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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 2020

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.
- 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	5,544,949,727.76	5,241,039,877.95	5.80
Net assets attributable to shareholders of the Company	1,381,227,764.44	1,299,216,365.32	6.31
	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	-49,909,511.23	-92,001,401.99	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	1,694,256,833.63	1,323,310,730.96	28.03
Net profit attributable to shareholders of the Company	82,011,399.12	46,400,131.83	76.75
Net profit attributable to shareholders of the Company after deducting extraordinary profit or loss	70,657,564.19	5,367,118.71	1,216.49
Weighted average return on net assets (%)	6.12	3.66	Increased by 2.46 percentage points
Basic earnings per share (RMB/share)	0.1485	0.0829	79.13
Diluted earnings per share (RMB/share)	0.1485	0.0829	79.13

Extraordinary Items and Amounts

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	9,964.64	121,139.83	
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)	3,241,727.45	9,770,159.08	
Reversal of provision made for impairment of receivables and contract assets that are individually tested for impairment	900,000.00	2,700,000.00	
Custody fee income from entrusted operation	283,018.89	849,056.67	
Other non-operating income and expenses excluding the aforesaid items	-1,023,375.19	1,489,670.15	
Effect of minority interests (after tax)	-63,085.80	-474,102.32	
Effect of income tax	-1,054,919.74	-3,102,088.48	
Total	<u>2,293,330.25</u>	<u>11,353,834.93</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 43,462 shareholders (including 43,418 holders of A shares and 44 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	247,596,699	44.82	0	Unknown		Overseas legal person
China Luoyang Float Glass (Group) Company Limited	112,614,918	20.39	7,596,676	Pledged	57,557,915	State-owned legal person
(CNBM) Bengbu Design & Research Institute for Glass Industry Co., Ltd.	70,793,520	12.82	1,793,520	Nil		State-owned legal person
Triumph Science & Technology Co., Ltd.	6,170,699	1.12	6,170,699	Nil		State-owned legal person
Anhui Huaguang Photoelectricity Materials Technology Group Co., Ltd.	4,834,435	0.88	4,834,435	Nil		State-owned legal person
Hefei Gaoxin Development and Investment Group Company*	2,279,002	0.41	2,279,002	Nil		State-owned legal person
Du Baoxin (杜寶新)	1,574,304	0.28	0	Nil		Domestic natural 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)	1,542,674	0.28	1,542,674	Nil		State-owned legal person
Wang Hejun (王賀軍)	1,513,400	0.27	0	Nil		Domestic natural person
Qinhuangdao Hongxing Iron & Steel Co., Ltd. (秦皇島宏興 鋼鐵有限公司)	1,356,400	0.25	0	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	247,596,699	Overseas listed foreign shares	247,596,699
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*	2,279,002	Ordinary shares denominated in RMB	2,279,002
Du Baixin (杜寶新)	1,574,304	Ordinary shares denominated in RMB	1,574,304
Wang Hejun (王賀軍)	1,513,400	Ordinary shares denominated in RMB	1,513,400
Qinhuangdao Hongxing Iron & Steel Co., Ltd. (秦皇島宏興鋼鐵有限公司)	1,356,400	Ordinary shares denominated in RMB	1,356,400
SIT KA BO	1,200,000	Overseas listed foreign shares	1,200,000
Hong Kong Securities Clearing Company Limited	988,319	Ordinary shares denominated in RMB	988,319
Wang Chengtao (王成桃)	509,000	Ordinary shares denominated in RMB	509,000

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., Triumph Science & Technology Co., Ltd. and Anhui Huaguang Photoelectricity Materials Technology Group 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

