in the trade receivable in the reporting period
Prepayments	82,258,218.55	1.59	62,462,228.34	1.39	31.69	The increase in advances to suppliers in the reporting period
Other receivables	74,578,692.98	1.44	46,186,737.52	1.03	61.47	The increase in deposits in the reporting period

Item	Closing balance of current period	Percentage of closing balance of current period over the total asset (%)	Closing balance of last period	Percentage of closing balance of last period over the total assets (%)	Increase/decrease of closing balance of current period over closing balance of last period (%)	Explanation
Other current assets	103,728,462.95	2.00	70,237,506.22	1.56	47.68	The increase in deductible tax in the reporting period
Construction in progress	911,162,492.57	17.56	680,485,100.59	15.11	33.90	The increase in project investment in the reporting period
Short-term loans	1,128,729,239.45	21.76	851,888,356.04	18.91	32.50	The increase in the bank borrowing in the reporting period
Notes payable	492,884,546.65	9.50	305,058,652.43	6.77	61.57	The increase in note financing in the reporting period
Taxes payable	25,235,095.48	0.49	18,769,988.13	0.42	34.44	The increase in value added tax and income tax payable in the reporting period

Item	Amount from the beginning of the year to the end of the reporting period	Amount for the same period last year	Changes (%)	Explanation
Operating revenue	1,323,310,730.96	1,010,046,101.54	31.01	The increase in revenue as a result of the increase in sales volume of new energy glass in the reporting period
Operating costs	1,035,683,238.02	791,332,516.43	30.88	The increase in costs as a result of an increase in sales volume of new energy glass in the reporting period
Selling expenses	45,501,686.40	33,646,307.55	35.24	The increase in transportation costs and incentive remuneration as a result of the increase in sales volume of new energy glass in the reporting period
Credit impairment losses (loss is represented by “-”)	-7,296,507.93	4,173,671.55	-274.82	The increase in provision for credit loss in the reporting period
Other income	17,652,940.74	12,735,449.53	38.61	The year-on-year increase in government subsidies received in the reporting period
Gain on disposal of assets	12,328,915.30	923,447.71	1235.10	The gain received from the resumption of the office building of a subsidiary and its land by government in the reporting period
Non-operating income	19,943,434.71	7,539,476.33	164.52	The year-on-year increase in industrial support funds in the reporting period
Net cash flows from operating activities	-92,001,401.99	-129,421,564.68	N/A	The decrease in cash paid for purchase of goods and services rendered in the reporting period
Net cash flow from investment activities	-125,191,997.44	-104,391,351.20	N/A	The increase in the project investment expenditure in the reporting period

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

When the Company underwent significant asset restructuring in 2017, the counterparties undertook that the actual net profit of the target companies (Hefei New Energy, Tongcheng New Energy and Yixing New Energy) for the profit compensation period from 2018 to 2020 shall not be lower than the expected net profit set out in the Assets Valuation Report, in the event that the target companies fail to achieve the committed net profit, counterparties shall compensate the target companies according to the arrangements of the Profit Guarantee Indemnity Agreements in relation to Acquisition of Assets by Issuance of Shares and the supplemental agreement. The audited net profit after deducting non-recurring gain and loss of Hefei New Energy, Tongcheng New Energy and Yixing New Energy for 2018 were RMB10,848,800, RMB6,972,200 and RMB11,669,100, respectively, resulting in their failure to complete the performance commitments. At present, the Company is in the process of proceeding with relevant matters regarding the repurchase and cancellation of performance compensation shares.

3.3 Overdue undertakings not fully performed during the reporting period

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

Not applicable

4 APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2019

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	30 September 2019	31 December 2018
Current assets:		
Bank balance and cash	384,380,496.35	276,132,689.62
Bills receivables	185,219,279.40	168,650,511.63
Accounts receivable	703,846,410.05	492,277,446.70
Accounts receivable financing	101,033,737.44	104,046,358.38
Prepayments	82,258,218.55	62,462,228.34
Other receivables	74,578,692.98	46,186,737.52
Inventories	283,626,816.57	245,395,799.98
Other current assets	103,728,462.95	70,237,506.22
Total current assets	<u>1,918,672,114.29</u>	<u>1,465,389,278.39</u>

