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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 2021

IMPORTANT NOTICE:

The board of directors (the "**Board**"), the supervisory committee, 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 representation or misleading statements or material omissions, and severally and jointly accept legal responsibility in respect thereof.

Zhang Chong, the Chairman of the Company, Ma Yan, the Chief Financial Controller of the Company, and Chen Jing, the person in charge of accounting department (accounting officer) of the Company, warrant that the financial statements contained in this quarterly report are true, accurate and complete.

Whether the financial statements for the third quarter have been audited

☐ Yes ☑ No

I. MAJOR FINANCIAL INFORMATION

(I) Key accounting information and financial indicators

Unit: yuan Currency: RMB

Item	For the Reporting Period	For the same period of the previous year		Increase/decrease over the same period of the previous year (%)	For the period from the beginning of the year to the end of the Reporting Period	For the same period of the previous year		Increase/decrease over the same period of the previous year (%)
		Before adjustment	After adjustment	After adjustment		Before adjustment	After adjustment	After adjustment
Operating revenue	**866,212,412.81**	736,522,474.98	889,208,256.50	-2.59	2,808,347,720.76	1,694,256,833.63	1,846,942,615.15	52.05
Net profit attributable to shareholders of the Company	**81,710,868.03**	65,866,697.69	74,346,772.27	9.91	326,954,085.34	82,011,399.12	90,491,473.70	261.31
Net profit attributable to shareholders of the Company after non-recurring gain or loss	**56,375,984.68**	63,573,367.44	63,573,367.44	-11.32	260,944,831.77	70,657,564.19	70,657,564.19	269.31
Net cash flows from operating activities	**N/A**	N/A	N/A	N/A	276,958,176.87	-49,909,511.23	-173,322,219.30	N/A
Basic earnings per share *(RMB/share)*	**0.1407**	0.1193	0.1346	4.53	0.5845	0.1485	0.1638	256.84
Diluted earnings per share *(RMB/share)*	**0.1407**	0.1193	0.1346	4.53	0.5845	0.1485	0.1638	256.84
Weighted average return on net assets *(%)*	**2.96**	4.89	5.50	Down by 2.54 percentage points	15.29	6.12	6.73	Up by 8.56 percentage points

	At the end of the Reporting Period	At the end of the previous year Before adjustment	After adjustment	Increase/decrease at the end of the Reporting Period over the end of the previous year *(%)* After adjustment
Total assets	**9,784,867,866.89**	5,604,575,811.17	6,525,929,440.38	49.94
Owner's equity attributable to shareholders of the Company	**3,903,746,585.16**	1,626,578,221.81	1,775,414,779.81	119.88

Note: The "Reporting Period" refers to the three months from 1 June 2021 to 30 September 2021.

Explanation on reasons for retrospective adjustments and restatement

During the Reporting Period, the Company acquired equity interest in Qinhuangdao North Glass Co., Ltd. ("**North Glass**") with relevant changes of industrial and commercial registration of North Glass completed on 4 August 2021, thus North Glass became a majority-owned subsidiary of the Company and was included in the scope of consolidation of the Company for the Reporting Period. As North Glass had been included in the scope of consolidation of China National Building Materials Group Corporation, the de facto controller of the Company, since 1 July 2017, North Glass was accounted for in the consolidated financial statements of the Company as a business combination under common control, with retrospective adjustments made to the comparative statements from 1 July 2020. The relevant financial figures at the beginning of the Reporting Period and for the same period of the previous year set out below are presented by the adjusted ones.

(II) Non-recurring Items and Amounts

Unit: yuan Currency: RMB

Item	Amount for the Reporting Period	Amount for the period from the beginning of the year to the end of the Reporting Period	Explanation
Gain or loss on disposal of non-current assets (including the written-off portion of the provision for assets impairment)	**-45,797.60**	-193,625.26	
Government grants credited to current profit or loss (except for those which are closely related to the Company's ordinary business, and continuously received in certain standard amounts and quantities in accordance with national policies)	**8,666,393.99**	25,644,180.74	
Gain on investments in subsidiaries, associates and joint ventures for which the investment cost was less than the fair value of identifiable net assets of the investees at the time of acquisition	**4,530,231.38**	4,530,231.38	
Gain or loss from debt restructuring	**24,051.45**	25,376.19	
Net gain or loss of subsidiary resulting from business combination under common control from the beginning of the period to the consolidation date	**23,911,544.81**	71,103,489.62	
Reversal of provision made for impairment of receivables subject to individual impairment test		120,000.00	
Custody fee income from entrusted operations	**471,698.15**	1,295,597.57	
Other non-operating income and expenses other than aforesaid items	**-60,000.00**	-554,580.09	
Other gain or loss items within the meaning of non-recurring gain or loss	**400.00**	34,755.57	
Less: Effect of income tax	**1,654,129.21**	6,533,103.97	
Effect of minority interests (after tax)	**10,509,509.62**	29,463,068.18	
Total	**25,334,883.35**	66,009,253.57	