☐ Applicable ☒ 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

Unit: Yuan Currency: RMB

Item	Closing balance of current period	Closing balance of last period	Increase/ decrease of closing balance of current period over closing balance of last period (%)	Explanation
Bank balance and cash	270,724,256.41	432,871,497.66	-37.46	The increase in repayment of borrowings during the reporting period
Accounts receivable financing	331,133,257.77	162,706,438.58	103.52	The increase in the sales, resulting in the corresponding increase in the collections of bills during the reporting period
Prepayments	163,707,206.20	59,807,534.23	173.72	The increase in prepayments for raw materials during the reporting period
Construction in progress	197,384,622.88	603,637,921.26	-67.30	The transfer of part of construction in progress to fixed assets during the reporting period
Development expenditures	13,836,762.10	3,073,758.34	350.16	The increase in capitalized R&D investment during the reporting period
Long-term deferred expenses	3,078,594.31	6,792,035.43	-54.67	The long-term deferred expenses during the period

Item	Closing balance of current period	Closing balance of last period	Increase/ decrease of closing balance of current period over closing balance of last period (%)	Explanation
Other non-current assets	7,708,609.98	3,671,639.24	109.95	The increase in prepayments for projects during the reporting period
Contract liabilities	35,910,854.05	15,654,739.42	129.39	The increase in receipts in advance from customers in the reporting period
Employee compensation payable	18,039,099.83	31,097,821.63	-41.99	The increase in employee compensation payable during the reporting period
Other payables	650,442,977.00	356,002,972.21	82.71	The increase in current accounts during the reporting period
Non-current liabilities due within one year	129,872,088.22	214,668,497.03	-39.50	The decrease in borrowings due within one year during 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 in percentage of the amount from the beginning of the year to the end of the reporting period compared with the same period last year	Explanation
Selling expenses	60,642,710.91	45,501,686.40	33.28	The increase in sales volume of new energy glass, resulting in the corresponding increase in transportation costs during the reporting period
Research and development expenses	64,273,451.29	47,325,105.62	35.81	The increase in R&D investment during the reporting period
Impairment losses of credit	1,528,512.20	-7,296,507.93	N/A	Write-off and reversal of part of bad debt provision during the reporting period
Impairment losses of assets	-7,600,000.00		N/A	The provision for asset impairment during the reporting period
Gain on disposal of assets	229,890.39	12,328,915.30	-98.14	Income from office building of a subsidiary and its land as resumed by the government during the same period last year
Non-operating income	1,802,807.48	19,943,434.71	-90.96	The decrease in government grants during the reporting period
Income tax expenses	27,301,479.74	13,463,285.28	102.78	The increase in profits, resulting in the corresponding increase in income tax expenses during the reporting period
Net cash flow from operating activities	-49,909,511.23	-92,001,401.99	N/A	The increase in cash received from sales of goods during the reporting period
Net cash flow from financing activities	118,023,211.12	176,622,107.93	-33.18	The increase in sales collection, resulting in the year-on-year decrease in net amount of financing during 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 2019 were RMB40,554,200, RMB9,662,200 and RMB47,912,600, respectively. Yixing New Energy has completed the performance commitments, but Hefei New Energy and Tongcheng New Energy failed 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

☐ 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

4. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2020

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	30 September 2020	31 December 2019
Current assets:		
Bank balance and cash	270,724,256.41	432,871,497.66
Bills receivables	207,511,750.66	198,553,190.06
Accounts receivable	589,648,845.83	562,892,681.73
Accounts receivable financing	331,133,257.77	162,706,438.58
Prepayments	163,707,206.20	59,807,534.23
Other receivables	27,094,707.53	37,905,213.08
Inventories	311,083,257.14	281,882,687.59
Other current assets	79,626,495.94	83,085,172.69
Total current assets	<u>1,980,529,777.48</u>	<u>1,819,704,415.62</u>

