

### 三、 採取措施：

- 1、 提高超薄線系統穩定性，減少超薄玻璃質量波動，鞏固、提高超薄玻璃市場競爭優勢。2、 根據市場需要，加快產品品種調整，提高盈利產品的生產能力。3、 加強生產組織，確保各線穩定、優質、高產。4、 加強營銷策劃，適應更加激烈的市場競爭。同時積極開拓國際市場。5、 加快新建浮法線投產前的各項準備工作，確保新建浮法線按期順利投產。6、 按照新的工藝方法，加快完成八達公司、浮法玻璃廠二線燃料油替代重油工作，爭取使燃料油早日投入生產應用。

### 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。

### 3. Facilities adopted

1. The steadiness of ultra thin system has enhanced so that fluctuation of quality of ultra thin glass had minimized, the trend of market competition of ultra thin glass has enhanced and consolidated. 2. The adjustment in product varieties had been hastened and productivity of profit making products had increased in accordance with market needs. 3. Production organization had been strengthened so that the steadiness, quality and high-productivity of various lines could be reinforced. 4. Sales strategy was enhanced in order to adapt to keen market competition and international market was developed proactively. 5. Various preparation works before commencement of operation for newly established floating glass line had been hastened to ensure the smooth operation of production line of new floating glass. 6. Under the new technology method, the works of Bada Company and the substitution of heavy oil by fuel oil of floating glass plant II will be completed sooner. In addition, the Company will strive for earlier production application for fuel oil.

### 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.



(二) 重大訴訟

1、 本公司在報告期內的訴訟事項

1998年12月30日，本公司在廣東發展銀行鄭州分行銀基分理處(1999年12月28日經中國人民銀行濟南分行批准升格為廣東發展銀行鄭州分行銀基支行) 定期存款人民幣23,000千元，存款期限1年，自1998年12月30日至1999年12月30日，年利率3.78%。廣東發展銀行鄭州分行銀基分理處為此開具《單位定期存款開戶證實書》。其後，本公司在存款到期後取款過程中，雙方發生糾紛。廣東發展銀行鄭州分行銀基支行以1998年12月本公司為河南銀基房地產開發有限公司在廣東發展銀行鄭州分行商城支行貸款人民幣21,850千元提供擔保，現河南銀基房地產開發有限公司逾期未償還貸款，擔保人應承擔擔保責任為由，拒絕本公司支取款項。2001年，本公司起訴至河南省高級人民法院，本公司敗訴。後來本公司又上訴至最高人民法院。最高人民法院於2004年2月最終判決本公司勝訴，上述貸款擔保無效，鑒於本公司在該貸款擔保中有過錯，要求廣東發展銀行鄭州分行銀基分理處於2004年4月底以前返還該筆存款的一半及利息，另一半及利息由本公司向河南銀基房地產開發有限公司追償。現本公司已收到廣東發展銀行鄭州分行銀基分理處該筆存款的一半，利息尚沒有收到，本公司向河南銀基房地產開發有限公司追償該筆存款的另一半及利息還在進行中。此外並無其他重大訴訟事項。

(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) 本公司二零零五年上半年不進行利潤分配也不進行資本公積金轉增股本。

(五) 本公司二零零四年股東年會已續聘畢馬威華振會計師事務所及畢馬威會計師事務所分別為本公司二零零五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。

(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。

(2) Material litigation

(1) Litigation during the reporting period of the Company

On 30 December 1998 the Company placed a deposit in the sum of RMB23,000,000 with Yinji local branch of Zhengzhou branch of Guangdong Development Bank ("Local Branch", which had been upgraded to Yinji sub-branch of Zhengzhou branch of Guangdong Development Bank ("the Sub-branch") on 28 December 1999 as approved by the People's Bank of China, Jinan Branch on 28 December 1999) for a fixed term of one year commencing from 30 December 1998 to 30 December 1999 at an annual interest rate of 3.78%. The Local Branch issued an Account Opening Certificate of Fixed Deposit. Subsequently, a dispute occurred when the Company made withdrawal of such deposit upon its maturity. The Sub-branch rejected the Company's withdrawal on the ground of the defaulted repayment by Henan Yinji Property Development Company Limited ("Yinji Property") of the outstanding loan in the sum of RMB21,850,000 for which the Company provided a guarantee in favour of Shangcheng branch of Guangdong Development Bank in December 1998 and that the Company should perform its obligations as the guarantor. In 2001, the Company initiated legal proceedings in Henan High People's Court. The Company lost the case. However, the Company appealed to the People's Supreme Court during the reporting period. The Supreme Court made a ruling in February 2004 in favour of the Company, which determined the above loan guarantee as void. As the Company was not eligible to provide guarantee on the loan, the Local Branch was required to repay half of the amount of the deposit and the interests thereon by the end of April 2004; for another half of the amount of the deposit and the interests thereon, the Company shall claim the amount from Yinji Property. The Company has received a half of the amount of the deposit with the Local Branch but the interest thereon is still outstanding. The Company is in process of claiming another half of the amount of the deposit and the interests thereon payable by Yinji Property. Save for the disclosed above, the Company had no other material litigation during the reporting period.