Item	30 September 2019	31 December 2018
Non-current assets:		
Long-term receivables	55,000,000.00	55,000,000.00
Fixed assets	1,893,047,873.66	1,915,114,403.91
Construction in progress	911,162,492.57	680,485,100.59
Intangible assets	367,758,131.26	356,370,051.76
Development expenditures	27,203,108.43	15,075,276.42
Long-term deferred expenses	7,908,175.18	7,923,897.51
Deferred income tax assets	7,119,547.42	6,109,809.23
Other non-current assets		2,714,102.55
	<hr/>	<hr/>
Total non-current assets	<u>3,269,199,328.52</u>	<u>3,038,792,641.97</u>
 Total assets	 <u>5,187,871,442.81</u>	 <u>4,504,181,920.36</u>
 Current liabilities:		
Short-term borrowings	1,128,729,239.45	851,888,356.04
Bills payable	492,884,546.65	305,058,652.43
Accounts payable	728,636,634.80	678,096,403.19
Employee compensation payable	17,700,796.85	24,115,765.81
Taxes payable	25,235,095.48	18,769,988.13
Other payables	401,902,131.96	387,488,441.66
Including: Interest payable		3,971,724.81
Contract liabilities	35,998,526.00	29,020,814.15
Non-current liabilities due within one year	<u>256,144,354.29</u>	<u>236,037,605.59</u>
	<hr/>	<hr/>
Total current liabilities	<u>3,087,231,325.48</u>	<u>2,530,476,027.00</u>

Item	30 September 2019	31 December 2018
Non-current liabilities:		
Long-term borrowings	596,078,819.70	521,429,305.35
Deferred income	105,073,782.53	106,935,486.80
Total non-current liabilities	<u>701,152,602.23</u>	<u>628,364,792.15</u>
Total Liabilities	<u>3,788,383,927.71</u>	<u>3,158,840,819.15</u>
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	559,797,391.00	559,797,391.00
Capital reserve	1,971,137,887.30	1,971,137,887.30
Surplus reserve	51,365,509.04	51,365,509.04
Undistributed profit	-1,290,684,170.90	-1,337,084,302.73
Total owners' equity (or shareholders' equity) attributable to owners of the Company	1,291,616,616.44	1,245,216,484.61
Minority interests	<u>107,870,898.66</u>	<u>100,124,616.60</u>
Total owners' equity (or shareholders' equity)	<u>1,399,487,515.10</u>	<u>1,345,341,101.21</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>5,187,871,442.81</u>	<u>4,504,181,920.36</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
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Balance Sheet of the Company
30 September 2019

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	30 September 2019	31 December 2018
Current assets:		
Bank balance and cash	131,751,629.26	107,734,602.60
Accounts receivable	252,031,426.69	194,884,664.69
Accounts receivable financing	3,330,913.45	8,859,660.98
Prepayments	40,902.72	67,501.58
Other receivables	243,048,579.37	343,017,501.55
Other current assets	1,249,152.49	111,464.47
Total current assets	<u>631,452,603.98</u>	<u>654,675,395.87</u>
Non-current assets:		
Long-term receivables	55,000,000.00	55,000,000.00
Long-term equity investment	1,886,146,638.35	1,690,841,658.35
Fixed assets	2,000,745.55	2,179,571.19
Intangible assets	5,791,443.13	34,013,794.93
Long-term deferred expenses		54,000.00
Total non-current assets	<u>1,948,938,827.03</u>	<u>1,782,089,024.47</u>
Total assets	<u>2,580,391,431.01</u>	<u>2,436,764,420.34</u>

Item	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	298,990,000.00	224,284,000.00
Bills payable	282,000,000.00	160,000,000.00
Accounts payable	45,457,818.39	4,767,691.66
Contract liabilities	10,592,604.76	9,166,122.06
Employee compensation payable	4,791,196.78	7,023,662.82
Taxes payable	192,953.41	367,234.35
Other payables	424,541,438.51	634,347,385.84
Including: Interest payable		646,964.51
Non-current liabilities due within one year	<u>5,186,369.36</u>	<u>610,104.27</u>
Total current liabilities	<u>1,071,752,381.21</u>	<u>1,040,566,201.00</u>
Non-current liabilities:		
Long-term borrowings	265,049,049.65	200,000,000.00
Total non-current liabilities	<u>265,049,049.65</u>	<u>200,000,000.00</u>
Total Liabilities	<u>1,336,801,430.86</u>	<u>1,240,566,201.00</u>