Item	30 September 2020	31 December 2019
Non-current assets:		
Long-term receivables	55,000,000.00	55,000,000.00
Fixed assets	2,889,581,757.35	2,343,435,561.00
Construction in progress	197,384,622.88	603,637,921.26
Intangible assets	388,432,717.16	396,358,331.06
Development expenditures	13,836,762.10	3,073,758.34
Long-term deferred expenses	3,078,594.31	6,792,035.43
Deferred income tax assets	9,396,886.50	9,366,216.00
Other non-current assets	7,708,609.98	3,671,639.24
Total non-current assets	<u>3,564,419,950.28</u>	<u>3,421,335,462.33</u>
Total assets	<u>5,544,949,727.76</u>	<u>5,241,039,877.95</u>
Current liabilities:		
Short-term borrowings	1,441,260,918.13	1,240,054,086.26
Bills payable	534,801,121.32	605,123,498.86
Accounts payable	547,703,144.28	675,397,180.53
Contract liabilities	35,910,854.05	15,654,739.42
Employee compensation payable	18,039,099.83	31,097,821.63
Taxes payable	42,652,888.67	36,694,248.37
Other payables	650,442,977.00	356,002,972.21
Non-current liabilities due within one year	129,872,088.22	214,668,497.03
Other current liabilities	2,134,879.83	1,834,742.27
Total current liabilities	<u>3,402,817,971.33</u>	<u>3,176,527,786.58</u>

Item	30 September 2020	31 December 2019
Non-current liabilities:		
Long-term borrowings	522,942,243.65	545,738,860.14
Deferred income	104,224,843.50	104,830,714.44
Total non-current liabilities	627,167,087.15	650,569,574.58
Total Liabilities	4,029,985,058.48	3,827,097,361.16
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	552,396,509.00	552,396,509.00
Capital reserve	1,978,538,766.30	1,978,538,766.30
Surplus reserve	51,365,509.04	51,365,509.04
Undistributed profit	-1,201,073,019.90	-1,283,084,419.02
Total owners' equity (or shareholders' equity) attributable to owners of the Company	1,381,227,764.44	1,299,216,365.32
Minority interests	133,736,904.84	114,726,151.47
Total owners' equity (or shareholders' equity)	1,514,964,669.28	1,413,942,516.79
Total liabilities and owners' equity (or shareholders' equity)	5,544,949,727.76	5,241,039,877.95
<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

Balance Sheet of the Company*30 September 2020*

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	30 September 2020	31 December 2019
Current assets:		
Bank balance and cash	101,134,141.37	152,463,896.56
Bills receivables	31,000,000.00	1,029,000.00
Accounts receivable	214,150,760.74	198,240,989.31
Accounts receivable financing	16,852,717.03	12,886,125.11
Prepayments	39,721.06	57,754.85
Other receivables	523,802,705.32	258,954,816.38
Other current assets	640,669.76	664,323.60
Total current assets	887,620,715.28	624,296,905.81
Non-current assets:		
Long-term receivables	55,000,000.00	55,000,000.00
Long-term equity investment	1,886,146,638.35	1,886,146,638.35
Fixed assets	1,982,853.73	1,788,774.67
Intangible assets	5,567,258.29	5,735,396.92
Total non-current assets	1,948,696,750.37	1,948,670,809.94
Total assets	2,836,317,465.65	2,572,967,715.75

Item	30 September 2020	31 December 2019
Current liabilities:		
Short-term borrowings	504,094,217.08	339,443,640.19
Bills payable	152,500,000.00	282,000,000.00
Accounts payable	34,715,476.92	28,749,713.99
Contract liabilities	8,956,643.18	12,849,147.70
Employee compensation payable	4,659,140.19	6,853,521.41
Taxes payable	194,486.63	405,258.48
Other payables	692,896,097.29	434,067,998.84
Non-current liabilities due within one year	16,326,901.32	5,649,975.70
Other current liabilities	1,164,363.61	1,670,389.18
Total current liabilities	1,415,507,326.22	1,111,689,645.49
Non-current liabilities:		
Long-term borrowings	204,017,001.65	262,532,959.53
Total non-current liabilities	204,017,001.65	262,532,959.53
Total Liabilities	1,619,524,327.87	1,374,222,605.02