(3) During the 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 2005, nor did it transfer any of surplus reserve to share capital.

(5) KPMG Huazhen and KPMG were re-appointed as the PRC and international auditors of the Company respectively for the year 2005 as approved at the annual general meeting of 2004.

(6) Purchase and sale

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

(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.



(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製的財務報告之注釋38-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、 關聯交易

本公司於2005年5月26日召開了第四屆董事會第十四次會議，決定與控股股東中國洛陽浮法玻璃集團有限責任公司（以下簡稱「洛玻集團公司」）合資組建洛陽龍海電子玻璃有限公司（以下簡稱「龍海」）及洛玻集團洛陽龍昊玻璃有限公司（以下簡稱「龍昊」），並簽署有關協議，龍海將從事（其中包括）超薄浮法玻璃的生產及銷售，及與玻璃相關產品的原材料加工；而龍昊將從事一般浮法玻璃產品的生產和銷售，及提供相關諮詢及技術支援服務。

龍海的註冊資本為人民幣60,000千元，其中本公司將出資人民幣48,000千元，佔龍海註冊資本約80%，洛玻集團公司將出資人民幣12,000千元，佔龍海註冊資本約20%。龍海項目的預計總投資額為人民幣300,000千元。

龍昊的註冊資本為人民幣50,000千元，其中本公司將出資人民幣40,000千元，佔龍昊註冊資本約80%，洛玻集團公司將出資人民幣10,000千元，佔龍昊註冊資本約20%。龍昊項目的預計總投資額為人民幣250,000千元。

(8) Significant connected transaction

1. On-going transactions

For details, refer to Note 38 (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. Connected transaction

As at the meeting of the Board held by the Company on 26 May 2005, the formation of joint ventures, Luoyang Long Hai Electronic Glass Limited ("Long Hai") and CLFG Group Long Hao Glass Limited ("Long Hao"), with controlling shareholder China Luoyang Float-Glass (Group) Company Limited ("CLFG"), was considered and passed. The relevant agreements were signed, inter alia, Long Hai will engage in the production and sale of ultra-thin glass and the processing of raw materials for the production of glass related products and Long Hao will engage in the production and sale of float glass and the provision of related consultancy and technical support services.

The registered capital of Long Hai is RMB60 million, of which RMB48 million, constituting approximately 80% thereof, will be contributed by the Company and RMB12 million, constituting approximately 20% of the registered capital thereof, will be contributed by CLFG. The total investment for Long Hai Project is currently estimated to an amount of RMB300 million.

The registered capital of Long Hao is RMB50 million, of which RMB40 million, constituting approximately 80% of the registered capital thereof, will be contributed by the Company and RMB10 million, constituting approximately 20% thereof, will be contributed by CLFG. The total investment for Long Hao Project is currently estimated to an amount RMB250 million.



洛玻集團公司為本公司的控股股東擁有本公司已發行股本約57.14%的權益。根據上海證券交易所《股票上市規則》第10.1.3條的規定，上述交易構成本公司的關聯交易。由於本公司與洛玻集團公司就成立龍海而訂立的協議（以下簡稱“龍海協議”）及本公司與洛玻集團公司就成立龍昊而訂立的協議（以下簡稱“龍昊協議”）項下擬進行的交易金額已超過人民幣30,000千元，故本公司須遵守上海證券交易所《股票上市規則》第10.2.5條的規定，召開臨時股東大會並經獨立股東批准。洛玻集團公司及其有利害關係的關聯人將放棄在股東大會上對該議案的投票權。此等交易根據香港聯合交易所有限公司上市規則規定屬於主要及關聯交易，亦須征得本公司股東批准，但截止本報告日期所需的股東批准仍未取得。

該交易詳情刊登在《中國證券報》、《上海證券報》、《星島日報》、《虎報》（英文）上，並同時登載於上海證券交易所網站（<http://www.sse.com.cn>）。

另外，本公司正就部份的持續進行關聯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。

CLFG is the controlling shareholder of the Company and is interested in approximately 57.14% of the issued share capital of the Company. Pursuant to requirements of Rule 10.1.3 of Listing Rules of Securities of the Shanghai Listing Rules, the transactions described above constitute connected transactions for the Company under the Shanghai Listing Rules. As the Company entered into agreement (“Long Hai Agreement”) with CLFG for the establishment of Long Hai and entered into agreement (“Long Hao Agreement”) with CLFG for the establishment of Long Hao and the transactions contemplated under those agreements exceed RMB30 million. Accordingly, the Company had to hold an Extraordinary Shareholders’ Meeting and the transactions are subject to the approval of the Independent Shareholders by poll under the requirements of the Rule 10.2.5 of Listing Rules of Securities of the Shanghai Listing Rules. CLFG and its connected persons with relation of interests will abstain from voting for that resolution at the EGM. In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above investments constitute major and connected transactions which are subject to the approval of shareholders of the Company. As at the date of this report, the required shareholders’ approval has not been obtained.