Note: Other gain or loss items within the meaning of non-recurring gain or loss mainly represent the refunds of individual income tax handling fees

Explanation on defining any non-recurring items listed under the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Gains or Losses as recurring items

☐ Applicable ☑ Not applicable

(III) Change in key accounting figures and financial indicator and the reasons thereof

☑ Applicable ☐ Not applicable

Item	**Change** *(%)*	**Main reason**
Operating revenue	52.05	Mainly due to the year-on-year increase in revenue as a result of scaling up of business operations of the Company
Net profit attributable to shareholders of the Company	261.31	Mainly due to the year-on-year increase in net profit as a result of scaling up of business operations of the Company
Net profit attributable to shareholders of the Company after non-recurring gain or loss	269.31	Mainly due to the year-on-year increase in net profit as a result of scaling up of business operations of the Company
Net cash flows from operating activities	N/A	Mainly due to the year-on-year increase in receivables on sales collected
Basic earnings per share *(RMB/share)*	256.84	Mainly due to the year-on-year increase in net profit attributable to shareholders of the Company
Diluted earnings per share *(RMB/share)*	256.84	Mainly due to the year-on-year increase in net profit attributable to shareholders of the Company
Weighted average return on net assets *(%)*	Up by 8.56 percentage points	Mainly due to the year-on-year increase in net profit attributable to shareholders of the Company
Total assets	49.94	Mainly due to the further business expansion of the Company as a result of the proceeds raised from the non-public issuance of shares
Net assets attributable to shareholders of the Company	119.88	Mainly due to (i) the increase in equity attributable to shareholders of the Company as a result of non-public issuance of shares and (ii) the increase in net profit attributable to shareholders of the Company

Note: The change in indicators for profit and loss in the table above refers to the change for the period from the beginning of the year to the end of the Reporting Period as compared with the same period last year, and the change in indicators for assets refers to the change as at the end of the Reporting Period over the end of last year.

II. INFORMATION ON SHAREHOLDERS

(I) Total number of holder of ordinary shares, number of holders of preference shares with voting rights restored and shareholdings of the top ten shareholders

Unit: shares

Total number of holders of ordinary shares as at the end of the Reporting Period	38,058	Total number of holders of preference shares with voting rights restored as at the end of the Reporting Period (if any)

Shareholdings of top 10 shareholders

Name of shareholders	Nature of shareholder	Number of shares held	Shareholding percentage (%)	Number of shares held subject to trading moratorium	Pledged, tagged or frozen	
					Status of shares	Number
HKSCC Nominees Limited	Foreign legal person	249,018,699	38.57		Unknown	
China Luoyang Float Glass (Group) Company Limited	State-owned legal person	111,195,912	17.22	6,177,670	Pledged	55,597,956
(CNBM) Bengbu Design & Research Institute for Glass Industry Co., Ltd.	State-owned legal person	70,290,049	10.89	1,290,049	Nil	
Hongtu Equity Investment Management (Shenzhen) Co., Ltd of Shenzhen Capital Group Co., Ltd.– New Materials Fund of Shenzhen Capital Group for Transformation and Upgrading for Manufacturing Sector (深創投紅土股權投資管理(深圳)有限公司–深創投製造業轉型升級新材料基金)	Domestic non-state-owned legal person	38,853,812	6.02	38,853,812	Nil	
Triumph Science & Technology Co., Ltd.	State-owned legal person	19,400,423	3.00	19,400,423	Nil	