Item	30 September 2020	31 December 2019
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	552,396,509.00	552,396,509.00
Capital reserve	1,957,991,478.30	1,957,991,478.30
Surplus reserve	51,365,509.04	51,365,509.04
Undistributed profit	<u>-1,344,960,358.56</u>	<u>-1,363,008,385.61</u>
Total owners' equity (or shareholders' equity)	<u>1,216,793,137.78</u>	<u>1,198,745,110.73</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>2,836,317,465.65</u>	<u>2,572,967,715.75</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 2020

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
I. Total operating revenue	736,522,474.98	463,924,589.53	1,694,256,833.63	1,323,310,730.96
Including: Operating revenue	736,522,474.98	463,924,589.53	1,694,256,833.63	1,323,310,730.96
II. Total operating costs	644,767,421.72	437,348,912.23	1,558,529,507.68	1,289,760,316.93
Including: Operating costs	529,612,831.56	348,491,763.25	1,250,927,646.74	1,035,683,238.02
Taxes and surcharges	8,129,037.92	5,976,005.04	19,825,946.83	18,137,664.09
Selling expenses	24,600,933.72	17,603,108.53	60,642,710.91	45,501,686.40
Administrative expenses	27,295,597.12	22,499,700.47	78,643,250.05	73,630,755.73
Research and development expenses	26,940,040.18	16,589,376.53	64,273,451.29	47,325,105.62
Financial expenses	28,188,981.22	26,188,958.41	84,216,501.86	69,481,867.07
Including: Interest expenses	27,856,038.10	26,953,421.11	81,759,180.44	67,432,005.64
Interest income	2,782,590.53	516,653.82	5,033,680.47	2,272,748.01
Add: Other income	4,888,027.18	8,375,006.42	14,070,135.03	17,652,940.74
Investment income (loss is represented by “-”)	-1,962,563.36	-2,840,617.04	-7,319,553.11	-6,498,118.64
Impairment losses of credit (loss is represented by “-”)	6,674,846.02	-5,912,782.62	1,528,512.20	-7,296,507.93
Impairment losses of assets (loss is represented by “-”)	-5,000,000.00		-7,600,000.00	
Gain on disposal of assets (loss is represented by “-”)	118,715.20	9,957.46	229,890.39	12,328,915.30

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
III. Operating profit (loss is represented by “.”)	96,474,078.30	26,207,241.52	136,636,310.46	49,737,643.50
Add: Non-operating income	-707,547.15	18,404,973.63	1,802,807.48	19,943,434.71
Less: Non-operating expense	424,578.60	157,420.00	429,698.60	2,071,379.04
IV. Total profit (total loss is represented by “.”)	95,341,952.55	44,454,795.15	138,009,419.34	67,609,699.17
Less: Income tax expenses	17,384,140.34	8,889,477.47	27,301,479.74	13,463,285.28
V. Net profit (net loss is represented by “-”)	77,957,812.21	35,565,317.68	110,707,939.60	54,146,413.89
(I) Classified on a going concern basis				
1. Net profit from continuing operation (Net loss is represented by “-”)	77,957,812.21	35,565,317.68	110,707,939.60	54,146,413.89
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 “-”)	65,866,697.69	30,768,935.77	82,011,399.12	46,400,131.83
2. Profit or loss attributable to minority interests (Net loss is represented by “-”)	12,091,114.52	4,796,381.91	28,696,540.48	7,746,282.06

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
VI. Other comprehensive income, net of tax				
VII. Total comprehensive income	77,957,812.21	35,565,317.68	110,707,939.60	54,146,413.89
(I) Total comprehensive income attributable to owners of the Company	65,866,697.69	30,768,935.77	82,011,399.12	46,400,131.83
(II) Total comprehensive income attributable to minority interests	12,091,114.52	4,796,381.91	28,696,540.48	7,746,282.06
VIII. Earnings per share:				
(I) Basic earnings per share (RMB/share)	0.1193	0.0550	0.1485	0.0829
(II) Diluted earnings per share (RMB/share)	0.1193	0.0550	0.1485	0.0829
<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 2020