The announcement has been published on the newspapers, namely, China Securities Daily, Shanghai Securities Daily, Sing Tao Daily and The Standard (English), and posted on the website of Shanghai Securities Exchange (<http://www.sse.com.cn>).

Besides, the Company is still in the process of applying to The Stock Exchange of Hong Kong Limited for a waiver on strict compliance with the requirements of Chapter 14A of the Listing Rules on certain of the continuing connected transactions.



4、根據中國證監會證監發(2003)56號文《關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》及香港聯合交易所有限公司上市規則的相關指引作出的披露

1、向洛玻集團提供的墊款或財務支援

於二零零五年六月三十日及二零零四年十二月三十一日，本集團向洛玻集團提供墊支及/或財務支援分別合共約人民幣127,703千元及約人民幣148,384千元，詳情如下：

交易性質	年利率	開始年度	還款期限及進度	於二零零五年六月三十日止 未經審計之餘額 (元)	於二零零四年十二月三十一日止 已審計之餘額 (元)
Nature of transaction	Annual interest rate	Commencing year	Terms of repayment and progress	Unaudited balance as at 30 June 2005 (RMB)	Audited balance as at 31 December 2004 (RMB)
代洛玻集團公司預付款給寶萊威發展公司(洛玻集團公司的全資附屬公司)之款項	6.5%	一九九八年	二零零零年八月三十一日到期 (未償還)無抵押		
Accounts receivable relating to an advance to Baolaiwei Development Limited (a wholly owned subsidiary of CLFG) on behalf of CLFG	6.5%	1998	Due on 31 August, 2000 (not yet repaid) & unsecured	29,358,000	29,358,000
有關銷售產成品的應收帳款	免息	一九八八年至今	無固定還款期 無抵押		
Trade receivables relating to sales of finished goods	Interest free	1998 to present	No fixed term of repayment & unsecured	—	—
有關轉讓貸款的應收帳款	免息	一九九五年	無固定還款期 無抵押		
Accounts receivables relating to transfer of loans	Interest free	1995	No fixed term of repayment & unsecured	4,663,000	4,663,000
有關主要興建職工宿舍之其他應收帳款	免息	一九九七年	無固定還款期 無抵押		
Other receivables relating to loss on sales of staff quarters	Interest free	1997	No fixed term of repayment & unsecured	42,122,000	42,122,000
其他	免息	一九九四年至今	無固定還款期 無抵押		
Others	Interest free	1994 to present	No fixed term of repayment & unsecured	51,560,000	72,241,000
合計 Total				<u>127,703,000</u>	<u>148,384,000</u>

上述數額為扣除壞賬準備後淨額。

4. Disclosure made in compliance with document Zheng Jian Hui Fa (2003) No. 56 “Notice in relation to the issues of the regulation of funds transaction between Listed companies and connected parties, and external guarantees entered into by Listed companies” issued by China Securities Regulatory Commission and relevant requirements of the Listing Rules of the Stock Exchange

1. Advances or financial assistance to CLFG

As at 30 June 2005 and 31 December 2004, the Group provided advances and/or financial assistance of a total sum of approximately RMB127,703,000 and approximately RMB148,384,000 respectively to CLFG, details of which are as follows:

交易性質	年利率	開始年度	還款期限及進度	於二零零五年六月三十日止 未經審計之餘額 (元)	於二零零四年十二月三十一日止 已審計之餘額 (元)
Nature of transaction	Annual interest rate	Commencing year	Terms of repayment and progress	Unaudited balance as at 30 June 2005 (RMB)	Audited balance as at 31 December 2004 (RMB)
代洛玻集團公司預付款給寶萊威發展公司(洛玻集團公司的全資附屬公司)之款項	6.5%	一九九八年	二零零零年八月三十一日到期 (未償還)無抵押		
Accounts receivable relating to an advance to Baolaiwei Development Limited (a wholly owned subsidiary of CLFG) on behalf of CLFG	6.5%	1998	Due on 31 August, 2000 (not yet repaid) & unsecured	29,358,000	29,358,000
有關銷售產成品的應收帳款	免息	一九八八年至今	無固定還款期 無抵押		
Trade receivables relating to sales of finished goods	Interest free	1998 to present	No fixed term of repayment & unsecured	—	—
有關轉讓貸款的應收帳款	免息	一九九五年	無固定還款期 無抵押		
Accounts receivables relating to transfer of loans	Interest free	1995	No fixed term of repayment & unsecured	4,663,000	4,663,000
有關主要興建職工宿舍之其他應收帳款	免息	一九九七年	無固定還款期 無抵押		
Other receivables relating to loss on sales of staff quarters	Interest free	1997	No fixed term of repayment & unsecured	42,122,000	42,122,000
其他	免息	一九九四年至今	無固定還款期 無抵押		
Others	Interest free	1994 to present	No fixed term of repayment & unsecured	51,560,000	72,241,000
合計 Total				<u>127,703,000</u>	<u>148,384,000</u>

