



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)

(股份代號 Stock Code: 1108)



INTERIM REPORT
中 期 報 告 2 0 0 7

重要提示

本公司董事會、監事會及其董事、監事、高級管理人員保證本報告所載資料不存在任何虛假記載、誤導性陳述或者重大遺漏，並對其內容的真實性、準確性和完整性負個別及連帶責任。

本半年度報告摘要摘自半年度報告全文，報告全文同時刊載於上海證券交易所網站<http://www.sse.com.cn>。投資者欲了解詳細內容，應當仔細閱讀半年度報告全文。

本公司全體董事出席董事會會議。

本公司半年度財務報告未經審計，但已經獨立審核(審計)委員會審閱通過。

公司負責人朱雷波先生、公司總經理高天寶先生、主管會計工作負責人曹明春先生及會計機構負責人(會計主管人員)海素敏女士聲明：保證本半年度報告中財務報告的真實、完整。

目錄

- 一. 公司基本情況簡介
- 二. 股本變動及主要股東持股情況
- 三. 董事、監事及高級管理人員情況
- 四. 管理層討論與分析
- 五. 重要事項
- 六. 財務報告
- 七. 備查文件

IMPORTANT NOTICE

The Board of the Company, the Supervisory Committee, supervisors and senior management warrant that there are no false representation and misleading statement in or material omission from this report and jointly and severally accept responsibilities for the truthfulness, accuracy and completeness of the content contained herein.

This interim report summary is extracted from the interim report, the full text of which has been published on the website of Shanghai Securities Exchange (<http://www.sse.com.cn>). Investors should carefully read the full text of the interim report for details.

All directors of the Company attended Board meetings.

The interim financial statements of the Company have not been audited but have been reviewed and approved by Independent Audit Committee.

Mr. Zhu Leibo, the Vice Chairman, Mr. Gao Tianbao, the General Manager, Mr. Cao Mingchun, the Chief Financial Officer and Ms. Hai Sumin, the Head of Financial Department, warrant the authenticity and completeness of the financial statements set out in the interim report.

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截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

一. 上市公司基本情況

(一) 基本情況簡介

1. 公司法定中文名稱：洛陽玻璃股份有限公司
公司簡稱：洛陽玻璃
公司法定英文名稱：Luoyang Glass Company Limited
(英文縮寫：LYG)
2. 公司法定代表人：朱雷波先生
3. 公司董事會秘書：曹明春先生
聯繫地址：中華人民共和國(「中國」)
河南省洛陽市西工區
唐宮中路9號
洛陽玻璃股份有限公司
董事會秘書室
- 電話：86-379-63908588
傳真：86-379-63251984
電子信箱：clfg@clfg.com
4. 公司註冊及辦公地址：中國河南省洛陽市西工區
唐宮中路9號
- 郵政編碼：471009
公司國際互聯網址：<http://www.clfg.com>
5. 公司信息披露報紙：《中國證券報》、
《上海證券報》、
《星島日報》、
《虎報》(英文)
- 公司登載半年度報告 <http://www.sse.com.cn>
指定互聯網網址：<http://www.hkex.com.hk>
公司半年度報告 洛陽玻璃股份有限公司
備置地點：董事會秘書室
6. 股票上市地點、股票簡稱和股票代碼：
A股—上市地點：上海證券交易所
股票代碼：600876
股票簡稱：洛陽玻璃
H股—上市地點：香港聯合交易所有限公司
股票代碼：1108
股票簡稱：洛陽玻璃

1. COMPANY PROFILE

(1) Company's general information

1. Registered company name in Chinese: 洛陽玻璃股份有限公司
Company short name: Luoyang Glass
Registered company name in English: Luoyang Glass Company Limited
(Abbreviation: LYG)
2. Legal representative: Mr. Zhu Leibo
3. Board Secretary: Mr. Cao Mingchun
Correspondence address: Secretary Office of the Board of Directors of
Luoyang Glass Company Limited
No. 9, Tang Gong Zhong Lu,
Xigong District, Luoyang Municipal,
Henan Province, the People's Republic
of China (the "PRC")
- Telephone: 86-379-63908588
Fax: 86-379-63251984
E-mail address: clfg@clfg.com
4. Registered address and office address: No.9, Tang Gong Zhong Lu,
Xigong District Luoyang Municipal,
Henan Province, the PRC
- Postal code: 471009
Internet address: <http://www.clfg.com>
5. Newspapers for information disclosure: China Securities Journal,
Shanghai Securities Journal,
Sing Tao Daily,
The Standard (in English)
- The Standard (in English) Website <http://www.sse.com.cn>
publishing the Interim Report: <http://www.hkex.com.hk>
Company's Interim Report available at: Secretarial Office of the Board of Directors
of Luoyang Glass Company Limited
6. Place of listing, stock abbreviation and Stock Code:
A Shares - Place of Listing: Shanghai Stock Exchange
Stock code: 600876
Stock abbreviation: Luoyang Glass
H Shares - Place of Listing: The Stock Exchange of Hong Kong Limited
Stock code: 1108
Stock abbreviation: Luoyang Glass

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(二) 主要財務資料和指標 (未經審計)

(2) Major financial data and indicators (unaudited)

1. 主要會計數據和財務指標 (按中國會計準則及制度編制) :

1. Financial indicators (Prepared in accordance with the PRC Accounting Rules and Regulations):

(人民幣千元)
(RMB'000)

		本報告期末	上年度期末 調整後	調整前	本報告期末比 年初數增減(%) Increase/decrease at the end of this reporting period from the end of the last year (%)
		As at 30 June 2007	As at 31 December 2006 After adjustment	Before adjustment	
總資產	Total assets	2,043,400	2,189,293	2,189,298	(6.66)
所有者權益 (或股東權益)	Shareholders' interests	249,784	313,659	313,659	(20.36)
每股淨資產 (人民幣元)	Net assets per share (RMB)	0.5	0.63	0.63	(20.36)
		報告期 (1-6月)	上年同期 調整後	調整前	本報告期比 上年同期增減(%) Increase/decrease for this reporting period from the corresponding period of the last year (%)
		Reporting period (January-June)	Corresponding period of last year After adjustment	Before adjustment	
營業利潤	Operating profit	(64,156)	(190,962)	(183,219)	66.4
利潤總額	Total profit	(61,551)	(191,049)	(186,733)	67.78
淨利潤	Net profit	(63,875)	(156,786)	(145,192)	59.26
扣除非經常性損益後 的淨(虧損)/利潤	Net (loss)/profit after non-recurring items	(66,495)	(169,891)	(158,297)	60.86
基本每股收益 (人民幣元)	Earnings per Share-basic (RMB)	(0.13)	(0.22)	(0.21)	40.91
稀釋每股收益 (人民幣元)	Earnings per Share-diluted (RMB)	(0.13)	(0.22)	(0.21)	40.91
淨資產收益率(%)	Return on net assets (%)	(25.57)	(19.73)	(18.25)	減少5.84個百分點 decrease 5.84 ppt
經營活動產生的 現金流量淨額	Net cash flow from operating activities	48,649	95,106	95,106	(48.85)
每股經營活動產生 的現金流量淨額	Net cash flow from operating activities per share	0.10	0.19	0.14	(47.37)

註1 報告期末至報告披露日，本公司股本並無發生變化。

Note 1: From the reporting period to the date of disclosure of the report there were no changes on the share capital of the Company.

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2. 非經常性損益項目和金額

非經常性損益項目

非流動資產處置損益
其他各項營業外收入、支出
委託投資損益
非經常性損益的少數股東損益影響數

合計

2. Non-recurring items

Items of non-recurring profit or loss

Profit or loss from disposal of non-current assets
Other operating income and expenses
Profit or loss of entrusted investment
Effect of non-recurring profit or loss on minority interest

Total

金額
人民幣千元
Amount
RMB'000

58

2,547

5

10

2,620

3. 國內外會計準則差異

3. Differences between the PRC Accounting Standards and IFRSs

人民幣千元
RMB'000

國內會計準則
PRC Accounting
Standards

境外(國際)
會計準則
IFRSs

4

淨利潤 Net profit
淨資產 Net assets

(63,875)

249,784

(68,302)

175,606

差異說明：請參閱本報告之半年度財務報告《按中國會計準則及制度和按國際財務報告準則編制的本集團的財務報告之間的重大差異》章節。

Explanation on the difference: Please refer to the section headed (Significant differences between the financial statements of the Group prepared accordance with the PRC Accounting Rules and Regulations and International Financial Reporting Standards ("IFRSs"))

二. 股本變動及主要股東持股情況

2. INFORMATION ON CHANGES IN SHARE CAPITAL AND SUBSTANTIAL SHAREHOLDERS

(一) 報告期內本公司股份變動情況表無變化

(1) Changes in share capital of the Company during the reporting period

(二) 前十名股東、前十名流通股股東或無限售條件股東持股情況表

(2) Particulars of the top ten shareholders, top ten holders of circulating shares and top ten holders of shares not subject to trading moratorium

股東總數 股東總數19,665戶，其中H股股東83戶，A股股東19,582戶

Total number of shareholders There are 19,665 shareholders in total, including 83 holders of H shares and 19,582 holders of A shares.

前十名股東持股情況

Shareholdings of the top 10 shareholders

股東名稱	股東性質	持股比例 (%)	報告期末 持股數量 Number of shares held as at 30 June 2007	持有有限售 條件股份數量 Number of shares subject to trade moratorium held	質押或凍結 的股份數量 Number of shares pledged or frozen
Name of shareholders	Nature of shareholders	Shareholding Percentage (%)			
中國洛陽浮法玻璃集團有限責任公司 China Luoyang Float Glass (Group) Company Limited	國有股東 State-owned shareholder	35.80	179,018,242	179,018,242	0
香港中央結算(代理人)有限公司 HKSCC Nominees Limited	外資股東(H股) Foreign shareholder (H Share)	49.32	246,594,998	0	未知 Unknown
長江證券有限責任公司 Changjiang Securities Co., Ltd.	其他 Others	0.67	3,350,018	0	未知 Unknown
李雪芳 Li Xuefang	其他 Others	0.20	1,020,000	0	未知 Unknown
王長根 Wang Changgen		0.19	963,100	0	未知 Unknown
苑清敏 Yuan Qingmin		0.16	811,448	0	未知 Unknown
張寶娟 Zhang Baojuan		0.12	616,598	0	未知 Unknown
胡有臣 Hu Youchen		0.12	616,000	0	未知 Unknown
HSBC NOMINEES (HONG KONG) LIMITED HSBC NOMINEES (HONG KONG) LIMITED	其他 Others	0.11	570,000	0	未知 Unknown
CHUK YER MEN LIZA CHUK YER MEN LIZA	外資股東(H股) Foreign shareholder (H Share)	0.074	374,000	0	未知 Unknown

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前十名流通股股東或前十名無限售條件股東持股情況

Shareholdings of the top 10 holders of circulating shares or shareholders of the top 10 holders of shares not subject to trading moratorium.

股東名稱	Name of shareholder	持有無限售 條件股份數量 Number of shares not subject to trading moratorium held	種類(A、B、H 股或其他) Type of shares (A,B,H Share or others)
香港中央結算(代理人)有限公司	HKSCC Nominees Limited	246,594,998	H股
長江證券有限責任公司	Changjiang Securities Co., Ltd.	3,350,018	A股
李雪芳	Li Xuefang	1,020,000	A股
王長根	Wang Changgen	963,100	A股
苑清敏	Yuan Qingmin	811,448	A股
張寶娟	Zhang Baojuan	616,598	A股
胡有臣	Hu Youchen	616,000	A股
HSBC NOMINEES (HONG KONG) LIMITED	HSBC NOMINEES (HONG KONG) LIMITED	570,000	H股
CHUK YER MEN LIZA	CHUK YER MEN LIZA	374,000	H股
曾慧	Zenghui	324,600	A股

中國洛陽浮法玻璃集團有限責任公司與前十名股東及前十名流通股股東之間不存在關聯關係，也不屬於《上市公司股東持股變動信息披露管理辦法》中規定的一致行動人；公司未知前十名流通股股東之間是否存在關聯關係及是否屬於一致行動人。

There is no connected relationship or action in concert as defined by Regulations for Disclosure of Changes in Shareholding of Listed Companies (上市公司股東持股變動信息披露管理辦法) among the top ten shareholders of the Company, including CLFG and shareholders of circulating shares. The Company is not aware of any parties acting in concert or any connected relationship among the top ten holders of circulating shares.

註：

Note:

- 香港中央結算(代理人)有限公司所持股份是代理客戶持股，本公司未接獲香港中央結算(代理人)有限公司任何單一H股股東持股數量有超過本公司總股本10%或以上的股份公司。
- 除上述披露之外，於二零零七年六月三十日，根據《證券及期貨條例》第336條規定須存置之披露權益登記冊中，並無任何其他人士在公司股份或股本衍生工具的相關股份中擁有權益或持有淡倉的任何記錄。
- 報告期內本公司控股股東無變化。

- HKSCC Nominees Limited held shares on behalf of its clients and the Company has not been notified by HKSCC Nominees Limited that there were any shareholders of H shares who held 10% or above of the total share capital in the Company.
- Save as disclosed above, as at 30 June 2007, the Board is not aware of any person who has any interests or in short position in any shares or equity derivatives in the underlying shares of the Company or any of its associated corporation that is recorded in the register kept under section 336 of the Securities and Futures Ordinance.
- There was no change in the Company's controlling shareholder during the period.

三. 董事、監事及高級管理人員情況

(一) 董事、監事及高級管理人員變動情況

2007年4月25日在本公司五屆七次董事會上，曹華先生因個人原因辭去本公司副總經理職務。

2007年6月7日劉寶瑛先生因工作調動，辭去本公司董事及董事長職務。

期後事項：

本公司於二零零七年七月二十四日召開第五屆董事會第十次會議，會議形成決議如下：1. 同意張少傑先生、姜宏先生及丁建洛先生因工作調動辭去本公司執行董事職務，同意董超先生因個人原因辭去本公司獨立董事職務。鑒於上述人士辭去本公司董事職務後，公司董事會已低於法定最低人數，故根據公司章程第一百八十八條之規定，上述人士的辭職報告應當在下任董事填補因其辭職產生的缺額後方能生效。在股東大會未就董事選舉作出決議以前，該提出辭職的董事及現任董事會的職權應當受到合理的限制；2. 同意丁建洛先生因工作調動辭去本公司總經理職務，王和平先生因個人原因辭去本公司副總經理職務；3. 聘任高天寶先生為本公司總經理；4. 聘任朱留欣先生、謝軍先生、曹明春先生、程宗慧先生、宋建明先生為本公司副總經理；5. 經對本公司第一大股東——中國洛陽浮法玻璃集團有限責任公司提名的補選的董事候選人的審查，認為其符合任職資格，同意提名高天寶先生、謝軍先生、曹明春先生、楊衛平先生、申安秦先生及葛鐵銘先生為補選的董事候選人，其中葛鐵銘先生為獨立董事候選人並提交隨之召開的股東大會審議。詳情於二零零七年七月二十七日登載在《中國證券報》及《上海證券報》。

3. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(1) Change in Directors, Supervisors and Senior Management

Mr. Cao Hua resigned from his office as Deputy General Manager of the Company due to personal reasons at the 7th meeting of the 5th board of directors on 25 April 2007.

Mr. Liu Baoying resigned from his office as a director and the Chairman of the Company on 7 June 2007 due to work rearrangement.

Post Balance Sheet Events:

The Company held 10th meeting of 5th board of directors on 24 July 2007 and the following resolutions were passed: 1. To approve Mr. Zhang Shaojie, Mr. Jiang Hong and Mr. Ding Jianluo to resign from their office of executive Directors of the Company due to work rearrangement, to approve Mr. Dong Chao to resign from his office of independent non-executive Director of the Company due to personal reasons. Since the number of members of the Board would fall below the quorum after the resignations of the said Directors, their resignations shall not come into effect until the vacancies resulting from their resignations are filled by the appointment of the new directors pursuant to Article 180 of the Articles of Association of the Company. Before a resolution on election of directors is made at a shareholders' general meeting, the functions and powers of the current Board and the directors who have tendered their resignations shall be subject to reasonable restrictions. 2. To approve the resignation of Mr. Ding Jianluo from his office as General Manager of the Company due to work rearrangement, and the resignation of Mr. Wang Heping from his office as Deputy General Manager of the Company due to personal reason. 3. To appoint Mr. Gao Tianbao as General Manager of the Company. 4. To appoint Mr. Zhu Liuxin, Mr. Xie Jun, Mr. Cao Mingchun, Mr. Cheng Zonghui and Mr. Song Jianming as Deputy General Managers of the Company. 5. Having reviewed the candidates for the position of the Directors nominated by China Luoyang Float-Glass (Group) Company Limited, the largest shareholder of the Company, and considered them qualified for the said position, to agree the nomination of Mr. Gao Tianbao, Mr. Xie Jun, Mr. Cao Mingchun, Mr. Yang Weiping, Mr. Shen Anqin and Mr. Guo Tieming (a candidate for the position of independent non-executive Director) as candidates for the position of Directors. The appointment of these candidates was presented the following General Meeting for considering. Details were published in China Securities Journal and Shanghai Securities News dated 27 July 2007.

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(Prepared under the PRC Accounting Rules and Regulations)

本公司第五屆監事會於二零零七年七月二十四日舉行會議，審議通過以下決議：1. 同意陶善武先生、馬世信先生、宋飛女士、顧美鳳女士辭去監事職務，鑒於其辭去本公司監事職務後，公司監事會已低於法定最低人數，故根據公司章程第一百八十條之規定，上述監事的辭職報告應當在下任監事填補因其辭職產生的缺額後方能生效。在股東大會未就監事選舉作出決議以前，該提出辭職的監事及現任監事會的職權應當受到合理的限制。2. 經對本公司第一大股東——中國洛陽浮法玻璃集團有限責任公司提名的補選的由股東代表出任的監事候選人的審查，認為其符合任職資格，同意提名任振鐸先生、姚文君女士及何寶峰先生為補選的由股東代表出任的監事候選人，其中何寶峰先生為獨立監事候選人。並提交隨之召開的股東大會審議。詳情於二零零七年七月二十七日登載在《中國證券報》及《上海證券報》。

A meeting of the fifth Supervisory Committee of the Company was held on 24 July 2007. The following resolutions were passed after considerations at the meeting: 1. To approve Mr. Tao Shanwu, Mr. Ma Shixin, Ms. Song Fei, and Ms. Gu Meifeng to resign from their office as supervisors. Since the number of members of the Supervisory Committee would fall below the quorum after the resignations of the said supervisors, their resignations shall not come into effect until the vacancies resulting from their resignations are filled by the appointment of the new supervisors pursuant to Article 180 of the Articles of Association of the Company. Before a resolution on election of supervisors is made at a shareholders' general meeting, the functions and powers of the current Supervisory Committee and the supervisors who have tendered their resignations shall be subject to reasonable restrictions. 2. Having reviewed the candidates for the position of the supervisors (shareholders' representatives) nominated by China Luoyang Float-Glass (Group) Company Limited, the largest shareholder of the Company, and considered them qualified for the said position, to approve the nomination of Mr. Ren Zhenduo, Ms. Yao Wenjun and Mr. He Baofeng (a candidate for the position of an independent supervisor) as candidates for the position of the supervisors (shareholders' representatives). The appointment of these candidates was submitted to the following general meeting for consideration. Details were published in China Securities Journal and Shanghai Securities News on 27 July 2007.

(二) 報告期內本公司董事、行政總裁或監事或其他高級管理人員擁有的本公司股本權益

(2) Equity interests held by directors, chief executives and supervisors during the reporting period

屬於個人權益持有之A股股數

Number of A shares held in the interest of individuals

姓名	職務	報告期初持股數(股)	報告期末持股數(股)
Name	Position	Shareholdings at the beginning of the year (share)	Shareholdings at the end of the year (share)
劉寶瑛	董事長(2007年6月7日辭任)	2,840	2,840
Liu Baoying	Chairman (Resigned on 7 June 2007)		
朱雷波	副董事長	2,840	2,840
Zhu Leibo	Vice Chairman		
張少傑	董事	2,414	2,414
Zhang Shaojie	Director		
朱留欣	董事	2,414	2,414
Zhu Liuxin	Director		
董宏	董事	2,556	2,556
Jiang Hong	Director		
王和平	副總經理	1,700	2,414
Wang Heping	Deputy General Manager		

註：除上述披露外截至二零零七年六月三十日止，本公司各董事、監事或行政總裁或其他高級管理人員在本公司或其任何相關法團(定義見《證券及期貨條例》(香港法例第571章)第XV部分)的股份、股本衍生工具中的相關股份或債權證中概無任何根據《證券及期貨條例》第352條規定須存置之披露權益登記冊之權益或淡倉；或根據《上市公司董事進行證券交易的標準守則》所規定的需要通知本公司和香港聯合交易所有限公司之權益或淡倉。

Note: Save as disclosed above, as at 30 June 2007, none of the Directors, Supervisors and chief executive of the Company had any interest nor short position in the underlying shares or debentures in the shares, equity derivatives of the Company or its associated corporations (within the meaning as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Hong Kong Ordinance)) which was required to be entered in the register of interest maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance; or required to be notified to the Company or the Stock Exchange pursuant to the Model Code on Securities Transactions by Directors of Listed Issuers.

四. 管理層討論與分析

(一) 業務回顧

本公司是世界三大浮法之一「洛陽浮法」的誕生地，擁有十條浮法玻璃生產線，是中國玻璃行業較大的浮法玻璃生產商和經銷商之一。

2007年上半年，由於受市場變化及前期投資規模過大過快、資產負債過高、資金流轉週期長、資金嚴重短缺，加之現行體制難以實行市場變化、公司治理不規範、內部控制存在缺失等因素影響，雖然公司通過加強精細化管理、調整產品結構，努力開拓市場，實施財務集中管理、負債採購、效能監察工作，降低成本，第二季度的生產經營情況已有好轉的趨勢，產銷量增加，售價也有一定幅度的提高，主營業務利潤已扭虧為盈，三項費用得到了有效的控制，生產經營狀況出現好轉，但公司仍然出現了經營性虧損。

1. 主營業務分行業、產品情況表

由於本集團的營業額和經營成果主要來自浮法平板玻璃的生產和銷售，因此並沒有提供按業務類型的分部報告。

分行業或分產品	營業收入	營業成本	毛利率 (%)	營業收入	營業成本	毛利率
				比上年 同期增減 (%)	比上年 同期增減 (%)	比上年 同期增減 (%)
				Increase / (decrease) in operating income as compared with the corresponding period last year (%)	Increase / (decrease) in operating cost as compared with the corresponding period last year (%)	Increase / (decrease) in gross profit margin as compared with the corresponding period last year (%)
By Industry or product	Operating income	Operating cost	Gross profit margin (%)	corresponding period last year (%)	corresponding period last year (%)	corresponding period last year (%)
平板浮法玻璃	665,749	629,446	5.46	50.11	20.86	增加20.88 個百分點 Increase of 20.88 percentage points
Float sheet glass						

其中：報告期內上市公司向控股股東及其子公司銷售產品或提供勞務的關聯交易金額為人民幣2,370,000元。

4. MANAGEMENT DISCUSSION AND ANALYSIS

(1) Business Review

The Company is the place of origin for one of three great float glass production methods "Luoyang Float Glass". With ten production lines of float glass, the Company is one of the largest manufacturers and distributors of float glass in glass industry in the PRC.

In the first half of 2007, due to market changes, overtly large scale and overtly rapid investment in the previous periods, exceeding assets and liabilities, exceedingly long capital turnover days and shortage of capital, coupled with the difficulty for the existing system to cater for market changes, the non-standardized corporate governance and existing defects in internal control, the Company still recorded operating loss, despite the Company's effort to adjust product structure, expand the market, exercise focused financial management, procure liabilities, supervise efficiency, reduce cost through a more streamlined management which resulted in an improved production and operation an increase in sales, a certain lift of the selling price turnaround in principal operating profit, effective control of three fees and a better production and operating condition in the second quarter.

1. Principal operations by industry and product

As the Group's turnover and operating results were mainly generated from the manufacture and sales of float sheet glass, no segment report by business type was provided.

Of which, during the period, the connected transaction in relation to the sale of products and provision of services by the Company to its controlling shareholders and its subsidiaries amounted to RMB2,370,000.

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)

For the six months ended 30 June 2007

(Prepared under the PRC Accounting Rules and Regulations)

2. 主營業務分地區情況

地區	Region	營業收入 Operating income	營業收入比上年同期增減(%) Increase/(decrease) in operating income as compared with the corresponding period last year (%)
國內	Domestic	642,520	56.05
出口	Overseas	23,274	(26.81)

3. 主營業務盈利能力(毛利率)與上年相比發生重大變化的原因說明

主要原因是今年上半年公司根據市場行情，優化產品結構調整，擴大銷售渠道，增加銷量，產品售價提高。

4. 利潤構成與上年度相比發生重大變化的原因分析

主要原因是產品售價的提高及銷量的增加使得主營業務利潤同比淨增1億元，其次是公司嚴格控制費用的發生，使得期間費用較同期也有一定幅度的下降。

5. 單個參股公司經營情況(適用投資收益佔淨利潤10%(含10%)以上的情況)(人民幣千元)

參股公司	Investee Company	公司佔股權比例 Shareholding of the Company	淨利潤 Net profit	投資收益 Investment income
中國洛陽浮法玻璃集團 有限責任公司	China Luoyang Float Glass (Group) Company Limited	37%	3,747	1,386
延煉石油化工有限公司	Yanlian Petrochemical Company Limited	7.47%		22,059

6. 報告期投資情況

- (1) 本公司在報告期內沒有募集資金或以前募集資金的使用延續到報告期的情況。
- (2) 報告期內本公司無非募集資金投資項目。

2. Principal operations in different regions

Region	Operating income	Increase/(decrease) in operating income as compared with the corresponding period last year (%)
Domestic	642,520	56.05
Overseas	23,274	(26.81)

3. Major changes in profitability (gross profit margin) of principal operations as compared with that of last year and the reasons

It is mainly attributable to the Company's optimising adjustment in the product mix, expanding sales channels and increasing sales volume for raising the selling price of products based on the market conditions in the first half of 2007.

4. Analysis of the reasons for major changes in profit constituents as compared with last year

It was primarily due to the RMB100 million year-on year increase in principal profit resulted from rise in selling price of products and increase in selling volume. It is also attributable the strict expenses control by the Company, which decreased the period expenses as compared with the same period of last year.

5. Operations of single investee company (applicable to situations where investment income from which represents 10% or more of the net profit) (in RMB'000)

Investee Company	Shareholding of the Company	Net profit	Investment income
China Luoyang Float Glass (Group) Company Limited	37%	3,747	1,386
Yanlian Petrochemical Company Limited	7.47%		22,059

6. Investment during the reporting period

- (1) The Company has not raised any fund during the period, nor raised any fund in the previous period and its use subsisted in the reporting period.
- (2) Non-raised fund investment project of the Company during the reporting period.

7. 預測年初至下一報告期期末的累計淨利潤可能為虧損或者與上年同期相比發生大幅度變動的警示及原因說明

不適用。

8. 公司管理層對會計師事務所上年度「非標意見」涉及事項的變化及處理情況的說明

對會計師事務所上年度「非標意見」涉及事項，報告期內，公司董事會也採取措施，保持了本公司的持續經營能力。

9. 人力資源

於二零零七年六月三十日，本集團的員工數量為5,118人，其中生產人員2,656人，銷售人員175人，技術人員209人，財務人員71人，行政人員661人，其他人員1,346人，本公司員工中，本科以上學歷416人，佔員工人數的8.13%，大專1,188人，佔員工人數的23.21%。

10. 流動資金及資本來源(按照《國際財務報告準則》)

截至二零零七年六月三十日止本集團現金及現金等價物為人民幣71,570,000元，其中美金存款為1,362,000元(二零零六年：美金存款為2,803,000元)、港幣存款2,891,000元(二零零六年：港幣存款為5,935,000元)，與二零零六年底的人民幣58,414,000元比較，共增加了人民幣13,156,000元。籌資活動所產生的現金淨流出用來支付借款利息及投資活動的融資。

11. 借款(按照《國際財務報告準則》)

截至二零零七年六月三十日，本集團總借款金額為人民幣895,281千元，其中人民幣6,941,000元為外幣借款(原幣為歐元678,000元)，所有借款利率是根據中國法定流動資金貸款利率及經濟合作及發展組織所浮動。本集團並沒有訂立任何金融工具作對沖用途。截至二零零七年六月三十日，本集團的債務比率(所有借款除以股東權益)為509.82%，比二零零六年增加103.74%。

7. Warning and explanation of any estimated loss in retained profit from the beginning of the year to the end of the next reporting period or significant changes from the corresponding period last year

Not Applicable

8. Explanation of the management of the Company on the “non-standard opinion” given by auditors which involved changes of events and its treatment in previous year

For the matters involved in the “non-standard opinion” given by auditors in previous year, the Director of the Company has adopted relevant measures by to maintain the Company’s continuous operation during the reporting period.

9. Human Resource

As at 30 June 2007, the Company had 5,118 employees, of which 2,656 are production workers, 175 are sales personnel, 209 are technicians, 71 are financial personnel, 661 are administrative personnel and 1,346 are other staff members. Among them, 416 employees graduated from colleges or universities, representing 8.13% of the staff, 1,188 employees graduated from professional training colleges, representing 23.21% of the staff.

10. Liquidity and source of capital (prepared under IFRSs)

As at 30 June 2007, the Group had cash and cash equivalents of RMB71,570,000 including US dollar deposits of 1,362,000 (2006: USD2,803,000) and HK dollar deposits of 2,891,000(2006: 5,935,000), representing an increase of RMB13,156,000 from RMB58,414,000 as at the end of 2006. Net cash outflow generated from operating activities was used to finance borrowing and investment activities.

11. Loans (prepared under IFRSs)

As at 30 June 2007, the total loans due from the Group were RMB895,281,000, including a foreign currency loan of RMB6,941,000 (original amount: Euro678,000). All loans bear interest rates based on floating rates determined by Organisation for Economic Co-operation and Development and China statutory current assets loan interest rate from time to time. The Group did not contract for any financial instrument as hedging vehicle. As at 30 June 2007, debts to equity ratio of the Group was 509.82% (which is calculated by dividing total loans over total equity attributable to equity holders), up by 103.74% as compared with last year.

截至二零零七年六月三十日止六個月半年度會計報表
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12. 資本承擔 (按照《國際財務報告準則》)

本集團於二零零七年六月三十日資本承擔為363千元。

13. 本期資本負債比率為990.68%；上年資本負債比率為747.35% (按照《國際財務報告準則》)。

14. 本集團之資產抵押 (按照《國際財務報告準則》)

於二零零七年六月三十日，本集團有價值約為人民幣大155,750,000元 (二零零六年十二月三十一日為：人民幣214,545,000元) 的銀行存款作為應付票據、短期借款的抵押。

15. 或有負債 (按照《國際財務報告準則》)

報告期內本集團無或有負債。

(二) 業務展望

根據目前玻璃市場情況及國家近期宏觀經濟走勢，下半年受玻璃銷售傳統旺季影響等多種因素，產品售價可能維持在相對較高水平；公司內扭虧為盈的管理體制和運行機制正在逐步理順，內控制度正在健全；控股股東的重組接近尾聲，中國建築材料集團公司 (下稱「中建材」) 作為公司未來的實際控制人，將對公司給予政策、管理、資金、技術研發等全方位的支持。中建材對本公司的戰略定位是在未來3年內，整合中部地區玻璃市場，做大做強玻璃產業，將本公司打造成行業領軍企業。在此有利條件下，本公司將抓住機遇，採取以下措施，在二零零七年爭取盈利。

1. 放開搞活，提高運營效率

根據公司規範治理的需要，為了加快經營機制的轉換，增強內部活力，調動積極性，對公司的現有機構設置和中層管理人員進行了科學合理的調整，改組調整後突出了管理的層級性，權責更加明晰，子公司實現了產供銷一體化運作，下放經營權、人事權。新的管理體制和運行機制的總體要求是「權責統一、運作高效、協調順暢、總體優化」。

12. Capital commitment (prepared under IFRSs)

The Group's capital commitment as at 30 June 2007 was RMB363,000.

13. The gearing ratio for the period was 990.68% while that of last year was 747.35%. (prepared under IFRSs).

14. Pledge of assets of the Group (prepared under IFRSs)

As at 30 June 2007, the Group has pledged its bank deposits of RMB155,750,000 (31 December 2006: RMB214,545,000) for bills payables and short term loans.

15. Contingent liability (prepared under IFRSs)

During the reporting period, the Group had no contingent liability.

(2) BUSINESS OUTLOOK

According to the current situation in the glass market and PRC micro economy trend, the selling price is expected to stay at relative high level in the second half of the year since it is traditional peak season. For the purpose of turnaround, the Company is smoothing its management and operating system and improving internal control system. The restructuring of the controlling shareholder is coming to an end. As the de facto controller of the Company in future, China National Building Material Group Corporation ("CNBMG") will provide comprehensive supports from the perspective of policies, management, capital and technology development. CNBMG targets to build the Company to be a leading company in the industry by consolidating glass markets in the middle area and enlarging and strengthening the Company's influences in glass industry. Leveraging the favourable conditions, the Company aims to make profit in 2007 by seizing the opportunity and taking the following measures:

1. Adopt open-minded and flexible ways to improve operating efficiency

Based on the demand for standardized corporate governance, the Company made reasonable adjustments to the existing organization and managers at middle level to speed up the transformation of operating mechanism enhance internal vitality and motivate the enthusiasms. Subsequent to the restructuring, the cascade of the management was highlighted while the rights and responsibilities are clearer. Meanwhile, the subsidiaries of the Company achieved an integrated operation in respect of the production, supply and sales. Accordingly, the management rights and personnel administration power were transferred to the lower level. New management system and operating mechanism require "unified right and responsibility, high efficient operation, smooth coordination and comprehensive optimization".