Shareholdings of top 10 shareholders

Name of shareholders	Nature of shareholder	Number of shares held	Shareholding percentage (%)	Number of shares held subject to trading moratorium	Pledged, tagged or frozen Status of shares	Number
Guogai Shuangbai Development Fund Management Co., Ltd. －Kegai Ceyuan (Chongqing) Private Equity Investment Fund Partnership (國改雙百發展基金管理有限公司－科改策源(重慶)私募股權投資基金合夥企業)	Domestic non-state-owned legal person	7,285,089	1.13	7,285,089	Nil	
Jinan Jiangshan Investment Partnership	Domestic non-state-owned legal person	6,313,744	0.98	6,313,744	Nil	
Hong Kong Securities Clearing Company Limited	Foreign legal person	5,940,378	0.92		Nil	
China Galaxy Securities Co., Ltd.	State-owned legal person	5,730,937	0.89	5,730,937	Nil	
Luoyang Venture Investment Co., Ltd.- High Quality Development Fund for Manufacturing Sector in Luoyang (洛陽創業投資有限公司－洛陽製造業高品質發展基金)	Domestic non-state-owned legal person	4,856,726	0.75	4,856,726	Nil	

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 of shares	Number
HKSCC NOMINEES LIMITED	249,018,699	Overseas listed foreign shares	249,018,699
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
Hong Kong Securities Clearing Company Limited	5,940,378	Ordinary shares denominated in RMB	5,940,378
Bosera Funds- Guoxin Investment Co., Ltd – Bosera Funds – Guoxin No. 6 (QDII) Single Assets Management Scheme (博時基金－國新投資有限公司－博時基金－國新6號(QDII)單一資產管理計畫)	2,761,018	Ordinary shares denominated in RMB	2,761,018
China Construction Bank Corporation – Guangfa Scientific Innovation Mixed Securities Investment Funds (中國建設銀行股份有限公司－廣發科技創新混合型證券投資基金)	2,233,300	Ordinary shares denominated in RMB	2,233,300
Ping'an Anying Share-based Pension Products – Bank of China Limited (平安安贏股票型養老金產品－中國銀行股份有限公司)	1,873,100	Ordinary shares denominated in RMB	1,873,100
Robeco Fund Management Co., Ltd – Robeco Capital Growth Fund (荷寶基金管理公司－荷寶資本成長基金)	1,552,000	Ordinary shares denominated in RMB	1,552,000
Yixing Environmental Technology Innovation Venture Investment Co., Ltd.	1,542,674	Ordinary shares denominated in RMB	1,542,674
Wang Aijun (王愛軍)	1,530,400	Ordinary shares denominated in RMB	1,530,400

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, (CNBM) Bengbu Design & Research Institute for Glass Industry Co., Ltd. and Triumph Science & Technology Co., Ltd. are related parties or parties 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.
Description of involvement in securities margin financing, short selling and refinancing (if any) by top 10 shareholders and top 10 holders of shares not subject to trading moratorium	Nil

III. OTHER REMINDERS

Other important information about the Company's operations during the Reporting Period that should be brought to the attention of investors

☐ Applicable ☑ Not applicable

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinion

☐ Applicable ☑ Not applicable

(II) Financial statements

Consolidated Balance Sheet
30 September 2021

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	**30 September 2021**	31 December 2020
Current assets:		
Bank balances and cash	**2,023,891,616.50**	338,338,105.37
Bills receivables	**322,080,981.21**	102,441,393.68
Accounts receivable	**549,983,579.61**	641,954,362.17
Receivables financing	**327,519,345.69**	448,697,313.21
Prepayments	**221,018,735.02**	158,034,372.78
Other receivables	**30,104,215.50**	553,839,445.64
Inventories	**455,812,060.54**	307,898,221.12
Other current assets	**115,012,696.07**	60,748,621.82
Total current assets	**4,045,423,230.14**	2,611,951,835.79
Non-current assets:		
Long-term receivables	**55,000,000.00**	55,000,000.00
Fixed assets	**3,828,319,916.38**	3,245,484,257.44
Construction in progress	**841,663,441.60**	83,910,682.05
Right-of-use assets	**10,329,503.50**	12,259,657.09
Intangible assets	**638,065,498.07**	453,958,149.23
Development expenditures	**24,118,154.55**	14,096,615.36
Long-term deferred expenses	**4,030,340.55**	5,278,764.89
Deferred income tax assets	**11,756,864.81**	10,466,272.12
Other non-current assets	**326,160,917.29**	33,523,206.41
Total non-current assets	**5,739,444,636.75**	3,913,977,604.59
Total assets	**9,784,867,866.89**	6,525,929,440.38