The above balances are stated net of bad debt provisions.



#### 形成原因及對公司的影響

- 1、此金額為通過洛玻集團公司向寶萊威發展公司提供附帶利息的預付款。
- 2、此金額為本集團在中國通過洛玻集團公司的銷售網絡向客戶銷售的應收帳款。受一九九四年五月二十四日訂立的产品分銷代理協議監管，本公司於一九九四年上市時已獲香港聯交所豁免嚴格遵照關連交易的規定，此等銷售均已向洛玻集團公司的銷售列帳。因此，任何尚未支付的金額均是以洛玻集團公司所欠的金額列帳。
- 3、此金額為原洛陽玻璃廠在九四年以前為洛陽市美陶公司向洛陽市工商銀行貸款提供的擔保金額，九四年初，洛陽玻璃廠改制為洛玻集團公司並作為獨家發起人創立了本公司，其後，洛陽市美陶公司無力償還該項貸款，而洛陽市工商銀行就認為本公司與洛陽玻璃廠是一家，而直接從本公司在洛陽市工商銀行的帳戶上扣收了此金額，本公司已就此筆扣款於一九九九年六月十五日向洛陽市美陶公司提出訴訟，並於二零零一年三月一日獲勝訴，洛陽市美陶公司的部分土地已被訴訟保全，董事相信該土地被拍賣後，該尚未償還金額可以追回。
- 4、此金額是關於為本公司員工興建職工宿舍的款項，其後根據本公司與洛玻集團公司於一九九七年九月一日訂立的《關於安居工程資產轉讓協議》，洛玻集團公司向本公司收購了該項職工宿舍，但收購款項並未支付本集團。

上述欠款對本公司財務狀況有不良影響。

#### Reasons and impact on the Company

1. The amount is the advancement bearing interest provided to Baolaiwei Development Limited through CLFG.
2. The amount is the account receivable provided to customers through the sales network of CLFG in PRC by the Company. Governed by the product distribution agency agreement entered into on 24 May 1994, the Company, as listed in 1994, was granted exemption from the Stock Exchange of Hong Kong from strictly complying with the requirement of connected transactions. These amounts in sales have been stated in the account of CLFG. Accordingly, any amount has yet to pay is stated as amount due from CLFG.
3. The amount is the guarantee granted by the original洛陽玻璃廠 for the loan to 洛陽市美陶公司 from 洛陽市工商銀行 (Luoyang City Industrial and Commercial Bank) before 1994. In the beginning of 1994, 洛陽玻璃廠 (Luoyang Glass Plant) is reorganized as CLFG and founded the Company as a sole promoter. Subsequently, 洛陽市美陶公司 was unable to repay the loan, and 洛陽市工商銀行 (Luoyang City Industrial and Commercial Bank) deemed that the Company and 洛陽玻璃廠 Luoyang Glass Plant is of the same company and directly debited the said amount from the Company's account in 洛陽市工商銀行 (Luoyang City Industrial and Commercial Bank). The Company has filed a lawsuit against 洛陽市美陶公司 on 15 June 1999 for the debited amount and the court ruled in favor of the Company on 1 March 2001. Part of the land owned by 洛陽市美陶公司 has been detained. The Directors believed that upon the auction of the land, the relevant unpaid amount can be recovered.
4. The amount is in relation to the construction of staff quarters of the Company. Subsequently, the Group and CLFG entered into the 關於安居工程資產轉讓協議 (Agreement For Asset Assignment of Peaceful Living Construction Project) on 1 September 1997. CLFG acquired the staff quarters from the Company. However, the consideration of the acquisition has not been paid to the Group.

The above mentioned amounts due have adverse impact on the financial status of the Company.