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| <p>(1) 各單位的職責範圍界定清楚、調整到位，並儘快制定運行方案和具體的措施，做到對各子公司管理與服務並重，監管到位。按照「突出效益、適度量化」的原則，修訂完善管理部門目標責任書。</p> <p>(2) 儘快修訂完善《薪酬管理辦法》和《中層管理人員末位淘汰管理辦法》，優化幹部隊伍。</p> <p>(3) 為理順公司日常管理集權、授權與分權的關係。調整機構，成立生產總部、技術總部、市場總部，強化了總部對子公司及分公司的統一指導、管理和服務，打造一個「統分結合、管理適度」的資源優化配置管理平台。具體是：</p> <p>(i) 通過成立市場總部加強對市場營銷工作的研究預測分析，制定營銷戰略，統一協調各子公司產品銷售和運輸，使產品在貼近市場的高價位上實現產銷平衡、運銷平衡，實現利潤最大化。</p> <p>(ii) 通過成立生產總部加強對原燃材料市場的研究分析與預測，組織召開物資採購招標會，審核並監督檢查採購計劃和價格的執行情況，充分發揮採購資源整合優化平台的優勢，降低公司採購成本。</p> <p>(iii) 通過成立技術總部負責公司玻璃原料、生產及其包裝工藝技術研究與管理、工藝紀律管理、玻璃及其原燃材料理化分析、標準化管理和質量審核工作。</p> | <p>(1) In respect of the subsidiaries, the Company aims to focus on both the management and service as well as supervision by clarifying the scope of responsibility for each subsidiary and make corresponding adjustment while formulating concrete proposals and measure. Guided by the principle of “to emphasize profit and make appropriate quantification”, the Company plans to amend and improve the target responsibility documents for the administration departments.</p> <p>(2) The Company will revise and improve the “Measures on Remuneration Administration” and “Culling Measures for Managers at Middle Level” as soon as practicable to optimize the management team.</p> <p>(3) To smooth the relationships between centralization of power, authorization and decentralization of power in daily administration of the Company, the Company will adjust its organizations by setting up 3 headquarters focused on production, technology and marketing respectively to strengthen the unified guidance, management and service by the headquarters to the subsidiaries, building a resources optimization configuration platform. In particular:</p> <p>(i) The Company will coordinate the product sales and transportation of subsidiaries on a unified basis by setting up market headquarters to strengthen research, forecast and analysis on marketing as well as formulating marketing strategy. Whereby, the Company aims to achieve the balance between the production and sales of the products at high price level in line with the market and maximize profit.</p> <p>(ii) The Company set to enhance the research, analysis and prediction on raw material market by setting up production headquarters. Meanwhile, it will organise and hold procurement bidding meeting, audit and supervise the implementation of procurement planning and price to leverage the advantages of procurement resources optimization and integration platform and lower the purchasing costs of the Company.</p> <p>(iii) The technology headquarters will be responsible for the technology research and management on glass raw material, production and packaging techniques, management on technique principles, physical and chemical analysis on glass and its raw material, standardized management and quality audit.</p> |
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2. 加強管理，傳遞壓力，把扭虧增盈落到實處

新的管理體制突出了權責統一，在明確子公司產供銷一體化運作的同時，也要明確其承擔的責任，以簽訂責任書的形式加以規範和明確。對各子公司的經理層實行重獎重罰，調動積極性，增強責任感。

3. 突出抓好產供銷三大關鍵環節，全方位挖潛增效

積極推行落實「三個一」扭虧增盈措施，「產品售價增加人民幣1元」，在產品銷售環節每平方玻璃售價增加人民幣1元；「採購成本降低人民幣1元」，在物資採購環節每平方玻璃採購成本降低1元；「生產成本節約人民幣1元」，在生產環節每平方玻璃成本費用節約人民幣1元(以上均按5mm折算重箱價)。

(1) 「產品售價增加人民幣1元」，按照玻璃售價每平方增加人民幣1元的要求，結合各線品種結構，平均漲價幅度要達到人民幣4元/重箱以上。市場總部要加強玻璃市場研究，切實制訂、實施可行有效的漲價方案，把握好不同品種規格、不同區域市場的漲價節奏和力度，確保玻璃售價穩步有序地上揚，要努力做到主導區域市場售價。

(2) 「採購成本降低人民幣1元」，按照每平方玻璃採購成本降低人民幣1元的要求，生產總部切實制訂、實施降價方案。一是加強物資市場研究，探索實施風險採購，加大招標採購和比價採購力度，增大直接採購比例和本地採購比例；二是開發和增加新用戶；三是加強物資進廠各環節的過程服務，做到使用戶滿意，達到降價之目的。

2. Strengthen management, pass-through operating pressure, and finalise turnaround

The new management system attaches great importance on the unification of power and responsibilities. The integrity of production, supply and sales of subsidiaries and their due responsibilities which shall be standardized and defined by signing responsibility document are equally regarded. The managers in each subsidiary will get due rewards and punishment to activate their enthusiasm and build up their sense of responsibility.

3. Put efforts on production, supply and sales control and fully increase efficiency by tapping potentials

The Company will proactively implement the measures of “Three RMB1” to make turnaround. First, “RMB1 increase in sales price of products”, that is, the sales price of glass per square increases RMB1 during the product selling; second, “RMB1 decrease in purchasing cost”, that is, the purchasing cost of glass per square reduce RMB1 during the purchase of materials; and third, “RMB1 saving in production cost”, that is, the cost of glass per square reduces RMB1 during the production (The price of loaded container are calculated based on 5mm).

(1) “RMB1 increase in sales price of products” In accordance with the requirement on RMB1 increase in the sales price of glass per square, together with different types and structure, the average price hike of RMB4/LC is expected. The market headquarter will enhance the research on glass market, effectively formulate and implement feasible price hike plan, well control the pace of price increase, ensure the steady and orderly rise in selling price of glass, and strive for dominating the sales price in the regional market.

(2) “RMB1 decrease in purchasing cost” In accordance with the requirement of RMB1 decrease in the purchasing cost of per square glass, the production headquarter effectively formulate and implement the price decrease plan. First, The Company will strengthen the research on material market, explore risk purchase, enhance bidding purchase and comparative price purchase, and increase the direct proportion of direct purchase and local purchase; second, it aims to develop and increase more customers; and third, it will pay more attention on each step of material purchase and try to satisfy customers for the purpose of reducing price.

- (3) 「生產成本節約人民幣1元」，按照每平方米玻璃成本費用節約人民幣1元的要求，各子公司及分公司要拓寬思路，廣開源路，創新方法，不斷增加降成本的空間和潛力。大力推廣應用新工藝、新技術，積極穩妥地探索原燃材料替代，不斷運用科技手段拓寬降低成本的空間，創造性的節能降耗。圍繞穩定生產、提高總成品率、降低能耗、壓縮成本確立、實施科研攻關課題，突出效益最大化。各生產單位要高度重視節能降耗工作，完成節能減排指標。

4. 準確把握市場需求，優化產品結構，加速現金回收和利潤的真正實現

- (1) 通過市場分析預測，結合浮法三線生產線實際情況，近期要將浮法三線由現代灰改為翡翠綠生產，以提高產銷率和附加值。
- (2) 優化龍玻、龍海公司品種結構，加大盈利品種產銷量。一是龍玻公司要認真研究盈利產品方向和燃料、砂料方面的低成本替代措施；龍海公司在穩定生產1.1mm基礎上，加大0.7mm、0.55mm產銷量，並利用改品種間隙適量安排高檔3mm系列生產，提高生產穩定性，增強市場競爭力。
- (3) 市場總部、銷售部門要加強市場研究與把握，制定實施靈活有效的營銷策略，加大新產品的促銷，對原庫存產品要加快變現，減少損失。

- (3) “RMB1 saving in production cost” In accordance with the requirement of RMB1 saving in the production cost of per square glass, each subsidiary is expected to develop more channels with broadened vision and innovative methods to expand the room and potential for cost reducing. The Company will put more efforts on application of new methods and new technology, proactively and steadily develop new material instead of original material, strive for reducing more cost by virtue of technology, save energy and reduce consumption on a creative manner. The Company will focus on solid production, increase total finished product ratio, reduce energy consumption, cut cost, and tackle key problems in research to achieve the maximized benefits. Each production unit is required to stress energy saving and consumption reduction and fulfil relevant indices.

4. Grasp market demand precisely, improve product mix, accelerate cash recovery and realise profit

- (1) Based on the market analysis and forecast, together with actual conditions of float glass production line III, the Company will change the production colour of float glass production line III from modern grey to emerald green so as to increase the production-sales ratio and added value.
- (2) The Company will improve the production mix of Longbo Company and Longhai Company by increasing the production and sales volume of profitable products. Firstly, Longbo Company should carefully study orientation of profitable products and alternative measures for lowering down the cost of fuels and sand. Based on stabilized production of 1.1mm products, Longhai Company will increase the production and sales volume of 0.7mm and 0.55mm products. Meanwhile, Longhai Company will take advantage of the gap for product mix adjustment to arrange the production of high grade 3mm products, to improve the production stability and enhance market competitiveness.
- (3) Market headquarter and sales department should strength the market analysis and judgement, make flexible and effective marketing measures to enhance the promotion of the new products and speed up the inventory recovery for loss reduction.

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**5. 深入開展勞動競賽活動和合理化建議活動，
掀起扭虧增盈活動新高潮**

各單位要圍繞扭虧增盈，根據承擔的指標，以行業先進指標為趕超目標，大力開展勞動競賽活動，不斷超越、不斷刷新紀錄，使各項指標做到越來越好。通過勞動競賽，充分調動廣大員工的生產工作積極性和勞動熱情。同時，要充分發揮廣大員工的聰明才智，積極開展群眾性的合理化建議活動，以激發廣大職工為扭虧增盈獻計獻策的積極性。

**6. 適時實施資產重組，優化資產質量，為扭虧
增盈打下堅實的基礎**

五. 重要事項

(一) 公司嚴格按照《公司法》、《證券法》和其他有關法律法規的有求，不斷完善公司治理，建立和修訂了一系列規範運作的制度，基本符合中國證監會發佈的有關上市公司治理的規範性文件的要求。

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(二) 重大訴訟、仲裁事項

本公司在報告期內無重大訴訟、仲裁事項。

(三) 報告期內，本公司無以前期間擬定，在報告期實施的利潤分配、公積金轉增股本方案。

(四) 本公司二零零七年上半年不進行利潤分配也不進行公積金轉增股本。

(五) 本公司2006年度股東年會續聘丁何關陳會計師事務所及廣東恒信德律會計師事務所有限公司分別為本公司二零零七年度之國內及國際核數師。

(六) 收購項目及出售項目

本公司在報告期內無重大收購項目及出售項目。

**5. Advance campaigns on labour competition and reasonable suggestions to
boost the turnaround activities**

Each unit should focus on turnaround according to its appointed indicators and target to the advanced indicator for catching up. Efforts will be made on labour competition, to refresh record in a continuous manner and improve the indicators consistently. During the labour competition campaign, the enthusiasms of the staff in production and work will be motivated. Meanwhile, the intelligence and wisdom of the staff should be fully exerted by advancing campaigns for reasonable suggestions to push the staff contributing their ideas for turnaround.

**6. Implement assets restructuring in due course, optimize assets quality and
lay a solid foundation for turnaround**

5. SIGNIFICANT EVENTS

(1) The Company strictly abides by the Company Law, the Securities Law, relevant laws and regulations to continuously improve its corporate governance and set up and modify a series of systems governing its operations, which comply with the requirements of the Corporate Governance Standards for Listed Companies issued by China Securities Regulatory Commission.

(2) Material litigation and arbitration

During the reporting period, the Company did not have any material litigation and arbitration.

(3) During the reporting period, the Company did not have any plans on profit appropriation and transfers to reserves for increase in share capital which were proposed in previous periods and to be implemented in the period.

(4) The Company did not appropriate profits in the first half of 2006, nor did it transfer any of surplus reserve to share capital.

(5) Ting Ho Kwan & Chan and Guangdong Hengxin Delu Certified Accountants Company Limited were reappointed as PRC and international auditors of the Company respectively for the year of 2007 at the AGM of 2006.

(6) Purchase and sale

During the reporting period, the Company had no material purchase or sale.

(七) 委託理財

本公司在報告期內沒有發生或以前期發生但延續到報告期的委託理財。

(八) 重大關聯交易事項

1. 經常性交易

詳情見按中國會計準則及制度編制的財務報告之注釋7-關聯方及其交易。

2. 本報告期內，本公司無資產及股權轉讓關聯交易發生。

3. 報告期內無臨時性重大關聯交易發生。

(九) 逾期存款

於非流動資產中的其他應收款中包括應收廣州國際信託投資公司(「廣州國投」)人民幣50,000,000元逾期存款。該筆款項原為人民幣145,657,113.55元，已於以前年度計提66% 壞賬準備。廣州國投正於重組當中。董事在瞭解廣州國投最近的重組進展後，認為本期無需追加計提壞賬準備。本公司並未對該筆存款計提利息收入。除上述已說明之存款外，本公司於二零零七年六月三十日並無其他逾期存款。

(十) 統一所得稅及取消地方政府退稅優惠

本公司於過往年度未曾享有稅收先征後返政策優惠。

(7) Custody of fund

During the reporting period, there was no occurrence of custody of fund, nor were there any occurrence of custody of fund which had extended to this reporting period.

(8) Significant connected transaction

1. On-going transactions

For details, refer to note 7 (related parties and their transactions) to the financial report prepared under the PRC Accounting Rules and Regulations.

2. During the reporting period, there was no connected transaction in relation to the transfer of the Company's assets and share equity.

3. There was no material connected transactions on provisional basis during the reporting period.

(9) Overdue deposits

Other receivables in non-current assets include an overdue deposit of RMB50,000,000 due from Guangzhou International Trust & Investment Corporation ("GZITIC"). The Company had made 66% provision for the original due amount of RMB145,657,113.55. GZITIC is in the process of restructuring. Upon the assessment of the latest development of the restructuring, the directors believe no additional provisions is considered necessary. No interest has been accrued in respect of the deposit.

(10) Unified income tax and cancellation of tax rebate of local government

The Company did not enjoy tax preferential policy for the previous years.

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(十一) 重大合同及其履行情况

1. 報告期內本公司無託管、承包、租賃其他公司資產，也無其他公司託管、承包、租賃本公司資產事項。

重大擔保

(11) Significant contract and its fulfillment

1. During the period, the Company did not entrust, contract, lease any assets of other companies and no assets of the Company was entrusted, leased or contracted to any other companies.

Material Guarantee

公司對外擔保情況(不包括對控股子公司的擔保)
External guarantees provided by the Company
(excluding guarantees provided to controlling subsidiaries)

擔保對象名稱	發生日期 (協議簽署日)	擔保金額	擔保類型	擔保期	是否 履行完畢 When implementation has been completed	是否為 關聯方擔保 Whether a guarantee for connected parties
Name of guaranteed parties	Date of guarantee (Signature date of agreement)	Guaranteed amount	Type of guarantee	Terms of guarantee		

無
Nil

報告期內擔保發生額合計	無
Total amount of guarantee granted during the reporting period	Nil
報告期末擔保餘額合計(A)	無
Balance of guarantee granted at the end of the reporting period (A)	Nil

公司對控股子公司的擔保情況
Guarantees provided by the Company to controlling subsidiaries

報告期內對子公司擔保發生額合計	79,500,000
The total amount of guarantee granted to controlling subsidiaries during the reporting period	
報告期末對子公司擔保餘額合計(B)	101,500,000
Balance of guarantee granted to controlling subsidiaries at the end of the reporting period (B)	

公司擔保總額(包括對子公司的擔保)
Total amount of guarantees of the Company
(including guarantee provided to controlling subsidiaries)

擔保總額(A+B)	101,500,000
Total amount of guarantee (A+B)	
擔保總額佔淨資產的比例	40.64%
Total amount of guarantee as a percentage to the Company's net assets	
其中	
Including:	
為股東、實際控制人及其關聯方提供擔保的金額(C)	無
Amount of guarantee provided to shareholders, de facto controller and its associates (C)	Nil
直接或間接為資產負債率超過70%的被擔保對象提供的債務擔保金額(D)	無
Amount of debt guarantee directly or indirectly provided to parties with gearing ratio over 70% (D)	Nil
擔保總額超過淨資產50%部分的金額(E)	無
Amount of guarantee over 50% of the net assets (E)	Nil
上述三項擔保金額合計(C+D+F)	無
Total amount of the said guarantees (C+D+F)	Nil

(十二) 非經營性關聯債權債務往來

不適用。

(12) Non-operating connected creditors' rights and debts

Not applicable.

(十三) 匯率波動風險

本集團之資產、負債及交易主要以人民幣計算，因此匯率波動對本集團無重大影響。

(13) Risks of exchange rate fluctuations

Since the Group's assets, liabilities and transactions were principally denominated in Renminbi, exchange rate fluctuations did not have any material impact on the Group.

(十四) 重大合同

本集團在報告期內無其他重大合同或本公司沒有履行其義務的合同。

(14) Material contract

The Group did not have any other material contract or the Company did not have any contract required it to perform obligations during the reporting period.

(十五) 公司董事、管理層有關人員沒有被採取司法強制措施，或受到監管機構的其他處罰。

(15) The Company's Directors and Supervisors were not subject to any compulsory procedures or any other punishment from regulatory bodies.

(十六) 獨立審核委員會

本公司獨立審核委員會與管理層及外部核數師審閱本集團之會計原則及常規，並討論有關財務報告事宜，包括審閱按《國際會計準則編制之中期財務報告》。

(16) Independent Audit Committee

The Independent Audit Committee has reviewed the accounting principles and standards adopted by the management of the Company and by external auditors, and has discussed matters regarding financial reporting, including reviewing the interim financial report prepared in accordance with the international accounting standards.

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(十七) 企業管治守則

本公司董事認為，在截至二零零七年六月三十日止六個月內，本集團遵守了《香港聯合交易所有限公司證券上市規則》附錄十四之企業管治守則。

本公司仍未按上市規則第3.24條聘任一名合資格會計師。本公司正積極徵聘一名擁有上市規則第3.24規定資格的會計師。

(十八) 購買、出售、贖回本公司的上市證券

報告期內本公司或其任何附屬公司概無購回、出售和贖回本公司之股份。

(十九) 《上市發行人董事進行證券交易的標準守則》之遵守 (「標準守則」)

經向本公司各董事個別查詢，本公司各董事截至二零零七年六月三十日止六個月一直遵守《香港聯交所證券上市規則》(下稱《上市規則》)附錄十所載的標準守則。就本公司董事的證券交易方面，本公司所採納的操守準則並不比標準守則寬鬆。

(二十) 其他重大事項及其影響和解決方案的說明

1. 公司持有非上市金融企業、擬上市公司股權的情況

持有對象名稱	最初投資成本 (人民幣千元)	持股數量	佔該公司股權比例 (%)	期末賬面價值 (人民幣千元)
Name of investee	Initial investment cost (RMB'000)	Number of shares	Percentage to the investee's equity (%)	Period-end carrying amount (RMB'000)
中國洛陽浮法玻璃集團財務有限公司 China Luoyang Float Glass (Group) Company Limited	111,000		37	116,342
偃師農信社 Yanshi Rural Credit Association	200		0.33	200
小計 Subtotal	111,200		—	116,542

(17) Code on Corporate Governance Practice

The Company has complied with the Code on Corporate Governance Practice set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Stock Exchange") throughout any period ended 30 June 2007.

The Company had not appointed a qualified accountant as required by Rule 3.24 the Listing Rules. The Company is seeking to retain a qualified accountant under Rule 3.24 the Listing Rules.

(18) Purchase, sale and redemption of shares of the Company

During the period, the Company and its subsidiaries did not purchase, sell or redeem any securities of the Company.

(19) Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code")

Having made enquires to all Directors, the Company confirmed all Directors have complied with the requirements set out in the Model Code for securities transactions by directors in Appendix 10 to the Listing Rules throughout the six months ended 30 June 2007. As far as securities transactions by directors of the Company are concerned, the code adopted by the Company is no less strict than the Model Code for Securities Transactions by Directors of Listed Issuers.

(20) Other significant events and analysis on their effects and solutions

1. Equity interests of unlisted financial institutions and proposed listing companies held by the Company

2. 其他重大事項

- (1) 本公司第一大股東中國洛陽浮法玻璃集團有限責任公司(下稱「洛玻集團公司」)正在被收購過程中,現將進展情況報告如下:

2006年12月18日,中國建築材料集團公司(下稱「中國建材集團」)及洛陽市人民政府、洛陽市國資國有資產經營有限公司(下稱「洛陽國資公司」)與洛玻集團公司簽署《戰略合作和股權劃轉框架協議書》,洛陽國資公司將以無償劃轉形式向我公司轉讓70%的洛玻集團股權。

洛玻集團公司現為本公司控股股東,持有179,018,242股股份,佔其股本總額的35.80%。依據《中華人民共和國證券法》和《上市公司收購管理辦法》的規定,本次洛玻集團公司的股權無償劃轉導致本公司控制權的轉移,中國建材集團成為本公司的實際控制人,通過洛玻集團公司間接持有本公司35.80%的國有法人股。2007年4月2日,中國建材集團與洛陽國資公司簽署《國有股權劃轉協議》。

2007年6月22日,國務院國有資產監督管理委員會出具了《關於中國洛陽浮法玻璃集團有限責任公司國有股權無償劃轉有關問題的批復》(國資產權(2007)552號),同意洛陽市國資國有資產經營有限公司持有的中國洛陽浮法玻璃集團有限責任公司70%的股權無償劃轉給中國建築材料集團公司持有。鑒於本次國有股權無償劃轉後,中國建築材料集團公司通過中國洛陽浮法玻璃集團有限責任公司間接持有本公司35.80%的權益,根據《上市公司收購管理辦法》的規定,中國建築材料集團公司應履行上市公司收購程序,並需獲得中國證券監督管理委員會對《洛陽玻璃股份有限公司收購報告書》審核無異議並豁免中國建築材料集團公司履行要約收購義務。

2. Other significant events

- (1) China Luoyang Float Glass (Group) Company Limited (“CLFG”), the largest shareholder of the Company is being acquired, the process is as follows:

On 18 December 2006, China National Building Material Group Corporation (“CNBMG”), Luoyang Municipal Government and Luoyang State-owned Assets Operation Company entered into the Framework Agreement on Strategic Cooperation and Share Transfer with CLFG, pursuant to which Luoyang State owned Assets shall transfer its 70% equity interest in CLFG to CNBMG at nil consideration.

CLFG is currently the controlling shareholder of the Company, holding 179,018,242 shares of Luoyang Glass, representing 35.80% of the total share capital thereof. In accordance with the provisions of Securities Law of the People’s Republic of China and the Management Methods on Takeover of Listed Companies, the transfer of equity interest in CLFG at nil consideration will result in the shift of the controlling power in the Company, whereby CNBMG will become the controller of the Company, indirectly holding 35.80% of the state-owned shares of the Company through CLFG. On 2 April 2007, CNBMG and Luoyang State-owned Assets entered into the State-owned Share Transfer Agreement.

On 22 June 2007, the State-owned Assets Supervision and Administration Commission of the State Council issued “Reply and Approval in relation to the Transfer at Nil consideration of State-owned Shares in China Luoyang Float Glass (Group) Company Limited” (No.552 (2007) Guo Zi Chan Quan) and approved the transfer of 70% shares in CLFG held by Luoyang State-owned Assets Operation Company to China National Building Material Group Corporation (“CNBMG”) at nil consideration. As China National Building Material Group Corporation will indirectly held 35.80% equity interests in the Company through China Luoyang Float Glass (Group) Company Limited after the present transfer of state-owned shares at nil consideration, CNBMG shall perform the acquisition procedures of listed companies and shall obtain China Securities Regulatory Commission’s approval of “Acquisition Report on Luoyang Glass Company Limited” without objection and its waiver of China National Building Material Group Corporation from performance of the obligations in the general offer in accordance with the “Administrative Measures for Acquisitions of Listed Companies”.

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)

For the six months ended 30 June 2007

(Prepared under the PRC Accounting Rules and Regulations)

截止目前中國證監會尚無豁免中國建築材料集團公司履行要約收購義務。

中國建材集團是我國大型綜合型建材企業，直屬國務院國有資產監督管理委員會，是中央企業，中國建材集團將依照政策對國內玻璃行業進行重組，爭取用最快時間將玻璃業務發展成為公司的支柱產業，進一步鞏固中國建材集團在建築材料領域中的優勢地位、完善產品品種。

本次收購本公司，中國建材集團將充分發揮在資金、技術、人才等方面的優勢，提高本公司的資本和技術實力，增強其市場競爭力，最終將本公司發展成為中國建材集團的玻璃業務發展平台。

(2) 關於公司H股停牌事宜

公司H股於2006年10月31日因重大事項待披露臨時停牌，重大事項披露後，香港聯交所因公司內控制度不健全及執行不力導致公司持續違犯上市規則等原因，暫緩公司H股復牌，明確表示待公司滿足香港聯交所的條件後，才會考慮復牌，主要條件是：

(i)聘請獨立專業顧問對公司作內部監控檢閱及作出建議；(ii)公司聘請合規顧問，為期2年；(iii)呈交公司營運及財務狀況資料；及改善董事會成員的身份重疊等。現公司已逐項滿足了香港聯交所對公司H股復牌的條件，並已對獨立專業顧問對公司的整改建議作出回應和制定了實施的具體時間安排，公司正等待香港聯交所的進一步行動。董事會謹此向廣大股東致歉。

Up to date, CNBMG has not been granted the waiver from acquisition obligation in general offer by China Securities Regulatory Commission.

Being a large comprehensive building material enterprise in the PRC, CNBMG directly belongs to State-owned Assets Supervision and Administration Commission of the State Council. CNBMG will restructure the domestic glass industry according to policies with a view to rapidly developing the glass business into its mainstay industry, thus consolidating its advantageous position in the building material sector with complete product varieties.

Through the acquisition of the Company, CNBMG aims to make best of its advantages in capital, technology and human resources to improve the capital and technology strengths and market competitiveness of the Company, thus eventually making the Company as the platform for development for its own glass business.

(2) Suspension of H shares of the Company

The H shares of the Company suspended on 31 October 2006 due to significant matters to be disclosed. After the disclosure of significant matters, the Stock Exchange of Hong Kong postponed the resumption of trading in the H shares of the Company for continuous breaches of Listing Rules due to uncompleted internal system and poor implementation, explicitly disclaiming that the Stock Exchange will consider the resumption of trading until the company meet the major conditions as follows:

(i) Appoint independent professional advisor to give advice on and review the internal control of the company; (ii) Appoint qualified advisor for a term of two years; (iii) Submit the information of working and financial status of the company; and change the situation of overlapping in the members of the Board. Currently, the company has satisfy the requirements from the Stock Exchange for resumption of trading of H shares, and has made concrete time schedule for implementing remedial solutions in response of independent professional advisor's suggestion. The Board hereby make apologizes to all shareholders.

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

六. 財務報告

6. FINANCIAL REPORT

(一) 按中華人民共和國會計準則及制度編制的
半年度財務報告(未經審計)

(1) Unaudited Interim Financial Report prepared under the PRC
Accounting Rules and Regulations

合併資產負債表(未經審計)

Consolidated balance sheet (unaudited)

於2007年6月30日

As at 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

資產	Assets	Notes	於2007年	於2006年
			6月30日	12月31日
			30 June	31 Dec
			2007	2006
				(audited)
流動資產	Current assets			
貨幣資金	Cash	5(1)	227,320	272,959
應收票據	Notes receivable	5(2)	28,190	45,399
應收賬款	Accounts receivable	5(3)	26,069	25,609
預付款項	Prepaid expenses	5(4)	17,927	12,203
其他應收款	Other receivables	5(5)	10,230	17,611
存貨	Inventories	5(6)	309,073	299,801
其他流動資產	Other current assets	5(7)	365	171
流動資產合計	Total current assets		619,174	673,753
非流動資產	Non-current assets			
長期股權投資	Long-term equity investments	5(8)	116,542	148,208
固定資產	Property, plant and equipment	5(9)	1,114,410	1,174,615
在建工程	Construction in progress	5(10)	6,169	3,965
工程物資	Construction materials	5(11)	2,300	1,585
無形資產	Intangible assets	5(12)	134,805	137,167
其他非流動資產	Other non-current assets	5(13)	50,000	50,000
非流動資產合計	Total non-current assets		1,424,226	1,515,540
資產總計	Total assets		2,043,400	2,189,293

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

合併資產負債表(未經審計)(續)

於2007年6月30日

Consolidated balance sheet (unaudited) (continued)

As at 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

	註釋	於2007年 6月30日 30 June 2007	於2006年 12月31日 (已審計) 31 Dec 2006 (audited)
流動負債			
流動負債			
短期借款	5(16)	807,340	902,220
應付票據	5(17)	162,620	171,390
應付賬款	5(18)	449,889	400,622
預收款項	5(19)	77,578	85,985
應付職工薪酬	5(20)	22,015	20,790
應交稅費	5(21)	2,805	1,807
應付利息	5(22)	233	47
其他應付款	5(23)	109,773	139,680
一年內到期的非流動負債	5(25)	29,200	28,202
其他流動負債	5(24)	9,941	3,707
流動負債合計		1,671,394	1,754,450
非流動負債			
長期借款	5(25)	58,741	60,027
預計負債	5(26)	2,503	2,503
非流動負債合計		61,244	62,530
負債合計		1,732,638	1,816,980
股東權益			
股本	5(27)	500,018	500,018
資本公積	5(28)	914,179	914,179
盈餘公積	5(29)	61,075	61,075
累計虧損		(1,225,488)	(1,161,613)
歸屬於母公司股東權益合計		249,784	313,659
少數股東權益		60,978	58,654
股東權益合計		310,762	372,313
負債和股東權益總計		2,043,400	2,189,293

此財務報表已於2007年8月27日獲董事會批准。

These financial statements have been approved by the Board of Directors on 27 Aug 2007.

朱雷波 高天寶 曹明春
公司法定代表人 總經理 財務總監

Zhu Leibo Gao Tianbao Cao Mingchun
Legal Representative General Manager Chief Financial Officer

刊載於第38頁至第112頁的財務報表附註為本財務報表的組成部分。

The notes on pages 38 to 112 form part of these financial statements.

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

資產負債表 (未經審計)

於2007年6月30日

Balance sheet (unaudited)

As at 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

資產	Assets	註釋 Notes	於2007年	於2006年
			6月30日 30 June 2007	12月31日 31 Dec 2006 (已審計) (audited)
流動資產	Current assets			
貨幣資金	Cash		161,844	220,040
應收票據	Notes receivable		14,337	65,351
應收賬款	Accounts receivable	5(42)	5,912	9,914
預付款項	Prepaid expenses		68	275
其他應收款	Other receivables	5(43)	38,160	50,636
存貨	Inventories		145,197	146,032
其他流動資產	Other current assets		—	69
流動資產合計	Total current assets		365,518	492,317
非流動資產	Non-current assets			
持有至到期投資	Held-to-maturity investments		296,340	354,600
長期股權投資	Long-term equity investments	5(44)	184,502	216,168
固定資產	Property, plant and equipment		330,327	366,541
在建工程	Construction in progress		—	73
無形資產	Intangible assets		108,256	109,719
其他非流動資產	Other non-current assets		50,000	50,000
非流動資產合計	Total non-current assets		969,425	1,097,101
資產總計	Total assets		1,334,943	1,589,418

截至二零零七年六月三十日止六個月半年度會計報表
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For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

資產負債表(未經審計)(續)

於2007年6月30日

Balance sheet (unaudited) (continued)

As at 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

		於2007年 6月30日	於2006年 12月31日 (已審計)
	註釋	30 June 2007	31 Dec 2006 (audited)
負債和股東權益	Liabilities and equity		
流動負債	Current liabilities		
短期借款	Short-term loans	670,300	766,980
應付票據	Notes payable	85,900	98,690
應付賬款	Accounts payable	224,498	212,707
預收款項	Receipts in advance	37,986	50,868
應付職工薪酬	Staff welfare payable	13,403	12,372
應交稅費	Taxes payable	3,174	6,088
其他應付款	Other payables	36,153	73,080
一年內到期的非流動負債	Current portion of non-current liabilities	530	532
其他流動負債	Other current liabilities	6,166	2,233
流動負債合計	Total current liabilities	1,078,110	1,223,550
非流動負債	Non-current liabilities		
長期借款	Long-term loans	6,411	6,697
預計負債	Provisions	2,503	2,503
非流動負債合計	Total non-current liabilities	8,914	9,200
負債合計	Total liabilities	1,087,024	1,232,750
股東權益	Equity		
股本	Share capital	500,018	500,018
資本公積	Capital reserve	914,179	914,179
盈餘公積	Surplus reserves	51,366	51,366
累計虧損	Accumulated losses	(1,217,644)	(1,108,895)
股東權益合計	Total equity	247,919	356,668
負債和股東權益總計	Total liabilities and equity	1,334,943	1,589,418

此財務報表已於2007年8月27日獲董事會批准。

These financial statements have been approved by the Board of Directors on 27 Aug. 2007.

朱雷波
公司法定代表人

高天寶
總經理

曹明春
財務總監

Zhu Leibo
Legal Representative

Gao Tianbao
General Manager

Cao Mingchun
Chief Financial Officer

刊載於第38頁至第112頁的財務報表附註為本財務報表的組成部分。

The notes on pages 38 to 112 form part of these financial statements.

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

合併利潤表 (未經審計)

截至2007年6月30日止六個月

Consolidated income statement (unaudited)

For the six months ended 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

項目	Items	Notes	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
營業收入	Operating income	5(30)	689,827	474,934
減：營業成本	Less: Operating costs	5(31)	(649,305)	(539,224)
營業稅金及附加	Operating tax and surcharge	5(32)	(1,478)	(183)
銷售費用	Selling expense		(18,838)	(19,195)
管理費用	Administrative expense		(53,893)	(66,576)
財務費用	Finance cost	5(33)	(33,084)	(35,300)
資產減值損失	Impairment losses	5(34)	(19,583)	(3,507)
加：投資收益 (損失)	Add: Investment gains (losses)	5(35)	22,198	(1,911)
其中：對聯營企業和合營 企業的投資收益 (損失)	Investment gains (losses) in associates and joint ventures	5(35)	134	(2,906)
營業虧損	Operating losses		(64,156)	(190,962)
加：營業外收入	Add: Non-operating income	5(36)	2,834	1,508
減：營業外支出	Less: Non-operating expenditures	5(37)	(229)	(1,595)
其中：非流動資產處置損失	Disposal losses on non-current assets	5(37)	—	(235)
虧損總額	Total losses		(61,551)	(191,049)
減：所得稅費用	Less: Income taxes expense	5(38)	—	—
淨虧損	Net losses		(61,551)	(191,049)
其中：歸屬母公司股東的淨利潤	Net profit attributable to parent company's shareholders		(63,875)	(156,786)
少數股東損益	Minority interests		2,324	(34,263)
每股收益	Earnings per share			
(一) 基本每股收益 (元/股)	1. Basic EPS (RMB/share)	5(39)	(0.13)	(0.22)
(二) 稀釋每股收益 (元/股)	2. Diluted EPS (RMB/share)	5(39)	(0.13)	(0.22)

此財務報表已於2007年8月27日獲董事會批准。

These financial statements have been approved by the Board of Directors on 27 Aug. 2007.