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
I. Operating revenue	108,061,493.37	82,175,353.49	256,784,740.70	250,877,212.94
Less: Operating costs	107,585,499.50	81,992,667.11	255,414,172.92	249,159,991.05
Taxes and surcharges	20,295.99	330,778.05	124,193.69	809,863.22
Selling expenses	156,524.28	215,754.10	474,131.47	443,898.92
Administrative expenses	3,869,219.15	3,709,593.72	10,906,290.52	9,569,173.47
Research and development expenses				
Financial expenses	8,170,290.62	8,158,344.28	29,064,658.87	22,259,745.29
Including: Interest expenses	15,380,682.38	11,400,450.35	42,731,220.56	33,122,477.28
Interest income	7,077,607.79	3,581,937.42	15,459,737.00	11,316,734.52
Add: Other income			52,286.00	232,307.00
Investment income				
(loss is represented by “-”)			50,905,540.46	60,000,000.00
Impairment losses on credit				
(loss is represented by “-”)	199,999.82	100,000.00	4,398,408.74	300,644.57
Impairment losses on assets (loss is represented by “-”)				
Gain on disposal of assets				
(loss is represented by “-”)	35,573.18	1,317,906.79	107,295.15	1,344,231.97
II. Operating profit (loss is represented by “-”)	-11,504,763.17	-10,813,876.98	16,264,823.58	30,511,724.53
Add: Non-operating income	-707,547.15	16,880,000.00	1,799,031.51	16,880,056.28
Less: Non-operating expenses	15,828.04		15,828.04	

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
III. Total profit (total loss is represented by “-”)	-12,228,138.36	6,066,123.02	18,048,027.05	47,391,780.81
Less: Income tax expenses				
IV. Net profit (net loss is represented by “-”)	-12,228,138.36	6,066,123.02	18,048,027.05	47,391,780.81
(I) Net profit from continuing operation (net loss is represented by “-”)	-12,228,138.36	6,066,123.02	18,048,027.05	47,391,780.81
(II) Net profit from discontinued operation (net loss is represented by “-”)				
V. Other comprehensive income, net of tax				
VI. Total comprehensive income	-12,228,138.36	6,066,123.02	18,048,027.05	47,391,780.81
VII. Earnings per share:				
(I) Basic earnings per share (RMB/share)				
(II) Diluted earnings per share (RMB/share)				
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 2020

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	1,007,012,312.75	643,832,756.88
Tax refunds received	4,770,358.60	3,593,571.66
Other cash received from activities related to operation	47,836,255.33	58,932,494.76
Sub-total of cash inflow from operating activities	1,059,618,926.68	706,358,823.30
Cash paid for goods purchased and services received	779,115,686.62	530,589,440.36
Cash paid to and on behalf of employees	169,573,531.50	160,160,018.15
Tax payments	93,455,116.34	58,451,771.20
Other cash paid for activities related to operation	67,384,103.45	49,158,995.58
Sub-total of cash outflow from operating activities	1,109,528,437.91	798,360,225.29
Net cash flow from operating activities	-49,909,511.23	-92,001,401.99

Item	First three quarters of 2020 (January – September)	First three quarters of 2019 (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
Sub-total of cash inflow from investment activities		15,071,680.15
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	127,975,116.39	139,628,205.59
Other cash paid for activities related to investment		635,472.00
Sub-total of cash outflow from investment activities	127,975,116.39	140,263,677.59
Net cash flow from investment activities	-127,975,116.39	-125,191,997.44
III. Cash flow from financing activities:		
Proceeds from loans	1,415,690,000.00	1,427,060,000.00
Other cash received from financing- related activities	529,085,507.20	400,787,087.66
Sub-total of cash inflow from financing activities	1,944,775,507.20	1,827,847,087.66