2、 向同屬集團附屬公司提供的墊款及/或財務支援

於二零零五年六月三十日及二零零四年十二月三十一日，本集團向同屬集團附屬公司提供的墊款及/或財務支援分別合共約人民幣195,736千元及約人民幣204,020千元，詳情如下：

公司名稱	洛玻集團 公司於此等 公司的權益	本公司 於此等 公司的權益 The Company's interest in these companies	交易性質	年利率	開始年度	還款期限及 信用情況	於二零零五年 六月三十日止 未經審計之 餘額(元)	於二零零四年 十二月三十一 日止已審計之 餘額(元)
Name of company	CLFG's interest in the company	Company's interest in these companies	Nature of transaction	Annual interest rate	Commencing year	Terms of repayment and credit	Unaudited balance as at 30 June 2005 (RMB)	Audited balance as at 31 December 2004 (RMB)
洛玻集團青島太陽玻璃 實業有限公司	55%	—	借款	6.53-7.84%	一九九九年	二零零四年 到期有抵押	—	—
CLFG Qingdao Taiyang Glass Industry Co. Ltd.	55%	—	Loan	6.53% - 7.84%	1999	Due in 2004 & Secured	—	—
中國洛陽浮法玻璃 集團礦產有限公司	59.71%	40.29%	短期投資	4.575%-5.03%	一九九四年前	無固定還款期 無抵押	—	—
CLFG Mineral Product Co.	59.71%	40.29%	Short term investments	4.575% -5.03%	Before 1994	No fixed term of repayment & unsecured	10,500,000	11,000,000
中國洛陽浮法玻璃集團 礦產有限公司	59.71%	40.29%	其他應收款	免息	一九九四年前	無固定還款期 無抵押	—	—
CLFG Mineral Product Co.	59.71%	40.29%	Other receivables	Interest free	Before 1994	No fixed term of repayment & unsecured	—	—
洛陽品寶裝飾 玻璃有限公司	50%	10.28%	其他應收款	免息	一九九四年前	無固定還款期 無抵押	—	—
Luoyang Jingbao Decoration Glass Co., Ltd.	50%	10.28%	Other receivables	Interest free	Before 1994	No fixed term of repayment & unsecured	6,201,000	6,248,000
洛玻集團洛陽起重 機械有限公司	63.32%	36.68%	其他應收款	免息	一九九四年前	無固定還款期 無抵押	—	—
CLFG Luoyang Hoisting Machinery Co., Ltd.	63.32%	36.68%	Other receivables	Interest free	Before 1994	No fixed term of repayment & unsecured	18,018,000	18,018,000
洛玻集團洛陽新光 源照明器材有限公司	70.55%	29.45%	其他應收款	免息	一九九四年前	無固定還款期 無抵押	—	—
CLFG New Illuminating Source Co., Ltd.	70.55%	29.45%	Other receivables	Interest free	Before 1994	No fixed term of repayment & unsecured	1,179,000	1,137,000
洛玻集團洛陽晶緯 玻璃纖維有限公司	64.1%	35.9%	其他應收款	免息	一九九四年前	無固定還款期 無抵押	—	—
CLFG Jingwei Glass Fibre Co., Ltd.	64.1%	35.9%	Other receivables	Interest free	Before 1994	No fixed term of repayment & unsecured	55,987,000	55,685,000
洛玻集團洛陽品久 玻璃製品有限公司	68.92%	31.08%	其他應收款	免息	一九九四年前	無固定還款期 無抵押	—	—
CLFG Luoyang Jingjiu Glass Container Co., Ltd.	68.92%	31.08%	Other receivables	Interest free	Before 1994	No fixed term of repayment & unsecured	14,376,000	14,376,000
洛陽品鑫陶瓷 有限公司	—	49%	短期投資	4.86%-5.45%	二零零一年	二零零四年 到期無抵押	—	—
Luoyang Jingxin Ceramic Co., Ltd.	—	49%	Short term investments	4.86% -5.45%	2001	Due in 2004 and unsecured	—	—
其他	—	—	其他應收款	免息	一九九四年前	無固定還款期 無抵押	—	—
Others	—	—	Other receivables	Interest free	Before 1994	No fixed term of repayment & unsecured	89,475,000	97,556,000
合計 Total							195,736,000	204,020,000

上述數額為扣除壞賬準備後淨額。

2. Advances and/or financial assistance to fellow subsidiaries

As at 30 June 2005 and 31 December 2004, the Company provided advances and/or financial assistance of a total of approximately RMB195,736,000 and RMB204,020,000 respectively to the fellow subsidiaries, details of which are as follows:

The above balances are stated net of bad debt provisions.