朱雷波
公司法定代表人

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For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

利潤表 (未經審計)

截至2007年6月30日止六個月

Income statement (unaudited)

For the six months ended 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

項目	Items	註釋 Notes	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
營業收入	Operating income	5(45)	283,694	334,639
減：營業成本	Less: Operating costs	5(46)	(284,198)	(346,162)
營業稅金及附加	Operating tax and surcharge		(479)	(109)
銷售費用	Selling expense		(9,050)	(10,762)
管理費用	Administrative expense		(34,909)	(34,489)
財務費用	Finance cost		(22,391)	(21,062)
資產減值損失	Impairment losses		(80,075)	7,336
加：投資收益(損失)	Add: Investment gains (losses)	5(47)	36,082	(77,012)
其中：對聯營企業和合營企業 的投資收益(損失)	Investment gains (losses) in associates and joint ventures	5(47)	134	(2,906)
營業虧損	Operating losses		(111,326)	(147,621)
加：營業外收入	Add: Non-operating income		2,599	258
減：營業外支出	Less: Non-operating expenditures		(22)	(903)
其中：非流動資產處置損失	Disposal losses on non-current assets		—	—
虧損總額	Total losses		(108,749)	(148,266)
減：所得稅費用	Less: Income taxes expense		—	—
淨虧損	Net losses		(108,749)	(148,266)

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此財務報表已於2007年8月27日獲董事會批准。

These financial statements have been approved by the Board of Directors on 27 Aug 2007.

朱雷波 高天寶 曹明春
公司法定代表人 總經理 財務總監

Zhu Leibo Gao Tianbao Cao Mingchun
Legal Representative General Manager Chief Financial Officer

刊載於第38頁至第112頁的財務報表附註為本財務報表的組成部分。

The notes on pages 38 to 112 form part of these financial statements.

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

合併現金流量表(未經審計)

截至2007年6月30日止六個月

Consolidated cash flow statement (unaudited)

For the six months ended 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

項目	Items	合併現金流量表 補充資料 Supplementary information on consolidated cash flow statement	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007
經營活動產生的現金流量：	Cash flows from operating activities:		
銷售商品和提供勞務收到的現金	Cash received from customers		382,893
收到的稅費返還	Refund of taxes		1,437
收到其他與經營活動有關的現金	Cash received in relation to other operating activities		95,447
			<hr/>
經營活動現金流入小計	Sub-total of cash inflows		479,777
			<hr/>
購買商品和接受勞務支付的現金	Cash paid to suppliers		(283,990)
支付給職工以及為職工支付的現金	Cash paid to and on behalf of employees		(38,248)
支付各項稅費	Taxes paid		(26,912)
支付其他與經營活動有關的現金	Cash paid in relation to other operating activities		(81,978)
			<hr/>
經營活動現金流出小計	Sub-total of cash outflows		(431,128)
			<hr/>
經營活動產生的現金流量淨額	Net cash flow from operating activities	(i)	48,649
			<hr/>
投資活動產生的現金流量：	Cash flows from investing activities:		
收回投資收到的現金	Cash received from disposal of investments		34,100
取得投資收益收到的現金	Cash received from return of investments		22,041
處置固定資產、無形資產和 其他長期資產收回的現金淨額	Net proceeds from disposal of property, plant and equipment, intangibles, and other long-term assets		4
收到其他與投資活動有關的現金	Cash received in relation to other investing activities		59
			<hr/>
投資活動現金流入小計	Sub-total of cash inflows		56,204
			<hr/>

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

合併現金流量表(未經審計)(續)

截至2007年6月30日止六個月

Consolidated cash flow statement (unaudited) (continued)

For the six months ended 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

項目	Items	合併現金流量表 補充資料 Supplementary information on consolidated cash flow statement	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007
購建固定資產、無形資產和 其他長期資產支付的現金	Cash paid for acquisition of property, plant and equipment, intangibles, and other long-term assets		(5,592)
支付其他與投資活動有關的現金	Cash paid in relation to other investing activities		(42)
投資活動現金流出小計	Sub-total of cash outflows		(5,634)
投資活動產生的現金流量淨額	Net cash flow from investing activities		50,570
籌資活動產生的現金流量：	Cash flows from financing activities:		
取得借款收到的現金	Proceeds from loans		459,185
籌資活動現金流入小計	Sub-total of cash inflows		459,185
償還債務支付的現金	Repayment of loans		(516,326)
分配股利、利潤或償付利息支付的現金	Cash paid for dividends, profit, or interest payments		(31,218)
支付其他與籌資活動有關的現金	Cash paid in relation to other financing activities		(879)
籌資活動現金流出小計	Sub-total of cash outflows		(548,423)
籌資活動產生的現金流量淨額	Net cash flow from financing activities		(89,238)
匯率變動對現金及現金等價物的影響	Influence of foreign exchange rate changes on cash and cash equivalents		(124)
現金及現金等價物淨增加額	Net increase in cash and cash equivalents	(ii)	9,857
加：期初現金及現金等價物餘額	Add: beginning balance of cash and cash equivalents		58,414
期末現金及現金等價物餘額	Ending balance of cash and cash equivalents		68,271

刊載於第38頁至第112頁的財務報表附註為本財務報表的組成部分。

The notes on pages 38 to 112 form part of these financial statements.

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

合併現金流量表補充資料(未經審計)

截至2007年6月30日止六個月

Consolidated cash flow statement (unaudited)

For the six months ended 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

項目	Items	合併現金流量表 補充資料 Supplementary information on consolidated cash flow statement	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007
(i) 將淨虧損調節為經營活動的現金流量：	(i) Adjustments from net loss to net cash flow from operations:		
淨虧損	Net loss		(61,551)
加：資產減值準備	Add: Provision for impairment		(3,635)
固定資產折舊	Depreciation of property, plant and equipment		56,774
無形資產攤銷	Amortisation of intangibles		2,362
處置固定資產、無形資產和 其他長期資產的收益	Gains from disposal of property, plant and equipment, intangibles, and other long-term assets		(96)
財務費用	Finance costs		32,550
投資收益	Investment gains		(22,198)
存貨的增加	Increase in inventories		(16,540)
經營性應收項目的增加	Increase in operating receivables		(90,633)
經營性應付項目的增加	Increase in operating payables		151,616
經營活動產生的現金流量淨額	Net cash flow from operating activities		<u>48,649</u>
(ii) 現金及現金等價物淨變動情況：	(ii) Net change in cash and cash equivalents:		
現金及現金等價物的期末餘額	Ending balance of cash and cash equivalents	5(41)	68,271
減：現金及現金等價物的期初餘額	Less: beginning balance of cash and cash equivalents	5(41)	(58,414)
現金及現金等價物淨增加額	Net increase in cash and cash equivalents		<u>9,857</u>

此財務報表已於2007年8月27日獲董事會批准。

These financial statements have been approved by the Board of Directors on 27 Aug 2007.

朱雷波 高天寶 曹明春
公司法定代表人 總經理 財務總監

Zhu Leibo Gao Tianbao Cao Mingchun
Legal Representative General Manager Chief Financial Officer

刊載於第38頁至第112頁的財務報表附註為本財務報表的組成部分。

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截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

現金流量表 (未經審計)

截至2007年6月30日止六個月

Cash flow statement (unaudited)

For the six months ended 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

項目	Items	合併現金流量表 補充資料 Supplementary information on consolidated cash flow statement	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007
經營活動產生的現金流量：	Cash flows from operating activities:		
銷售商品和提供勞務收到的現金	Cash received from customers		190,787
收到的稅費返還	Refund of taxes		1,437
收到其他與經營活動有關的現金	Cash received in relation to other operating activities		47,361
			<hr/>
經營活動現金流入小計	Sub-total of cash inflows		239,585
			<hr/>
購買商品和接受勞務支付的現金	Cash paid to suppliers		(173,614)
支付給職工以及為職工支付的現金	Cash paid to and on behalf of employees		(20,294)
支付的各项稅費	Taxes paid		(10,277)
支付其他與經營活動有關的現金	Cash paid in relation to other operating activities		(19,047)
			<hr/>
經營活動現金流出小計	Sub-total of cash outflows		(223,232)
			<hr/>
經營活動產生的現金流量淨額	Net cash flow from operating activities	(i)	16,353
			<hr/>
投資活動產生的現金流量：	Cash flows from investing activities:		
收回投資收到的現金	Cash received from disposal of investments		208,100
取得投資收益收到的現金	Cash received from return of investments		35,948
處置固定資產、無形資產和 其他長期資產收回的現金淨額	Net proceeds from disposal of property plant and equipment, intangibles, and other long-term assets		4
			<hr/>
投資活動現金流入小計	Sub-total of cash inflows		244,052
			<hr/>

現金流量表(未經審計)(續)

截至2007年6月30日止六個月

Cash flow statement (unaudited) (continued)

For the six months ended 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

項目	Items	合併現金流量表 補充資料 Supplementary information on consolidated cash flow statement	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007
購建固定資產、無形資產和 其他長期資產支付的現金	Cash paid for acquisition of property, plant and equipment, intangibles, and other long-term assets		(716)
投資支付的現金	Cash paid for investments		(177,000)
投資活動現金流出小計	Sub-total of cash outflows		<u>(177,716)</u>
投資活動產生的現金流量淨額	Net cash flow from investing activities		<u>66,336</u>
籌資活動產生的現金流量：	Cash flows from financing activities:		
取得借款收到的現金	Proceeds from loans		314,000
籌資活動現金流入小計	Sub-total of cash inflows		<u>314,000</u>
償還債務支付的現金	Repayment of loans		(360,946)
分配股利、利潤或償付利息支付的現金	Cash paid for dividends, profit, or interest payment		(22,420)
籌資活動現金流出小計	Sub-total of cash outflows		<u>(383,366)</u>
籌資活動產生的現金流量淨額	Net cash flow from financing activities		<u>(69,366)</u>
匯率變動對現金及現金等價物的影響	Influence of foreign exchange rate changes on cash and cash equivalents		<u>(124)</u>
現金及現金等價物淨增加額	Net increase in cash and cash equivalents	(ii)	<u>13,199</u>
加：期初現金及現金等價物餘額	Add: beginning balance of cash and cash equivalents		<u>43,195</u>
期末現金及現金等價物餘額	Ending balance of cash and cash equivalents		<u>56,394</u>

刊載於第38頁至第112頁的財務報表附註為本財務報表的組成部分。

The notes on pages 38 to 112 form part of these financial statements.

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

現金流量表補充資料 (未經審計)

截至2007年6月30日止六個月

Cash flow statement (unaudited)

For the six months ended 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

截至2007年
6月30日止
六個月
For the
six months ended
30 June 2007

項目	Items	
(i) 將淨虧損調節為經營活動的現金流量：	(i) Adjustments from net loss to net cash flow from operations:	
淨虧損	Net loss	(108,749)
加：資產減值準備	Add: Provision for impairment	61,259
固定資產折舊	Depreciation of property, plant and equipment	22,168
無形資產攤銷	Amortisation of intangibles	1,462
處置固定資產、無形資產和 其他長期資產的收益	Gains from disposal of property, plant and equipment, intangibles, and other long-term assets	(4)
財務費用	Finance costs	22,522
投資收益	Investment gains	(36,082)
存貨的減少	Decrease in inventories	3,186
經營性應收項目的增加	Increase in operating receivables	(114,333)
經營性應付項目的增加	Increase in operating payables	164,924
經營活動產生的現金流量淨額	Net cash flow from operating activities	<u>16,353</u>
(ii) 現金及現金等價物淨變動情況：	(ii) Net change in cash and cash equivalents:	
現金及現金等價物的期末餘額	Ending balance of cash and cash equivalents	56,394
減：現金及現金等價物的期初餘額	Less: beginning balance of cash and cash equivalents	(43,195)
現金及現金等價物淨增加額	Net increase of cash and cash equivalents	<u>13,199</u>

此財務報表已於2007年8月27日獲董事會批准。

These financial statements have been approved by the Board of Directors on 27 Aug 2007.

朱雷波 高天寶 曹明春
公司法定代表人 總經理 財務總監

Zhu Leibo Gao Tianbao Cao Mingchun
Legal Representative General Manager Chief Financial Officer

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截至二零零七年六月三十日止六個月半年度會計報表
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For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

合併所有者權益變動表(未經審計)

截至2007年6月30日止六個月

Consolidated statement of changes in equity (unaudited)

For the six months ended 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

截至2007年6月30日止六個月
For the six months ended 30 June 2007

項目	Items	歸屬於母公司所有者權益				少數 股東權益	所有者 權益合計
		股本 Share capital	資本公積 Capital reserve	盈餘公積 Surplus reserves	未分配利潤 Undistributions		
一. 上年年末餘額	1. Ending balance of last year	500,018	914,179	61,075	(1,161,613)	58,654	372,313
二. 本期期初餘額	2. Beginning balance of the period	500,018	914,179	61,075	(1,161,613)	58,654	372,313
三. 本期增減變動金額	3. Increase (decrease) for the period	—	—	—	(63,875)	2,324	(61,551)
(一) 淨利潤	(1) Net profit	—	—	—	(63,875)	2,324	(61,551)
(二) 直接計入所有者 權益的利得 和損失	(2) Gains and losses direct into equity	—	—	—	—	—	—
上述(一)和(二)小計	Sub-total for (1) and (2)	—	—	—	(63,875)	2,324	(61,551)
四. 本期末餘額	4. Ending balance of the period	500,018	914,179	61,075	(1,225,488)	60,978	310,762

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

合併所有者權益變動表(未經審計)(續)

截至2007年6月30日止六個月

Consolidated statement of changes in equity (unaudited) (continued)

For the six months ended 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

		截至2006年6月30日止六個月 For the six months ended 30 June 2006					
		歸屬於母公司所有者權益 Equity attributable to parent company's shareholders				少數 股東權益	所有者 權益合計
項目	Items	股本 Share capital	資本公積 Capital reserve	盈餘公積 Surplus reserves	未分配利潤 Undistributions	Minority interests	Total equity
一、 上年年末餘額	1. Ending balance of last year	700,000	994,655	225,361	(968,937)	113,348	1,064,427
二、 本年期初餘額	2. Beginning balance of the period	700,000	994,655	225,361	(968,937)	113,348	1,064,427
三、 本期增減變動金額	3. Increases (decreases) for the period	—	230	(162,130)	5,525	(34,263)	(190,638)
(一) 淨利潤	(1) Net profit	—	—	—	(156,786)	(34,263)	(191,049)
(二) 直接計入所有者 權益的利得和損失	(2) Gains and losses direct into equity	—	230	—	181	—	411
其他	Others	—	230	—	181	—	411
上述(一)和(二)小計	Sub-total for (1) and (2)	—	230	—	(156,605)	(34,263)	(190,638)
(三) 所有者權益內部結轉 盈餘公積彌補虧損	(3) Internal transfers of equity Transfer from surplus reserves	—	—	(162,130)	162,130	—	—
四、 本期末餘額	4. Ending balance of the period	700,000	994,885	63,231	(963,412)	79,085	873,789

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此財務報表已於2007年8月27日獲董事會批准。

朱雷波 高天寶 曹明春
公司法定代表人 總經理 財務總監

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Zhu Leibo Gao Tianbao Cao Mingchun
Legal Representative General Manager Chief Financial Officer

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For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

所有者權益變動表(未經審計)

截至2007年6月30日止六個月

Statement of changes in equity (unaudited)

For the six months ended 30 June 2007

金額單位：人民幣千元
Expressed in: RMB'000

		截至2007年6月30日止六個月 For the six months ended 30 June 2007				
項目	Items	股本 Share capital	資本公積 Capital reserve	盈餘公積 Surplus reserves	未分配利潤 Undistributions	所有者權益合計 Total equity
一. 上年年末餘額	1. Ending balance of last year	500,018	914,179	51,366	(1,108,895)	356,668
二. 本期期初餘額	2. Beginning balance of the period	500,018	914,179	51,366	(1,108,895)	356,668
三. 本期增減變動金額	3. Increases (decreases) for the period	—	—	—	(108,749)	(108,749)
(一) 淨利潤	(1) Net profit	—	—	—	(108,749)	(108,749)
四. 本期期末餘額	4. Ending balance of the period	500,018	914,179	51,366	(1,217,644)	247,919

		截至2006年6月30日止六個月 For the six months ended 30 June 2006				
項目	Items	股本 Share capital	資本公積 Capital reserve	盈餘公積 Surplus reserves	未分配利潤 Undistributions	所有者權益合計 Total equity
一. 上年年末餘額	1. Ending balance of last year	700,000	994,655	213,495	(957,071)	951,079
二. 本期期初餘額	2. Beginning balance of the period	700,000	994,655	213,495	(957,071)	951,079
三. 本期增減變動金額	3. Increases (decreases) for the period	—	230	(162,129)	13,863	(148,036)
(一) 淨利潤	(1) Net profit	—	—	—	(148,266)	(148,266)
(二) 直接計入所有者 權益的利得和損失	(2) Gains and losses direct into equity	—	230	—	—	230
上述(一)和(二)小計	Sub-total for (1) and (2)	—	230	—	(148,266)	(148,036)
(三) 所有者權益內部結轉 盈餘公積彌補虧損	(3) Internal transfers of equity Transfer from surplus reserves	—	—	(162,129)	162,129	—
四. 本期期末餘額	4. Ending balance of the period	700,000	994,885	51,366	(943,208)	803,043

此財務報表已於2007年8月27日獲董事會批准。

These financial statements have been approved by the Board of Directors on 27 Aug 2007.

朱雷波
公司法定代表人

高天寶
總經理

曹明春
財務總監

Zhu Leibo
Legal Representative

Gao Tianbao
General Manager

Cao Mingchun
Chief Financial Officer

刊載於第38頁至第112頁的財務報表附註為本財務報表的組成部分。

The notes on pages 38 to 112 form part of these financial statements.

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
For the six months ended 30 June 2007
(Prepared under the PRC Accounting Rules and Regulations)

財務報表附註

(如無特別註明，以下金額單位均為人民幣千元)

一. 公司基本情況

洛陽玻璃股份有限公司(以下簡稱「本公司」)是在中華人民共和國(「中國」)註冊組建成立的股份有限公司。

本公司是國有企業中國洛陽浮法玻璃集團有限責任公司(以下簡稱「洛玻集團」)重組計劃中的一部分。經國家體改委、國家國有資產管理局等中國政府有關部門的批准，洛玻集團於1994年4月6日獨家發起成立本公司。本公司成立時，註冊資本為人民幣400,000,000元，分為400,000,000股國有法人股，每股面值人民幣1.00元。註冊資本是由洛玻集團以轉讓其主要企業和子公司及其相關資產和負債的方式足額繳付。

於1994年6月29日，本公司發行了250,000,000股H股，每股發行價為港幣3.65元。上述H股已於1994年7月8日在香港聯合交易所掛牌上市。

根據H股招股書披露的計劃及中國國務院證券委員會的審批，本公司已於1995年9月29日，在中華人民共和國境內以每股人民幣5.03元發行40,000,000股A股予社會公眾和10,000,000股A股予本公司的員工。40,000,000股社會公眾A股及10,000,000股內部職工股A股已分別於1995年10月30日及1996年5月10日在上海證券交易所上市流通。

2006年6月依據中國證券監督管理委員會《上市公司股權分置改革管理辦法》和上海證券交易所《上市公司股權分置改革業務操作指引》的規定，經本公司股東大會通過並經中華人民共和國商務部商資批[2006]1232號文批准，控股公司洛玻集團以其所持有本公司股份2100萬股作對價支付給A股流通股股東以取得其所持本公司股份的流通權。股權分置改革實施後，洛玻集團持有本公司股份變更為37,900萬股。

於2006年11月30日，河南省洛陽市中級人民法院(2007)洛執字第18-32號裁定書的裁定，洛玻集團以其持有本公司的199,981,758股的A股股票抵償所欠本公司的債務人民幣629,942,543元。中國證券登記結算有限責任公司上海分公司已於2006年12月6日辦理了相關股份變更登記，洛玻集團持有本公司股份變更為179,018,242股，本公司總股本變更為500,018,242股。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in 1000 Renminbi)

1. Background of the Company

Luoyang Glass Company Limited (“the Company”) was established in the People’s Republic of China (“the PRC”) as a joint stock limited company

The Company was established as part of the restructuring of a state-owned enterprise known as China Luoyang Float Glass Group Company of Limited Liability (“CLFG”). Pursuant to the approvals granted by various PRC authorities including the State Restructuring Commission and the National Administrative Bureau of State-Owned Assets, CLFG underwent a corporate reorganisation whereby the Company was established on 6 April 1994 with CLFG as its sold promoter. At the time of its establishment, the Company had a registered capital of RMB400,000,000 divided into 400,000,000 state-owned legal person shares of RMB1.00 each which was paid up in kind by CLFG by way of transfer of its principal business undertakings and subsidiaries together with the relevant assets and liabilities

On 29 June 1994, 250,000,000 ‘H’ shares were issued at HK\$3.65 per share. The ‘H’ shares were listed on the Stock Exchange of Hong Kong Limited on 8 July 1994.

According to the plan disclosed in the ‘H’ shares prospectus and with the approval from the China Securities Regulatory Commission, the Company issued 40,000,000 ordinary ‘A’ shares to the public in the PRC and 10,000,000 ordinary ‘A’ shares to the employees of the Company on 29 September 1995 at RMB5.03 each. The 40,000,000 public ‘A’ shares and 10,000,000 internal employee ‘A’ shares were subsequently listed on the Shanghai Stock Exchange on 30 October 1995 and 10 May 1996 respectively.

In June 2006, according to the “regulation on reform of state-owned non-circulating shares” constituted by the SEC of China, and the “guidance of reform of state-owned non-circulating shares” constituted by the Shanghai Stock Exchange, the Company paid the “A” stockholders 21,000,000 shares of stock, which were originally owned by the CLFG as the consideration in return of getting the circulating right, which authorized by the meeting of stockholders and Chinese commercial department [2006] File No1232. After that, the group holds 379,000,000 shares.

According to the judgement (2007) [Luo Zhi Zi No. 18-32] of the intermediate People’s Court of Luoyang, Henan Province on 30 November 2006, 199,981,758 A shares of the Company held by CLFG were used to offset the debts and the interest thereof in the total sum of RMB629,942,543. The transfer register and other related documents has been processed by Shanghai Securities Central Clearing and Registration Corporation on 6 December 2006. Upon the completion of the repayment, CLFG, would have to decreased its shareholding in the Company to 179,018,242 shares and the Company’s total issued shares should then go down to 500,018,242 shares.

一. 公司基本情況 (續)

本公司及其子公司 (以下簡稱「本集團」) 主要從事浮法平板玻璃的製造和銷售業務，經營範圍包括生產玻璃，深加工製品，機械成套設備，電器與配件，銷售自產產品，提供技術諮詢，技術服務。主要產品為各種浮法玻璃及車用玻璃，包括白玻，灰玻，綠玻，灰鍍膜，綠鍍膜。

二. 會計報表編制基準

儘管本公司合併財務報表於2007年6月30日累計未彌補虧損人民幣1,225,488,000元，且流動負債超過流動資產人民幣1,052,220,000元，但本公司董事認為，本公司及本集團將能夠持續經營，並能在債務到期時償還有關款項，原因如下：

- 1 已獲金融機構同意其給予本集團總額約人民幣769,600,000元的信貸額度於2007年到期日可獲續批；及
- 2 繼續獲得控股公司及控股公司的控股股東的財務支持。

董事認為，本公司及本集團將會有充足的現金資源以滿足未來的流動資金及其他經營需求。因此，本財務報表以持續經營基準編制。如果上述持續經營假設不成立，本公司及本集團的資產應調整至可變現價值，並應對可能承擔的負債提取準備，同時，長期負債應轉為流動負債。

三. 主要會計政策

本集團編制財務報表所採用的主要會計政策符合中華人民共和國財政部 (以下簡稱「財政部」) 頒佈的企業會計準則(2006)的要求，以真實、公允地反映本公司的合併財務狀況和財務狀況、合併財務成果和財務成果以及合併現金流量和現金流量，本集團於2007年1月1日起開始執行企業會計準則(2006)，採用企業會計準則(2006)後的主要會計政策如下：

1 會計年度

本集團的會計年度自公曆1月1日起至12月31日止。

1. Background of the Company (Continued)

The principal activities of the Company and its subsidiaries ("the Group") are the manufacturing and selling of float sheet glass. The scope of business includes the manufacturing of glass and relevant sophisticated processing goods, machineries, electric appliances, accessories and component parts, and the provision of technical consultancy services. The major products are the various types of float sheet glass and vehicle use glass, including transparent glass, grey glass, green glass, grey-coated glass and green-coated glass.

2. Basis of preparation

Notwithstanding that the Company had accumulated losses amounted to RMB1,225,488,000 and net current liabilities amounted to RMB1,052,220,000 at 30 June 2007 in its consolidated financial statements, the directors of the Company are of the opinion that the Group are able to continue as a going concern and to meet their obligations, as and when they fall due, having regard to the following:

- (1) agreements obtained from financial institutions for renewal of loan facilities totalling approximately RMB769,600,000 to the Company upon their expiries in 2007; and
- (2) continuing financial support received from the holding company and the controlling shareholder of the holding company.

The directors believe that the Company and the Group will have sufficient cash resources to satisfy its future working capital and other operating needs. Accordingly, the financial statements have been prepared on a going concern basis. If the Company and the Group fail to continue as a going concern, adjustments will have to be made to reduce the value of its assets to their realisable values, to provide for any possible liabilities which might arise, and to reclassify long-term liabilities as current liabilities.

3. Significant accounting policies

The significant accounting policies adopted by the Group and the Company in the preparation of the financial statements conform to the Chinese Accounting Standards ("CAS2006") issued by the Ministry of Finance of the PRC ("the MOF"). They present consolidated financial position and financial position, consolidated operating performance and operating performance, and consolidated cash flows and cash flows truly and fairly. The Group has adopted CAS (2006) since 1 January 2007. The significant accounting policies are as following:

(1) Accounting year

The accounting year of the Group is from 1 January to 31 December.

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三. 主要會計政策 (續)

2 合併財務報表的編制方法

本集團合併財務報表是按照財政部頒佈的《企業會計準則第33號—合併財務報表》編制的。

合併財務報表的合併範圍以控制為基礎予以確定，將全部子公司納入合併財務報表的合併範圍，包括本公司及本公司所控制的全部子公司，納入合併財務報表範圍內的子公司明細見附註5(44)。

本公司統一子公司所採用的會計政策。子公司採用的會計政策與本公司不一致的，按照本公司的會計政策對子公司財務報表做必要的調整。

本公司統一子公司的會計期間。子公司所採用的會計期間與本公司不一致的，按照本公司的會計期間對子公司財務報表做必要的調整。

合併財務報表以本公司和子公司的財務報表為基礎，由本公司編制。在合併時應抵消本公司與子公司、子公司相互之間發生的內部交易對合併資產負債表、合併利潤表、合併現金流量表及合併所有者權益變動表的影響。

子公司少數股東分擔的當期虧損超過了少數股東在該子公司期初所有者權益中所享有的份額，其餘額分別下列情況進行處理：

- (i) 公司章程或協議規定少數股東有義務承擔，並且少數股東有能力予以彌補的，該項餘額沖減少數股東權益。
- (ii) 公司章程或協議未規定少數股東有義務承擔的，該項餘額沖減母公司的所有者權益。該子公司以後期間實現的利潤，在彌補了由母公司所有者權益所承擔的屬於少數股東的損失之前，全部歸屬於母公司的所有者權益。

3. Significant accounting policies (Continued)

(2) Basis of preparation of consolidated financial statements

The Group's consolidated financial statements have been prepared in accordance with "CAS33: consolidated financial statements" issued by the MOF.

The consolidated scale of the consolidated financial statements is on the concept of control, which includes the financial statements of the Company and all of the subsidiaries controlled by the Company. Details of the subsidiaries included in the consolidated financial statements have been disclosed in note 5(44).

The company adjusts the accounting policies adopted by the subsidiaries. Where the accounting policies adopted by the subsidiaries are different from the accounting policies adopted by the Company, the financial statements of the subsidiaries have been adjusted in accordance with the accounting policies adopted by the Company in preparing the consolidated financial statements.

The company adjusts the accounting periods reported by the subsidiaries. Where the accounting periods reported by the subsidiaries are different from the accounting period reported by the Company, the financial statements of the subsidiaries have been adjusted in accordance with the accounting period reported by the Company in preparing the consolidated financial statements.

Consolidated financial statements are prepared by the Company according to the financial statements of the Company and its subsidiaries. In consolidation, the influence of intragroup transactions on the consolidated balance sheet, consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity should be eliminated.

Where the current loss assumed by minority shareholders of a subsidiary exceeds the minority interests of beginning equity, the balance should be dealt with as following:

- (i) Where the Company's by-law or contract regulates minority shareholders have the obligation to assume and have the ability to make up for the loss, the balance offsets minority interests.
- (ii) Where the Company's by-law or contract has not regulated minority shareholders have the obligation to assume the loss, the balance offsets the parent company's equity. The profits realised by the subsidiary in subsequent periods belongs to the parent company's equity before making up for the minority shareholders' loss assumed by the parent company's equity.

三. 主要會計政策 (續)

2 合併財務報表的編制方法 (續)

在報告期間，因同一控制下企業合併增加的子公司，編制合併財務報表時，調整合併財務報表的期初數，並將該子公司合併當期期初至報告期末的收入、費用、利潤及現金流量納入合併利潤表及合併現金流量表；非同一控制下企業合併增加的子公司，編制合併財務報表時，不調整合併財務報表的期初數，將該子公司購買日至報告期末的收入、費用、利潤及現金流量納入合併利潤表及合併現金流量表；報告期內處置子公司，不調整合併財務報表的期初數，將該子公司期初至處置日的收入、費用、利潤及現金流量納入合併利潤表及合併現金流量表。

3 記賬基礎和計價原則

本集團會計核算以權責發生制為基礎進行會計計量、確認和報告。對會計要素進行計量時，除在保證所確定的會計要素金額能夠取得並可靠計量的情況下，可採用重置成本、可變現淨值、現值、公允價值計量外，一般採用歷史成本原則。

4 記賬本位幣

本集團的記賬本位幣為人民幣。

5 外幣業務核算

外幣經濟業務發生時，將有關外幣金額折算為人民幣金額記賬，除另有規定外，所有與外幣業務有關的賬戶，採用業務發生當日市場匯價中間價(以下簡稱「市場匯價」)將外幣金額折算為記賬本位幣金額。於資產負債表日，對貨幣性項目的外幣金額按期末市場匯價折算為人民幣，折算產生的匯兌差額，除符合資本化條件的外幣專門借款的匯兌差額予以資本化計入相關資產的成本，以及可供出售權益性工具的匯兌差額計入所有者權益外，其他均計入當期損益。

3. Significant accounting policies (Continued)

(2) Basis of preparation of consolidated financial statements (Continued)

During the reporting period, when preparing consolidated financial statements, the increased subsidiaries, for the reason of business combinations under the common control, adjust the beginning balances of consolidated financial statements and put the revenues, expenses, profit, and cash flows from the beginning of consolidation to the ending of the reporting period into consolidated income statement and consolidated cash flow statement. When preparing consolidated financial statements, the increased subsidiaries, for the reason of business combinations under the non-sole control, should not adjust the beginning balances of consolidated financial statements but put the revenues, expenses, profit, and cash flows from the acquisition date to the ending of the reporting period into consolidated income statement and consolidated cash flow statement. Disposal of subsidiaries during the reporting period should not adjust the beginning balances of consolidated financial statements but put the revenues, expenses, profit, and cash flows from the beginning to the disposal date into consolidated income statement and consolidated cash flow statement.

(3) Accounting basis and measurement principles

The accounting transactions or events of the Group are recognised, measured and reported on the accrual basis. Except for the situations when the accounting element amounts can be acquired and measured reliably, replacement cost, net realisable value, present value and fair value can be used, the historical cost principle is used.

(4) Reporting currency

The Group's reporting currency is Renminbi.

(5) Foreign currency transactions

When foreign currency transactions occurred, foreign currency amounts are translated into Renminbi. Unless otherwise stated, all accounts relating to foreign currency transactions are translated into the reporting currency quoted by the middle price at the transaction date ("market forex price"). On the balance sheet date, monetary items denominated in foreign currencies are translated into Renminbi at the end of the period market forex price. Exchange gains and losses on foreign currency translation, except for the exchange gains and losses of foreign currency special loans met the criteria of capitalisation into costs of relevant assets and those of held-for-sale equity instruments into equity, are recognised in the income statement.

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三. 主要會計政策 (續)

6 公允價值的確定

公允價值是指在公平交易中，熟悉情況的交易雙方自願進行資產交換或者債務清償的金額。對存在活躍市場的金融資產或金融負債，以活躍市場中的報價確定其公允價值；對不存在活躍市場的金融資產或金融負債，採用估值技術確定其公允價值。採用公允價值進行後續計量時，不扣除將來處置該項金融資產或償付該項金融負債時可能發生的交易費用。

7 攤餘成本

攤餘成本是指金融資產或金融負債的初始確認金額扣除已償還的本金，加上或減去採用實際利率法將初始確認金額與到期日金額之間的差額進行攤銷形成的累計攤銷額，並扣除金融資產已發生的減值損失後的餘額。

8 現金等價物

現金等價物指本集團持有期限短、流動性強、易於轉換為已知金額現金、價值變動風險很小的投資。

9 壞賬核算方法

(i) 壞賬確認的標準

因債務人破產，依照法律程序清償後，確定無法收回的應收款項；因債務人死亡，既無遺產可供清償，又無義務承擔人，確定無法收回的應收款項；因債務人逾期未履行償債義務，並且有確鑿證據表明無法收回或收回的可能性不大的應收款項。

3. Significant accounting policies (Continued)

(6) Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. As for a financial asset or a financial liability in an active market, fair value is determined by the quoted price of the market. As for a financial asset or a financial liability without an active market, fair value is determined by evaluating technique. Subsequent measurements under fair value model do not deduct possible transaction costs when disposing the financial asset or repaying the financial liability in the future.

(7) Amortised costs

Amortised costs is the amount at which the financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between the initial amount and the maturity amount, and minus any writedown (directly or through the use of an allowance account) for impairment or uncollectability.