Item	30 September 2019	31 December 2018
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	559,797,391.00	559,797,391.00
Capital reserve	1,950,590,599.30	1,950,590,599.30
Surplus reserve	51,365,509.04	51,365,509.04
Undistributed profit	<u>-1,318,163,499.19</u>	<u>-1,365,555,280.00</u>
Total owners' equity (or shareholders' equity)	<u>1,243,590,000.15</u>	<u>1,196,198,219.34</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>2,580,391,431.01</u>	<u>2,436,764,420.34</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 – September 2019

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	Third quarter of 2019 (July – September)	Third quarter of 2018 (July – September)	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
I. Total operating revenue	463,924,589.53	307,683,710.80	1,323,310,730.96	1,010,046,101.54
Including: Operating revenue	463,924,589.53	307,683,710.80	1,323,310,730.96	1,010,046,101.54
II. Total operating costs	440,189,529.27	341,938,833.53	1,296,258,435.57	1,017,904,182.50
Including: Operating costs	348,491,763.25	272,708,609.06	1,035,683,238.02	791,332,516.43
Taxes and surcharges	5,976,005.04	5,253,120.83	18,137,664.09	15,965,606.75
Selling expenses	17,603,108.53	11,722,341.72	45,501,686.40	33,646,307.55
Administrative expenses	22,499,700.47	19,157,618.17	73,630,755.73	65,678,911.55
Research and development expenses	16,589,376.53	11,921,571.38	47,325,105.62	50,364,853.05
Financial expenses	29,029,575.45	21,175,572.37	75,979,985.71	60,915,987.17
Including: Interest expenses	26,953,421.11	15,868,991.42	67,432,005.64	48,611,676.26
Interest income	516,653.82	422,562.19	2,272,748.01	721,863.65
Add: Other income	8,375,006.42	5,614,467.06	17,652,940.74	12,735,449.53
Impairment losses of credit (loss is represented by “-”)	-5,912,782.62		-7,296,507.93	4,173,671.55
Impairment losses of assets (loss is represented by “-”)				-6,849.19
Gain on disposal of assets (loss is represented by “-”)	9,957.46	792,372.56	12,328,915.30	923,447.71

Item	Third quarter of 2019 (July – September)	Third quarter of 2018 (July – September)	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
III. Operating profit (loss is represented by “.”)	26,207,241.52	-27,848,283.11	49,737,643.50	9,967,638.64
Add: Non-operating income	18,404,973.63	5,764,195.60	19,943,434.71	7,539,476.33
Less: Non-operating expense	157,420.00	11,583.73	2,071,379.04	222,958.45
IV. Total profit (total loss is represented by “.”)	44,454,795.15	-22,095,671.24	67,609,699.17	17,284,156.52
Less: Income tax expenses	8,889,477.47	-2,216,504.85	13,463,285.28	8,923,374.38
V. Net profit (net loss is represented by “-”)	35,565,317.68	-19,879,166.39	54,146,413.89	8,360,782.14
(I) Classified on a going concern basis				
1. Net profit from continuing operation (Net loss is represented by “-”)	35,565,317.68	-19,879,166.39	54,146,413.89	8,360,782.14
2. Net profit from discontinued operation (Net loss is represented by “-”)				
(II) Classified by ownership				
1. Net profit attributable to the shareholders of the Company (Net loss is represented by “-”)	30,768,935.77	-19,532,296.88	46,400,131.83	2,445,374.15
2. Profit or loss attributable to minority interests (Net loss is represented by “-”)	4,796,381.91	-346,869.51	7,746,282.06	5,915,407.99