Item	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
Cash paid for repayment of loans	1,455,878,827.53	1,113,018,202.42
Cash paid for dividends, profit, or interest payments	97,129,145.86	65,936,107.96
Including: Dividends and profits paid to minority shareholders by subsidiaries	9,685,787.11	
Other cash paid for financing-related activities	<u>273,744,322.69</u>	<u>472,270,669.35</u>
Sub-total of cash outflow from financing activities	<u>1,826,752,296.08</u>	<u>1,651,224,979.73</u>
Net cash flow from financing activities	<u>118,023,211.12</u>	<u>176,622,107.93</u>
IV. Effects of changes in exchange rate on cash and cash equivalents	-445,957.58	264,082.53
V. Net increase in cash and cash equivalents	-60,307,374.08	-40,307,208.97
Add: Opening balance of cash and cash equivalents	148,188,549.43	160,068,348.62
VI. Closing balance of cash and cash equivalents	<u>87,881,175.35</u>	<u>119,761,139.65</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 2020

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	95,943,613.30	46,305,206.03
Tax refunds received	8,674.31	
Other cash received from activities related to operation	8,539,006.69	28,736,555.44
Sub-total of cash inflow from operating activities	104,491,294.30	75,041,761.47
Cash paid for goods purchased and services received	69,758,458.83	21,095,875.58
Cash paid to and on behalf of employees	8,992,286.62	9,377,209.50
Tax payments	651,476.38	3,927,999.19
Other cash paid for activities related to operation	9,615,938.53	26,106,317.67
Sub-total of cash outflow from operating activities	89,018,160.36	60,507,401.94
Net cash flow from operating activities	15,473,133.94	14,534,359.53

Item	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
II. Cash flow from investment activities:		
Cash received from investment income	<u>23,701,965.76</u>	
Sub-total of cash inflow from investment activities	<u>23,701,965.76</u>	
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	463,811.50	
Cash paid for investment		<u>163,606,799.00</u>
Sub-total of cash outflow from investment activities	<u>463,811.50</u>	<u>163,606,799.00</u>
Net cash flow from investment activities	<u>23,238,154.26</u>	<u>-163,606,799.00</u>
III. Cash flow from financing activities:		
Proceeds from loans	463,490,000.00	375,860,000.00
Other cash received from financing- related activities	<u>1,940,530,839.68</u>	<u>1,780,120,271.56</u>
Sub-total of cash inflow from financing activities	<u>2,404,020,839.68</u>	<u>2,155,980,271.56</u>

Item	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
Cash paid for repayment of loans	496,906,060.36	281,511,436.74
Cash paid for dividends, profit, or interest payments	36,420,979.63	16,209,247.07
Other cash paid for financing-related activities	1,948,810,707.69	1,720,233,311.50
Sub-total of cash outflow from financing activities	2,482,137,747.68	2,017,953,995.31
Net cash flow from financing activities	-78,116,908.00	138,026,276.25
IV. Effects of changes in exchange rate on cash and cash equivalents	-121.55	189.88
V. Net increase in cash and cash equivalents	-39,405,741.35	-11,045,973.34
Add: Opening balance of cash and cash equivalents	46,467,911.64	36,334,602.60
VI. Closing balance of cash and cash equivalents	7,062,170.29	25,288,629.26
<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 income standard and new lease standard since 2020

☐ Applicable ☒ Not applicable

4.3 Retrospective adjustment of the previous comparative data by initial adoption of new income standard and new lease standard since 2020

☐ Applicable ☒ Not applicable

4.4 Audit Report

☐ Applicable ☒ Not applicable

Company name **LUOYANG GLASS COMPANY LIMITED***
Legal representative **Zhang Chong**
Date 29 October 2020

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