(8) Cash equivalents

Cash equivalents are short-term, highly liquid investments of the Group which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(9) Bad debt provision

(i) The recognition criteria of bad debts

Uncollected accounts receivable because the debtor is bankrupted after repaying according to the law procedure. Uncollected accounts receivable because the debtor is dead and there is no heritage for repayments and no obligator. Because the debtor does not comply with the repayment obligation beyond the maturity and there is the obvious evidence to show that the accounts receivable can not be collected or the possibility of collection is remote.

三. 主要會計政策 (續)

9 壞賬核算方法 (續)

(ii) 壞賬損失核算方法

本集團壞賬損失採用備抵法核算，按期末應收款項餘額之可收回性計提壞賬準備，壞賬準備是由本集團根據單獨認定已有跡象表明回收困難的應收賬款和賬齡分析估計計提。其他應收款的壞賬準備是本集團根據其性質估計相應回收風險而計提的。預付款項，如有確鑿證據表明其不符合預付款項性質，或者因供貨單位破產、撤銷等原因已無望再收到所購貨物的，將原計入預付款項的金額轉入其他應收款，並估計相應回收風險計提壞賬準備。

10 存貨

存貨以成本與可變現淨值之較低者計價。

存貨成本包括採購成本、加工成本和其他成本。存貨在取得時按實際成本入賬。發出存貨的成本按加權平均法核算。除原材料採購成本外，在產品及產成品還包括直接人工和按照適當比例分配的生產製造費用。

按單個存貨項目計算的成本高於可變現淨值的差額計入存貨跌價準備。可變現淨值指在正常生產經營過程中以存貨的估計售價減去至完工估計將要發生的成本、估計的銷售費用以及相關稅金後的金額。

領用的低值易耗品採用一次轉銷法進行核算，周轉使用的包裝物及其他周轉材料採用五五攤銷法進行核算。

本集團存貨盤存制度為永續盤存制。

3. Significant accounting policies (Continued)

(9) Bad debt provision (Continued)

(ii) Accounting for bad debt losses

The Group adopts the allowance method to account for bad debt losses and make bad debt provision according to the recoverability of the ending balance of accounts receivable. Bad debt provision is estimated based on individual accounts receivable which show signs of uncollectibility and ageing analysis. Provision for other receivables is determined based on their specific nature and management's estimate of their collectibility. Prepaid expenses is converted into other receivables and made bad debt provision through estimating recoverable risk if it has the obvious evidence to show that it does not meet the nature of prepaid expenses, or can not receive the purchased goods because the supplier is bankrupted or cancelled.

(10) Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventory costs comprise all costs of acquisition, conversion and other costs. Inventories are measured at their actual cost. The cost of inventories is calculated under the weighted average method. In addition to the purchase cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of manufacturing overheads.

Any excess of the cost over the net realisable value of each item of inventories is recognised as a provision for decline in the value of inventories. Net realisable value is the estimated selling price in the normal course of business less the estimated costs to completion and the estimated expenses and related taxes necessary to make the sale.

Low-value consumables are expensed when used, while packaging and other materials adopt half-and-half amortisation method.

The Group adopts a perpetual inventory system.

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三. 主要會計政策 (續)

11 金融資產

金融資產在初始確認時劃分為以公允價值計量且其變動計入當期損益的金融資產、持有至到期投資、貸款和應收款項以及可供出售金融資產。以公允價值計量且其變動計入當期損益的金融資產，包括交易性金融資產和指定為以公允價值計量且其變動計入當期損益的金融資產。

(i) 金融資產的確認

交易性金融資產

指滿足下列條件之一的金融資產：取得金融資產的目的，主要是為了近期内出售或回購；屬於進行集中管理的可辨認金融工具組合的一部分，且有客觀證據表明本集團近期採用短期獲利方式對該組合進行管理；屬於衍生工具，但是，被指定且為有效套期工具的衍生工具、屬於財務擔保合同的衍生工具、與在活躍市場中沒有報價且其公允價值不能可靠計量的權益工具投資掛鉤並須通過交付該權益工具結算的衍生工具除外。

指定以公允價值計量且其變動計入當期損益的金融資產是指滿足下列條件之一的金融資產：該指定可以消除或明顯減少由於金融資產的計量基礎不同所導致的相關利得或損失在確認或計量方面不一致的情況；本集團風險管理或投資策略的正式書面文件已載明，對該金融資產組合以公允價值為基礎進行管理、評價並向關鍵管理人員報告。

持有至到期投資

是指到期日固定、回收金額固定或可確定，且公司有明確意圖和能力持有至到期的非衍生金融資產。

3. Significant accounting policies (Continued)

(11) Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets at initial recognition. Financial assets at fair value through profit or loss include held-for-trading financial assets and designated as financial assets at fair value through profit or loss.

(i) Recognition of financial assets

Held-for-trading financial assets

To meet either of the following conditions: acquired or incurred principally for the purpose of selling or repurchasing it in the near term; part of a portfolio identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or a derivative (unless it is a designated and effective hedging instrument and except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.)

Designated as financial assets at fair value through profit or loss to meet either of the following conditions: to eliminate or decrease cleanly differences between recognition and measurement of the relevant gains or losses due to different measurement methods of financial assets; the formal documents on risk management or investment strategies have clarified that the Group manages and evaluates and reports to key administrators according to fair value of the financial asset portfolio.

Held-to-maturity investments

They are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intent and ability to hold to maturity.

三. 主要會計政策 (續)

11 金融資產 (續)

(i) 金融資產的確認 (續)

貸款和應收款項

是指在活躍市場中沒有報價、回收金額固定或可確定的非衍生金融資產。

可供出售金融資產

可供出售金融資產包括初始確認時即被指定為可供出售的非衍生金融資產，以及除了以公允價值計量且其變動計入當期損益的金融資產、貸款和應收款項、持有至到期投資以外的金融資產。

金融資產在初始確認時以公允價值計量。對於以公允價值計量且其變動計入當期損益的金融資產，相關交易費用直接計入當期損益；對於其他類別的金融資產，相關交易費用計入初始確認金額。

(ii) 金融資產的後續計量

對以公允價值計量且其變動計入當期損益的金融資產採用公允價值進行後續計量，公允價值變動形成的利得或損失計入當期損益；可供出售金融資產的公允價值變動，除減值損失及外幣貨幣性金融資產形成的匯兌差額確認為當期損益外，直接在所有者權益內確認，並在該項金融資產終止確認時轉出，計入當期損益，可供出售金融資產持有期間實現的利息或現金股利，計入當期損益；對持有至到期投資及貸款和應收款項採用攤餘成本進行後續計量，在終止確認、發生減值或攤銷時產生的利得或損失，計入當期損益。

3. Significant accounting policies (Continued)

(11) Financial assets (Continued)

(i) Recognition of financial assets (Continued)

Loans and receivables

They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Available-for-sale financial assets

Available-for-sale financial assets are those financial assets that are not: loans and receivables originated by the entity held-to-maturity investments, or financial assets at fair value through profit or loss.

Financial assets are measured at fair value for initial recognition. For financial assets at fair value through profit or loss, transaction costs shall be recognized immediately in profit or loss for the current period. For financial assets being classified in other categories, transaction costs shall be included in the initial recognised amount.

(ii) Subsequent measurement of financial assets

Financial assets at fair value through profit or loss are subsequently measured at fair value, gains and losses are recognised in profit or loss. In respect of gains and losses arising from changes in fair value, except that the impairment losses and exchange differences arising from monetary financial assets denominated in foreign currencies are included into the current profit or loss, other gains and losses shall be recognised directly in shareholder's equity until such financial assets are derecognised and transferred into current profit or loss. Interests or dividends achieved during the holding period shall be included in current profit or loss. Held-to-maturity investment, loans and receivables are subsequently measured based on amortized cost. The gain or loss arising from discontinuing recognition, impairment or amortization is included in current profit or loss.

三. 主要會計政策 (續)

11 金融資產 (續)

(iii) 金融資產的初始及終止確認

當本集團成為金融工具合同條款的其中一方時，確認相應的金融資產。本集團已將金融資產所有權上幾乎所有的風險和報酬轉移給轉入方時，終止確認該項金融資產。如果轉移前後該金融資產未來現金流量淨現值及時間分佈的波動使本集團面臨的風險發生了實質性改變，則表明已將金融資產所有權上幾乎所有的風險和報酬轉移給了轉入方。

本集團既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬時，如果本集團放棄了對該項金融資產的控制，則終止確認該項金融資產；如果本集團未放棄對該金融資產的控制，則按照繼續涉入所轉移金融資產的程度確認有關金融資產，並確認相應的負債。

(iv) 金融資產的減值

本集團在資產負債表日對除以公允價值計量且其變動計入當期損益的金融資產以外的金融資產的賬面價值進行檢查，有客觀證據表明該金融資產發生減值的，計提減值準備。

貸款及應收款項、持有至到期投資、以成本法核算的長期股權投資，發生減值時，將其賬面價值減記至預計未來現金流量(不包括尚未發生的未來信用損失)現值。預計未來現金流量現值按照該金融資產的原實際利率折現確定。確認減值損失後，如有客觀證據表明該金融資產價值已恢復，且客觀上與確認該損失後發生的事項有關，原確認的減值損失予以轉回，計入當期損益。但轉回後的賬面價值不超過假定不計提減值準備情況下該金融資產在轉回日的攤餘成本。

3. Significant accounting policies (Continued)

(11) Financial assets (Continued)

(iii) Initial recognition and derecognition of financial assets

When the Group becomes a party to the contract, financial assets should be recognised. The Group should derecognise a financial asset when it transfers substantially all the risks and rewards of ownership of the financial assets to another party. If a substantial change takes places in the Group's exposure after the transfer of financial asset as a result of the fluctuations in the net present value of future cash flows and the spread over time, then it represents substantially all the risks and rewards of ownership of the financial assets had been transferred to another party.

In the event that the Group neither transfers nor retains substantially all the risks and rewards of the ownership of financial assets, and the Group relinquishes the control over such financial asset, then the financial assets should be derecognised. Providing the Group does not relinquish the control over such financial asset, the financial asset concerned will be recognised to the extent of continued involvement in the transferred financial assets, where liabilities will be recognised accordingly.

(iv) Impairment of financial assets

The Group should assess whether there is any objective evidence that a financial asset except for a financial asset at fair value through profit or loss is impaired at each balance sheet date. Where there is objective evidence of impairment, provision for impairment should be made.

When loans and receivables, held-to-maturity investments and long-term investments at cost impair, their carrying amounts should be decreased to the present values of estimated future cash flows, discounted at the current market rate in return for a similar financial assets, such impairment losses can not be reversed. When impairment occurs in loans, receivables, held-to-maturity investments and long-term equity investments accounted for using cost approach, their carrying value should be decreased to the present value of estimated future cash flows (excluding the future credit loss not yet occurred), discounted at the original effective interest rate of such financial asset. After the impairment being recognised, if there is any objective evidence that such financial asset has its value recovered and the recovery is objectively related to a matter after recognition of the impaired loss, the originally recognised impairment is reversed and included in the profit and loss for the period to the extent the carrying amount at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

三. 主要會計政策 (續)

11 金融資產 (續)

(iv) 金融資產的減值 (續)

可供出售金融資產的公允價值發生大幅下降(達到或超過20%)；或在綜合考慮各種相關因素後，預期這種下降趨勢屬於非暫時性的(通常是指該資產的公允價值持續低於其成本達到或超過6個月的情形)，則該項可供出售金融資產發生了減值。即使該金融資產沒有終止確認，原直接計入所有者權益的因公允價值下降形成的累計損失，予以轉出，計入當期損益。

劃分為可供出售金融資產的權益工具投資的減值損失一經確認，其轉回金額不計入當期損益；劃分為可供出售金融資產的債務工具的減值損失確認後，如果公允價值上升且客觀上與確認原減值損失後發生的事項有關，原確認的減值損失予以轉回，計入當期損益。

12 投資性房地產

投資性房地產是指為賺取租金或資本增值，或兩者兼而有而持有的房地產。包括已出租的土地使用權、持有並準備增值後轉讓的土地使用權、已出租的建築物等。

投資性房地產按成本進行初始計量。與投資性房地產有關的後續支出，如果與該資產有關的經濟利益很可能流入且其成本能可靠地計量，則計入投資性房地產成本。除此以外的其他後續支出，在發生時計入當期損益。

對投資性房地產採用成本模式進行後續計量，並按照與固定資產折舊或無形資產攤銷一致的政策進行折舊或攤銷。

投資性房地產出售、轉讓、報廢或毀損的處置收入扣除其賬面價值和相關稅費後的差額計入當期損益。

本集團對投資房地產計提減值準備(參見附註3(18))。

3. Significant accounting policies (Continued)

(11) Financial assets (Continued)

(iv) Impairment of financial assets (Continued)

The fair value of an available-for-sale financial assets drops dramatically (up to or more than 20%) and the trend is viewed as non-tentative after considering all the relating factors (Usually, the fair value of the asset has been lower than its cost more than 6 months.) the impairment occurs to the available-for-sale financial assets. Even such financial assets are not derecognised, the accumulated loss from decrease in fair value which has been recognised in shareholders' equity shall be transferred to the current gain and loss.

For the impairment loss of equity instrument investments classified into available-for-sale financial assets, its reversal amounts shall not be included in the current gain and loss once its impairment loss is recognised. Upon the recognition of impairment losses of debt instruments classified as available-for-sale financial assets, if the fair value increases and the increase objectively relates to an event occurring after the loss is recognised, the initial recognised impairment shall be reversed and included in the current gain and loss.

(12) Investment property

Investment property is property to earn rentals or for capital appreciation or both, such as land use right which is lease-out or held and sold for capital appreciation and leased buildings.

An investment property should be measured initially at cost. The subsequent expenditures relating to investment property should be recognised into the cost if the future economic benefits probably inflow the entity and its cost can be measured reliably. Other subsequent expenditures should be recognised in profit and loss.

The cost model is applied. Investment property should be depreciated in accordance with the policy of depreciation of property, plant and equipment or amortisation of intangibles.

An gain or loss on disposal is the difference between the net disposal proceeds and the carrying amount of the asset. It should be recognised as income or expense in the income statement.

The Group makes the impairment provision for its investment property (see Note 3(18)).

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三. 主要會計政策 (續)

13 企業合併

企業合併分為同一控制下的企業合併和非同一控制下的企業合併。

(i) 同一控制下的企業合併

參與合併的企業在合併前後均受同一方或相同的多方最終控制，並且該控制並非暫時性的，為同一控制下的企業合併。

同一控制下的企業合併，合併方在企業合併中取得的資產和負債，於合併日，按被合併方的賬面價值計量。合併方取得的按比例享有被合併方的淨資產賬面價值與支付的合併對價的賬面價值的差額，調整資本公積，資本公積不足以沖減的則調整留存收益。

合併方為進行企業合併發生的各項直接費用，於發生時計入當期損益。

(ii) 非同一控制下的企業合併及商譽

參與合併的各方在合併前後不受同一方或相同的多方最終控制的，為非同一控制下的企業合併。

非同一控制下的企業合併按購買法處理。購買成本為交易日為取得被購買方的控制權而轉讓的資產、所承擔的負債以及所發行的權益性工具的公允價值總額，以及為企業合併發生的各項直接相關費用。符合確認條件的被購買方的可辨認資產、負債及或有負債以其在收購日的公允價值確認。

購買成本超過按股權比例享有的被購買方可辨認資產、負債及或有負債的公允價值中所佔份額的部分，確認為商譽。如果本集團取得的在被購買方可辨認資產、負債及或有負債的公允價值中所佔份額的部分超過購買成本，則超出的金額直接計入當期損益。

3. Significant accounting policies (Continued)

(13) Business combinations

Business combinations are classified as combinations under common control and non-sole control.

(i) Business combinations under common control

Businesses in combinations are controlled eventually by one party or common multiple parties before and after the combination.

The assets and liabilities acquired by the acquirer are measured at carrying amount of the acquiree at the acquisition date. The difference between the carrying value of net assets of the acquiree attributable to the acquirer and the carrying value of consideration paid is adjusted into capital reserve, or retained earnings where capital reserve is insufficient to be deducted.

A direct expenses incurred during the combination should be recognised into profit and loss.

(ii) Business combinations under non-sole control and goodwill

The participants in combination are not controlled eventually by a common party or common multiple parties before and after the combination.

Purchasing method is applied. Acquisition costs include the total fair value of the transferred assets, liabilities, and financial instruments issued at the transaction date and all direct expenses incurred in the combination. The acquiree's identifiable assets, liabilities and contingent liabilities met recognition criteria are measured at fair value at the acquisition date.

Any excess of the cost of acquisition over the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Where the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the acquisition cost, the excess is recognised in profit or loss.

三. 主要會計政策 (續)

14 長期股權投資

長期股權投資分為對子公司投資、對合營企業投資、對聯營企業投資和對被投資企業不具有控制、共同控制或重大影響，且在活躍市場中沒有報價、公允價值不能可靠計量的權益性投資(其他股權投資)。

(i) 長期股權投資的初始計量

企業合併形成的長期股權投資的初始計量：通過在同一控制下的企業合併取得的長期股權投資，在合併日，按照取得被合併方所有者權益賬面價值的份額作為初始投資成本，為進行企業合併發生的各項直接相關費用於發生時計入當期損益；通過在非同一控制下的企業合併取得的長期股權投資，在合併日，按照取得的被購買方可辨認資產、負債及或有負債的公允價值中所佔份額的部分作為初始投資成本。

企業合併以外其他方式取得的長期股權投資的初始計量：以支付現金取得的長期股權投資，按照實際支付的購買價款作為初始投資成本，初始投資成本還包括與取得長期股權投資直接相關的費用、稅金及其他必要支出；以發行權益性的證券而取得的長期股權投資，按照發行權益性的證券公允價值作為初始投資成本；投資者投入的長期股權投資，按照投資合同或協議約定的價值作為初始投資成本，但合同或協議約定價值不公允的除外；以非貨幣資產交換方式取得的長期股權投資，如果該項非貨幣資產交換具有商業實質且換入資產或換出資產的公允價值能夠可靠計量，則以換入資產或換出資產的公允價值和相關稅費作為初始投資成本，公允價值與換出資產的賬面價值的差額計入當期損益；如果該項非貨幣性資產交換同時具備上述兩個條件，則以換出資產的賬面價值和相關稅費作為初始投資成本；以債務重組方式取得的長期股權投資，按取得的長期股權投資的公允價值作為初始投資成本，初始投資成本與重組債權賬面價值之間的差額計入當期損益。

3. Significant accounting policies (Continued)

(14) Long-term equity investments

Long-term equity investments include investments in subsidiaries, joint ventures and associates, and the equity investments which the company can't control, jointly control or exert significant influence on the invested companies and the fair value can't be measured reliably when the active market has not the price.

(i) The initial measurement of long-term equity investments

The initial measurement of long-term equity investment is formed by business combination. The long-term equity investment formed by business combination under the sole control, at the combination date, using the acquirer's carrying amount of the combined party as the initial investment cost, and various direct related expenses which are for the combination are recognised in profit or loss. The long-term equity investment formed by business combination under the non-common control at the combination date, using the proportion of fair value of the recognisable assets, liabilities or contingent liabilities as the initial investment cost.

The initial measurement of long-term equity investment formed by other methods: The long-term equity investment formed by paying cash, using the actual price as the initial investment cost which also includes expenses and taxes and other essential payments which are directly related to the formulation of long-term equity investment. If it is formed by issuing shares, the initial investment cost is the fair value of share capital. If it is invested by persons or companies, the cost is the value stated in the investment contract, except the stated value is not fair. If it is formed by non-cash assets exchange, the exchanged assets' fair value and related taxes and expenses are the cost when this exchange is commercial and the assets' fair value can be measured reliably, the difference between the fair value and carrying amount of the exchanged assets are recognised in profit or loss. If this exchange doesn't fit the above two criteria, then the cost is the amount of the exchanged assets' carrying amount and related taxes and expenses. If the long-term equity investment is formed by debt restructure, then the fair value of the investment is the cost, the difference of this cost and restructured debt's carrying amount is recognised in profit or loss.

三. 主要會計政策 (續)

14 長期股權投資 (續)

(ii) 長期股權投資的後續計量

對被投資單位能夠實施控制的長期股權投資以及對被投資單位不具有共同控制或重大影響並且在活躍市場中沒有報價、公允價值不能可靠計量的長期股權投資，採用成本法核算；對被投資單位具有共同控制或重大影響的長期股權投資，採用權益法核算。

成本法核算的長期股權投資採用成本法核算時，長期股權投資按初始投資成本計價；對被投資單位宣告分派的現金股利或利潤，確認為當期投資收益。當期投資收益僅限於所獲得的被投資單位在接受投資後產生的累計淨利潤的分配額，所獲得的被投資單位宣告分派的利潤或現金股利超過上述數額的部分，作為初始投資成本的收回，沖減投資的賬面價值。

權益法核算的長期股權投資採用權益法核算時，長期股權投資的初始投資成本大於投資時應享有被投資單位可辨認淨資產公允價值份額的，不調整長期股權投資的初始投資成本；初始投資成本小於投資時應享有被投資單位可辨認淨資產公允價值份額的，其差額計入當期損益，並同時調整長期股權投資的成本。

權益法核算的長期股權投資的當期投資損益為按應享有或應分擔的被投資單位當年實現的淨利潤或發生的淨虧損的份額。在確認應享有被投資單位淨損益的份額時，以取得投資時被投資單位各項可辨認淨資產的公允價值為基礎，並按照本集團執行的會計政策及會計期間，對被投資單位的淨利潤進行調整後確認。對被投資單位除淨損益以外的其他所有者權益變動，相應調整長期股權投資的賬面價值並計入所有者權益。

除非本集團對被投資單位負有承擔額外損失的義務，在確認應分擔的被投資單位發生的淨虧損時，以投資賬面價值以及其他實質上構成對被投資單位淨投資的長期權益減記至零為限；如果被投資單位以後各期實現淨利潤，在收益分享額超過未確認的虧損分擔額以後，按超過未確認的虧損分擔額的金額，恢復投資的賬面價值。

3. Significant accounting policies (Continued)

(14) long-term equity investments (Continued)

(ii) The subsequent measurement of long-term equity investments.

Where the company has the power to control, not jointly control or exercise significant influence over an investee enterprise, and the active market does not have the value, fair value can not be measured reliably, the investment is accounted for under the cost method, where the company has the power to jointly control or exercise significant influence over an investee enterprise, the investment is accounted for under the equity method.

When the investment is accounted for under the cost method, the investment is initially measured at cost, and cash dividend or profit distributed by investee enterprise, recognised as current investment income. The current investment income just means the allocation of accumulated net profit produced from the investee enterprise. The profit distributed by the investee enterprise or cash dividend exceeds the above amount, as the return of initial investment cost to deduct the carrying value.

Using the equity method, if the initial investment cost is larger than the fair value of the investee's identifiable net assets, the cost should not be adjusted; if the initial investment cost is lower, then, the difference should be recognised loss and profit and the cost should be adjusted.

The profit or loss of a long-term equity investment for the current period accounted for using the equity method is recognised based on the attributable share of the net profit or loss of the investee. The investor's share of the investee's net profit and loss is recognised based on the fair value of identifiable net assets of the investee upon acquisition of the investment, subject to an adjustment to the investee's net profit in accordance with the Group's accounting policies and period. Changes in shareholders' equity other than the share of the investee's net profit and loss are accounted for with an adjustment to the net carrying amount of the long-term equity investment and included into shareholders' equity.

Unless this Group undertake the liability of the additional losses for the investee, when the net losses of the investee recognised, it is deducted to zero from the carrying amount of investment and other long-term equity which is substantially to recognised as net investment to investee. If the investee make profits in the subsequent period, and when the profits exceed the unrealised losses, the recovered carrying amount equal to the excess.

三. 主要會計政策 (續)

14 長期股權投資 (續)

(iii) 長期股權投資的處置

處置長期股權投資時，其賬面價值與實際取得價款的差額，計入當期損益。採用權益法核算的長期股權投資，在處置時將原計入所有者權益的部分按相應的比例轉入當期損益。

本集團對長期股權投資計提減值準備 (參見附註3(18))。

15 固定資產及在建工程

固定資產指本集團為生產商品、提供勞務、出租或經營管理而持有的，使用壽命超過一個會計年度的有形資產。

固定資產按取得時的成本進行初始計量。與固定資產有關的後續支出，如果與該固定資產有關的經濟利益很可能流入且其成本能可靠地計量，則計入固定資產成本，除此以外的其他後續支出，在發生時計入當期損益。

在建工程成本按實際發生的工程支出確定，在建工程在達到預定可使用狀態時，按實際發生的全部支出轉入固定資產核算。在有關建造的資產達到預定可使用狀態之前發生的與購建固定資產有關的一切直接或間接成本，包括在購建期間利用借款進行購建所發生的借款費用 (包括有關借款本金和利息的匯兌差額)，全部資本化為在建工程。

本集團對固定資產及在建工程計提減值準備 (參見附註3(18))。

3. Significant accounting policies (Continued)

(14) Long-term equity investments (Continued)

(iii) The disposal of long-term equity investments

Upon the disposing long-term equity investments, the difference between the carrying value and actual recoverable cost, is recognised in profit and loss. If the investment is accounted for under the equity method, the part in the company's equity should be transferred to profit and loss.

The Group makes provision for impairment losses on long-term equity investments (see note 3(18)).

(15) Property, plant and equipment and construction in progress

Property, plant and equipment is the tangible assets that held for producing goods, rendering services, leases or administration, the usage life is longer than one accounting period.

Property, plant and equipment is measured at initial cost. When the subsequent expenditures can be measured reliably and the related economic benefits can probably inflow, they are recognised in the cost of property, plant and equipment, otherwise they are recognised in profit and loss.

Construction in progress is measured at cost less any impairment losses. Cost comprises the direct cost of materials and borrowing costs capitalised during the period of construction. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all the activities necessary to put the asset in intended use are completed. No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use.

The group makes provision for impairment losses on property, plant and equipment (see note 3(18)).

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三. 主要會計政策 (續)

15 固定資產及在建工程 (續)

本集團對固定資產在預計使用年限內按直線法計提折舊，各類固定資產的預計使用年限和預計淨殘值率分別為：

	預計使用年限	預計淨殘值率
房屋建築物	30 - 50年	3%-5%
機器及設備	4 - 28年	3%-5%
運輸工具	6 - 12年	3%-5%

16 無形資產

無形資產是指本集團擁有或控制的沒有實物形態的可辨認非貨幣性資產，包括土地使用權、商標權、專利權及非專利技術等。

無形資產按成本進行初始計量。與無形資產有關的支出，如果相關的經濟利益很可能流入本集團且其成本能可靠地計量，則計入無形資產成本。除此以外的其他無形項目的支出，在發生時計入當期損益。內部研究開發項目研究階段的支出以及未立項之開發支出，於發生時計入當期損益；經立項的開發階段的支出在符合資本化條件時予以資本化，不符合資本化條件的計入當期損益。無法區分研究階段支出和開發階段支出的，將發生的研發支出全部計入當期損益。

無形資產自可供使用時起，對使用壽命有限的無形資產按預計的使用壽命採用直線法分期平均攤銷；對於使用壽命不確定的無形資產不進行攤銷，但在每個會計期間對該無形資產的使用壽命進行覆核，當有證據表明該無形資產的使用壽命是有限的，則估計其使用壽命，並在預計的使用壽命內採用直線法分期平均攤銷。

本集團對無形資產計提減值準備(參見附註3(18))。

17 長期待攤費用

長期待攤費用主要為預計受益期限在一年以上費用支出，按照預計受益期間分期平均攤銷。

3. Significant accounting policies (Continued)

(15) Property, plant and equipment and construction in progress (Continued)

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

	Estimated useful life	Estimated net residual value rate
Buildings	30 to 50 years	3%-5%
Machinery and equipment	4 to 28 years	3%-5%
Motor vehicles	6 to 12 years	3%-5%

(16) Intangible assets

Intangible assets represent exclusive privileges and rights to their owners and have no physical characteristics. They include land use right, trademarks, patents and know-how etc.

Intangible assets are measured at cost. The payment related to intangible assets, if the related economic benefits can probably inflow the entity and the cost can probably measured, it is the cost of intangible assets. The other payments are recognised in profit and loss. The expenses for internal research and development projects and expenses for the development of not proposed projects are charged to the current profit and loss account. When in compliance with the conditions for capitalisation, the expenses for the proposed projects in the development phases will be capitalised; and those not in line with the conditions for capitalisation will be charged to current profit and loss account. Where expenses in the research phase and expenses in the development phase cannot be identified, the accrued expenses for research and development will be totally included into current profit and loss account.

From the time that begin to use, the intangible assets, which have the limited usage life, should be amortised under the straight-line method. As for the other intangible assets, the usage lives are just reviewed. If there is evidence to show that the usage life is limited, then its usage life should be estimated and amortised under straight-line method.

The group makes provision for impairment losses on intangible assets (see note 3(18)).

(17) Long-term prepaid expenses

Long-term prepaid expenses are expenditures whose expected benefit periods are or longer than one accounting period. They should be amortised evenly on the basis of the benefit periods

三. 主要會計政策 (續)

18 資產減值

本集團對各項資產 (包括投資性房地產、以權益法核算的長期股權投資、固定資產、在建工程、使用壽命確定的無形資產及其他資產) 的賬面價值定期進行審閱, 以評估可收回金額是否已低於賬面價值。如果該等資產存在減值跡象, 則按單項資產或資產組進行減值測試, 如果估計的可收回金額低於其賬面價值, 則按可收回金額低於賬面價值的差額計提資產減值準備, 減值損失計入當期損益。

對於企業合併所形成的商譽和使用壽命不確定的無形資產, 無論是否存在減值跡象, 在每年年度終了均進行減值測試。在對商譽進行減值測試時, 將其賬面價值按照合理的方法分配到能夠從企業合併的協同效應中受益的資產組或資產組組合, 並對被分配了商譽的資產組或資產組組合每年年度終了均進行減值測試。如資產組或資產組組合的可收回金額少於其賬面價值, 減值損失將首先沖減分配到該資產組或資產組組合的商譽的賬面價值, 然後再按照該資產組或資產組組合的各項資產的賬面價值的比例進行分配。

可收回金額是指資產公允價值減去處置費用後的淨額與該資產預計未來現金流量的現值兩者中的較高者。如果單項資產可收回金額不可取得, 則按照該資產所屬的資產組或資產組組合為基礎確定其可收回金額。

本集團在期末按上述各項資產的可收回金額低於賬面價值的差額確認減值損失, 資產減值損失一經確認, 在以後會計期間不予轉回。

3. Significant accounting policies (Continued)

(18) Impairment of assets

The carrying amounts of assets (including designated loans receivable, long-term equity investments, fixed assets, construction in progress, intangible assets and other assets) are reviewed regularly at each balance sheet date to determine whether their recoverable amounts have declined below their carrying amounts. Assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The amount by which the carrying amount is reduced is the impairment loss.

The goodwill arising from the merger of business enterprises and the intangible assets whose useful life is unknown are assessed for impairment loss each year, whether or not there are indications that such a loss may occur. In assessing goodwill for impairment loss, its carrying amount is allocated on a reasonable basis to an asset group or a portfolio of asset groups which may benefit from the synergy effects during the merger of business enterprises, and such asset group or portfolio of asset groups to which the goodwill is allocated is assessed for impairment at the end of each year. Where the recoverable amount of an asset group or a portfolio of asset groups is less than its carrying amount, the impairment for losses is firstly offset against the carrying amount of the goodwill which has been allocated to such asset group or portfolio of asset groups, and then allocated on a pro rata basis based on the carrying amount of each asset in the asset group or portfolio of asset groups.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. The recoverable amount of an asset, if not attainable, is determined based on the asset group or portfolio of asset groups such asset is included.

At the end of the period, the impairment for losses of an asset is recognised based on the balance of the asset's carrying amount less its recoverable amount. Any recognised impairment loss is not reversed in a subsequent accounting period.

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三. 主要會計政策 (續)

19 金融負債

金融負債主要包括應付款項、借款、應付債券以及衍生金融負債等，在初始確認時劃分為以公允價值計量且其變動計入當期損益的金融負債和其他金融負債。

以公允價值計量且其變動計入當期損益的金融負債包括交易性金融負債和指定為以公允價值計量且其變動計入當期損益的金融負債，按公允價值進行後續計量，公允價值的變動計入當期損益。

交易性金融負債和在初始確認時指定為以公允價值計量且其變動計入當期損益的金融負債應符合的條件與該項指定的金融資產應符合的條件相同。

其他金融負債按收到的款項淨額與到期應償還金額之間的差額採用實際利率法以攤餘成本進行後續計量，終止確認或攤銷時的收入或支出計入當期損益。

20 職工薪酬

職工薪酬是本集團為獲得員工提供的服務而給予的各種形式報酬以及其他相關支出。除因辭退福利外，本集團在員工提供服務的會計期間，將應付的職工薪酬確認為負債，並相應增加資產成本或當期費用。

按照中國有關法規，本集團為員工參加了由政府組織安排的職工社會保障體系，為在職員工繳納基本養老保險、醫療保險、住房公積金、失業保險、工傷保險和生育保險等社會保險費用，相應的支出按照權責發生制計入當期損益。

21 預計負債及或有負債

如果本集團須就過去的交易或事項形成的或有事項承擔現時義務，且該義務的履行很可能會導致經濟利益流出企業，以及有關金額能夠可靠地估計，本集團便會對該義務計提預計負債。

如果上述現時義務的履行導致經濟利益流出企業的可能性較低，或是無法對有關金額作出可靠地估計，或是由過去的交易或事項形成的潛在義務，則該等義務將被披露為或有負債。

3 Significant accounting policies (Continued)

(19) Financial liabilities

Financial liabilities mainly include payables, loans, bonds payable and derivatives, and are classified as financial liabilities at fair value through profit or loss and other financial liabilities.

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities and designated as at fair value through profit or loss. They should be subsequently measured at fair value, the changes in value are recognised in profit or loss.

Held-for-trading financial liability and financial liability at fair value through profit or loss shall follow the same criteria as those of the financial assets.

Other financial liabilities are subsequently measured based on amortised cost using the effective interest rate method according to the difference between the net amount received and amount payable on maturity. The gain or loss arising from discontinuing recognition or amortisation is included in current profit or loss.

(20) Employee welfare

Employee welfare is all kinds of compensations and other expenditures rendered by the Group in return for employees' service. Except for retirement of welfare, the Group recognises employee welfare as a liability, at the same time, increases cost of related asset or profit and loss during the accounting period of employees' services.

According to the related Chinese regulation, the Group organises employees to participate in the social welfare system arranged by government, including the social pension, the medical insurance, the staff housing fund, the unemployment insurance, the industrial accident insurance plan and the maternity insurance plan. The expenditures should be recognised in profit and loss on the accrual basis.