Item	Third quarter of 2019 (July – September)	Third quarter of 2018 (July – September)	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
VI. Other comprehensive income, net of tax				
VII. Total comprehensive income	35,565,317.68	-19,879,166.39	54,146,413.89	8,360,782.14
Total comprehensive income attributable to owners of the Company	30,768,935.77	-19,532,296.88	46,400,131.83	2,445,374.15
Total comprehensive income attributable to minority interests	4,796,381.91	-346,869.51	7,746,282.06	5,915,407.99
VIII. Earnings per share:				
(I) Basic earnings per share (<i>RMB/share</i>)	0.0550	-0.0351	0.0829	0.0044
(II) Diluted earnings per share (<i>RMB/share</i>)	0.0550	-0.0351	0.0829	0.0044
<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		

Income Statement of the Company

January – September 2019

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	Third quarter of 2019 (July – September)	Third quarter of 2018 (July – September)	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
I. Operating revenue	82,175,353.49	35,754,939.80	250,877,212.94	130,975,415.58
Less: Operating costs	81,992,667.11	35,178,624.59	249,159,991.05	128,446,844.20
Taxes and surcharges	330,778.05	385,306.67	809,863.22	2,193,380.72
Selling expenses	215,754.10	99,521.74	443,898.92	389,344.50
Administrative expenses	3,709,593.72	3,235,935.08	9,569,173.47	11,067,796.45
Financial expenses	8,158,344.28	6,748,842.91	22,259,745.29	22,010,853.08
Including: Interest expenses	11,400,450.35	7,493,204.10	33,122,477.28	23,369,591.54
Interest income	3,581,937.42	1,170,130.26	11,316,734.52	1,860,405.06
Add: Other income			232,307.00	
Investment income				
(loss is represented by “-”)		5,433,173.99	60,000,000.00	69,990,946.90
Impairment losses of credit				
(loss is represented by “-”)	100,000.00		300,644.57	614,549.07
Gain on disposal of assets				
(loss is represented by “-”)	1,317,906.79		1,344,231.97	1,181,645.71
II. Operating profit (loss is represented by “-”)	-10,813,876.98	-4,460,117.20	30,511,724.53	38,654,338.31
Add: Non-operating income	16,880,000.00	4,886,631.05	16,880,056.28	5,097,666.19
Less: Non-operating expense				52,054.86

Item	Third quarter of 2019 (July – September)	Third quarter of 2018 (July – September)	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
III. Total profit (total loss is represented by “-”)	6,066,123.02	426,513.85	47,391,780.81	43,699,949.64
Less: Income tax expenses				
IV. Net profit (net loss is represented by “-”)	6,066,123.02	426,513.85	47,391,780.81	43,699,949.64
(I) Net profit from continuing operation (Net loss is represented by “-”)	6,066,123.02	426,513.85	47,391,780.81	43,699,949.64
(II) Net profit from discontinued operation (Net loss is represented by “-”)				
V. Other comprehensive income, net of tax				
VI. Total comprehensive income	6,066,123.02	426,513.85	47,391,780.81	43,699,949.64
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 2019

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	643,832,756.88	695,028,592.64
Tax refunds received	3,593,571.66	
Other cash received from activities related to operation	58,932,494.76	37,654,351.67
Sub-total of cash inflow from operating activities	<u>706,358,823.30</u>	<u>732,682,944.31</u>
Cash paid for goods purchased and services received	530,589,440.36	639,412,901.03
Cash paid to and on behalf of employees	160,160,018.15	137,442,887.50
Tax payments	58,451,771.20	58,483,431.25
Other cash paid for activities related to operation	49,158,995.58	26,765,289.21
Sub-total of cash outflow from operating activities	<u>798,360,225.29</u>	<u>862,104,508.99</u>
Net cash flow from operating activities	<u>-92,001,401.99</u>	<u>-129,421,564.68</u>

Item	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
II. Cash flow from investment activities:		
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	14,252,170.15	
Other cash received from activities related to investment	819,510.00	18,117,140.63
Sub-total of cash inflow from investment activities	15,071,680.15	18,117,140.63
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	139,628,205.59	122,508,491.83
Other cash paid for activities related to investment	635,472.00	
Sub-total of cash outflow from investment activities	140,263,677.59	122,508,491.83
Net cash flow from investment activities	-125,191,997.44	-104,391,351.20
III. Cash flow from financing activities:		
Proceeds from loans	1,427,060,000.00	742,200,000.00
Cash received from issuance of bonds		
Other cash received from financing- related activities	400,787,087.66	457,335,336.43
Sub-total of cash inflow from financing activities	1,827,847,087.66	1,199,535,336.43