Item	**30 September 2021**	31 December 2020
Current liabilities:		
Short-term borrowings	**1,615,990,626.53**	1,278,414,071.56
Bills payable	**682,129,647.68**	508,983,722.37
Accounts payable	**890,059,322.08**	473,725,797.02
Contract liabilities	**44,464,079.65**	62,264,246.24
Employee compensation payable	**32,243,966.77**	44,039,082.77
Taxes payable	**35,361,650.38**	116,499,806.65
Other payables	**662,552,139.22**	819,015,029.43
Non-current liabilities due within one year	**259,609,038.20**	232,596,939.38
Other current liabilities	**56,109,437.01**	4,888,222.00
Total current liabilities	**4,278,519,907.52**	3,540,426,917.42
Non-current liabilities:		
Long-term borrowings	**946,346,759.99**	669,730,047.96
Lease liabilities	**8,108,038.81**	9,238,598.97
Long term payables		86,000,000.00
Deferred income	**128,422,382.56**	125,129,638.70
Deferred income tax liabilities	**18,633,817.92**	15,448,548.99
Total non-current liabilities	**1,101,510,999.28**	905,546,834.62
Total Liabilities	**5,380,030,906.80**	4,445,973,752.04

Item	30 September 2021	31 December 2020
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	**645,674,963.00**	548,540,432.00
Capital reserve	**3,787,428,456.63**	2,083,185,267.62
Surplus reserve	**51,365,509.04**	51,365,509.04
Undistributed profit	**-580,722,343.51**	-907,676,428.85
Total owners' equity (or shareholders' equity) attributable to owners of the Company	**3,903,746,585.16**	1,775,414,779.81
Minority interests	**501,090,374.93**	304,540,908.53
Total owners' equity (or shareholders' equity)	**4,404,836,960.09**	2,079,955,688.34
Total liabilities and owners' equity (or shareholders' equity)	**9,784,867,866.89**	6,525,929,440.38

Chairman of the Company:	*Chief financial controller:*	*Person-in-charge of accounting department:*
Zhang Chong	**Ma Yan**	**Chen Jing**

Consolidated Income Statement

January – September 2021

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
I. Total operating revenue	**2,808,347,720.76**	1,846,942,615.15
Including: Operating revenue	**2,808,347,720.76**	1,846,942,615.15
II. Total operating costs	**2,385,098,528.90**	1,697,555,159.32
Including: Operating costs	**2,008,046,102.68**	1,378,248,930.84
Taxes and surcharges	**31,735,236.26**	21,649,679.27
Selling expenses	**14,625,332.56**	62,011,159.81
Administrative expenses	**108,608,424.03**	80,389,285.76
Research and development expenses	**125,342,955.20**	64,273,451.29
Financial expenses	**96,740,478.17**	90,982,652.35
Including: Interest expenses	**97,433,812.26**	86,163,383.05
Interest income	**5,071,062.64**	5,047,967.54
Add: Other income	**28,255,203.77**	14,596,877.82
Investment income (loss is represented by "-")	**-10,810,880.45**	-7,319,553.11
Credit impairment losses (loss is represented by "-")	**470,642.22**	1,528,512.20
Impairment losses on assets (loss is represented by "-")		-7,600,000.00
Gain on disposal of assets (loss is represented by "-")	**-167,942.60**	-201,245.14
III. Operating profit (loss is represented by "-")	**440,996,214.80**	150,392,047.60
Add: Non-operating income	**4,912,990.39**	1,879,418.51
Less: Non-operating expense	**609,680.00**	429,698.60