(21) Accrued liabilities and contingent liabilities

Accrued liabilities are recognised when the group has a present obligation as a result of a past event, provided it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where it is not probable that the settlement of the above obligation will cause an outflow of economic benefits, or the amount of the outflow cannot be estimated reliably, the obligation is disclosed as a contingent liabilities.

三. 主要會計政策 (續)

22 借款費用

借款費用包括因借款而發生的利息、折價或溢價的攤銷和輔助費用，以及因外幣借款而發生的匯兌差額。借款費用可直接歸屬於符合資本化條件的資產的購建或者生產的，在該資產達到預定可使用狀態或者可銷售狀態前，按確定借款費用資本化金額的相關原則予以資本化，計入相關資產成本；其他借款費用在發生時計入當期損益。

專門借款的利息資本化金額按照該借款當期實際發生的利息費用，減去尚未動用的借款資金存入銀行取得的利息收入或暫時性投資取得的投資收益後的金額確定。一般借款的利息資本化金額則根據累計資產支出超出專門借款部分的資產支出加權平均數乘以一般借款的加權平均利率計算確定。

23 收入確認

(i) 銷售商品收入

在本集團已將商品所有權上的主要風險和報酬轉移給購貨方，既沒有保留通常與所有權相聯繫的繼續管理權，也沒有對已售出的商品實施有效控制，收入的金額、相關的已發生或將發生的成本能夠可靠地計量，相關的經濟利益很可能流入時，確認銷售商品收入的實現。

(ii) 利息收入

利息收入按照相關金融資產的攤餘成本採用實際利率法計算，並以時間為基準確認。

(iii) 提供勞務收入

在提供勞務交易的結果能夠可靠估計，與交易相關的經濟利益能夠流入本集團時確認相關勞務收入。如果提供勞務交易的結果不能夠可靠估計，按已經發生並預計能夠得到補償的勞務成本金額確認收入，並按相同金額結轉勞務成本；已經發生的勞務成本如預計不能得到補償的，則不確認收入，並將已發生的勞務成本計入當期損益。

3. Significant accounting policies (Continued)

(22) Borrowing costs

Borrowing costs include interests incurred by the Company in connection with the borrowings, amortisation of premium or discount-plus auxiliary expenses, and foreign exchange translation differences from foreign currency borrowings. Borrowing costs which are directly attributable to the acquisition and construction or production of an asset conforming to the condition of capitalisation are capitalised before those assets are usable or salable, and in accordance with relating principle of recognising the capitalised amount of borrowing costs, be included in relating assets costs. Other borrowing costs are expensed in profit and loss in the period which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(23) Revenue recognition

(i) Sales of goods

Revenue from the sales of goods is recognised when the significant risks and rewards in relation to ownership of the goods have been transferred to the buyers, the Group retains neither continuing management generally associated with ownership no effective control over the goods sold; and when the amounts of revenue, relevant costs incurred or to be incurred can be measured reliably and that it is probable that the economic benefits associated with the transaction will flow to the Group.

(ii) Interest income

Interest income is recognised as amortised cost using the applicable effective interest method.

(iii) Commission income

Commission income is recognised when service is rendered. Commission income is recognised when the result of rendering service can be measured reliably and the related economic benefits can flow in the company. If the result can not be measured reliably, the commission income is equal to the commission cost that is incurred and expected to acquire compensation, and the commission cost is settled with the same amount. If the incurred commission cost is expected not to acquire compensation, then, the commission income can not be recognised, and the cost is recognised in profit or loss.

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三. 主要會計政策 (續)

23 收入確認

(iv) 讓渡資產使用權收入

在收入的金額能夠可靠地計量，相關的經濟利益很可能流入時，確認讓渡資產使用權收入。

24 所得稅

所得稅為當期所得稅和遞延所得稅的總額。

當期所得稅是按照當期應納稅所得額計算的當期應交所得稅金額。應納稅所得額系根據有關稅法規定對本年度稅前會計利潤作相應調整後得出。

遞延所得稅是由於財務報表中資產及負債的賬面價值與其用於計算應納稅所得額時的計稅基礎的差額所產生的預期應付或可收回稅款。遞延稅款採用資產負債表債務法核算。所有應納稅暫時性差異產生的遞延所得稅負債均予確認，遞延所得稅資產在未來應納稅所得額足以抵銷暫時性差異的限額內予以確認。如果暫時性差異是由商譽的初始確認或由一項既不影響會計利潤也不影響應納稅所得額的交易中產生的資產和負債的初始確認產生，則不確認相應的遞延所得稅資產及負債。

對子公司及合營企業、聯營企業的長期股權投資產生的應納稅暫時性差異確認相應的遞延所得稅負債，但如果公司能夠控制該暫時性差異轉回的時間，且該暫時性差異在可預見的未來很可能不會轉回時，則不確認相應的遞延所得稅負債。

本集團於期末對遞延所得稅資產的賬面價值進行覆核，如果未來不再很可能獲得足夠的應納稅所得額以轉回部分或全部遞延所得稅資產，對不能轉回的部分扣減遞延所得稅資產的賬面價值。在很可能獲得足夠的應納稅所得額時減記的金額予以轉回。

遞延所得稅按預期收回相關資產或清償負債當期的適用所得稅率計算。如果相關的交易直接計入所有者權益項目，則相應的遞延所得稅也計入所有者權益項目；企業合併產生的遞延所得稅調整商譽的賬面價值；其他的遞延所得稅均直接計入當期損益。

遞延所得稅資產及負債只有相關的所得稅是由同一個稅務機關徵收，且本集團打算以淨額結算當期所得稅資產及負債時才相互抵銷。

3. Significant accounting policies (Continued)

(23) Revenue recognition

(iv) Government grants

Government grants are recognised when the income can be measured reliably and the related economic benefits can probably inflow.

(24) Income tax

Income tax for the year comprises current tax and deferred tax.

Current tax is the current tax payable based on current taxable income. The tax payable is resulted from the adjustment to the current previously taxable accounting profits according to the related tax law.

Deferred tax assets and liabilities are payable and recoverable taxes arise from the differences between the carrying amount of assets and debts in the balance sheet on the tax base. The deferred tax is accounted for by balance sheet liability method. All deferred tax debts arised from taxable temporary differences should be recognised. The deferred tax assets are recognised when the future taxable income can offset the temporary differences sufficiently. If temporary differences arise from the initial recognition of goodwill or from assets and debts which neither influence accounting profits or taxables, then the deferred tax assets and liabilities can't be recognised.

The taxable temporary differences arise from the long-term investments in the subsidiaries, joint ventures or associates should be recognised as deferred tax liabilities, but if the company can control the reverse time of this temporary differences and this differences are most likely not reverse in the expected future, then the corresponding deferred tax liabilities can't be recognised.

The company should review the carrying amount of deferred tax assets at the end of the period. If the taxable income can never be acquired in the future, then the unreversed part should be deducted from the deferred tax assets' carrying amount. When the taxable income can likely be acquired, the deduction should be reversed.

The deferred tax is accounted for according to the current suitable tax rate of expected recoverable related assets or payables. If the related transactions are directly recognised in equity, then the corresponding deferred taxes are also recognised in it. Deferred tax arised from enterprise combination adjust the goodwill's carrying amount; other deferred tax is directly recognised in profit or loss.

Only tax relating to deferred tax assets and liabilities is imposed on the same tax department, and can be offsetted if the company intends to offset current tax assets and liabilities at net value.

三. 主要會計政策 (續)

25 股利分配

資產負債表日後，經審議批准的利潤分配方案中擬分配的股利或利潤，不確認為資產負債表日的負債，在附註中單獨披露。

26 關聯方

如果本集團有能力直接或間接控制、共同控制另一方或對另一方施加重大影響；或另一方有能力直接或間接控制、共同控制本集團或對本集團施加重大影響；或本集團與另一方或多方同受一方控制，均被視為關聯方。關聯方可為個人或企業。

四. 稅項

1 本集團適用的與產品銷售相關的稅金有增值稅及附加。

增值稅稅率	:	13% - 17%
城市建設稅稅率	:	繳納增值稅的5% - 7%
教育附加費稅率	:	繳納增值稅的3%

2 所得稅

本公司及各子公司本年度適用的所得稅稅率為33% (2006年: 33%)。

3 遞延所得稅資產

本集團及本公司的遞延所得稅資產是由以前年度的稅務虧損所產生。由於不能確定潛在的稅項利益是否可以在未來年度實現，因此，在本報告期賬項內沒有確認該遞延所得稅資產。

3. Significant accounting policies (Continued)

(25) Dividend distribution

After the balance sheet date, dividends or profits to be distributed under the approved profit distribution plan can not be recognised as a liability as at the balance sheet date, which should be separately disclosed in the notes.

(26) Related parties

If the company is able to directly or indirectly control, or jointly control or exert significant influence on another party; or another party has the ability to directly or indirectly control or, jointly control the company or exert significant influence on the company; or the company and another party or many parties are controlled by a same party, they are all related parties. A person or a company can be related parties.

4. Tax items

(1) The Group adopt VAT and surcharge, which is relating to selling goods

VAT rate	:	13% — 17%
City construction tax rate	:	pay out 5%-7% on VAT
Education surcharge rate	:	pay out 3% on VAT

(2) Income tax

The tax rate in the company and subsidiaries is 33% this year (2006: 33%)

(3) Deferred tax assets

The deferred tax assets of the Group and company arise from tax losses of previous year. Because the potential tax benefits can't ensure whether it can be realised in the future, the deferred tax assets are not recognised in this report period.

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五. 財務報表主要項目註釋

本集團財務報表主要項目註釋

1 貨幣資金

		於2007年6月30日			於2006年12月31日		
		原幣金額	匯率	人民幣等值	原幣金額	匯率	人民幣等值
		Original amount	Exchange rate	RMB equivalents	Original amount	Exchange rate	RMB equivalents
		(千元)			(千元)		
		('000)			('000)		
庫存現金	Cash						
— 人民幣	— Renminbi			454			294
活期存款	Current deposits						
銀行存款	Deposits at bank						
— 人民幣	— Renminbi			56,959			9,453
— 美元	— US Dollars	179	7.6155	1,362	359	7.8087	2,803
— 港幣	— HK Dollars	2,967	0.9744	2,891	5,907	1.0047	5,935
非金融機構存款	Deposits at non-bank institutes						
— 人民幣	— Renminbi			9,904			39,929
小計	Sub-total			71,570			58,414
已抵押的活期存款	Pledged current deposits						
— 人民幣	— Renminbi			95,750			114,545
已抵押的定期存款	Pledged time deposits						
— 人民幣	— Renminbi			60,000			100,000
小計	Sub-total			155,750			214,545
合計	Total			227,320			272,959

5. Major items' notes to financial statements

Major items' notes to financial statements of the Group

(1) Cash

五. 財務報表主要項目註釋 (續)

本集團財務報表主要項目註釋 (續)

1 貨幣資金 (續)

於2007年6月30日，定期存款中有人民幣60,000,000元(2006年12月31日：人民幣100,000,000元)及活期存款中有人民幣95,750,000元(2006年12月31日：人民幣114,545,000元)已分別用作本集團短期借款及應付票據的抵押。

2 應收票據

銀行承兌匯票
商業承兌匯票

合計

Bank acceptance notes
Customer acceptance notes

Total

於2007年
6月30日
30 June
2007

於2006年
12月31日
31 Dec
2006

28,190

44,399

—

1,000

28,190

45,399

上述餘額中無對持有本公司5%或以上表決權股份的股東的應收票據。

No notes receivable is due from a shareholder who holds 5% or more of the voting shares of the Company

3 應收賬款

應收賬款賬齡分析如下：

(3) Accounts receivable

Ageing analysis of accounts receivable is as follows:

		於2007年6月30日 30 June 2007				於2006年12月31日 31 Dec 2006				
		金額	佔總額 比例	壞賬準備 計提比例	金額	佔總額 比例	壞賬準備 計提比例	金額	佔總額 比例	壞賬準備 計提比例
		Amount	% of total accounts receivable	Bad debt provision	Amount	% of total accounts receivable	Bad debt provision	Amount	% of total accounts receivable	Bad debt provision
1年以內	Within 1 year	23,606	33%	—	23,129	33%	—	23,129	33%	—
1至2年	Over 1 year but within 2 years	2,490	3%	853	2,356	3%	707	2,356	3%	30%
2至3年	Over 2 years but within 3 years	1,653	2%	827	1,662	2%	831	1,662	2%	50%
3年以上	Over 3 years	44,527	62%	44,527	44,156	62%	44,156	44,156	62%	100%
合計	Total	72,276	100%	46,207	71,303	100%	45,694	71,303	100%	64%

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

3 應收賬款(續)

壞賬準備分析如下：

期初餘額	Balance at the beginning of the period	45,694
加：本期計提	Add: Charge for the period	518
減：本期轉回	Less: Reversal for the period	(5)
期末餘額	Ending balance of the period	<u>46,207</u>

本報告期，本集團並沒有個別重大全額計提壞賬準備或計提壞賬準備的比例較大的應收賬款。

除控股公司外，應收賬款期末餘額中無其他對持有本公司5%或以上表決權股份的股東的應收賬款。

於2007年6月30日，本集團前五名應收賬款(已扣除壞賬準備)如下：

單位名稱	欠款時間	原因	金額 人民幣千元
Name of entity	Period of original debts	Particulars	Amount RMB'000
貴陽市南明區德立玻璃經營部	1年以內	貨款	5,348
DeLi Glass distribution department, Nanming district, Guiyang city	Within 1 year	Purchase	
青島諾克來工貿有限公司	1年以內	貨款	2,552
Nuokelai industry and trade Ltd. co Qingdao city	Within 1 year	Purchase	
洛玻集團洛陽晶興鏡業有限公司	1年以內	貨款	1,504
Jingxing Mirror Manufacturing Ltd.co CLFG, Luoyang city	Within 1 year	Purchase	
青島聖戈班韓洛玻玻璃有限公司	1年以內	貨款	1,331
Shenggebanhan Glass Ltd.co Qingdao city	Within 1 year	Purchase	
中國鐵路物資廣州公司	1年以內	貨款	1,296
Chinese Railway Material Guangzhou co	Within 1 year	Purchase	
合計			12,031
Total			<u>12,031</u>

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(3) Accounts receivable (Continued)

Analysis of provision for bad debts is as follows:

截至2007年
6月30日止
六個月
For the
six months ended
30 June 2007

In this period, the Group has not made any full individual bad debt provision or substantially individual bad debt provision for accounts receivable.

Except for subsidiaries, no balance of accounts receivable is due from a shareholder who holds 5% or more of the voting shares of the company.

Analysis of provision for bad debts at 30 June 2007 is as follows:

五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

於2007年6月30日,本集團應收賬款前五名單位的應收賬款總額(已扣除壞賬準備)佔本集團應收賬款總額(已扣除壞賬準備)的46.15%(2006年12月31日:48%)。

4 預付款項

預付款項賬齡分析如下:

1年以內	Within 1 year	15,610	87%	11,493	94%
1至2年	Over 1 year but within 2 years	1,643	9%	680	6%
2至3年	Over 2 years but within 3 years	661	4%	17	—
3年以上	Over 3 years	13	—	13	—
合計	Total	17,927	100%	12,203	100%

於2007年6月30日,本集團前五名預付款項如下:

單位名稱	欠款時間	原因	金額
Name of entity	Period of original debts	Particulars	Amount
洛陽財匯雙貿公司	1年以內	貨款	5,853
Caihui Commercial and Frade co,Luoyang city	Within 1 year	Purchase	
洛陽市財匯商貿有限公司	1年以內	貨款	2,000
Caihui Commercial and Frade co,Luoyang city	Within 1 year	Purchase	
偃師供電營銷部	1年以內	貨款	1,497
Yanshi Electricity Distribution Department	Within 1 year	Purchase	
贛州金環磁選設備有限公司	1年以內	設備款	1,350
Jinhuan magnet-selected equipment Co.Ltd,GanZhou city	Within 1 year	Equipment	
洛玻集團公司	1年以內	設備款	1,271
CLFG	Within 1 year	Equipment	
合計			11,971
Total			

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

At 30 June 2007, the five largest accounts receivable (after bad debt provision) accounted for 46.15% of the Group's total accounts receivable (after bad debt provision) (31 December 2006: 48%).

(4) Prepaid expenses

Ageing analysis of prepaid expenses is as follows:

於2007年6月30日		於2006年12月31日	
30 June 2007		31 Dec 2006	
金額	佔總額比例	金額	佔總額比例
Amount	Percentage	Amount	Percentage
15,610	87%	11,493	94%
1,643	9%	680	6%
661	4%	17	—
13	—	13	—
17,927	100%	12,203	100%

The five largest prepaid expenses at 30 June 2007 are as follows:

單位名稱	欠款時間	原因	金額
Name of entity	Period of original debts	Particulars	Amount
洛陽財匯雙貿公司	1年以內	貨款	5,853
Caihui Commercial and Frade co,Luoyang city	Within 1 year	Purchase	
洛陽市財匯商貿有限公司	1年以內	貨款	2,000
Caihui Commercial and Frade co,Luoyang city	Within 1 year	Purchase	
偃師供電營銷部	1年以內	貨款	1,497
Yanshi Electricity Distribution Department	Within 1 year	Purchase	
贛州金環磁選設備有限公司	1年以內	設備款	1,350
Jinhuan magnet-selected equipment Co.Ltd,GanZhou city	Within 1 year	Equipment	
洛玻集團公司	1年以內	設備款	1,271
CLFG	Within 1 year	Equipment	
合計			11,971
Total			

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

4 預付款項(續)

於2007年6月30日，本集團預付款項前五名單位的預付款總額佔本集團預付款項總額的66.78% (2006年12月31日：70%)。

除控股公司外，上述餘額中無其他對持有本公司5%或以上表決權股份的股東的預付款項。

5 其他應收款

其他應收款賬齡分析如下：

		於2007年6月30日 30 June 2007				於2006年12月31日 31 Dec 2006			
		金額	佔總額 比例 % of total accounts receivable	壞賬準備 計提比例 % of provision on gross amount	金額	佔總額 比例 % of total accounts receivable	壞賬準備 計提比例 % of provision on gross amount	金額	佔總額 比例 % of total accounts receivable
		Amount		Bad debt provision	Amount		Bad debt provision	Amount	
1年以內	Within 1 year	19,123	29%	10,316	25,546	35%	9,493	25,546	37%
1至2年	Over 1 year but within 2 years	4,503	7%	3,365	3,462	5%	2,359	3,462	68%
2至3年	Over 2 years but within 3 years	1,959	3%	1,884	1,581	2%	1,488	1,581	94%
3年以上	Over 3 years	40,637	61%	40,427	42,860	58%	42,498	42,860	99%
合計	Total	66,222	100%	55,992	73,449	100%	55,838	73,449	76%

壞賬準備分析如下：

Analysis of bad debt provision is as follows:

截至2007年
6月30日止
六個月
For the
six months ended
30 June 2007

期初餘額	Beginning balance of the period	55,838
加：本期計提	Add: Charge for the period	154
期末餘額	Endind balance of the period	55,992

五. 財務報表主要項目註釋 (續)

本集團財務報表主要項目註釋 (續)

5 其他應收款 (續)

於2007年6月30日，本集團前五名其他應收款(已扣除壞賬準備)如下：

單位名稱 Name of entity
汝陽縣財政國庫集中支付中心 Finance and treasury payments Center, Ruyang County
洛玻集團晶緯公司 Jingwei Co, CLFG
新興公司 Xinxing Co, CLFG
鄭州鐵路局汝陽車站 Ruyang Railway station of ZhengZhou Railway Bureau
沂南縣陽都資產運營有限公司 Yangdu asset operation Co. Ltd, Yinan county
合計 Total

於2007年6月30日，本集團其他應收款前五名單位的應收款總額(已扣除壞賬準備)佔本集團其他應收款總額(已扣除壞賬準備)的57.79%(2006年12月31日：84%)。

其他應收款期末餘額中無對持有本公司5%或以上表決權股份的股東的其他應收款。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(5) Other receivables (Continued)

The five largest other receivables (after bad debt provision) at 30 June 2007 are as follows:

欠款時間 Period of original debts	原因 Particulars	金額 Amount
1年以內 Within 1 year	預付土地款 Prepaid land expense	3,000
1年以內 Within 1 year	應收水電款 Water and electricity receivable	1,399
1年以內 Within 1 year	往來款 Other receivables	637
1年以內 Within 1 year	預付款 Prepaid expenses	456
1年以內 Within 1 year	暫借款 Other receivables	420
		5,912

At 30 June 2007, the five largest other receivables (after bad debt provision) accounted for 57.79% of the Group's total other receivables (after bad debt provision) (31 December 2006: 84%).

No balance of other receivables is due from a shareholder who holds 5% or more of the voting shares of the company.

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

6 存貨

原材料	Raw materials
庫存商品	Finished goods
在產品	Work in progress
小計	Sub-total
減：存貨跌價準備	Less: provision for diminution in value of inventories
合計	Total

以上存貨均為購買或自行生產形成。

存貨跌價準備：

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(6) Inventories

	於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
Raw materials	191,483	216,839
Finished goods	125,482	102,738
Work in progress	12,353	18,915
Sub-total	329,318	338,492
Less: provision for diminution in value of inventories	(20,245)	(38,691)
Total	309,073	299,801

All the above inventories are purchased or self-manufactured.

Provision for diminution in value of inventories:

		期初餘額 Beginning balance	本期計提數 Provision	本期減少數 Decrease for the period 轉回 Reversal	轉銷 Write-off	期末餘額 Ending balance
原材料	Raw materials	24,840	—	—	(16,655)	8,185
庫存商品	Finished goods	13,851	773	—	(2,564)	12,060
合計	Total	38,691	773	—	(19,219)	20,245

五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

7 其他流動資產

包裝架子	Package rack
保險費	Insurance expense
其他	Others
合計	Total

其他流動資產系本集團已發生尚需在未來一個會計期間內進行攤銷的相關費用。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(7) Other current assets

於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
91	—
42	78
232	93
365	171

Other current assets are those expenses of the Group incurred but to be amortised in next accounting period.

8 長期股權投資

投資成本	Cost of investment
期初餘額	Beginning balance of the period
本期增加	Increase for the period
本期減少	Decrease for the period
期末餘額	Ending balance of the period
減：減值準備	Less: Provision for impairment
期初餘額	Beginning balance of the period
期末餘額	Ending balance of the period
賬面價值	Net carrying value:
期末賬面價值	Ending carrying value
期初賬面價值	Beginning carrying value

本集團對聯營公司投資信息詳見附註5(44)。

(8) Long-term equity investments

對聯營公司 的投資 Investment in associates	其他股權投資 Other equity investments	合計 Total
116,208	58,903	175,111
134	—	134
—	(31,800)	(31,800)
116,342	27,103	143,445
—	(26,903)	(26,903)
—	(26,903)	(26,903)
116,342	200	116,542
116,208	32,000	148,208

The information of the Group's investing in associates refers to Note 5(44).

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

8 長期股權投資(續)

其他股權投資為本集團無控制、無共同控制且無重大影響的長期股權投資。

於2007年6月30日，本集團的其他主要股權投資列示如下：

公司名稱	註冊資本 的比例	佔被投資 單位股本	初始 投資成本	期末投 資金額 (淨值)	註釋
Name of investee enterprise	Registered capital	Direct attributable equity interests	Initial investment cost	Ending investment amount (net value)	Note
偃師農信社	60,000	0.33%	200	200	
洛玻集團洛陽起重 機械有限公司	13,631	36.68%	5,000	—	(i)
洛玻集團洛陽晶緯 玻璃纖維有限公司	11,142	35.90%	4,000	—	(i)
八達	150,000	72.65%	13,561	—	(i)
延煉石油化工股份 有限公司	425,703	7.47%	31,800	—	(i)

(i) 該等公司基本情況詳見附註5(44)。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(8) Long-term equity investments (Continued)

Other equity investments include long-term equity investments for which the Group has no control, joint control or significant influence.

At 30 June 2007, other equity investments of the Group and the Company are as follows:

(i) The details of the above companies refers to Note 5 (44).

五. 財務報表主要項目註釋 (續)

本集團財務報表主要項目註釋 (續)

9 固定資產

成本

期初餘額	Beginning balance of the period
本期增加	Increase
在建工程轉入 (附註5(10))	Transfer from construction in progress (note (5(10)))
本期減少	Decrease

期末餘額 Ending balance of the period

累計折舊

期初餘額	Beginning balance of the period
本期增加	Charge for the period
本期減少	Written off on disposal

期末餘額 Ending balance of the period

減值準備

期初餘額	Beginning balance of the period
本期增加	Increase

期末餘額 Ending balance of the period

賬面價值

期末餘額 Ending carrying value

年初餘額 Beginning carrying value

於2007年6月30日，本集團已提足折舊仍繼續使用的固定資產賬面原值為人民幣269,573,000元(2006年12月31日：人民幣245,870,000元)。

於2007年6月30日，作為短期借款抵押的固定資產淨值為人民幣6,429,000元(2006年12月31日：人民幣6,429,000元)。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(9) Property, plant and equipment

房屋建築物	機器及設備	運輸工具	合計
Buildings	Machinery and equipment	Motor vehicles	Total
750,371	1,098,597	28,629	1,877,597
—	5,790	38	5,828
—	7,698	—	7,698
(2,812)	—	—	(2,812)
747,559	1,112,085	28,667	1,888,311
(293,756)	(378,648)	(18,042)	(690,446)
(12,054)	(43,766)	(954)	(56,774)
—	—	—	—
(305,810)	(422,414)	(18,996)	(747,220)
(11,056)	(1,480)	—	(12,536)
(14,145)	—	—	(14,145)
(25,201)	(1,480)	—	(26,681)
416,548	688,191	9,671	1,114,410
445,559	718,469	10,587	1,174,615

At 30 June 2007, the original cost of fully depreciated property, plant and equipment in use was RMB269,573,000 (31 December 2006: RMB245,870,000).

At 30 June 2007, included in the net carrying value of property, plant and equipment was RMB6,429,000 (31 December 2006: 6,429,000) pledged as mortgage for short-term loans.

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

10 在建工程

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(10) Construction in progress

截至2007年
 6月30日止
 六個月
 30 June 2007

成本	Cost	
期初餘額	Beginning balance of the period	3,965
本期增加	Increases	9,902
本期轉入固定資產(附註5(9))	Transfer to property, plant and equipment for the period (note 5 (9))	(7,698)
期末餘額	Ending balance of the year	<u>6,169</u>

本集團本報告期無借款利息資本化 (2006年: 5.8%)。

No capitalised interest for the period (2006: 5.8%)

五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

10 在建工程

於2007年6月30日，本集團的主要在建工程列示如下：

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(10) Construction in progress (Continued)

At 30 June 2007, major construction in progress of the Group are as following:

工程項目	預算金額	期初餘額	本期增加	本期轉入 固定資產	期末 餘額	工程投入 佔預算比例	借款費用 來源資金	資本化金額
Construction Projects	Budgeted amount	Beginning balance of the period	Increase	Transfer to PPE for the period	Ending balance of the period	Cost incurred to date to budgeted amount	Source of fund	Interest expense capitalised
儲油罐自動測量監控系統 Oil-stored tank auto measuring and monitoring system		73	—	(73)	—		自籌 Self- financing	—
沂南零星工程 Yinan odd engineering		—	345	—	345		自籌 Self- financing	—
煤氣管網改造 Gas channel and net innovation		—	1,561	—	1,561		自籌 Self- financing	—
洛神技改 Luoshen technic reform		1,272	—	—	1,272		自籌 Self- financing	—
龍飛供電線路電力變壓 器及煤氣外網工程 Longfei electricity circulation and net engineering		2,620	371	—	2,991		自籌 Self- financing	—
龍翔玻璃生產線改造 Longxiang Glass Production innovation		—	7,625	(7,625)	—		自籌 Self- financing	—
合計 Total		3,965	9,902	(7,698)	6,169			

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五. 財務報表主要項目註釋 (續)

本集團財務報表主要項目註釋 (續)

11 工程物資

於2007年6月30日，本集團的工程物資主要為在建工程尚未領用的材料之實際成本。

12 無形資產

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(11) Construction materials

At 30 June 2007, construction materials of the Group are the actual costs of materials of construction in progress.

(12) Intangible assets

		土地使用權 Land use rights	商標權 和非專利技術 Trademark and Know-how	合計 Total
成本	Cost			
期初餘額	Beginning balance of the period	154,574	18,400	172,974
期末餘額	Ending balance of the period	154,574	18,400	172,974
累計攤銷	Accumulated amortisation			
期初餘額	Charge for the period	(32,626)	(3,181)	(35,807)
本期增加	Beginning balance of the period	(1,626)	(736)	(2,362)
期末餘額	Ending balance of the period	(34,252)	(3,917)	(38,169)
賬面價值	Net carrying value			
期末餘額	Ending carrying value	120,322	14,483	134,805
期初餘額	Beginning carrying value	121,948	15,219	137,167

(i) 本集團2007年6月30日的土地使用權成本中人民幣104,890,038元為洛玻集團投入，另人民幣49,684,031元是從第三方購入。剩餘攤銷年限為16至58年。土地使用權成本中人民幣34,720,000元的土地使用權證正在申請辦理之中，本集團已經實際使用相關土地129畝，控股公司洛玻集團生活區佔用相關土地214畝，洛玻集團已承諾2007年10月之前以其擁有的位於洛陽市唐宮中路9號的部分土地與其佔用本公司的上述土地以公允價值為基礎進行置換。

(ii) 本公司之子公司持有的商標權和非專利技術由洛玻集團作為資本投入，剩餘攤銷年限為9至14年。

(i) RMB104,890,038 of the Group's land use rights is invested by CLFG and RMB92,078,000 is purchased from third parties. The remaining useful lives range from 16 to 58 years. The certificate of land use rights as the amount of RMB34,720,000 is in the process of application. The Group has already used 129 acres as well as CLFG has used 214 acres for residential area. Meanwhile CLFG has agreed to swap it with the land which owns by CLFG and locates at No 9 Tanggong Middle Road Luoyang city at market value basis no later than October 2007.

(ii) Trademark and know-how of subsidiaries of the company are invested by CLFG and remaining useful lives range from 9 to 14 years.

五. 財務報表主要項目註釋 (續)

本集團財務報表主要項目註釋 (續)

13 其他非流動資產

長期其他應收款

合計

Other Long-term receivables

Total

本公司其他應收款中包括應收廣州國際信託投資公司(「廣州國投」)人民幣50,000,000元逾期存款(2006年12月31日:人民幣50,000,000元)。該筆款項原值為人民幣145,657,113.55元,已於以前年度計提66%壞賬準備。廣州國投正於重組當中。董事在瞭解廣州國投最近的重組進展後,認為本報告期無需追加計提壞賬準備。本公司並未對該筆存款計提利息收入。

14 資產減值準備

本集團於2007年6月30日資產減值情況匯總如下:

項目	附註	年初餘額	本期計提數	本期減少數 轉回	轉銷	期末餘額	
Items	Notes	Beginning balance	Provisions	Reversal	Write-off	Ending balance	
壞賬準備	Bad debt provision	5(3)(5)	101,532	672	(5)	—	102,199
存貨跌價準備	Provision for decline in value of inventories	5(6)	38,691	773	—	(19,219)	20,245
長期股權投資減值準備	Provision for long-term equity investment impairment	5(8)	26,903				26,903
固定資產減值準備	Provision for impairment of PPE	5(9)	12,536	14,145	—	—	26,681
其他非流動資產壞賬準備	Long-term bad debt provision	5(13)	95,657				95,657
合計	Total		275,319	15,590	(5)	(19,219)	271,685

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(13) Other non-current assets

於2007年
6月30日
30 June
2007

於2006年
12月31日
31 Dec
2006

50,000

50,000

50,000

50,000

Included in other long-term receivables is the amount of RMB50,000,000 due from Guangzhou International Trust & Investment Co., Ltd ("GZITIC") (31 December 2006: RMB50,000,000). The original value is RMB 145,657,113.55 but it had been provided bad debt provision at 66% of original value in last financial year. GZITIC is under restructure. According to its current restructure situation, executives think there is no need for extra bad debt provision for this event in this period. Also, it is interest free.

(14) Provision for impairment

At 30 June 2007, major provision for impairment of the Group are as follows:

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

15 所有權受到限制的資產

用於擔保的資產	Assets for mortgage
貨幣資金	Cash
固定資產	Property, plant and equipment
無形資產	Intangible assets
合計	Total

上述資產均因用於本集團向金融機構申請貸款或辦理承兌匯票提供抵押或其他保證而導致所有權受到限制。

16 短期借款

信用借款	Credit loans
抵押借款	Mortgage loans
保證借款	Secured loans
合計	Total

除控股公司外，上述餘額中無其他從持有本公司5%或以上表決權股份的股東取得的短期借款。

17 應付票據

應付票據主要是本集團購買材料、商品或產品而發出的銀行承兌匯票，還款期限一般為1至6個月。

應付票據餘額中無對持有本公司5%或以上表決權股份的股東的應付匯票。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(15) Ownership-limited assets

期初賬面價值 Beginning carrying value	本期增加額 Increase	本期減少額 Decrease	期末賬面價值 Ending carrying value
214,545	—	(58,795)	155,750
6,429	—	—	6,429
2,948	—	(35)	2,913
223,922	—	(58,830)	165,092

The ownership of the above assets is limited due to using as mortgage or other guarantees for the purposes of applying for loans or guaranteed notes payable from financial organizations.

(16) Short-term loans

於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
22,940	36,540
59,100	94,980
725,300	770,700
807,340	902,220

Except for the loans due to the holding company, no balance is due to a shareholder who holds 5% or more of the voting shares of the Company

(17) Notes payable

Bills payable primarily represent the bank accepted bills for the purchase of raw materials, goods and products. The repayment terms normally range from 1 to 6 months.

No balance is due to a shareholder who holds 5% or more of the voting shares of the Company.