Item	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
Cash paid for repayment of loans	1,113,018,202.42	722,448,495.67
Cash paid for dividends, profit, or interest payments	65,936,107.96	48,448,283.90
Other cash paid for financing-related activities	<u>472,270,669.35</u>	<u>272,592,292.16</u>
Sub-total of cash outflow from financing activities	<u>1,651,224,979.73</u>	<u>1,043,489,071.73</u>
Net cash flow from financing activities	<u>176,622,107.93</u>	<u>156,046,264.70</u>
IV. Effects of changes in exchange rate on cash and cash equivalents	264,082.53	106,587.22
V. Net increase in cash and cash equivalents	-40,307,208.97	-77,660,063.96
Add: Opening balance of cash and cash equivalents	160,068,348.62	198,797,788.08
VI. Closing balance of cash and cash equivalents	<u>119,761,139.65</u>	<u>121,137,724.12</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 2019

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	46,305,206.03	67,311,676.51
Other cash received from activities related to operation	28,736,555.44	40,346,016.54
Sub-total of cash inflow from operating activities	75,041,761.47	107,657,693.05
Cash paid for goods purchased and services received	21,095,875.58	
Cash paid to and on behalf of employees	9,377,209.50	10,916,348.99
Tax payments	3,927,999.19	5,141,155.42
Other cash paid for activities related to operation	26,106,317.67	46,439,305.48
Sub-total of cash outflow from operating activities	60,507,401.94	62,496,809.89
Net cash flow from operating activities	14,534,359.53	45,160,883.16

Item	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
II. Cash flow from investment activities:		
Cash received from investment income		3,129,244.82
Other cash received from activities related to investment		18,117,140.63
Sub-total of cash inflow from investment activities		21,246,385.45
Cash paid for investment	163,606,799.00	70,000,000.00
Sub-total of cash outflow from investment activities	163,606,799.00	70,000,000.00
Net cash flow from investment activities	-163,606,799.00	-48,753,614.55
III. Cash flow from financing activities:		
Proceeds from loans	375,860,000.00	235,084,000.00
Cash received from issuance of bonds		
Other cash received from financing- related activities	1,780,120,271.56	736,675,989.97
Sub-total of cash inflow from financing activities	2,155,980,271.56	971,759,989.97

Item	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
Cash paid for repayment of loans	281,511,436.74	346,334,603.35
Cash paid for dividends, profit, or interest payments	16,209,247.07	8,798,014.65
Other cash paid for financing-related activities	<u>1,720,233,311.50</u>	<u>635,081,023.64</u>
Sub-total of cash outflow from financing activities	<u>2,017,953,995.31</u>	<u>990,213,641.64</u>
Net cash flow from financing activities	<u>138,026,276.25</u>	<u>-18,453,651.67</u>
IV. Effects of changes in exchange rate on cash and cash equivalents	189.88	323.91
V. Net increase in cash and cash equivalents	-11,045,973.34	-22,046,059.15
Add: Opening balance of cash and cash equivalents	36,334,602.60	51,344,789.07
VI. Closing balance of cash and cash equivalents	<u>25,288,629.26</u>	<u>29,298,729.92</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 The related conditions on the adjustment of the items in financial statements at the beginning of the year of initial implementation arising from initial implementation of new financial instrument standard, new income standard and new lease standard

Not applicable

4.3 Retrospective adjustment of the previous comparative data by initial adoption of new financial instrument standard and new lease standard

Not applicable

4.4 Audit Report

Not applicable

Company name	LUOYANG GLASS COMPANY LIMITED*
Legal representative	Zhang Chong
Date	17 October 2019

As at the date of this announcement, the Board comprises five executive Directors: Mr. Zhang Chong, Mr. Xie Jun, Mr. Ma Yan, Mr. Wang Guoqiang and Mr. Zhang Rong; two non-executive Directors: Mr. Ren Hongcan and Mr. Chen Yong; and four independent non-executive Directors: Mr. Jin Zhanping, Mr. Ye Shuhua, Mr. He Baofeng and Ms. Zhang Yajuan.

* For identification purposes only