Item	**First three quarters of 2021 (January – September)**	First three quarters of 2020 (January – September)
IV. Total profit (total loss is represented by "-")	**445,299,525.19**	151,841,767.51
Less: Income tax expenses	**48,013,481.80**	27,000,370.28
V. Net profit (net loss is represented by "-")	**397,286,043.39**	124,841,397.23
(I) Classified by continuity of operations		
1. Net profit from continuing operations (Net loss is represented by "-")	**397,286,043.39**	124,841,397.23
(II) Classified by ownership		
1. Net profit attributable to the shareholders of the Company (Net loss is represented by "-")	**326,954,085.34**	90,491,473.70
2. Minority interests (Net loss is represented by "-")	**70,331,958.05**	34,349,923.53
VI. Other comprehensive income, net of tax		
VII. Total comprehensive income		
(I) Total comprehensive income attributable to owners of the Company	**326,954,085.34**	90,491,473.70
(II) Total comprehensive income attributable to minority interests	**70,331,958.05**	34,349,923.53
VIII. Earnings per share:		
(I) Basic earnings per share *(RMB/share)*	**0.5845**	0.1638
(II) Diluted earnings per share *(RMB/share)*	**0.5845**	0.1638

For the business combination under common control during the Reporting Period, the net profit recorded by the merged party before the combination was RMB71,103,489.62, and the net profit recorded by the merged party in the previous period was RMB14,133,457.63.

Chairman of the Company:	*Chief financial controller:*	*Person-in-charge of accounting department:*
Zhang Chong	**Ma Yan**	**Chen Jing**

Consolidated Cash Flow Statement
January – September 2021

Prepared by: Luoyang Glass Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	**First three quarters of 2021 (January – September)**	First three quarters of 2020 (January – September)
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	**2,099,323,900.82**	1,172,678,820.78
Tax refunds received	**15,437,306.88**	4,770,358.60
Other cash received from activities related to operation	**56,638,946.45**	162,926,688.94
Sub-total of cash inflows from operating activities	**2,171,400,154.15**	1,340,375,868.32
Cash paid for goods purchased and services received	**1,178,396,920.05**	823,198,700.20
Cash paid to and for employees	**246,248,089.08**	172,575,380.33
Tax payments	**225,910,124.04**	101,605,883.40
Other cash paid for activities related to operation	**243,886,844.11**	416,318,123.69
Sub-total of cash outflows from operating activities	**1,894,441,977.28**	1,513,698,087.62
Net cash flows from operating activities	**276,958,176.87**	-173,322,219.30

Item	**First three quarters of 2021 (January – September)**	First three quarters of 2020 (January – September)
II. Cash flows from investment activities:		
Other cash received from activities related to investment	**6,176,839.68**	
Sub-total of cash inflows from investment activities	**6,176,839.68**	
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	**1,059,735,044.55**	127,975,116.39
Other cash paid for activities related to investment		
Sub-total of cash outflows from investment activities	**1,059,735,044.55**	127,975,116.39
Net cash flows from investment activities	**-1,053,558,204.87**	-127,975,116.39
III. Cash flows from financing activities:		
Cash received from investments	**1,983,999,993.34**	
Proceeds from loans	**2,024,430,000.00**	1,603,058,883.00
Other cash received from financing-related activities	**888,415,919.34**	529,085,507.20
Sub-total of cash inflows from financing activities	**4,896,845,912.68**	2,132,144,390.20

Item	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
Cash paid for repayment of loans	**1,468,530,931.12**	1,512,878,827.53
Cash paid for dividends, profit, or interest payments	**126,596,232.17**	104,155,981.68
Including: Dividend and profit paid by subsidiaries to minority shareholders	**40,189,514.01**	9,685,787.11
Other cash paid for financing-related activities	**860,601,439.39**	273,744,322.69
Sub-total of cash outflows from financing activities	**2,455,728,602.68**	1,890,779,131.90
Net cash flows from financing activities	**2,441,117,310.00**	241,365,258.30
IV. Effects of changes in exchange rate on cash and cash equivalents	**-289,479.74**	-2,853,575.95
V. Net increase in cash and cash equivalents	**1,664,227,802.26**	-62,785,653.34
Add: Opening balance of cash and cash equivalents	**151,936,892.29**	157,923,657.61
VI. Closing balance of cash and cash equivalents	**1,816,164,694.55**	95,138,004.27

Chairman of the Company:	*Chief financial controller:*	*Person-in-charge of accounting department:*
Zhang Chong	**Ma Yan**	**Chen Jing**

(III) Adjustments to relevant items in the financial statements at the beginning of the year as a result of initial application of the new lease accounting standard from 2021

☐ Applicable ☑ Not applicable

Company name	**Luoyang Glass Company Limited***
Legal representative	**Zhang Chong**
Date	29 October 2021

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*