

## Financial Highlights

The result of Luoyang Glass Company Limited ("the Company") and its subsidiaries ("the subsidiaries") for the current year are as follows:

### (1) FINANCIAL AND BUSINESS SUMMARY (PREPARED IN ACCORDANCE WITH PRC ACCOUNTING REGULATIONS)

	2000 Rmb'000	1999 Rmb'000
Total profit	89,440	35,682
Net profit	65,991	52,147
Net profit/(loss) (excluding non-operating profit (i.e profit on disposal of a subsidiary and assignment of receivable))	65,991	(70,202)
Principal operating profit	284,954	151,842
Operating profit/(loss)	89,791	(95,484)
Investment (loss)/income	(9,559)	36,059
Net cash flow from operating activities	45,062	93,472
Net (decrease)/increase in cash and cash equivalent	(62)	36,446

### (2) MAJOR FINANCIAL DATA AND FINANCIAL INDICATORS FOR THE PREVIOUS THREE YEARS OF THE GROUP (PREPARED IN ACCORDANCE WITH PRC ACCOUNTING REGULATIONS)

	2000 Rmb'000	1999 Rmb'000	1998 Rmb'000
Income from principal operations	901,522	822,082	626,815
Net profit/(loss)	65,991	52,147	(363,361)
Total assets	2,889,045	2,878,541	3,073,748
Shareholders' funds (excluding minority interests)	1,552,716	1,486,725	1,434,578
Net assets per share (yuan)	2.22	2.12	2.05
Adjusted net assets per share (yuan)	1.81	1.42	1.73
Profit/(loss) return (%) on net assets	4.25	3.51	(25.33)
Net cash flow from operating activities per share (yuan)	0.064	0.13	0.089

*Note:*

Calculation of major financial indicators under PRC Accounting Regulations are set out as follows:

1. Earnings/(Loss) per share = Net profit / (loss) ÷ Total number of ordinary shares at the end of the year.
2. Net assets per share = Shareholders' fund at the end of the year ÷ Total number of ordinary shares at the end of the year.
3. Adjusted net assets per share = Shareholders' fund at the end of the year-trade debtors over 3 years - deferred expenses - net losses of current or fixed assets to be disposed of - pre-operating expenses - Long term deferred expenses - negative balance of housing revolving fund) ÷ Total number of ordinary shares at the end of the year.

"trade debtors" include accounts receivable, other receivables, advance payment, dividend receivable, interests receivable and compensations receivable.

4. Cash flow from operating activities per share (yuan) = Cash flow from operating activities ÷ Total number of ordinary shares at the end of the year.
5. Return/(loss) on net assets = Net profit /(loss) ÷ Shareholders' fund at the end of the year x 100%.
6. Appendix to profit and loss account is shown as the following table as required by "No. 9 Document of Regulations of Information Disclosure for Public Companies" issued by China Securities Regulatory Commission:

## 2000

Profit for the reporting period	Return on net asset		Earnings per share	
	Fully dilluted	Weighted average	Fully dilluted	Weighted average
Principal operating profit	0.18	0.19	0.41	0.41
Operating profit	0.06	0.06	0.13	0.13
Net profit	0.04	0.04	0.09	0.09
Net profit excluding non-operating profit	0.04	0.04	0.09	0.09

## 1999

Profit for the reporting period	Return on net asset		Earnings per share	
	Fully dilluted	Weighted average	Fully dilluted	Weighted average
Principal operating profit	0.10	0.10	0.22	0.22
Operating loss	(0.06)	(0.07)	(0.14)	(0.14)
Net profit	0.04	0.04	0.07	0.07
Net profit excluding non-operating profit	0.04	0.04	0.07	0.07

Return on net asset on a weighted average basis (ROE) =  $P \div (EO + NP \div 2 + E_i \times M_i \div MO - E_j \times M_j \div MO)$

Of which: P represents profit for the reporting period; NP represents net profits for the reporting period; Eo represents net assets at the beginning of the reporting period; Ei represents increase in net assets as a result of issue of new shares or the capitalisation of debts during the reporting period; Ej represents decrease in net assets as a result of repurchase or declaration of cash dividend during the reporting period; MO represents number of months for the reporting period; Mi represents number of months between the period after the occurrence of an increase in net assets and the end of the reporting period; Mj represents number of months between the period after the occurrence of a decrease in net assets and the end of the reporting period.

Earnings per share (EPS) on a weighted average basis =  $P \div (S_0 + S_1 + S_i \times M_i \div MO - S_j \times M_j \div MO)$

Of which P represents profit for the reporting period; S0 represents number of shares at the beginning of the reporting period; S1 represents increase in the share capital or the number of shares as a result of transfer from reserve or the declaration of dividend during the reporting period; Si represents increase in the number of shares as a result of issue of new shares or the capitalisation of debts during the reporting period; Sj represents decrease in the number of shares as a result of repurchase or cancellation of shares during the reporting period; MO represents number of months during the reporting period; Mi represents number of months between the period after the occurrence of an increase in the number of shares and the end of the reporting period; Mj represents number of months between the year after the occurrence of a decrease in the number of shares and the end of the reporting period.

### **(3) CHANGES IN SHAREHOLDERS' FUNDS DURING THE YEAR (PREPARED UNDER PRC ACCOUNTING REGULATIONS)**

Items	Shares capital Rmb'000	Capital reserve Rmb'000	Surplus reserve Rmb'000	Statutory* welfare funds Rmb'000	Accumulated** deficit Rmb'000	Total Rmb'000
Balance at the beginning of the year	700,000	969,988	223,806	55,142	(407,069)	1,486,725
Increase in the period	—	—	—	—	65,991	65,991
Decrease in the period	—	—	—	—	—	—
Balance at the end of the year	700,000	969,988	223,806	55,142	(341,078))	1,552,716

Reasons of change: \* Statutory public welfare fund was included in surplus reserve.  
 \*\* Change of accumulated deficit during the reporting period is the result of net profit of Rmb65,991,000 of the Group during the reporting period.

**(4) FINANCIAL AND BUSINESS SUMMARY (PREPARED UNDER INTERNATIONAL ACCOUNTING STANDARDS)**

	<b>2000</b>	<b>1999</b>	<b>1998</b>
	<b>Rmb'000</b>	<b>Rmb'000</b>	<b>Rmb'000</b>
Turnover	896,169	818,000	624,123
Profit/(loss) attributable to shareholders	65,991	56,161	(363,361)
Total assets	2,858,471	2,828,757	2,981,199
Shareholders' fund (excluding minority interests)	1,552,716	1,486,725	1,430,564
Earning/(loss) per share (basic and diluted) (yuan)	人民幣 0.09 元	人民幣 0.08 元	人民幣(0.519)元
Net assets per share (yuan)	2.22	2.12	2.05
Return/(loss) (%) on net assets	4.25	3.78	(25.40)

Note: The profits and other financial indicators are calculated based on the number of shares of 700,000,000.

**(5) RECONCILIATIONS OF DIFFERENCES BETWEEN THE NET PROFIT PREPARED UNDER PRC ACCOUNTING REGULATIONS AND UNDER INTERNATIONAL ACCOUNTING STANDARDS**

	<b>2000</b>	<b>1999</b>
	<b>Rmb'000</b>	<b>Rmb'000</b>
Shareholders' fund under IAS	1,552,716	1,486,725
Shareholders' fund under PRC Accounting Regulations	1,552,716	1,486,725
Net profit under IAS	65,991	56,161
Adjustment:		
Staff housing scheme deficit of a subsidiary	-	(4,014)
Net profit attributable to shareholders under PRC accounting regulations	65,991	52,147