#### 形成原因及對公司的影響

- 1、 根據一九九九年九月十三日簽署的一項協議，本公司向洛玻集團公司轉讓其於青島太陽的全部55%權益。該出售事項已於一九九九年十一月二日召開的臨時股東大會上得到批准，出售事項的詳細情況已於一九九九年七月二十三日公佈。本公司向青島太陽借款於出售事項前已開始，當時本公司擁有青島太陽55%權益。
- 2、 此等乃屬本公司向同系附屬公司提供水電、熱力、蒸汽服務、運輸服務及原材料而欠本公司的應收帳。該等交易根據上市規則構成本公司的關聯交易，其詳情已於一九九四年六月二十一日在本公司的招股說明書及其以後年報中披露。一九九四年七月本公司股票上市後，香港聯交所批准本公司豁免嚴格遵守上市規則的披露要求。
- 3、 此等公司為本集團的非控股投資，主要從事生產及貿易活動，本公司在這些公司所佔股東權益並不重大。

上述欠款對本公司財務狀況有不良影響。

#### (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35,655千元逾期存款。該筆款項原為人民幣145,657千元，已於以前年度計提75%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，相信重組方案將於年內落實，因此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，本公司於二零零五年六月三十日並無其他逾期存款。

董事會認為上述存款並未給本公司正常生產經營及現金流動狀況帶來不利影響，本公司將盡力收回上述存款。

#### (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。

#### Reasons and impact on the Company

1. Pursuant to the agreement entered into on 13 September 1999, the Company assigned its entire 55% equity interests in Taiyang to CLFG. The disposal has been approved at the Extraordinary General Meeting convened on 2 November 1999. Details of the disposal have been announced on 23 July 1999. The Company started to loan to Taiyang before the said disposal when the Company held 55% equity interests of the Taiyang.
2. The amounts are the account receivables due to the Company for the provision of water and electricity, heat, steam, transportation as well as raw materials by the Company to its fellow subsidiaries. The transactions constituted connected transactions under the listing requirements. Details of which have been disclosed in the explanation statement set out in prospectus of the Company dated 21 June 1994 as well as the subsequent annual report of the Company. After the listing of the shares of the Company in July 1994, the Stock Exchange of Hong Kong exempted the Company to strictly comply with the disclosure requirement of Listing Rules.
3. These companies are the non-controlling shareholding investments of the Group, which are principally engaged in production and trading activities. As the Company did not have significant shareholding interests in these companies, no interests in respect of them have been stated in accounts of the Company.

The abovementioned amounts due have adverse impact on the financial status of the Company.

#### (9) Overdue deposits

Other receivables in non-current assets include an overdue deposit of RMB35,655,000 due from Guangzhou International Trust & Investment Corporation ("GZITIC"). The Company had made 75% provision for the original due amount of RMB145,657,000. GZITIC is in the process of restructuring. Upon the assessment of the latest development of the restructuring, the directors believe that the restructuring plan will be finalised within the coming year and therefore, no additional provisions is considered necessary. No interest has been accrued in respect of the deposit.

Save and except for the above deposit, the Company did not have any other overdue deposits as at 30 June 2005.

The Board is of the opinion that the said deposit did not impose any adverse effect on the Company's normal production, operation and cash flow. The Company will endeavour to recover such 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.





## (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****公司對外擔保情況(不包括對控股子公司的擔保)**

本報告期內無對外擔保發生額及餘額。

**公司對控股子公司的擔保情況**

報告期內對控股子公司擔保發生額合計

報告期末對控股子公司擔保餘額合計

公司擔保總額情況(包括對控股子公司擔保)

**擔保總額**

擔保總額佔公司淨資產的比例

**公司違規擔保情況**

為控股股東及公司持股50%以下的其他關聯方提供擔保的金額

直接或間接為資產負債率超過70%的被擔保物件提供的債務擔保

擔保總額是否超過淨資產的50%(是或否)

違規擔保總額

## (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****Guarantees provided by the Company to third parties**

There was no guarantee provided in or balance of guarantee at the end of the period.

**Guarantees provided by the Company to its controlling subsidiaries**

Total amount of guarantee granted to controlling subsidiaries during the period 79,060千元(續保)  
RMB79,060,000(Renewed)

Balance of guarantee granted to controlling subsidiaries at the end of the period 184,560千元  
RMB184,560,000

Total amount of guarantee provided by the Company (including guarantees provided to controlling subsidiaries) 184,560千元  
RMB184,560,000

**Total amount of guarantee**

Total amount of guarantee as a percentage to the Company's net assets 19.64%

**Guarantee in breach of regulations**

Amount of guarantee provided to controlling shareholder and other connected parties with 50% or below of shares held by the Company 無  
Nil

Debt guarantee directly or indirectly provided to parties with gearing ratio over 70% 無  
Nil