五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

18 應付賬款

		2007年6月30日 30 June 2007		2006年12月31日 31 Dec 2006	
		金額 Amount	佔總額比例 Percentage	金額 Amount	佔總額比例 Percentage
1年以內	Within 1 year	426,873	95%	383,883	96%
1至2年	Over 1 year but within 2 years	21,360	5%	15,475	4%
2至3年	Over 2 years but within 3 years	1,023	—	336	—
3年以上	Over 3 years	633	—	928	—
合計	Total	449,889	100%	400,622	100%

應付賬款期末餘額中無對持有本公司5%或以上表決權股份的股東的應付款項。

19 預收款項

		2007年6月30日 30 June 2007		2006年12月31日 31 Dec 2006	
		金額 Amount	佔總額比例 Percentage	金額 Amount	佔總額比例 Percentage
1年以內	Within 1 year	74,415	96%	82,833	96%
1至2年	Over 1 year but within 2 years	1,762	2%	1,056	1%
2至3年	Over 2 years but within 3 years	537	1%	724	1%
3年以上	Over 3 years	864	1%	1,372	2%
合計	Total	77,578	100%	85,985	100%

除控股公司以外，預收款項期末餘額中無其他對持有本公司5%或以上表決權股份的股東的預收款項。應付控股公司之款項詳情，列於附註7(3)。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(18) Accounts payable

		2007年6月30日 30 June 2007		2006年12月31日 31 Dec 2006	
		金額 Amount	佔總額比例 Percentage	金額 Amount	佔總額比例 Percentage
1年以內	Within 1 year	426,873	95%	383,883	96%
1至2年	Over 1 year but within 2 years	21,360	5%	15,475	4%
2至3年	Over 2 years but within 3 years	1,023	—	336	—
3年以上	Over 3 years	633	—	928	—
合計	Total	449,889	100%	400,622	100%

No balance is due to a shareholder who holds 5% or more of the voting shares of the Company.

(19) Receipts in advance

		2007年6月30日 30 June 2007		2006年12月31日 31 Dec 2006	
		金額 Amount	佔總額比例 Percentage	金額 Amount	佔總額比例 Percentage
1年以內	Within 1 year	74,415	96%	82,833	96%
1至2年	Over 1 year but within 2 years	1,762	2%	1,056	1%
2至3年	Over 2 years but within 3 years	537	1%	724	1%
3年以上	Over 3 years	864	1%	1,372	2%
合計	Total	77,578	100%	85,985	100%

Except for the amounts due to the holding company, no balance is due to a shareholder who holds 5% or more of the voting shares of the Company. The details of the amounts due to the holding company refers to Note 7 (3) of related parties transactions.

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

20 應付職工薪酬

		期初賬面價值 Beginning book value	本期增加額 Increase	本期減少額 Decrease	期末賬面價值 Ending carrying value
一. 工資	1. Salaries	1,344	31,516	(31,679)	1,181
二. 職工福利費	2. Employee welfare	8,641	1,158	(1,457)	8,342
三. 社會保險費	3. Social insurance expense	2,573	16,012	(13,634)	4,951
其中：－醫療保險費	— medical insurance expense	275	884	(380)	779
－基本養老保險費	— basic social welfare	1,506	13,350	(11,413)	3,443
－失業保險費	— unemployment insurance expense	604	953	(1,118)	439
－工傷保險費	— injury insurance expense	49	601	(465)	185
－生育保險費	— birth insurance expense	139	224	(258)	105
四. 住房公積金	4. Housing funds	3,966	5,174	(6,004)	3,136
五. 工會經費和職工教育經費	5. Labour union and employee training fees	4,266	1,050	(911)	4,405
合計	Total	20,790	54,910	(53,685)	22,015

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21 應交稅費

(21) Taxes payable

		於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
增值稅	VAT	3,335	(953)
城建稅	City construction tax	263	765
土地使用稅	Land use tax	627	1,047
房產稅	Property tax	148	587
營業稅	Operating tax	170	1,942
教育費附加	Education surcharge	162	403
礦產資源補償費	Mine compensation expense	281	221
企業所得稅	Income tax	(2,243)	(2,249)
其他	Other	62	44
合計	Total	2,805	1,807

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

22 應付利息

借款利息

Loan interest

於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
233	47
233	47

23 其他應付款

合計

Total

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(22) Interest payable

(23) Other payables

於2007年6月30日 30 June 2007		於2006年12月31日 31 Dec 2006	
金額 Amount	佔總額比例 Percentage	金額 Amount	佔總額比例 Percentage
97,293	89%	97,649	70%
6,694	6%	2,634	2%
627	—	3,582	2%
5,159	5%	35,815	26%
109,773	100%	139,680	100%

除控股公司以外，其他應付款期末餘額中無其他對持有本公司5%或以上表決權股份的股東的其他應付款。應付控股公司之款項詳情，列於附註7(3)。

Except for the amounts due to the holding company, no balance is due to a shareholder who holds 5% or more of the voting shares of the Company. The details of the amounts due to the holding company refers to Note 7 (3) of related parties transactions.

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

24 其他流動負債

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(24) Other current liabilities

		於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
審計費	Audit expense	2,972	1,950
電費	Electricity expense	3,351	1,045
運費	Freight expense	234	—
木箱費	Wood box expense	999	—
公告費	Announcement expense	678	—
倉儲費	Storage expense	400	—
排污費	Clear-up expense	996	—
其他	Other	311	712
合計	Total	<u>9,941</u>	<u>3,707</u>

其他流動負債系本集團預提的尚未結算的相關費用。

Other current liabilities are the relatively accrual expenses of the Group.

五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

25 長期借款

於2007年6月30日本集團長期借款具體情況如下：

貸款單位	擔保或抵押	到期日	於2007年之	幣種	金額	匯率	1年內	1年以上	於2007年
			約定年利率	原幣金額			到期金額	到期金額	6月30日
Lenders	Guaranteed or secured	Maturity date	Contracted annual interest rate in 2007	Original currency	Amount ('000)	Exchange rate	Amount with maturity within 1 year	Amount with maturity after 1 year	Balance at 30 June 2007
銀行借款									
Bank loans									
中國銀行	擔保	2007年至2019年	2.5%	歐元	678	10.2337	530	6,411	6,941
Bank of China	Guaranteed	2007-2019		Euro					
銀行借款									
Bank loans									
汝陽縣小店信用社	信用	2008年	10.44%	人民幣	1,000	—	1,000	—	1,000
Ruyang Rural Credit Cooperatives	Credit	2008		RMB					
非銀行金融機構借款	擔保	2007年至2008年	6.03%	人民幣	80,000	—	27,670	52,330	80,000
Loans from non-bank financial institutions	Guaranteed	2007-2008		RMB					
Total							29,200	58,741	87,941
合計									

長期借款期末餘額中無從持有本公司5%或以上表決權股份的股東取得的長期借款。

No balance is due to a shareholder who holds 5% or more of the voting shares of the Company.

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五. 財務報表主要項目註釋(續)

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25 長期借款(續)

於2006年12月31日本集團長期借款具體情況如下：

貸款單位	擔保或抵押	到期日	於2006年之 約定年利率	幣種 原幣金額	金額 (千元)	匯率	1年內 到期金額	1年以上 到期金額	於2006年 12月31日 總金額
Lenders	Guaranteed or secured	Maturity date	Contracted annual interest rate in 2006	Original currency	Amount (‘000)	Exchange rate	Amount with maturity within 1 year	Amount with maturity after 1 year	Balance at 31 Dec 2006
銀行借款									
Bank loans									
中國銀行	擔保	2007年至 2019年	2.5%	歐元	704	10.2665	532	6,697	7,229
Bank of China	Guaranteed	2007-2019		Euro					
銀行借款									
Bank loans									
汝陽縣小店信用社	信用	2008年	10.44%	人民幣	1,000	—	—	1,000	1,000
Ruyang Rural Credit Cooperatives	Credit	2008		RMB					
非銀行金融機構借款	擔保	2007年至 2008年	6.03%	人民幣	80,000	—	27,670	52,330	80,000
Loans from non-bank financial institutions	Guaranteed	2007-2008		RMB					
Total 合計							28,202	60,027	88,229

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(25) Long-term loans (Continued)

The Company's and the Group's long-term loans are set out as follows: 31 December 2006

五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

26 預計負債

待履行的股權受讓款

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(26) Provisions

Unrealised equity transfers

於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
2,503	2,503
2,503	2,503

27 股本

有限制條件流通股份
179,018,242股為國有法人股
，每股人民幣1.00元

無限制條件流通股份
250,000,000 H股，每股人民幣1.00元
71,000,000股社會公眾股A股，
每股人民幣1.00元

小計

合計

上述已發行及繳足股本已由畢馬威華振會計師事務所驗證，並分別於1994年5月5日、1994年8月29日及1995年10月23日出具了驗資報告。

2006年6月依據中國證券監督管理委員會《上市公司股權分置改革管理辦法》和上海證券交易所《上市公司股權分置改革業務操作指引》的規定，經本公司股東大會通過並經中華人民共和國商務部商資批[2006]1232號文批准，控股公司中國洛陽浮法玻璃集團有限責任公司以所持本公司股份2,100萬股作對價支付給A股流通股股東以取得其所持本公司股份的流通權。股權分置改革完成後，洛玻集團持有本公司股份變更為37,900萬股。

(27) Share capital

Unlisted shares

179,018,242 state-owned legal person
shares of RMB1.00 each

Listed shares

250,000,000 'H' shares of RMB1.00 each
71,000,000 'A' shares of RMB1.00 each

Sub-total

Total

於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
179,018	179,018
250,000	250,000
71,000	71,000
321,000	321,000
500,018	500,018

The above issued and paid-up capitals have been verified by KPMG Huazhen. Capital verification reports have been issued on 5 May 1994, 29 August 1994 and 23 October 1995.

In June 2006, according to the "Reform Of State-owned Non-circulating Shares Regulation" constituted by the SEC, and the "reform of state-owned non-circulating shares Rules" constituted by the Shanghai Stock Exchange, authorized by stockholders meeting and China commercial [2006] File No.1232, the Company paid the "A" stockholders 21,000,000 shares of stock, which were originally owned by the CLFG. After shareholding allocation reform, CLFG holds 379,000,000 issued shares.

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

27 股本(續)

於2006年11月30日，河南省洛陽市中級人民法院(2007)洛執字第18-32號裁定書的裁定，洛玻集團以其持有本公司的199,981,758股的A股股票抵償所欠本公司的債務人民幣629,942,543元。中國證券登記結算有限責任公司上海分公司已於2006年12月6日辦理了相關股份變更登記，洛玻集團持有本公司股份變更為179,018,242股，本公司總股本變更為500,018,242股。

上述股權分置改革及控股公司洛玻集團以股抵債所產生的股本變更已由廣東恒信德律會計師事務所驗證，並於2007年6月20日出具了驗資報告。

所有國有法人股、社會公眾A股及H股在重大方面均享有完全同等之權益。

28 資本公積

本集團資本公積具體情況如下：

股本溢價	Capital premium
其他資本公積	Other capital reserve
合計	Total

29 盈餘公積

本集團盈餘公積餘額均屬法定盈餘公積，本報告期無增加變化。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(27) Share capital (Continued)

At 30 November 2006, Henan province Luoyang city court (2007) No 18-32 adjudicates that GLFG has to give 199,981,758 shares of A share as the payment of RMB 629,942,543 to creditors. China Securities Depository and Clearing Corporation Limited Shanghai Office issued share alternation registration on 6 December 2006 that GLFG holds 179,018,242 shares of total issued shares of 500,018,242.

The above shareholding allocation reform and holding company GLFG as shares offset liabilities caused shares alternation has been verified by Guangdong Hengxin Delu Certified Public Accountants Co., Ltd and issued the reports on 20 June 2007.

All the State-owned legal person shares, A shares and H shares the same equities in all material respects.

(28) Capital reserves

Capital reserve of the Company and the Group are set out as follows:

	於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
股本溢價	825,080	825,080
其他資本公積	89,099	89,099
合計	914,179	914,179

(29) Surplus reserves

The balance of surplus reserve is statutory surplus reserve, no movements during this period.

五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

30 營業收入

主營業務收入
其他業務收入

合計

Major operating income
Other operating income

Total

本集團主營業務收入是指玻璃銷售業務所取得收入。本集團的分部資料已於附註6中列示。

本期間本集團主營業務收入前五名客戶銷售收入總額為人民幣78,195,000元(截至2006年6月30日6個月:人民幣46,763,000元),佔本集團全部銷售收入的11.34%(截至2006年6月30日6個月:10.54%)。

31 營業成本

主營業務成本
其他業務成本

合計

Major operating Costs
Other operating Costs

Total

本集團主營業務成本是指玻璃銷售業務所發生的成本。本集團的分部資料已於附註6中列示。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(30) Operating income

	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
Major operating income	665,794	443,540
Other operating income	24,033	31,394
Total	689,827	474,934

The Group's income from principal activities represents income generated from sales of glass products. Segmental information of the Group is presented separately in Note 6 of segment reporting.

During this period, sales revenue from top five clients was RMB78,195,000 (For the six months ended 30 June 2006: RMB46,763,000) which accounted for 11.34% (For the six months ended 30 June 2006:10.54%) of total income from principal activities of the Group.

(31) Operating Costs

	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
Major operating Costs	(629,446)	(520,789)
Other operating Costs	(19,859)	(18,435)
Total	(649,305)	(539,224)

The Group's Cost of sales from principal activities represents cost incurred in relation to sales of glass products. Segmental information of the Group is presented separately in Note 6 of segment reporting.

五. 財務報表主要項目註釋 (續)

本集團財務報表主要項目註釋 (續)

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五. 財務報表主要項目註釋 (續)

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32 營業税金及附加

城市維護建設稅
City construction tax
教育費附加
Education surcharge
其他
Other

計繳標準

Tax rate and base

繳納增值稅的5% - 7%
5% - 7% on VAT
繳納增值稅的3%
3% on VAT

合計

Total

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(32) Operating taxes and surcharges

	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
	(583)	(122)
	(528)	(59)
	(367)	(2)
	(1,478)	(183)

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33 財務費用

利息支出
Interest expense
利息收入
Interest income
淨匯兌虧損
Net foreign exchange loss
其他財務費用
Other finance costs

Interest expense
Interest income
Net foreign exchange loss
Other finance costs

合計

Total

(33) Finance costs

	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
	(31,737)	(35,735)
	2,193	2,076
	(570)	(971)
	(2,970)	(670)
	(33,084)	(35,300)

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

34 資產減值損失

壞賬損失	Bad debt loss	5	3,887
存貨跌價損失	Loss on diminution in value of inventories	(5,444)	(5,878)
固定資產減值損失	Impairment loss of PPE	(14,144)	(1,516)
合計	Total	(19,583)	(3,507)

35 投資收益

長期股權投資收益/(損失)	Investment gains / (losses) from long-term equity investments	134	(2,906)
— 權益法	— under the equity method	22,059	—
投資轉讓收益	Investment disposal gain	5	730
委託貸款利息收入	Interest income from designated loans	—	265
其他	Other	—	265
合計	Total	22,198	(1,911)

本集團不存在投資收益匯回的重大限制。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(34) Impairment loss

截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
5	3,887
(5,444)	(5,878)
(14,144)	(1,516)
(19,583)	(3,507)

(35) Investment income

截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
134	(2,906)
22,059	—
5	730
—	265
22,198	(1,911)

There is no significant restriction on the transfer of investment income to the Group.

截至二零零七年六月三十日止六個月半年度會計報表
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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

36 營業外收入

		截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
固定資產處置收益	Gain on disposal of PPE	58	1,396
罰款收入	Fine income	186	12
債務重組利得	Gain on debt restructure	2,402	—
政府補助	Government grants	—	100
其他	Other	188	—
合計	Total	2,834	1,508

37 營業外支出

		截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
固定資產處置損失	Loss on disposal of PPE	—	(235)
罰款支出	Fine expenditure	(155)	(156)
捐贈支出	Donation expenditure	(4)	(1)
其他	Other	(70)	(1,203)
合計	Total	(229)	(1,595)

38 所得稅費用

本公司和本公司之子公司於2007年6月30日仍有未彌補虧損，故本集團沒有計提所得稅費用。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(36) Non-operating income

(37) Non-operating expenditures

(38) Income tax expense

At 30 June 2007, The company and subsidiaries have unutilized tax losses, therefore no provision for income tax is required.

五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

39 淨資產收益率和每股收益

截至2007年6月30日止六個月淨資產收益率和每股收益

項目 Items	淨資產收益率 ROE		每股收益(元/股) EPS	
	全面攤薄 Comprehensive dilution	加權平均 Weighted average	基本每股收益 Basic EPS	稀釋每股收益 Diluted EPS
	歸屬於本公司股東淨利潤 Net profit attributable to the Company's shareholders	-25.57%	-22.67%	(0.13)
扣除非經常性損益後的歸屬於 本公司股東淨利潤 Net profit attributable to the Company's shareholders after deducted unusual items	-26.62%	-23.60%	(0.13)	(0.13)

截至2006年6月30日止六個月淨資產收益率和每股收益

項目 Items	淨資產收益率 ROE		每股收益(元/股) EPS	
	全面攤薄 Comprehensive dilution	加權平均 Weighted average	基本每股收益 Basic EPS	稀釋每股收益 Diluted EPS
	歸屬於本公司股東淨利潤 Net profit for shareholders of the company	-19.73%	-17.97%	(0.22)
扣除非經常性損益後的歸屬於 本公司股東淨利潤 Net profit for shareholders of the company after deducted unusual items	-21.38%	-19.47%	(0.24)	(0.24)

5 Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(39) ROE and EPS

For the six months ended 30 June 2007 ROE and EPS

For the six months ended 30 June 2006 ROE and EPS

截至二零零七年六月三十日止六個月半年度會計報表
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五. 財務報表主要項目註釋 (續)

本集團財務報表主要項目註釋 (續)

39 淨資產收益率和每股收益 (續)

淨資產收益率和每股收益計算公式如下：

全面攤薄淨資產收益率 = $P \div E$

加權平均淨資產收益率 = $P \div (E0 + NP \div 2 + E_i \times M_i \div M0 - E_j \times M_j \div M0 \pm E_k \times M_k \div M0)$

其中：P分別對應於歸屬於公司普通股股東的淨利潤、扣除非經常性損益後歸屬於公司普通股股東的淨利潤；NP為歸屬於公司普通股股東的淨利潤；E為歸屬於公司普通股股東的期末淨資產；E0為歸屬於公司普通股股東的期初淨資產；E_i為報告期發行新股或債轉股等新增的歸屬於公司普通股股東的淨資產；E_j為報告期回購或現金分紅等減少的歸屬於公司普通股股東的淨資產；M0為報告期月份數；M_i為新增淨資產下一月份起至報告期期末的月份數；M_j為減少淨資產下一月份起至報告期期末的月份數；E_k為因其他交易或事項引起的淨資產增減變動；M_k為發生其他淨資產增減變動下一月份起至報告期期末的月份數。

基本每股收益 = $P \div (S0 + S1 + S_i \times M_i \div M0 - S_j \times M_j \div M0 - S_k)$

稀釋每股收益 = $[P + (\text{已確認為費用的稀釋性潛在普通股利息} - \text{轉換費用}) \times (1 - \text{所得稅率})] \div (S0 + S1 + S_i \times M_i \div M0 - S_j \times M_j \div M0 - S_k + \text{認股權證、股份期權、可轉換債券等增加的普通股加權平均數})$

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(39) ROE and EPS (Continued)

Formula of ROE and EPS :

Comprehensive diluted ROE = $P \div E$

Weighted average ROE = $P \div (E0 + NP \div 2 + E_i \times M_i \div M0 - E_j \times M_j \div M0 \pm E_k \times M_k \div M0)$

P: Net profit attributable to common shareholders, net profit attributable to common shareholders after deducted unusual items;

NP: Net profit attributable to common shareholders;

E: Ending net assets attributable to common shareholders;

E0: Beginning net assets attributable to common shareholders;

E_i: Increased net assets attributable to common shareholders due to new shares issued or convertibles;

E_j: Decreased net assets attributable to common shareholders due to repurchase or bonus;

M0: Months;

M_i: Months from next month of increased net assets to the end of the period;

M_j: Months from next month of decreased net assets to the end of the period;

E_k: Changes in net assets due to other transactions or events;

M_k: Other months from next month of increased(decreased) net assets to the end of the period.

Basic EPS = $P \div (S0 + S1 + S_i \times M_i \div M0 - S_j \times M_j \div M0 - S_k)$

Diluted EPS = $[P + (\text{potentially diluted common share interest recognised as expense} - \text{conversion expense}) \times (1 - \text{income tax rate})] \div (S0 + S1 + S_i \times M_i \div M0 - S_j \times M_j \div M0 - S_k + \text{increased weighted average common shares due to warrants, share options, convertible bonds etc.})$

五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

39 淨資產收益率和每股收益(續)

其中：P為歸屬於公司普通股股東的淨利潤或扣除非經常性損益後歸屬於普通股股東的淨利潤；S為發行在外的普通股加權平均數；S0為期初股份總數；S1為報告期因公積金轉增股本或股票股利分配等增加股份數；Si為報告期因發行新股或債轉股等增加股份數；Sj為報告期因回購等減少股份數；Sk為報告期縮股數；M0報告期月份數；Mi為增加股份下一月份起至報告期期末的月份數；Mj為減少股份下一月份起至報告期期末的月份數。

40 非經常性損益

本集團非經常性損益列示如下：

項目

Items

非流動資產處置損益
以前年度已經計提各項減值準備的轉回
委託貸款利息收入
其他各項營業外收支淨額
非經常性損益的少數股東損益影響數

合計

Disposal gain or loss on non-current assets
Prior year impairment reversal
Interest income of client loans
Other net non-operating profit
Effects of Unusual items on minority interests

Total

	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
	58	(235)
	—	14,759
	5	730
	2,547	(1,368)
	10	(781)
	2,620	13,105

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(39) ROE and EPS (Continued)

P: Net profit attributable to common shareholders, net profit attributable to common shareholders after deducted unusual items;
S: Outstanding weighted average shares;
S0: Beginning shares;
S1: Increased shares due to capital reserve transferred to share capital or dividends distributed;
Si: Increased shares due to new shares issued or convertibles;
Sj: Decreased shares due to repurchase etc.;
Sk: shares anti-split;
M0: Months;
Mi: Months from the next month of increased shares to the end of the period;
Mj: Months from the next month of decreased shares to the end of the period.

(40) Unusual items

Unusual items of the group as following:

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五. 財務報表主要項目註釋(續)

本集團財務報表主要項目註釋(續)

41 現金及現金等價物

資產負債中貨幣資金餘額
減：用途受限的貨幣資金

現金及現金等價物餘額

本公司財務報表主要項目註釋

42 應收賬款

應收賬款賬齡分析如下：

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Group (Continued)

(41) Cash and cash equivalents

		於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
Cash balance		227,320	272,959
Less: special cash		(159,049)	(214,545)
Balance of cash and cash equivalents		68,271	58,414

Major items' notes to financial statements of the Company

(42) Accounts receivable

Ageing analysis of accounts receivable is as follows:

		於2007年6月30日 30 June 2007				於2006年12月31日 31 Dec 2006			
		金額	估總額 比例	壞賬準備 計提比例	金額	估總額 比例	壞賬準備 計提比例	金額	估總額 比例
		Amount	% of total accounts receivable	Bad debt provision gross amount	% of provision on gross amount	Amount	% of total accounts receivable	Bad debt provision gross amount	% of provision on gross amount
1年以內	Within 1 year	5,902	12%	—	—	9,904	19%	—	—
1至2年	Over 1 year but within 2 years	14	—	4	29%	14	—	4	29%
3年以上	Over 3 years	43,126	88%	43,126	100%	42,731	81%	42,731	100%
合計	Total	49,042	100%	43,130	88%	52,649	100%	42,735	81%

五. 財務報表主要項目註釋 (續)

本公司財務報表主要項目註釋 (續)

42 應收賬款 (續)

壞賬準備分析如下：

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(42) Accounts receivable (Continued)

Analysis of provision for bad and doubtful debts is as follows:

		截至2007年 6月30日止 六個月 For the six months ended 30 June 2007
期初餘額	Beginning balance of the period	42,735
加：本期計提	Add: Charge for the period	395
		<hr/>
期末餘額	Ending balance of the period	43,130
		<hr/> <hr/>

本報告期，本公司並沒有個別重大全額計提壞賬準備或計提壞賬準備的比例較大的應收賬款。

In this period, the Company has not provided any full individual bad debt provision or substantial individual bad debt provision for accounts receivable.

本公司應收賬款期末餘額中無對持有本公司5%或以上表決權股份的股東的應收賬款。

No balance of trade receivables is due from a shareholder who holds 5% or more of the voting shares of the Company.

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
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五. 財務報表主要項目註釋(續)

本公司財務報表主要項目註釋(續)

42 應收賬款(續)

於2007年6月30日，本公司前五名應收賬款(已扣除壞賬準備)如下：

單位名稱 Name of entity	欠款時間 Period of original debts	原因 Particulars	金額 Amount RMB'000
洛玻集團洛陽晶興鏡業有限公司 Jingxing mirror manufacturing Co. Ltd, LuoYang city. CLFG	1年以內 Within 1 year	貨款 Purchase	1,504
洛玻集團洛陽加工玻璃有限公司 Glass manufacturing Co. Ltd ,LuoYang city. CLFG	1年以內 Within 1 year	貨款 Purchase	1,190
上海分庫 Shanghai distribution	1年以內 Within 1 year	貨款 Purchase	897
洛陽鐵路東站 East Railway station, LuoYang city	1年以內 Within 1 year	貨款 Purchase	631
烏魯木齊怡美建材有限公司 YiMei Construction Material Co. Ltd	1年以內 Within 1 year	貨款 Purchase	502
合計	Total		<u>4,724</u>

於2007年6月30日，本公司應收賬款前五名單位的應收賬款總額(已扣除壞賬準備)佔本公司應收賬款總額(已扣除壞賬準備)的79.91%(2006年12月31日：78.59%)。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(42) Accounts receivable (Continued)

Analysis of provision for bad and doubtful debts at 30 June 2007 is as follows:

At 30 June 2007, the five largest accounts receivable (after bad debt provision) accounted for 79.91% of the Company's total accounts receivable (after bad debt provision) (31 December 2006: 78.59%).

五. 財務報表主要項目註釋(續)

本公司財務報表主要項目註釋(續)

43 其他應收款

其他應收款賬齡分析如下：

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(43) Other receivables

Ageing analysis of other receivables is as follows:

		於2007年6月30日 30 June 2007				於2006年12月31日 31 Dec 2006			
		金額	佔總額 比例	壞賬準備	壞賬準備 計提比例	金額	佔總額 比例	壞賬準備	壞賬準備 計提比例
		Amount	% of total accounts receivable	Bad debt provision	% of provision on gross amount	Amount	% of total accounts receivable	Bad debt provision	% of provision on gross amount
1年以內	Within 1 year	9,966	14%	3,946	40%	21,618	25%	3,854	18%
1至2年	Over 1 year but within 2 years	309	—	90	29%	950	1%	38	4%
2至3年	Over 2 years but within 3 years	46	—	—	—	54	—	54	100%
3年以上	Over 3 years	62,920	86%	31,045	49%	62,941	74%	30,981	49%
合計	Total	73,241	100%	35,081	48%	85,563	100%	34,927	41%

截至二零零七年六月三十日止六個月半年度會計報表
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五. 財務報表主要項目註釋 (續)

本公司財務報表主要項目註釋 (續)

43 其他應收款 (續)

壞賬準備分析如下：

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(43) Other receivables (Continued)

Analysis of bad debt provision is as follows:

		截至2007年 6月30日止 六個月 For the six months ended 30 June 2007
期初餘額	Beginning balance of the period	34,927
加：本期計提	Add: Charge for the period	154
		<hr/>
期末餘額	Ending balance of the period	35,081
		<hr/> <hr/>

五. 財務報表主要項目註釋 (續)

本公司財務報表主要項目註釋 (續)

43 其他應收款 (續)

於2007年6月30日，本公司前五名其他應收款(已扣除壞賬準備)如下：

單位名稱 Name of entity	欠款時間 Period of original debts	原因 Particulars	金額 Amount
洛玻集團沂南華盛礦產公司 HuaSheng mine Co. YiNan county, CLFG	1-3年以上 Over 1 year but within 3 years	往來款 Other receivables	33,843
洛玻集團龍飛玻璃公司 LongFei Glass Co., CLFG	1年以內 Within 1 year	往來款 Other receivables	1,402
洛玻集團晶緯公司 Jing wei Co., CLFG	1年以內 Within 1 year	應收水電款 Water and electricity receivable	1,399
新興公司 Xin xing Co.	1年以內 Within 1 year	往來款 Other receivables	638
洛陽仲裁委員會 Arbitration commission, Luo yang city	1年以內 Within 1 year	暫付款 Other receivables	345
合計	Total		<u>37,627</u>

於2007年6月30日，本公司其他應收款前五名單位的應收款總額(已扣除壞賬準備)佔本公司其他應收款總額(已扣除壞賬準備)的98.60%(2006年12月31日：89.17%)。

本公司其他應收款期末餘額中無對持有本公司5%或以上表決權股份的股東的其他應收款。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(43) Other receivables (Continued)

The five largest other receivables (after bad debt provision) at 30 June 2007 are as follows:

At 30 June 2007, the five largest other receivables (after bad debt provision) accounted for 98.60% of the company's total other receivables (after bad debt provision) (31 December 2006: 89.17%).

No balance of other receivables is due from a shareholder who holds 5% or more of the voting shares of the company.

截至二零零七年六月三十日止六個月半年度會計報表
(按照中華人民共和國會計準則及制度編制)
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五. 財務報表主要項目註釋(續)

本公司財務報表主要項目註釋(續)

44 長期股權投資

投資成本	Cost of investment
期初餘額	Beginning balance of the period
本期增加	Increase
本期減少	Decrease
期末餘額	Ending balance of the period
減：減值準備	Less: Provision for impairment
期初餘額	Beginning balance of the period
期末餘額	Ending balance of the period
賬面價值	Net carrying value:
期末賬面價值	Ending carrying value
期初賬面價值	Beginning carrying value

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(44) Long-term equity investments

對子公司的投資	對聯營公司的投資	其他股權投資	合計
Investment in subsidiaries	Investment in associates	Other equity investments	Total
68,160	116,208	58,152	242,520
	134	—	134
—	—	(31,800)	(31,800)
68,160	116,342	26,352	210,854
—	—	(26,352)	(26,352)
—	—	(26,352)	(26,352)
68,160	116,342	—	184,502
68,160	116,208	31,800	216,168

五. 財務報表主要項目註釋 (續)

本公司財務報表主要項目註釋 (續)

44 長期股權投資 (續)

於2007年6月30日，本公司對子公司的投資列示如下：

公司名稱 Name of company	註冊地 Country of incorporation	法定 代表人 Legal of representative	註冊資本 Registered capital	佔被投資 單位股本 的比例 Attributable equity interests	投資成本 Direct initial investment cost	主要業務 Principal activities	註釋 Notes
洛玻集團龍門玻璃有限 責任公司 (「龍門」) CLFG Longmen Glass Co. Ltd ("Longmen")	中國 the PRC	高天寶 Gao Tianbao	20,000	79.06%	—	製造浮法 平板玻璃 Manufacture of float sheet glass	(i), (iv)
洛玻集團龍翔玻璃 有限公司 (「龍翔」) CLFG Longxiang Glass Co. Ltd ("Longxiang")	中國 the PRC	張少傑 Zhang Shaojie	50,000	40%	14,703	製造浮法 平板玻璃 Manufacture of float sheet glass	(ii), (iv)
洛玻集團龍飛玻璃 有限公司 (「龍飛」) (原名：洛玻集團仰韶 玻璃有限公司) CLFG Long Fei Glass Co. Ltd ("Long Fei") (formerly known as CLFG Yang Shao Glass Co. Ltd)	中國 the PRC	張少傑 Zhang Shaojie	74,080	54.00%	24,307	製造浮法 平板玻璃 Manufacture of float sheet glass	(iii), (iv)
襄樊洛神汽車玻璃 有限公司 (「洛神」) Xiangfang Luoshen Auto Glass Ltd ("Luoshen")	中國 the PRC	朱雷波 Zhu leibo	30,000	66.67%	6,209	製造汽車玻璃 Manufacture of auto glass	(iii), (iv)
沂南華盛礦產實業 有限公司 (「沂南」) Yinan Mineral Products Ltd ("Yinan")	中國 the PRC	高天寶 Gao Tianbao	28,000	52.00%	5,020	開發礦產 Exploration of minerals	(iii), (iv)
洛玻集團洛陽龍海 電子玻璃有限公司 (「龍海」) CLFG Long Hai Electronic Glass Limited ("LongHai")	中國 the PRC	高天寶 Gao Tianbao	60,000	80.00%	15,940	製造浮法 平板玻璃 及電子玻璃 Manufacture of float sheet glass and electronic glass	(iii), (iv)
洛玻集團洛陽龍昊玻璃 有限公司 (「龍昊」) CLFG Long Hao Glass Limited ("Long Hao")	中國 the PRC	張少傑 Zhang Shaojie	50,000	80.00%	16,684	製造浮法 平板玻璃 Manufacture of float sheet glass	(iii), (iv)

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(44) Long-term equity investments (Continued)

Interest in subsidiaries At 30 June 2007, details of the Company's subsidiaries are as follows:

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五. 財務報表主要項目註釋(續)

本公司財務報表主要項目註釋(續)

44 長期股權投資(續)

註釋:

- (i) 該公司為全民與集體聯營企業。
- (ii) 於2006年,本公司之子公司龍飛與洛玻集團龍飛玻璃有限公司工會委員會(「龍飛工會」)、邵陽市華星建築材料有限公司、湖南懷化合眾發展有限公司、河南金山化工有限責任公司、湖北億均貿易有限公司、常州市大明玻璃有限公司、廣州市雲通物資有限公司、寧波雙寧建材玻璃有限公司、運城市鹽湖區西城勝利玻璃店、鄭清洪、王秋萍、薛建奎和閻軍等於2006年共同投資組建龍翔,龍翔註冊資本人民幣5,000萬元,其中龍飛投資人民幣2,000萬元,佔龍翔註冊資本40%,龍飛工會投資人民幣1,650萬元,佔龍翔註冊資本33%,龍飛工會已授權本公司在龍翔存續期間代為行使《洛玻集團龍翔玻璃有限公司章程》第三章規定之股東權利(包括委派董事的權利,但分取紅利、轉讓出資除外),並委託本公司委派代表出席龍翔股東會議,代為行使表決權,綜上所述,儘管本公司之子公司龍飛對龍翔的股東表決權未達到控制多數,由於龍飛工會已將其擁有龍翔的股東表決權委託給本公司代為行使,本公司在龍翔股東會議的表決權已超過50%,故本公司將龍翔列作間接控制子公司,併入其財務報表。
- (iii) 該等公司為有限責任公司。
- (iv) 該等公司均系本公司直接或間接控制之子公司,根據新會計準則之規定,應將原按權益法核算改為按成本法核算,並將原長期股權投資賬面價值作為首次執行日的認定成本,故此表中所列投資成本均系本公司或龍飛對該等公司於2006年12月31日長期股權投資賬面價值。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(44) Long-term equity investments (Continued)

Notes:

- (i) This subsidiary is a collective joint enterprise
- (ii) In 2006, CLFG Long Fei Glass Co., Ltd and its labour committee ("LFLC"), Shaoyang Huaxin Construction Materials Ltd, Hunan Huaihua Hezhong Developing Ltd, Henan Jinsan Chemical Ltd, Hubei Yijun Trading Ltd, Changzhou Daming Glass Ltd, Guangzhou Yuntong Materials Ltd, Ningbo Shuangning Construction Glass Ltd, Yuncheng Yanhu District Western Shengli Glass Shop, Zheng Qinghong, Wang Qiuping, Xue Jiankui and Yan Jun etc invested together in order to set up Long Xiang that the authorized capital is RMB50,000,000 included Long Fei invested RMB20,000,000 which it is 40% of authorized capital and LFLC invested RMB16,500,000 which it is 33% of authorized capital. LFLC has authorized CLFG as representative of shareholder's rights that all details state at No 3 of "Luoyang Group Long Fei Glass Co., Ltd Constitution" (Included allocated director's right, excluded dividend and transfer shareholdings), also authorized CLFG to allocate the representatives of Long Xiang shareholders' meeting to use voting rights. As all details mentioned above, although CLFG Long Fei Glass Co., Ltd does not have the majority of voting rights of Long Xiang by itself, it actually control Long Xiang that has over 50% of voting rights as the representative on behalf of LFLC. It is the reason that Long Xiang is treated as the indirect subsidiary of CLFG and included in consolidated financial reports.
- (iii) These subsidiaries are limited liability companies.
- (iv) The companies are directly or indirectly controlled by CLFG as subsidiaries. According to new accounting standard, the cost method should be used instead of the equity method and the cost should be recognised at the realised value on the date of adopting new standard as requested. Therefore, All above initial investment costs of CLFG or Long Fei are the amounts of long-term equity investments as the value on 31 December 2006.