Whether the amount of guarantee over 50% of the net assets (Yes or No) 否  
No

Total amount of guarantee in breach of regulations 無  
Nil

## (十二) 關聯債權債務往來

## (12) Connected creditor rights and debts

關聯方	Related party	向關聯方提供資金		關聯方向上市公司提供資金	
		發生額	餘額	發生額	餘額
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Amount	Balance	Amount	Balance
		RMB'000	RMB'000	RMB'000	RMB'000
控股股東	Controlling shareholder	(20,681)	127,703	23,108	31,494
控股股東控制的法人	Legal persons controlled by controlling shareholder	(8,284)	195,736	(2,319)	4,501
合計	Total	(28,965)	323,439	20,789	35,995

其中：報告期內本公司向控股股東及其子公司提供資金的發生額為28,965千元，本公司向控股股東及其子公司提供資金的餘額為323,439千元。

Among the above amount incurred, during the reporting period, the Company has provided capital to the controlling shareholder and its subsidiaries amounted to RMB28,965,000 and the Company has provided balance of capital to the controlling shareholder and its subsidiaries amounted to RMB323,439,000.



(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。

(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。

(十五) 承諾事項履行情況

本公司於2001年8月3日在中國證監會指定報紙發佈公告，在公告中本公司之控股股東中國洛陽浮法玻璃集團有限責任公司及其子公司就其與本公司發生的正常關聯交易後所欠款項作出鄭重承諾，保證在2004年12月31日前還清所有欠款，截止本公告之日其欠款還沒有還清。但中國洛陽浮法玻璃集團有限責任公司及其子公司在2005年7月中旬又向中國證監會河南監管局報告其還款計劃和措施。現正與有關政府部門商討落實還款計劃詳情。

(十六) 報告期內公司、公司董事會及董事沒有受中國證監會稽查、中國證監會行政處罰、通報批評、被其他行政管理部門處罰及證券交易所公開譴責的情形。公司董事、管理層有關人員也沒有被採取司法強制措施。

(十七) 獨立審核委員會

於二零零五年八月二十六日，本公司召開獨立審核委員會會議，審閱並通過了本集團截至二零零五年六月三十日止之六個月的財務報告及中期業績報告。

(十八) 企業管治守則

本公司在截至二零零五年六月三十日六個月期間內一直遵守上市規則的附錄十四之企業管治守則，惟獨立審核委員會沒有做到至少每年與本公司的核數師開會一次。就《企業管治守則》有關要求的執行細節，詳情將在年度報告中披露。

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。

(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.

(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.

(15) Performance of commitments

The Company published an announcement on newspapers designated by China Securities Regulatory Commission on 3 August 2001, disclosing the guarantee by CLFG, the holding company of the Company, and its subsidiaries to pay any outstanding amount due from them to the Company as a result of ordinary connect transactions between them and the Company before 31 December 2004. As at the date of this announcement, its loans had not been repaid yet. However, China Luoyang Float Glass (Group) Company Limited and its subsidiaries had reported to Henan Regulatory Bureau of China Securities Regulatory Commission in the mist of July 2005 for its repayment plan and facilities. Currently, the Company is discussing the details of implementation of repayment plan with relevant government departments.

(16) During the reporting period, the Company, the Board of Directors and the Directors have not been subjected to any investigation or administrative penalty by the China Securities Regulatory Commission, or other administrative departments and condemnation by any securities exchange. The Company's Directors and Supervisors were not subject to any compulsory procedures.

(17) Independent Audit Committee

A meeting of the Independent Audit Committee of the Company was held on 26 August 2005, at which the Group's financial statements and interim results for the six months ended 30 June 2005 were considered and approved.

(18) 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 2005, except that the Independent Audit Committee did not meet with the Company's auditors at least annually. Details on procedures in respect of compliance with the Code on Corporate Governance Practice will be disclosed in the annual report.

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.



(十九) 購買、出售、贖回本公司的上市證券

報告期內本公司概無購回本公司之任何股份。本公司或其子公司並無購買或出售本公司的股份。

(二十) 標準守則之遵守

經與全部董事及監事作出查詢後，本公司確認，在截止二零零五年六月三十日之六個月期間內，各董事及監事已遵守上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》所載有關董事進行證券交易所規定的標準。

(二十一) 優先購股權

根據中國有關法律及本公司章程，本公司並無優先購股權之條款。

(二十二) 信息披露

除已經根據中國《證券法》第六十二條、《股票發行與交易管理暫行條例》第六十條及《公開發行股票公司信息披露實施細則》(試行) 第十七條的規定的規定所例舉的重大事件或須予披露的情況而予以披露的以外，本報告期內本公司無任何重大事件或須予披露的情況發生

(二十三) 公司報告期內臨時報告索引：

- 1、 2005年4月26日公司公佈董、監事會決議公告、關於申請撤銷對公司A股股票實行退市風險警示及其它特別處理的公告及召開2004年度股東周年大會公告，刊登在《中國證券報》、《上海證券報》、《星島日報》、《虎報》(英文)上，並同時登載於上海證券交易所網站 (<http://www.sse.com.cn>)。
- 2、 2005年4月29日公佈關於公司業績預告公告，刊登在《中國證券報》、《上海證券報》、《星島日報》、《虎報》(英文)上，並同時登載於上海證券交易所網站 (<http://www.sse.com.cn>)。
- 3、 2005年5月10日公佈關於公司股票交易異常波動的公告，刊登在《中國證券報》、《上海證券報》、《星島日報》、《虎報》(英文)上，並同時登載於上海證券交易所網站 (<http://www.sse.com.cn>)。

(19) 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.