五. 財務報表主要項目註釋 (續)

本公司財務報表主要項目註釋 (續)

44 長期股權投資 (續)

於2007年6月30日，本公司對聯營公司的投資列示如下：

公司名稱 Name of Company	註冊資本 Registered capital	佔被投資單位 股本的比例 Direct attributable equity interests	初始投資成本 Initial investment cost	主要業務 Principal activities
洛陽晶鑫陶瓷有限公司 (「晶鑫」) Luoyang Jingxin Ceramic Co. Ltd (“Jingxin”)	41,945	49.00%	20,553	生產內牆磚 Manufacture of ceramic wall tiles
財務公司 China Luoyang Float Glass (Group) Processed Glass Company Limited (“CLFC”)	300,000	37.00%	111,000	提供財務服務 Provision of financial services
洛玻集團洛陽加工玻璃 有限公司 (「加工玻璃」) China Luoyang Float Glass Group Company of Limited Liability (“CPGC”)	181,496	49.09%	89,096	玻璃加工業務 Reprocessed glass
中國洛陽浮法玻璃集團 礦產公司 (「礦產」) CLFG Mineral Products Co. Ltd (“CMPC”)	30,964	40.29%	12,475	砂沙、耐火材料 Sand, fire- durable materials

At 30 June 2007, analysis of the company's investment in associates is as follows:

	晶鑫 Jingxin	財務公司 CLFC	加工玻璃 CPGC	礦產 CMPC	合計 Total
期初餘額 Beginning balance of the period	—	114,955	1,253	—	116,208
加：按權益法核算 調整數 Adjustments under the equity method	—	1,387	(1,253)	—	134
期末餘額 Ending balance of the period	—	116,342	—	—	116,342

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(44) Long-term equity investments (Continued)

At 30 June 2007, interest in associates of the Group and the Company are as follows:

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五. 財務報表主要項目註釋(續)

本公司財務報表主要項目註釋(續)

44 長期股權投資(續)

於2007年6月30日，本公司對聯營公司的投資分析如下：

公司名稱	註冊資本	估被投資 單位股本 的比例 Direct attributable equity interests	初始 投資成本 Initial investment cost	期末投 資金額 (淨值) Net book value at 30 June 2007	註釋
Name of the Company	Registered capital				Note
洛玻集團洛陽起重機械有限公司 CLFG Luoyang Hoisting Machinery Co Ltd	13,631	36.68%	5,000	—	(i), (ii)
洛玻集團洛陽晶緯玻璃纖維有限公司 CLFG Jingwei Glass fibre Co Ltd	11,142	35.90%	4,000	—	(i), (ii)
八達 Chenzhou Bada Glass Co. Ltd. ("Bada")	150,000	72.65%	13,561	—	(iii)
延煉石油化工股份有限公司 Yanlian Petroleum Co Ltd	425,703	7.47%	31,800	—	(iv)

- (i) 由於上述公司與本公司同為洛玻集團子公司，董事認為雖然本公司佔上述被投資單位股本的比例超過20%，但對其並無重大影響，故將對上述公司的投資歸類為其他股權投資，並採用成本法核算。
- (ii) 於2007年6月30日，向洛玻集團洛陽起重機械有限公司及洛玻集團洛陽晶緯玻璃纖維有限公司的長期投資成本共計人民幣9,000,000元(2006年12月31日：人民幣9,000,000元)，該等長期投資已於以前年度計提了全額的減值準備。董事在評估了該等公司2006年12月31日的財務狀況後，維持對該等公司長期投資全額計提減值準備。
- (iii) 於2007年6月30日，董事認為雖然本公司持有八達72.65%的股權比例，但本公司於2006年12月31日已失去對八達公司的控制權和重大影響，故本公司對八達的長期投資歸類為其他股權投資，並採用成本法核算。
- (iv) 該公司已進行了清算，本公司已於2007年1月收回此項投資，並實現投資收益人民幣22,059,000元。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(44) Long-term equity investments (Continued)

At 30 June 2007, other equity investments of the Company are as follows:

- (i) As the above mentioned companies are also fellow subsidiaries of CLFG, the directors believe that the Company could not exercise significant influence over the financial and operational decisions of these companies, despite it holds 20% or above of the capital of these companies. Therefore, the investments in these companies are classified as other equity investments and are accounted for using the cost method.
- (ii) At 30 June 2007, long-term equity investments of the Company in CLFG Luoyang Hoisting Machinery Co. Ltd and CLFG Jingwei Glass Fibre Co. Ltd amounted to RMB9,000,000 (31 December 2006: RMB9,000,000). Full provision has been made for the investments in prior years. After assessment of financial position at the end of 2006, the directors have determined to maintain full provision in this regard.
- (iii) At 30 June 2007, although the total carrying amount of the Company's short-term and long-term investments represented 72.65% of its net assets, CLFG has lost control and significant influence on 31 December 2006. Therefore, the investment of this company is classified as other equity investments and is accounted for using the cost method.
- (iv) The company has been disposed. CLFG withdrew the investment and realised the profit of RMB22,059,000 in January 2007.

五. 財務報表主要項目註釋(續)

本公司財務報表主要項目註釋(續)

45 營業收入

主營業務收入	Major operating income
其他業務收入	Other operating income
合計	Total

本公司主營業務收入是指玻璃銷售業務所取得收入。

本期間本公司主營業務收入前五名客戶銷售收入總額為人民幣68,425,000元(截至2006年6月30日六個月:人民幣46,763,000元),佔本公司全部銷售收入的24.12%(截至2006年6月30日六個月:10.54%)。

46 營業成本

主營業務成本	Major operating Costs
其他業務成本	Other operating Costs
合計	Total

本集團主營業務成本是指玻璃銷售業務所發生的成本。

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(45) Operating income

	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
Major operating income	262,611	221,662
Other operating income	21,083	112,977
Total	283,694	334,639

The Company's income from principal activities represents income generated from sales of glass products.

During this period, sales revenue from top five clients was RMB68,425,000 (From 1 January to 30 June 2006: RMB46,763,000) which accounted for 24.12% (From 1 January to 30 June 2006: 10.54%) of total income from principal activities of the Company.

(46) Operating Costs

	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
Major operating Costs	(268,724)	(254,401)
Other operating Costs	(15,474)	(91,761)
Total	(284,198)	(346,162)

The Company's Cost of sales from principal activities represents cost incurred in relation to sales of glass products.

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五. 財務報表主要項目註釋(續)

本公司財務報表主要項目註釋(續)

47 投資收益

長期股權投資收益/(損失)

— 權益法

投資轉讓收益

委託貸款利息收入

其他

合計

Investment income / (loss) from

long-term equity investments

— under the equity method

Investment disposal gain

Interest income from designated loans

Others

Total

5. Major items' notes to financial statements (Continued)

Major items' notes to financial statements of the Company (Continued)

(47) Investment income

截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
134	(83,526)
22,059	—
13,889	6,249
—	265
36,082	(77,012)

本公司不存在投資收益滙回的重大限制。

There is no significant restriction on the transfer of investment income to the Company.

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六. 分部資料

由於本集團的營業額和經營成果主要來自浮法平板玻璃的製造和銷售，因此並沒有提供按業務類型的分部報告。分部收入是根據客戶所在地列示。本集團的資產主要位於中國，因此並沒有提供按地區的資產分部報告。

本集團按地區的營業分部報告列示如下：

6. Segmental reporting

The Group's turnover and operating results are almost entirely generated from the manufacture and sale of float sheet glass. Accordingly, no business segment information is provided. The analysis of the geographical location of the operations of the Group during the financial period is as follows:

截至2007年6月30日止六個月

For the six months ended 30 June 2007

		國內 PRC	亞洲 Asia	美洲 America	大洋洲 Oceania	其他地區 Others	合計 Total
營業收入合計	Total operating income	666,553	11,850	1,244	3,179	7,001	689,827
營業成本合計	Total operating costs	(625,496)	(12,119)	(1,263)	(3,252)	(7,175)	(649,305)
營業稅金及附加	Operating taxes and surcharge	(1,435)	(22)	(2)	(6)	(13)	(1,478)
營業費用	Operating expense	(18,179)	(335)	(36)	(90)	(198)	(18,838)
管理費用	Administrative expense	(50,800)	(1,575)	(164)	(422)	(932)	(53,893)
財務費用	Finance cost	(31,926)	(589)	(63)	(159)	(347)	(33,084)
資產減值損失	Impairment loss	(12,488)	(3,611)	(377)	(969)	(2,138)	(19,583)
業務虧損合計	Total operating loss	(73,771)	(6,401)	(661)	(1,719)	(3,802)	(86,354)

截至2006年6月30日止六個月

For the six months ended 30 June 2006

		國內 PRC	亞洲 Asia	美洲 America	大洋洲 Oceania	其他地區 Others	合計 Total
營業收入合計	Total operating income	443,136	17,840	6,066	7,489	403	474,934
營業成本合計	Total operating costs	(510,241)	(16,260)	(5,529)	(6,826)	(368)	(539,224)
營業稅金及附加	Operating taxes and surcharge	(167)	(9)	(3)	(4)		(183)
營業費用	Operating expense	(17,819)	(772)	(263)	(324)	(17)	(19,195)
管理費用	administrative expense	(61,803)	(2,678)	(911)	(1,124)	(60)	(66,576)
財務費用	Finance cost	(32,769)	(1,419)	(484)	(596)	(32)	(35,300)
資產減值損失	Impairment loss	(4,560)	591	201	248	13	(3,507)
業務虧損合計	Total operating loss	(184,223)	(2,707)	(923)	(1,137)	(61)	(189,051)

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截至二零零七年六月三十日止六個月半年度會計報表
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七. 關聯方及交易

1 存在控制關係的關聯方

企業名稱 : 中國洛陽浮法玻璃集團有限責任公司(「洛玻集團」)

經濟性質或類型 : 有限責任公司(國有獨資)

註冊資本 : 人民幣1,286,740,000元

法定代表人 : 劉寶瑛

與本集團關係 : 控股公司

主營業務 : 玻璃及相關原材料、成套設備製造, 玻璃加工技術的進出口及內銷業務; 工程設計及承包、勞務輸出; 工業生產資料(國家有專項專營規定的除外); 技術服務, 諮詢服務及貨物運輸。

持有本公司股份
百分比 : 35.80%

本年度內洛玻集團註冊資本沒有變化。

本公司子公司相關信息見附註5(44)。

7. Related party transactions

(1) Related party with controlling interest:

Name of enterprise : China Luo yang Float Glass Group Company of Limited Liabilities ("CLFG")

Types of legal entity : Limited liability company (Solely owned by the State)

Registered capital : RMB1,286,740,000

Legal representative : Liu Baoying

Relationship with the Group : Holding company

Principal activities : Production of glass, related raw materials and equipment, import, export and domestic sales of glass, processing technology, design and sub-contracting of engineering works, labour export, provision of industrial production material (excluding those under control of the State), technological service, consultation service and goods transportation.

Equity interest in the
Company : 35.80%

There is no change in the registered capital of CLFG during the year

Details of the Company's subsidiaries are set out in note 5(44).

七. 關聯方及交易 (續)

2 不存在控制關係的關聯方

企業名稱	與本企業關係
中國洛陽浮法玻璃集團財務有限責任公司	本公司的聯營公司
洛玻集團洛陽起重機械有限公司	與本公司同為洛玻集團的子公司
洛玻集團洛陽新光源照明器材有限公司	與本公司同為洛玻集團的子公司
洛玻集團洛陽晶縹玻璃纖維有限公司	與本公司同為洛玻集團的子公司
洛玻集團洛陽晶久玻璃製品有限公司	與本公司同為洛玻集團的子公司
洛陽晶寶裝飾玻璃有限公司	與本公司同為洛玻集團的子公司
洛玻集團青島太陽玻璃實業有限公司	與本公司同為洛玻集團的子公司
洛玻集團洛陽晶潤鍍膜玻璃公司	與本公司同為洛玻集團的子公司
洛玻集團晶華實業技術玻璃公司	與本公司同為洛玻集團的子公司
洛陽翔宇實業公司	與本公司同為洛玻集團的子公司
洛玻技術玻璃公司	與本公司同為洛玻集團的子公司
洛玻集團洛陽加工玻璃有限公司	本公司的聯營公司
洛陽洛玻賓館	與本公司同為洛玻集團的子公司
中國洛陽浮法玻璃集團礦產有限公司	與本公司同為洛玻集團的子公司
洛陽晶鑫陶瓷有限公司	本公司的聯營公司
洛玻集團新興實業開發有限責任公司	與本公司同為洛玻集團的子公司
洛陽洛玻海天經貿有限公司	與本公司同為洛玻集團的子公司
洛玻集團龍門塑鋼有限公司	與本公司同為洛玻集團的子公司
廣東南海駿雄玻璃幕牆有限公司	與本公司同為洛玻集團的子公司
深圳光華中空玻璃有限公司	與本公司同為洛玻集團的子公司

7. Related party transactions (Continued)

(2) Related parties without controlling interest:

Name of enterprise	Relationship with the Company
China Luoyang Float Glass Group Financial Company of Limited Liabilities	Associate
CLFG Luoyang Hoisting Machinery Co. Ltd.	Fellow subsidiary
CLFG New Illuminating Source Co. Ltd.	Fellow subsidiary
CLFG Jingwei Glass Fibre Co. Ltd.	Fellow subsidiary
CLFG Luoyang Jingjiu Glass Container Co. Ltd.	Fellow subsidiary
Luoyang Jingbao Decoration Glass Co. Ltd.	Fellow subsidiary
CLFG Qingdao Taiyang Glass Industrial Co. Ltd.	Fellow subsidiary
CLFG Luoyang Jinyun Coating Glass Co.	Fellow subsidiary
CLFG Jinhua Shi Ye Ji Su Glass Co	Fellow subsidiary
Luoyang Xiangyu Industrial Co.	Fellow subsidiary
Luoyang Technology Glass Company	Fellow subsidiary
China Luoyang Float Glass (Group) Processed Glass Company Limited	Associate
Luoyang Luobo Hotel	Fellow subsidiary
CLFG Mineral Products Co. Ltd.	Fellow subsidiary
Luoyang Jingxin Ceramic Co. Ltd.	Associate
CLFG Xinxing Co. Ltd.	Fellow subsidiary
CLFG Haitian Trading Company Ltd.	Fellow subsidiary
CLFG Longman Sugang Company Ltd.	Fellow subsidiary
Guangdong Nanhai Junxiong Glass Screen Co., Ltd.	Fellow subsidiary
Shenzhen Guanghua Zhongkong Glass Company Ltd.	Fellow subsidiary

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七. 關聯方及交易 (續)

3 本集團與關聯方於本報告期進行的交易金額及往來賬餘額如下：

本集團與洛玻集團之間的重大交易列示如下：

輔助及社區服務	Ancillary and community services	(i)	—	375
科技開發服務	Technical development services	(ii)	—	1,008
公用設施供應	Provision of utilities	(iii)	576	406
利息支出	Interest expense		755	2,484
為本集團借款向銀行作出擔保	Guarantees issued by CLFG to banks for the Group		49,800	117,000
間接擔保	Indirect guarantees	(iv)	200,900	—

註釋：

- (i) 本公司與洛玻集團達成一項為期三年的協議，由2004年8月3日起生效。該協議將於2007年8月3日到期。根據協議，洛玻集團同意為本公司職工提供綜合服務，如退休安排服務、武裝民兵訓練與人防工程備用服務及新聞宣傳服務。費用將以合理之成本加以稅務負擔的價格而收取。
- (ii) 本公司於2003年9月1日與洛玻集團達成一項為期三年的協議。根據該協議，洛玻集團同意為本公司提供技術開發及諮詢服務。費用將以合理之成本加以稅務負擔的價格而收取。該協議於2006年8月到期後未續簽，也未有發生相關的關聯交易。
- (iii) 本公司於2001年8月3日與洛玻集團達成一項為期三年的協議。於原有協議到期日雙方重新簽訂了一份為期三年的協議。該協議將於2007年8月3日到期。根據協議，本公司同意為洛玻集團提供公用設施包括水、電、蒸汽及資產使用等相關服務。費用將以合理之成本加以稅務負擔的價格而收取。
- (iv) 洛玻集團就獨立第三方之銀行借款作出擔保，以換取獨立第三方向本公司之銀行提供擔保。

本公司董事認為上述與關聯方的交易是按一般的商業條款在日常業務中進行，或根據已簽訂的協議進行。以上均得本公司獨立非執行董事審閱和確認。

7. Related party transactions (Continued)

(3) The amounts of transactions and their balances between the Group, the company and our related parties during the year are summarised as follows:

Material transactions between the Group and CLFG are summarised as follows:

	註釋 Notes	截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
		—	375
		—	1,008
		576	406
		755	2,484
		49,800	117,000
		200,900	—

Notes:

- (i) The Company has entered into a three-year agreement with CLFG, effective from 3 August 2001, which has been renewed for another three years expiring on 3 August 2007. According to the agreement, CLFG provides certain social welfare and support services, such as education, property management, medical care and transportation services to the staff of the Company. The amount charged by CLFG is based on a reasonable cost incurred in providing such services plus relative tax charge.
- (ii) The Company has entered into a three-year agreement with CLFG effective from 1 September 2003. According to the agreement, CLFG provides research and development assistance and consultancy services to the Company. The amount charged by CLFG is based on a reasonable cost incurred in providing such services plus relative tax charge. During 2005, the Company and CLFG agreed to cancel the agreement.
- (iii) The Company has entered into a three-year agreement with CLFG effective from 3 August 2001 which has been renewed for another three years expiring on 3 August 2007, for provision of utilities such as water and electricity to CLFG. The amount charged to CLFG is based on a reasonable cost incurred in providing such services plus relative tax charge.
- (iv) Guarantees have been issued by CLFG, in respect of bank loans to independent third parties in return for guarantees issued by the independent third parties to the banks of the Company.

The directors of the Company are of the opinion that the above transactions with related parties were conducted in the ordinary course of business and on normal commercial terms or in accordance with the agreements governing such transactions, and these have been reviewed and confirmed by the independent non-executive directors.

七. 關聯方及交易 (續)

3 本集團與關聯方於本報告期進行的交易金額及往來賬餘額如下：

本集團與洛玻集團其他子公司之間的重大交易列示如下：

			截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
銷售商品及原材料	Sales		2,370	7,050
輔助及社區服務	Ancillary and social services	(i)	3,637	2,325
公用設施供應	Provision of utilities	(ii)	11,048	8,327
購買原材料及商品	Purchase of raw materials	(iii)	5,654	59,613
架子銷售收入	Sales of racks		—	6,722
利息支出	Interest paid and payable		1,488	3,318
利息收入	Interest received and receivable		127	342
租賃收入	Rental income	(iv)	580	110
勞務費收入	Service income		—	1,479

註釋：

- (i) 本公司與洛玻集團新興實業開發有限責任公司（「新興」）達成一項為期三年的協議，由2001年8月3日起生效。根據協議，新興同意為本公司職工提供社會福利及輔助服務，如教育、物業管理、醫療衛生及交通服務。該協議於2002年7月22日作出補充的修定，並於2004年8月3日更新，把協議有效期延期三年。費用則以合理之成本加以稅務負擔的價格而收取。
- (ii) 本公司分別與同母系子公司新興及洛玻集團洛陽晶緯玻璃纖維有限公司（「晶緯」）達成一項為期三年的協議，由2001年8月3日起生效。於原有協議到期日，本公司分別與新興和晶緯更新了該等協議，把協議有效期延期三年至2007年8月3日。根據協議，本公司同意為新興和晶緯提供公用設施包括水及電服務。費用將以合理之成本加以稅務負擔的價格而收取。
- (iii) 本公司與同母系子公司中國洛陽浮法玻璃集團礦產有限公司（「礦產公司」）達成一項為期三年的協議，由2001年8月3日起生效。於原有協議到期日雙方重新簽訂了一份為期三年的協議。該協議將於2007年8月3日到期。根據協議，礦產公司同意為本集團提供原材料，所提供之原材料價格以市場價格釐定。
- (iv) 本公司與同母系子公司加工玻璃公司簽定了一項為期五年的協議，由2003年1月1日起生效。根據協議，本公司同意分租部分土地使用權予加工玻璃公司。

7. Related party transactions (Continued)

(3) The amounts of transactions and their balances between the Group, the company and our related parties during the year are summarised as follows:

Material transactions between the Group and fellow subsidiaries are summarised as follows:

			截至2007年 6月30日止 六個月 For the six months ended 30 June 2007	截至2006年 6月30日止 六個月 For the six months ended 30 June 2006
	Sales		2,370	7,050
	Ancillary and social services	(i)	3,637	2,325
	Provision of utilities	(ii)	11,048	8,327
	Purchase of raw materials	(iii)	5,654	59,613
	Sales of racks		—	6,722
	Interest paid and payable		1,488	3,318
	Interest received and receivable		127	342
	Rental income	(iv)	580	110
	Service income		—	1,479

Notes:

- (i) The Company has entered into a three-year agreement with a CLFG's subsidiary, CLFG Xinxing Co. ("Xinxing") effective from 3 August 2001 by which Xinxing provides certain social welfare and support services, such as education, property management, medical care and transportation services to the staff of the Company. The agreement was supplementary amended on 22 July 2002 and renewed for another 3 years on 3 August 2004. The amount charged by Xinxing is based on a reasonable cost incurred in providing such services plus respective tax charge.
- (iii) The Company has entered into a three-year agreement with a CLFG's subsidiary, Xinxing and CLFG Jingwei Glass Fibre Co., Ltd ("Jingwei") effective from 3 August 2001. During 2004, the company has renewed the agreements with Xinxing and Jingwei for another three years expiring on 3 August 2007. In accordance with these agreements, the Company provides utilities such as water and electricity to these subsidiaries. The amounts charged to these group companies are based on reasonable costs incurred in providing such services plus respective tax charge.
- (iv) The Company has entered into a three-year agreement with a CLFG's subsidiary, CLFG Mineral product Co., Ltd ("Mineral Co"), effective from 3 August 2001 which has been renewed for another three years expiring on 3 August 2007, by which Mineral Co. supplies certain raw materials to the Company at market prices.
- (iv) The Company has entered into a five-year agreement with an associate, CPGC, effective from 1 January 2003 by which the Company sub-lease a portion of land use rights on lands located in the PRC at market rate.

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七. 關聯方及交易 (續)

3 本集團與關聯方於本報告期進行的交易金額及往來賬餘額如下：(續)

公司董事認為上述與關連人士的交易是按一般的商業條款在日常業務中進行，或根據已簽訂的協議進行。以上均得本公司獨立非執行董事審閱和確認。

在本集團資產負債表各項會計科目內已包括以下與洛玻集團及其子公司的餘額(已扣除壞賬準備)：

資產	Assets
非銀行金融機構存款	Cash at non-bank financial institutions
應收賬款	Accounts receivable
應收票據	Notes receivable
預付款項	Prepaid expenses
其他應收款	Other receivables
負債	Liabilities
短期借款	Short-term loans
應付賬款	Notes payable
預收款項	Accounts payable
其他應付款	Other payables

7. Related party transactions (Continued)

(3) The amounts of transactions and their balances between the Group, the company and our related parties during the year are summarised as follows: (Continued)

The directors of the Company are of the opinion that the above transactions with related parties were conducted in the ordinary course of business and on normal commercial terms or in accordance with the agreements governing such transactions, and these have been reviewed and confirmed by the independent non-executive directors.

Included in the following balance sheet captions are balances with the holding company and fellow subsidiaries (net of bad debt provision):

洛玻集團 CLFG		洛玻集團其他子公司 Fellow subsidiaries	
於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006	於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
—	—	9,904	39,929
1,561	—	1,398	2,366
—	—	1,490	2,008
1,271	2,623	441	476
—	—	2,269	815
12,940	31,540	39,500	113,000
—	1,214	5,690	2,856
875	875	120	2,922
59	8,275	2,324	4,014

七. 關聯方及交易 (續)

3 本集團與關聯方於本報告期進行的交易金額及往來賬餘額如下: (續)

此外, 本集團對關聯方的應收款項作出以下的壞賬準備:

7. Related party transactions (Continued)

(3) The amounts of transactions and their balances between the Group, the company and our related parties during the year are summarised as follows: (Continued)

In addition, the group has made the following provision for bad debt against the amounts due from related parties as follows:

		於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
應收控股公司壞賬準備	Provision for bad debts from holding company	—	—
應收洛玻集團其他子公司壞賬準備	Provision for ad debts from fellow subsidiaries	4	782

八. 承擔

1 資本承擔

於2007年6月30日, 本集團的資本承擔如下:

8. Commitments

(1) Capital commitments

At 30 June 2007, capital commitments of the Group are summarised as follows:

		於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
已訂合同	Contracted for but not provided for		
— 建設工程	— construction project	363	—
已批准但未訂合同	Authorised but not contracted for		
— 建設工程	— construction project	—	7,687
合計	Total	363	7,687

2 經營租賃承擔

於2007年6月30日, 本集團沒有重大的經營租賃承擔事項。

(2) Operating lease commitments

At 30 June 2007, the Group had no material operating lease commitments.

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九. 或有負債

於2007年6月30日，或有負債如下：

為子公司向銀行取得借款作出的擔保	Guarantees issued to banks in favour of subsidiaries	—	—	60,000	75,000
為子公司向財務公司取得借款作出的擔保	Guarantees issued to CLFC in favour of subsidiaries	—	—	41,500	41,500
為本集團外單位向銀行取得借款作出的擔保	Guarantees issued to banks in favour of other entities beyond the Group	1,000	—	—	—
合計	Total	1,000	—	101,500	116,500

十. 資產負債表日後事項

截至本會計報表批准日，本集團並無其他重大需要呈報的資產負債表日後事項。

十一. 其他重要事項

本集團於2007年1月1日開始實行企業會計準則(2006)，因此對本報告可比資產負債表年初數據及利潤表上年同期數據均按企業會計準則(2006)進行了相應調整。此外，如2006年中期報告所述，本公司對主管稅務機關查補以前年度不予抵扣增值稅及本集團部分子公司對以前年度壞賬準備計提差錯和固定資產折舊計提差錯進行了追溯調整，因上述追溯調整影響金額較小，2006年年度報告未列作重大會計差錯追溯調整，所以本報告對上年同期利潤表之上述追溯調整予以轉回。

9. Contingent liabilities

At 30 June 2007, contingent liabilities are as follows:

本集團 The Group		本公司 The Company	
於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006	於2007年 6月30日 30 June 2007	於2006年 12月31日 31 Dec 2006
—	—	60,000	75,000
—	—	41,500	41,500
1,000	—	—	—
1,000	—	101,500	116,500

10. Events after the balance sheet date

There have been no material events after the balance sheet date which would be required to disclose or adjust to the financial statement of 30 June 2007

11. Other important events

The group has adopted the corporate accounting standards (CAS 2006) since 1 Jan 2007. Therefore, some adjustments should be made according to the new standard. In addition, as the interim report of year 2006 saying, the Company made retrospective adjustments for errors in VAT, bad debt provision, depreciation. Because the effected amount is minor, the annual report of year 2006 did not demonstrate it as the material accounting error retrospective adjustment. As a result, the report reverse the adjusted amount.

十二. 其他財務補充資料

12. Other supplementary financial information

1 截至2006年6月30日止六個月新舊會計準則淨利潤差異調節表

(1) Net profit difference reconciliation on different standards for the six months ended 30 June 2006

項目 Items		合併 Consolidations	母公司 Parent company
截至2006年6月30日止六個月淨利潤(舊會計準則)	Net profit (old standard) for six months ended 30 June 2006	(145,192)	(145,192)
追溯調整項目影響合計數	Total effects on retrospective adjustments	(45,857)	(3,074)
其中：舊準則下未確認投資損失調整	Of which, unrealised investment loss adjustments under old standard	(7,634)	—
營業成本	Operating costs	(3,254)	(310)
投資收益	Investment income	—	(2,764)
資產減值損失	Impairment loss	(1,062)	—
少數股東損益	Minority interests	(33,907)	—
截至2006年6月30日止六個月淨利潤(新會計準則)	Net profit (new standard) for six months ended 30 June 2006	(191,049)	(148,266)
其中：歸屬於母公司股東的淨利潤	Of which, net profit attributable to parent company's shareholders	(156,786)	(148,266)
假定執行新會計準則的備考信息	Presumably comparative information under new standard		
其他項目影響合計數	Total other effected amounts	—	80,621
其中：投資收益—對子公司改按成本法核算	Of which, investment income-changes into cost method	—	80,621
截至2006年6月30日止六個月的模擬淨利潤	Presume net profit for six months ended 30 June 2006	(191,049)	(67,645)
其中：歸屬於母公司股東的模擬淨利潤	Of which, presume net profit attributable to parent company's shareholders	(156,786)	(67,645)

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十二. 其他財務補充資料 (續)

2 2006年度新舊會計準則淨利潤差異調節表

項目 Items
2006年度淨利潤 (舊會計準則)
追溯調整項目影響合計數 其中：舊準則下未確認投資損失調整 少數股東損益
2006年度淨利潤 (新會計準則)
其中：歸屬於母公司股東的淨利潤
假定執行新會計準則的備考信息
其他項目影響合計數 其中：投資收益一對子公司改按成本法核算
2006年度模擬淨利潤
其中：歸屬於母公司股東的模擬淨利潤

12. Other supplementary financial information (Continued)

(2) Net profit difference reconciliation on different standards for the year of 2006

	合併 Consolidations	母公司 Parent company
Net profit (old standard) for the year of 2006	(317,483)	(313,954)
Total effects on retrospective adjustments	(96,044)	—
Of which, unrealised investment loss adjustments under old standard	(39,479)	—
Minority interests	(56,565)	—
Net profit (new standard) for the year of 2006	(413,527)	(313,954)
Of which, net profit attributable to parent company's shareholders	(356,962)	(313,954)
Presumably comparative information under new standard		
Total other effected amounts	—	118,370
Of which, investment income-changes into cost method	—	118,370
Presume net profit for the year of 2006	(413,527)	(195,584)
Of which, presume net profit attributable to parent company's shareholders	(356,962)	(195,584)

十二. 其他財務補充資料 (續)

12. Other supplementary financial information (Continued)

3 於2006年1月1日所有者權益調整情況表

(3) Equity adjustments as at 1 Jan 2006

項目 Items		調整前 Before adjustments	調整後 After adjustments
股本	Share capital	700,000	700,000
資本公積	Capital reserve	994,655	994,655
盈餘公積	Surplus reserves	225,361	225,361
未分配利潤	Undistributions	(968,937)	(968,937)
歸屬於母公司的所有者權益	Equity attributable to parent company's shareholders	951,079	951,079
少數股東權益	Minority interests	—	113,348
所有者權益合計	Total equity	951,079	1,064,427

4 於2006年6月30日所有者權益調整情況表

(4) Equity adjustments as at 30 Jun 2006

項目 Items		調整前 Before adjustments	調整後 After adjustments
股本	Share capital	700,000	700,000
資本公積	Capital reserve	994,885	994,885
盈餘公積	Surplus reserves	63,231	63,231
未分配利潤	Undistributions	(962,528)	(963,412)
歸屬於母公司的所有者權益	Equity attributable to parent company's shareholders	795,588	794,704
少數股東權益	Minority interests	—	79,085
所有者權益合計	Total equity	795,588	873,789

截至二零零七年六月三十日止六個月半年度會計報表
 (按照中華人民共和國會計準則及制度編制)
 For the six months ended 30 June 2007
 (Prepared under the PRC Accounting Rules and Regulations)

十二. 其他財務補充資料 (續)

12. Other supplementary financial information (Continued)

5 於2006年12月31日所有者權益調整情況表

(5) Equity adjustments as at 31 Dec 2006

項目		調整前 Before adjustments	調整後 After adjustments
Items			
股本	Share capital	500,018	500,018
資本公積	Capital reserve	914,179	914,179
盈餘公積	Surplus reserves	61,075	61,075
未分配利潤	Undistributions	(1,161,613)	(1,161,613)
歸屬於母公司的所有者權益	Equity attributable to parent company's shareholders	313,659	313,659
少數股東權益	Minority interests	—	58,654
所有者權益合計	Total equity	313,659	372,313

截至二零零七年六月三十日止六個月
(按國際會計準則第三十四號「中期財務報告」編制)

For the six months ended 30 June 2007

(Prepared under International Accounting Standard 34 - Interim Financial Reporting)

綜合利潤表 (未經審計)

截至二零零七年六月三十日止六個月
(以人民幣列示)

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30 June 2007
(Expressed in Renminbi)