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

Having made enquires to all Directors and Supervisors, the Company confirmed all Directors and Supervisors 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 2005.

(21) Pre-emptive rights

In accordance with the laws of the PRC and the Articles of Association of the Company, there is no provision of pre-emptive rights applicable to the Company.

(22) Information disclosure

Except for the disclosure required by Article 62 of PRC "Security Law", Article 60 of the "Provisional Regulations of Listing of Shares and Trading" and Article 17 of "Implementation Specifics of Information Disclosure of Listed Companies (Tentative)", the Company did not have any material events or events required to be disclosed during the reporting period.

(23) The Company's preliminary announcements published during the reporting period:

1. On 26 April 2005, announcements in relation to the resolutions passed at the meeting of the Board of Directors and Supervisory Committee, the application of revocation of the implementation of delisting warning against A Shares of the Company and other special treatment, notice of 2004 annual general meeting were published on "China Securities Journal", "Shanghai Securities Journal", "Sing Tao Daily" and "The Standard" (in English) and at the same time posted on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>).
2. On 29 April 2005, announcement in relation to results prediction of the Company were published on "China Securities Journal", "Shanghai Securities Journal", "Sing Tao Daily" and "The Standard" (in English) and at the same time posted on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>).
3. On 10 May 2004, announcement in relation to exceptional movements of the Company's shares transaction were published on "China Securities Journal", "Shanghai Securities Journal", "Sing Tao Daily" and "The Standard" (in English) and at the same time posted on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>).



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| <p>4、 2005年5月16日公佈關於公司股票交易異常波動的公告，刊登在《中國證券報》、《上海證券報》、《星島日報》、《虎報》(英文)上，並同時登載於上海證券交易所網站 (<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>)。</p> <p>5、 2005年5月27日公佈關於公司股票交易異常波動的公告和公司關聯交易公告，刊登在《中國證券報》、《上海證券報》、《星島日報》、《虎報》(英文)上，並同時登載於上海證券交易所網站 (<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>)。</p> <p>6、 2005年6月3日公佈關於2004年度報告及2005年度第一季度報告的補充公告，刊登在《中國證券報》、《上海證券報》、《星島日報》、《虎報》(英文)上，並同時登載於上海證券交易所網站 (<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>)。</p> <p>7、 2005年6月15日公佈2004年股東周年大會決議公告，刊登在《中國證券報》、《上海證券報》、《星島日報》、《虎報》(英文)上，並同時登載於上海證券交易所網站 (<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>)。</p> <p>8、 2005年6月27日公佈關於獲准撤銷對公司A股股票交易實行退市風險警示及其它特別處理的公告，刊登在《中國證券報》、《上海證券報》、《星島日報》、《虎報》(英文)上，並同時登載於上海證券交易所網站 (<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>)。</p> | <p>4. On 16 May 2004, announcement in relation to exceptional turnover movements of the Company's shares were published on "China Securities Journal", "Shanghai Securities Journal", "Sing Tao Daily" and "The Standard" (in English) and at the same time posted on the website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>).</p> <p>5. On 27 May 2004, announcement in relation to exceptional movements of the Company's shares transaction and the Company's connected transactions were published on "China Securities Journal", "Shanghai Securities Journal", "Sing Tao Daily" and "The Standard" (in English) and at the same time posted on the website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>).</p> <p>6. On 3 June 2005, announcement of 2004 annual report and supplementary announcements of the first quarter of 2005 were published on "China Securities Journal", "Shanghai Securities Journal", "Sing Tao Daily" and "The Standard" (in English) and at the same time posted on the website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>).</p> <p>7. On 15 June 2005, announcement in relation to resolutions passed at 2004 Annual General Meeting were published on "China Securities Journal", "Shanghai Securities Journal", "Sing Tao Daily" and "The Standard" (in English) and at the same time posted on the website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>).</p> <p>8. On 27 June 2005, announcement in relation to approval of the application of revocation of the implementation of delisting warning against A Shares of the Company and other special treatment was published on "China Securities Journal", "Shanghai Securities Journal", "Sing Tao Daily" and "The Standard" (in English) and at the same time posted on the website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>).</p> |
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