		附註	截至二零零七年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2007 RMB'000	截至二零零六年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2006 RMB'000
營業額	Turnover	4	664,316	443,357
銷售成本	Cost of sales		(634,890)	(526,666)
毛利/(虧)	Gross profit/(loss)		29,426	(83,309)
其他營業收入	Other operating income	5	27,098	46,782
其他營業支出	Other operating expenses		(20,088)	(22,609)
銷售費用	Selling expenses		(18,838)	(19,195)
管理費用	Administrative expenses		(72,641)	(71,391)
營業虧損	Loss from operations		(55,043)	(149,722)
淨財務成本	Net finance costs	6 (a)	(33,085)	(34,570)
投資收益/(虧損)	Investment income/(loss)	6 (b)	22,064	(178)
應佔聯營公司溢利/(虧損)	Share of net profit/(loss) of associates		134	(2,463)
稅前虧損	Loss before taxation	6 (c)	(65,930)	(186,933)
所得稅費用	Income tax expenses	7	—	—
本期虧損	Loss for the period		(65,930)	(186,933)
以下人士應佔：	Attributable to:			
本公司股東	Equity shareholders of the Company		(68,302)	(156,351)
少數股東	Minority interests		2,372	(30,582)
本期虧損	Loss for the period		(65,930)	(186,933)
每股基本虧損 (人民幣：元)	Basic loss per share (in RMB: Yuan)	9	(0.136)	(0.223)

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截至二零零七年六月三十日止六個月
 (按國際會計準則第三十四號「中期財務報告」編制)
 For the six months ended 30 June 2007
 (Prepared under International Accounting Standard 34 - Interim Financial Reporting)

綜合資產負債表 (未經審計)

於二零零七年六月三十日
 (以人民幣列示)

CONSOLIDATED BALANCE SHEET (UNAUDITED)

At 30 June 2007
 (Expressed in Renminbi)

	附註	於二零零七年 六月三十日	於二零零六年 十二月三十一日 (已審計)
		人民幣千元 At 30 June 2007 RMB'000	人民幣千元 At 31 December 2006 (audited) RMB'000
非流動資產			
物業、廠房及設備		1,114,411	1,174,616
在建工程		8,469	5,550
無形資產		14,483	15,219
預付租賃		41,221	41,798
於聯營公司權益		117,604	111,105
其他投資		200	32,000
非銀行金融機構存款	10	50,000	50,000
		1,346,388	1,430,288
流動資產			
其他應收款	11	48,565	58,970
存貨		297,882	291,019
應收賬款及應收票據	12	52,861	68,853
可收回所得稅		2,243	2,249
銀行及非銀行金融機構存款		155,750	214,545
現金及現金等價物		71,570	58,414
		628,871	694,050
流動負債			
應付賬款及應付票據	13	636,637	566,527
預提費用及其他應付款		202,927	260,786
銀行及其他借款	14	836,540	930,423
		1,676,104	1,757,736
淨流動負債		(1,047,233)	(1,063,686)
總資產減流動負債		299,155	366,602

截至二零零七年六月三十日止六個月
(按國際會計準則第三十四號「中期財務報告」編制)

For the six months ended 30 June 2007

(Prepared under International Accounting Standard 34 - Interim Financial Reporting)

綜合資產負債表(未經審計)

於二零零七年六月三十日
(以人民幣列示)

CONSOLIDATED BALANCE SHEET (UNAUDITED)

At 30 June 2007
(Expressed in Renminbi)

		附註	於二零零七年 六月三十日	於二零零六年 十二月三十一日 (已審計)
		Note	人民幣千元 At 30 June 2007 RMB'000	人民幣千元 At 31 December 2006 (audited) RMB'000
非流動負債	Non-current liabilities			
銀行及其他借款	Bank and other loans	14	58,741	60,027
遞延收入	Deferred income		4,846	5,077
			63,587	65,104
淨資產	Net assets		235,568	301,498
股東權益	Capital and reserves			
股本	Share capital	15	500,018	500,018
股本溢價	Share premium		540,028	540,028
儲備	Reserves	16	(45,873)	(45,873)
累計虧損	Accumulated losses	16	(818,567)	(750,265)
本公司股東應佔權益	Total equity attributable to equity shareholders of the Company		175,606	243,908
少數股東應佔權益	Minority interests		59,962	57,590
權益合計	Total equity		235,568	301,498

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截至二零零七年六月三十日止六個月
(按國際會計準則第三十四號「中期財務報告」編制)

For the six months ended 30 June 2007

(Prepared under International Accounting Standard 34 - Interim Financial Reporting)

綜合權益變動表(未經審計)

截至二零零七年六月三十日止六個月
(以人民幣列示)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2007
(Expressed in Renminbi)

		本公司股東應佔權益 Attributable to equity shareholders of the Company					少數股東 權益	權益 合計
		股本 人民幣千元 Share capital RMB'000	股本溢價 人民幣千元 Share premium RMB'000	儲備 人民幣千元 Reserves RMB'000	累計虧損 人民幣千元 Accumulated losses RMB'000	合計 人民幣千元 Total RMB'000	人民幣千元 Minority interests RMB'000	人民幣千元 Total equity RMB'000
於二零零六年一月一日	At 1 January 2006	700,000	969,988	119,921	(927,543)	862,366	81,666	944,032
分配	Appropriation	—	—	(162,130)	162,130	—	—	—
本期虧損	Loss for the period	—	—	—	(152,391)	(152,391)	(30,226)	(182,617)
於二零零六年六月三十日	At 30 June 2006	700,000	969,988	(42,209)	(917,804)	709,975	51,440	761,415
於二零零七年一月一日	At 1 January 2007	500,018	540,028	(45,873)	(750,265)	243,908	57,590	301,498
本期虧損	Loss for the period	—	—	—	(68,302)	(68,302)	2,372	(65,930)
於二零零七年六月三十日	At 30 June 2007	500,018	540,028	(45,873)	(818,567)	175,606	59,962	235,568

截至二零零七年六月三十日止六個月
(按國際會計準則第三十四號「中期財務報告」編制)

For the six months ended 30 June 2007

(Prepared under International Accounting Standard 34 - Interim Financial Reporting)

簡明綜合現金流量表(未經審計)

截至二零零七年六月三十日止六個月
(以人民幣列示)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(UNAUDITED)**

For the six months ended 30 June 2007
(Expressed in Renminbi)

		截至二零零七年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2007 RMB'000	截至二零零六年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2006 RMB'000
經營活動之現金流入淨額	Net cash flows from operating activities	34,171	44,492
投資活動之現金流入/(流出)淨額	Net cash flows from/(used in) investing activities	15,359	(41,027)
融資活動之現金(流出)/流入淨額	Net cash flows (used in)/from financing activities	(36,374)	4,927
現金及現金等價物增加淨額	Net increase in cash and cash equivalents	13,156	8,392
於一月一日現金及現金等價物	Cash and cash equivalents at 1 January	58,414	144,655
於六月三十日現金及現金等價物	Cash and cash equivalents at 30 June	71,570	153,047

截至二零零七年六月三十日止六個月
(按國際會計準則第三十四號「中期財務報告」編制)

For the six months ended 30 June 2007

(Prepared under International Accounting Standard 34 - Interim Financial Reporting)

中期財務報表附註(未經審計)

截至二零零七年六月三十日止六個月
(以人民幣列示)

1 編制基準

本中期財務報告雖未經審計，但已經由洛陽玻璃股份有限公司(「本公司」)的審核委員會審閱。本中期財務報告於二零零七年八月二十七日獲許可發出。

本中期財務報告是按照《香港聯合交易所有限公司證券上市規則》適用的披露規定編制，包括符合國際會計準則委員會所採納的《國際會計準則》第三十四號「中期財務報告」的規定。

根據《國際會計準則》第三十四號，管理層在編制中期財務報告時需要作出判斷、估計和假設。這些判斷、估計和假設會影響政策的應用和本年度截至現在為止的資產與負債及收入與支出的匯報數額。實際結果可能有別於這些估計。

本中期財務報告載有簡明綜合財務報表和若干選定的解釋附註。這些附註載有若干事件和交易的詳情，它們有助於了解本公司及其合營公司(「本集團」)自二零零六年十二月三十一日以來財務狀況和業績方面的變動。簡明綜合中期財務報表和其中所載的附註並未載有根據國際會計準則委員會頒佈的《國際財務報告準則》的要求編制完整財務報表所需的一切數據。《國際財務報告準則》包括所有適用的《國際財務報告準則》、《國際會計準則》及相關解釋。

本中期財務報告已按照二零零六年年度財務報表所採納的相同會計政策編制。

雖然以早前呈報資料載列於中期財務報告內的有關截至二零零六年十二月三十一日止財政年度的財務資料並不構成本集團在該財政年度根據《國際財務報告準則》編制的年度財務報表，但這些財務資料均取自這些財務報表。本集團截至二零零六年十二月三十一日止年度的年度財務報表可於本公司的註冊辦事處索取。核數師已在其二零零七年四月二十五日的報告中對該些財務報表發表了帶有關於持續經營的基本不肯定因素說明段的無保留意見。

NOTES ON THE INTERIM FINANCIAL REPORT (UNAUDITED)

For the six months ended 30 June 2007
(Expressed in Renminbi)

1 Basis of preparation

This interim financial report is unaudited, but has been reviewed by the Audit Committee of Luoyang Glass Company Limited ("the Company"). It was authorised for issuance on 27 August 2007.

The interim financial report has been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34 "Interim financial reporting" adopted by the International Accounting Standards Board ("IASB").

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and operating results of the Company and its subsidiaries ("the Group") since the 31 December 2006. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs"). IFRSs include IASs and interpretations.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2006 annual financial statements.

The financial information relating to the financial year ended 31 December 2006 that is included in the interim financial report as previously reported information does not constitute the Group's annual financial statements for that financial year but is derived from those financial statements. The Group's annual financial statements for the year ended 31 December 2006 are available from the Company's registered office. The auditors have expressed an unqualified opinion with an explanatory paragraph in respect of the fundamental uncertainty about going concern assumption on those financial statements in their report dated 25 April 2007.

截至二零零七年六月三十日止六個月
(按國際會計準則第三十四號「中期財務報告」編制)

For the six months ended 30 June 2007

(Prepared under International Accounting Standard 34 - Interim Financial Reporting)

1 編制基準 (續)

儘管本集團在二零零七年六月三十日具有淨流動負債，本公司董事認為，本集團將能夠持續經營，並能在債務到期時償還有關款項，原因如下：

- (i) 已獲金融機構同意其給予本集團的佔貸於二零零七年到期日可獲續批；及
- (ii) 將繼續獲取控股股東—中國洛陽浮法玻璃有限責任公司（「洛玻集團」），及控股股東之母公司—中國建築材料集團公司（「中國建材」）的財務支持。

董事認為本集團將會有充足的現金資源以滿足未來的流動資金及其他融資需求。因此，本財務報表應以持續經營基準編制，而且不包括本集團倘未能持續經營而需作出的任何調整。

2 新訂及經修訂的《國際財務報告準則》

國際會計準則委員會頒佈了多項新訂及經修訂的《國際財務報告準則》。這些準則在由二零零七年一月一日或以後開始的會計期間生效或可供提早採用。董事會已根據已頒佈的《國際財務報告準則》，確定預期在編製本集團截至二零零七年十二月三十一日止年度的年度財務報表時採用的會計政策。

在本中期財務報告刊發日後，對截至二零零七年十二月三十一日止年度根據《國際財務報告準則》編製的年度財務報表有效或可供提早採用的《國際財務報告準則》有可能受到國際會計準則委員會頒佈的額外解釋或作出的其他修訂所影響。因此，本集團將在該期間財務報表採用的政策不能在本中期財務報告刊發日時準確地確定。

採納這些新訂及經修訂的《國際財務報告準則》對本中期財務報告在呈列期間應用的本集團會計政策沒有重大影響。

1 Basis of preparation (continued)

Notwithstanding that the Group had net liabilities at 30 June 2007, the directors of the Company are of the opinion that the Group is able to continue as a going concern and to meet their obligations as and when they fall due having regard to the followings:

- (i) agreements obtained from financial institutions for renewal of loan facilities to the Group upon their expiry in 2007; and
- (ii) continuing financial support received from China Luoyang Float Glass Group Company Limited (“CLFG”), the controlling shareholder, together with China National Building Material Group Corporation (“CNBMG”), the holding company of controlling shareholder.

The directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, it is appropriate that these financial statements should be prepared on a going concern basis and do not include any adjustments that would be required should the Group fail to continue as a going concern.

2 New and revised IFRSs

The IASB has issued a number of new and revised IFRSs that are effective or available for early adoption for the accounting period of the Group beginning on or after 1 January 2007. The Board of Directors has determined the accounting policies to be adopted in the preparation of the Group’s annual financial statements prepared under IFRSs for the year ending 31 December 2007, on the basis of IFRSs currently in issue.

The IFRSs that will be effective or are available for voluntary early adoption in the annual financial statements prepared under IFRSs for the year ending 31 December 2007 may be affected by the issue of additional interpretation(s) or other changes announced by the IASB subsequent to the date of issuance of this interim financial report. Therefore the policies that will be applied in the Group’s financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report.

The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies applied in this interim financial report for the periods presented.

截至二零零七年六月三十日止六個月
(按國際會計準則第三十四號「中期財務報告」編制)

For the six months ended 30 June 2007

(Prepared under International Accounting Standard 34 - Interim Financial Reporting)

3 分部報告

由於本集團的營業額和經營成果主要來自浮法平板玻璃的製造和銷售，因此並沒有提供按業務類型的分部報告。本集團於本期間按地區的營業分部報告列示如下：

營業額	Turnover
中國	China
亞洲	Asia
美洲	America
大洋洲	Oceania
其他	Others

3 Segment reporting

The Group's turnover and operating results are almost entirely generated from the manufacture and sales of float sheet glass. Accordingly, no business segment information is provided. The analysis of the geographical location of the operations of the Group during the financial period is as follows:

截至二零零七年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2007 RMB'000	截至二零零六年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2006 RMB'000
641,042	411,559
11,850	17,840
1,244	6,066
3,179	7,489
7,001	403
664,316	443,357

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4 營業額

營業額是指扣除增值稅及附加和商業折扣後，銷售予顧客的貨品的銷售金額。

4 Turnover

Turnover represents revenue from the invoiced value of goods sold to customers, net of value-added and surcharges and is after deduction of any trade discounts.

截至二零零七年六月三十日止六個月
(按國際會計準則第三十四號「中期財務報告」編制)

For the six months ended 30 June 2007

(Prepared under International Accounting Standard 34 - Interim Financial Reporting)

5 其他營業收入

5 Other operating income

		截至二零零七年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2007 RMB'000	截至二零零六年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2006 RMB'000
銷售原材料收益	Profit on sales of raw materials	15,321	22,035
銷售集裝架收益	Gain on disposal of racks	257	5,427
佣金收入	Commission income	—	1,028
轉回於以前年度計提的減值虧損	Reversal of impairment losses on		
— 應收賬款	— trade receivables	—	1,475
— 其他應收款	— other receivables	—	4,694
— 存貨	— inventories	—	8,590
沖銷長期應付款	Write off of long term payables	—	231
補貼收入	Government grants	231	331
處置物業、廠房及設備淨收益	Net gain on disposal of property, plant and equipment	58	1,396
其他	Others	11,231	1,575
		27,098	46,782

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6 稅前虧損

6 Loss before taxation

稅前虧損已扣除/(計入)：

Loss before taxation is arrived at after charging/(crediting):

	截至二零零七年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2007 RMB'000	截至二零零六年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2006 RMB'000
(a) 淨財務成本：		
利息收入	(2,193)	(2,806)
借款利息	31,737	35,736
淨匯兌虧損	571	970
其他財務費用	2,970	670
	33,085	34,570
(b) 投資(收益)/虧損：		
被投資公司於結束時所歸還 之剩餘資產	(22,059)	—
非上市證券投資減值虧損	—	443
其他	(5)	(265)
	(22,064)	178
(c) 其他：		
存貨成本	629,446	523,412
折舊	56,774	50,189
減值虧損		
— 應收賬款	5	419
— 其他應收款	—	982
— 物業、廠房及設備	14,144	1,516
— 存貨	5,444	14,468
轉回減值虧損		
— 應收賬款	—	(1,475)
— 其他應收款	—	(4,694)
— 存貨	—	(8,590)
無形資產攤銷	736	813
預付租賃攤銷	577	927
出售預付租賃淨損失	—	810
處置物業、廠房及設備 淨(收益)/損失	(58)	1,246

截至二零零七年六月三十日止六個月
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7 所得稅費用

由於本集團截至二零零七年六月三十日止錄得稅項虧損，故此並無提取任何中國所得稅準備。

由於本集團並沒有海外業務，所以沒有為海外所得稅作出準備。

8 股息

本公司董事會不建議宣派截至二零零七年六月三十日止六個月中期股息(二零零六年：無)。

9 每股基本虧損

每股基本虧損乃按照截至二零零七年六月三十日止六個月的本公司股東應佔虧損人民幣68,302,000元(二零零六年：人民幣156,351,000元)及在本期間內已發行股份500,018,000股(二零零六年：700,000,000股)計算。

由於在二零零六年一月一日至二零零七年六月三十日止期間並沒有任何潛在攤薄之股份，故沒有計算每股攤薄盈利。

10 非銀行金融機構存款

該餘額為於廣州國際信託投資公司(「廣州國投」)之存款，該逾期存款已提撥65.7%之虧損。廣州國投正於重組當中。本公司已與廣州國投就此項債權回收事項進行初步協商，廣州國投擬用部分房地產進行抵償，根據廣州國投擬抵償資產的市場參考價，估計此項債權可收回金額不低於人民幣5,000萬。本公司並未對該筆存款計提利息。

11 其他應收款

流動資產

訂金、其他應收款及預付款
減：減值虧損

7 Income tax expense

No provision for PRC income tax has been made as the Group have made losses for taxation purposes during the period ended 30 June 2007.

The Group did not carry on business overseas and therefore no provision has been made for overseas profits tax.

8 Dividends

The Board of Directors does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2007 (2006: Nil).

9 Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company for the six months ended 30 June 2007 of RMB68,302,000 (2006: RMB156,351,000) and 500,018,000 (2006: 700,000,000) shares in issue during the period.

No diluted earnings per share is calculated as there are no dilutive potential shares for the period from 1 January 2006 to 30 June 2007.

10 Deposits with a non-bank financial institution

The balances represent the overdue time deposits at Guangzhou International Trust & Investment Corporation ("GZITIC"), after a 65.7% impairment made. GZITIC is in the process of a corporate restructuring. A preliminary negotiation regarding the debt repayment has been undergoing between the two parties and GZITIC initially intended to repay with certain of its properties with estimated prevailing market value of not less than RMB50,000,000. No interest has been accrued in respect of the deposits.

11 Other receivables

於二零零七年 六月三十日	於二零零六年 十二月三十一日 (已審計)
人民幣千元 At 30 June 2007	人民幣千元 At 31 December 2006 (audited)
RMB'000	RMB'000

Current assets

Advance payments, other receivables and prepayments
Less: impairment losses on doubtful debts

104,554 114,803
55,989 55,833

48,565 58,970

截至二零零七年六月三十日止六個月
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12 應收賬款及應收票據

12 Trade and bills receivables

		於二零零七年 六月三十日	於二零零六年 十二月三十一日 (已審計)
		人民幣千元	人民幣千元
		At 30 June 2007	At 31 December 2006 (audited)
		RMB'000	RMB'000
應收賬款	Trade receivables		
— 獨立第三方	— third parties	70,453	66,949
— 控股股東之子公司	— a subsidiary of the controlling shareholder	236	1,421
		70,689	68,370
減：減值虧損	Less: impairment losses on doubtful debts	46,017	44,916
		24,672	23,454
應收票據	Bills receivable	28,189	45,399
		52,861	68,853

提取減值虧損後的應收賬款及應收票據的賬齡分析如下：

The ageing analysis of trade and bills receivables, net of impairment losses on doubtful debts, is as follows:

		於二零零七年 六月三十日	於二零零六年 十二月三十一日 (已審計)
		人民幣千元	人民幣千元
		At 30 June 2007	At 31 December 2006 (audited)
		RMB'000	RMB'000
一年內	Within one year	52,004	66,372
一年至二年	Between one and two years	735	1,650
二年至三年	Between two and three years	122	831
		52,861	68,853

在正常情況下，本集團會提供三十日的銷售信貸期。以上的賬齡分析是按發票日期分類的。

Debts are normally due within 30 days from the date of billing. The ageing analysis above is prepared in accordance with invoice dates.

截至二零零七年六月三十日止六個月
(按國際會計準則第三十四號「中期財務報告」編制)

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13 應付賬款及應付票據

13 Trade and bills payables

		於二零零七年 六月三十日	於二零零六年 十二月三十一日 (已審計)
		人民幣千元	人民幣千元
		At 30 June 2007	At 31 December 2006 (audited)
		RMB'000	RMB'000
應付賬款	Trade payables		
— 獨立第三方	— third parties	403,601	385,154
— 控股股東	— controlling shareholder	1,272	1,214
— 控股股東之子公司	— a subsidiary of the controlling shareholder	69,144	8,769
		<hr/>	<hr/>
		474,017	395,137
應付票據	Bills payable	162,620	171,390
		<hr/>	<hr/>
		636,637	566,527
		<hr/> <hr/>	<hr/> <hr/>

應付賬款及應付票據的賬齡分析如下：

The ageing analysis of trade and bills payables is as follows:

		於二零零七年 六月三十日	於二零零六年 十二月三十一日 (已審計)
		人民幣千元	人民幣千元
		At 30 June 2007	At 31 December 2006 (audited)
		RMB'000	RMB'000
一個月以內或接獲通知時到期	Due within 1 month or on demand	636,637	566,527
		<hr/> <hr/>	<hr/> <hr/>

截至二零零七年六月三十日止六個月
 (按國際會計準則第三十四號「中期財務報告」編制)
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14 銀行及其他借款

14 Bank and other loans

		於二零零七年 六月三十日 人民幣千元 At 30 June 2007 RMB'000	於二零零六年 十二月三十一日 (已審計) 人民幣千元 At 31 December 2006 (audited) RMB'000
有抵押銀行借款	Secured bank loans	699,541	754,910
無抵押控股股東	Unsecured loans from a controlling shareholder	12,940	31,540
有抵押聯營公司借款	Secured loans from an associate	39,800	50,000
無抵押聯營公司借款	Unsecured loans from an associate	63,000	63,000
有抵押非銀行金融機構借款	Secured loans from a non-bank financial institution	80,000	80,000
無抵押非銀行金融機構借款	Unsecured loans from a non-bank financial institution	—	11,000
		895,281	990,450

於本集團銀行借款中的人民幣3,100,000元(二零零六年：人民幣3,100,000元)是以淨值為人民幣2,913,000元(二零零六年：人民幣2,948,000元)的土地使用權及淨值為人民幣6,235,000元(二零零六年：人民幣6,429,000元)的房產進行抵押。

RMB3,100,000 (2006: RMB3,100,000) included in secured bank loans of the Group is secured by the land use rights and buildings amounting to RMB2,913,000 (2006: RMB2,948,000) and RMB6,235,000 (2006: RMB6,429,000) respectively.

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於本集團其中一家子公司的有抵押非銀行金融機構借款中的人民幣33,700,000元(二零零六年：人民幣20,400,000元)屬於逾期借款。

Included in secured loans from a non-bank financial institution to a subsidiary of RMB33,700,000 (2006: RMB20,400,000) has become overdue for payment.

截至二零零七年六月三十日止六個月
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14 銀行及其他借款 (續)

銀行及其他借款的還款期如下：

14 Bank and other loans (continued)

The bank and other loans are repayable as follows:

		於二零零七年 六月三十日 人民幣千元 At 30 June 2007 RMB'000	於二零零六年 十二月三十一日 (已審計) 人民幣千元 At 31 December 2006 (audited) RMB'000
一年內	Within one year		
— 短期借款	— short-term loans	807,340	902,221
— 一年內到期的長期借款	— current portion of long term loans	29,200	28,202
		<hr/> 836,540	<hr/> 930,423
一年至二年	Between one and two years	53,374	53,862
二年至五年	Between two and five years	1,596	1,596
五年以上	After five years	3,771	4,569
		<hr/> 58,741	<hr/> 60,027
		<hr/> 895,281	<hr/> 990,450

截至二零零七年六月三十日止六個月
(按國際會計準則第三十四號「中期財務報告」編制)

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15 股本

15 Share capital

		於二零零七年六月三十日		於二零零六年十二月三十一日 (已審計)	
		千股	人民幣千元	千股	人民幣千元
		At 30 June 2007		At 31 December 2006	
		Shares'000	RMB'000	Shares'000	RMB'000
註冊、已發行及實收資本：	Registered, issued and paid-up capital:				
國有法人股，	State-owned legal person shares				
每股面值人民幣1元	of RMB1.00 each				
期 / 年初餘額	At the beginning of the period/year	179,018	179,018	400,000	400,000
股權分置改革減少	Decrease as a result of				
	Revised Share Reform	—	—	(21,000)	(21,000)
購回並註銷股份	Cancellation upon repurchase				
	of own shares	—	—	(199,982)	(199,982)
期 / 年末餘額	At the end of period/year	179,018	179,018	179,018	179,018
境內上市股(「A股」)，	Domestic listed shares (“A Shares”)				
每股面值人民幣1元	of RMB1.00 each				
期 / 年初餘額	At the beginning of the period/year	71,000	71,000	50,000	50,000
股權分置改革增加	Increase as a result of				
	Revised Share Reform	—	—	21,000	21,000
期 / 年末餘額	At the end of period/year	71,000	71,000	71,000	71,000
海外上市股(「H股」)，	Overseas listed shares (“H Shares”)				
每股面值人民幣1元	of RMB1.00 each				
期 / 年初及期 / 年末餘額	At the beginning and the end	250,000	250,000	250,000	250,000
	of the period/year				
		500,018	500,018	500,018	500,018

截至二零零七年六月三十日止六個月
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16 儲備

16 Reserves

		法定 盈餘公積 人民幣千元 Statutory surplus reserve RMB'000	法定 公益金 人民幣千元 Statutory public welfare fund RMB'000	任意 公積金 人民幣千元 Discretionary surplus reserve RMB'000	股本盈餘 人民幣千元 over share capital RMB'000	資本公積 人民幣千元 Capital reserve RMB'000	累計虧損 人民幣千元 Accumulated losses RMB'000	合計 人民幣千元 Total RMB'000
於二零零六年一月一日	At 1 January 2006	58,937	55,662	110,764	(106,949)	1,507	(927,543)	(807,622)
本期虧損	Loss for the period	—	—	—	—	—	(152,391)	(152,391)
儲備轉入/(轉出)	Transfer from/(to) reserves	55,662	(55,662)	—	—	—	—	—
轉至累計虧損	Transfer to accumulated losses	(51,366)	—	(110,764)	—	—	162,130	—
於二零零六年六月三十日	At 30 June 2006	63,233	—	—	(106,949)	1,507	(917,804)	(960,013)
於二零零七年一月一日	At 1 January 2007	61,076	—	—	(106,949)	—	(750,265)	(796,138)
本期虧損	Loss for the period	—	—	—	—	—	(68,302)	(68,302)
於二零零七年六月三十日	At 30 June 2007	61,076	—	—	(106,949)	—	(818,567)	(864,440)

17 資本承擔

17 Capital commitments

於二零零七年六月三十日，本集團的資本承擔如下：

At 30 June 2007, the Group had the following capital commitments:

		於二零零七年 六月三十日 人民幣千元 At 30 June 2007 RMB'000	於二零零六年 十二月三十一日 (已審計) 人民幣千元 At 31 December 2006 (audited) RMB'000
已訂合同但未作出準備 — 建設工程	Contracted for — construction project	363	—
已批准但未訂合同 — 建設工程	Authorised but not contracted for — construction project	—	7,687
		363	7,687

截至二零零七年六月三十日止六個月
 (按國際會計準則第三十四號「中期財務報告」編制)
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18 關連人士交易

- (a) 關連人士交易的詳情載於按照中國會計準則及制度編制之中期財務報告註釋七，其中所載的財務數據與按照《國際財務報告準則》編制的財務數據一致。

本公司正就上述部分的持續進行關連交易向香港聯合交易所申請對於嚴格遵守上市規則第十四A章的有關規定之豁免權。

主要管理人員酬金如下：

董事和監事
 高級管理人員

Directors and supervisors
 Senior management

18 Related party transactions

- (a) Details of the related party transactions are presented in explanatory note 7 of the interim financial report prepared under PRC Accounting Rules and Regulations. The financial data presented are the same as those prepared under IFRSs.

The Company is in the process of application to the Stock Exchange of Hong Kong Limited for a waiver of strict compliance with the requirements of Chapter 14A of the Listing Rules on all of the above continuing connected transactions as reflected above.

The key management personnel remuneration are as follows:

截至二零零七年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2007 RMB'000	截至二零零六年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2006 RMB'000
90	94
108	104
198	198

- (b) 與其他中國國有企業的交易

本集團是一個國有企業單位，而且於現階段以國有企業為主的經濟體制下運營。除了與洛玻集團及其子公司的交易外，本集團大多數的交易是與中國政府直接或間接擁有或控制的企業、以及眾多的政府機關和機構（統稱為「國有企業」）進行的，這些交易都是在日常業務過程中進行。這些交易包括銷售和採購商品及輔助原料，提供和接受勞務，購入物業、廠房和設備以及籌措資金，執行以上交易時所遵照的條款與同非國有企業訂立的交易條款相若。本集團認為以上就關聯方交易的披露已作出有意義的匯總。

19 資產負債表日後事項

截至本報告日期，本集團及本公司並無重大資產負債表日後事項。

- (b) Transactions with other state-owned enterprises

The Group is a state-owned entity and operates in an economic regime currently predominated by state-owned entities. Apart from transactions with CLFG and its affiliates, the Group conducts a majority of its business activities with entities directly or indirectly owned or controlled by the PRC government and numerous government authorities and agencies (collectively referred to as “state-owned entities”) in the ordinary course of business. These transactions, which include sales and purchase of goods and ancillary materials, rendering and receiving services, purchase of property, plant and equipment and obtaining finance, are carried out at terms similar to those that would be entered into with non-state-owned entities and have been reflected in the financial statements. The management believes that it has provided meaningful disclosure of related party transactions as summarised above.

19 Post balance sheet events

Up to the date of this report, the Group and the Company had no material post balance sheet events after the balance sheet date.

截至二零零七年六月三十日止六個月
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按中國會計準則及制度和按《國際財務報告準則》編制的本集團財務報告之間的重大差異 (未經審計)

SIGNIFICANT DIFFERENCES BETWEEN THE FINANCIAL STATEMENTS OF THE GROUP PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING RULES AND REGULATIONS AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) — (UNAUDITED)

(1) 中國會計準則及制度和《國際財務報告準則》之重大差異對本集團淨虧損的影響分析如下：

(1) Reconciliation of the loss attributable to the Group prepared in accordance with the PRC Accounting Rules and Regulations and IFRSs are summarised below:

		截至二零零七年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2007 RMB'000	截至二零零六年 六月三十日止 六個月 人民幣千元 Six months ended 30 June 2006 RMB'000
按中國會計準則及制度編制的股東應佔虧損	Loss attributable to shareholders under the PRC Accounting Rules and Regulations	(63,875)	(156,786)
差異：	Differences:		
— 土地使用權重估值攤銷	— Amortisation of revaluation of land use rights	1,049	1,049
— 債務豁免	— Waiver of debts	—	230
— 開辦費	— Pre-operating expenditure	—	2,088
— 財政專項撥款	— Government grants	182	182
— 不同會計準則下處理合併入賬的差異	— Difference in accounting for consolidation	—	(3,114)
— 不同會計準則下處理周轉使用包裝物方法的差異	— Difference in accounting for reuse packing materials	(5,658)	—
按《國際財務報告準則》編制的本公司股東應佔虧損	Loss attributable to equity shareholders of the Company under IFRSs	(68,302)	(156,351)

截至二零零七年六月三十日止六個月
 (按國際會計準則第三十四號「中期財務報告」編制)
 For the six months ended 30 June 2007
 (Prepared under International Accounting Standard 34 - Interim Financial Reporting)

按中國會計準則及制度和按《國際財務報告準則》編制的本集團財務報告之間的重大差異 (未經審計)

SIGNIFICANT DIFFERENCES BETWEEN THE FINANCIAL STATEMENTS OF THE GROUP PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING RULES AND REGULATIONS AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) — (UNAUDITED)

- (2) 按中國會計準則及制度和按《國際財務報告準則》編制的財務報表內本集團股東權益的差異如下：
- (2) Reconciliation of the shareholders' funds of the Group prepared in accordance with the PRC Accounting Rules and Regulations and IFRSs are summarised below:

		於二零零七年 六月三十日 人民幣千元 At 30 June 2007 RMB'000	於二零零六年 十二月三十一日 (已審計) 人民幣千元 At 31 December 2006 (audited) RMB'000
按中國會計準則及制度編制的股東權益	Shareholders' funds under the PRC Accounting Rules and Regulations	249,784	313,660
差異：	Differences:		
— 土地使用權重估攤銷	— Amortisation of revaluation of land use rights	(79,101)	(80,150)
— 財政專項撥款	— Government grants	(3,830)	(4,012)
— 不同會計準則下處理合併入賬的差異	— Difference in accounting for consolidation	3,653	3,653
— 不同會計準則下處理周轉使用包裝物方法的差異	— Difference in accounting for reuse packing materials	5,100	10,757
按《國際財務報告準則》編制的本公司股東應佔權益	Total equity attributable to equity shareholders of the Company under IFRSs	175,606	243,908

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七. 備查文件

7. DOCUMENTS AVAILABLE FOR INSPECTION

本公司備查檔齊備、完整，包括下列檔：

The full set of the following documents of the Company are available for inspection:

- 載有法定代表人簽名的半年度報告文本；
 - 載有單位負責人、主管會計工作的負責人、會計機構負責人簽名並蓋章的財務報告文本；
 - 報告期內在中國證監會指定報刊上公開披露過的所有檔的正本及公告的原稿；
 - 在其他證券市場披露的半年度報告文本；
 - 其他有關資料。
- Copy of the Interim Report signed by the legal representative;
 - Copy of the financial report signed and sealed by officers in charge of each unit, management of accounting and accounting organizations.
 - All original copies of the documents and announcements published on the newspapers designated by the China Securities Regulatory Committee during the reporting period;
 - Copy of the Interim Report disclosed in other securities market;
 - Other related information.



洛 阳 玻 璃 股 份 有 限 公 司
LUOYANG GLASS COMPANY LIMITED