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If you have sold or transferred all your shares in **Luoyang Glass Company Limited (the “Company”)**, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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洛阳玻璃股份有限公司

LUOYANG GLASS COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1108)

**REVISION OF ANNUAL CAPS AND
RATIFICATION ON THE 2009 ANNUAL CAP FOR
A CONTINUING CONNECTED TRANSACTION**

Financial Adviser to Luoyang Glass Company Limited

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橋

BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

**Independent Financial Adviser to
the independent board committee and the independent shareholders of
Luoyang Glass Company Limited**



高銀融資有限公司

GOLDIN FINANCIAL LIMITED

A letter from the Independent Board Committee (as defined herein) is set out on pages 8 to 9 of this circular. A letter from Goldin Financial Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders (as defined herein), containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 10 to 17 of this circular.

A notice of an extraordinary general meeting of the Company (the “EGM”) to be held at 9:00 a.m. on 20 August 2010 at the conference room of the Company on 1st Floor, No. 9 Tang Gong Zhong Lu, Xigong District, Luoyang Municipal, Henan Province, the People's Republic of China (the “PRC”) is set out on pages 21 to 23 of this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar in Hong Kong, Hong Kong Registrars Limited, at Rooms 1901-5, Hopewell Centre, 183 Queen's Road East, Hong Kong, or to the Company's registered address at No. 9 Tang Gong Zhong Lu, Xigong District, Luoyang Municipal, Henan Province, the PRC as soon as possible and in any event not less than 24 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

2 July 2010

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“2009 Annual Cap”	the annual cap of RMB28,410,000 for the Huayi CCT Transaction for the year ended 31 December 2009 as approved by the then Independent Shareholders at the second extraordinary general meeting of the Company held on 13 July 2009
“2009 Transaction Amount”	the actual aggregate transaction amount of RMB32,645,000 under the Huayi Glass Supply Agreement for the year ended 31 December 2009
“Announcement”	the announcement of the Company dated 10 June 2010
“associate”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“CLFG”	中國洛陽浮法玻璃集團有限責任公司 (China Luoyang Float Glass (Group) Company Limited*), a company incorporated in the PRC with limited liability and the controlling Shareholder holding 35.8% equity interest in the Company
“CNBMG”	China National Building Material Group Corporation, a wholly state-owned enterprise incorporated in the PRC and the ultimate controlling Shareholder
“Company”	洛陽玻璃股份有限公司 (Luoyang Glass Company Limited*), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the main board of the Stock Exchange (stock code: 1108)
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company, including the independent non-executive directors
“EGM”	an extraordinary general meeting of the Company to be convened at 9:00 a.m. on 20 August 2010 to consider and, if thought fit, approve ordinary resolutions in respect of, among other things, the Supplemental Agreement, the Ratification and the New Annual Caps

DEFINITIONS

“Exceeded Amount”	RMB4,235,000, being the difference between the 2009 Transaction Amount and the 2009 Annual Cap
“Group”	the Company and its subsidiaries
“Goldin Financial”	Goldin Financial Limited, a licensed corporation to carry out Type 6 regulated activity (advising on corporate finance) under the SFO and the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders as to the Supplemental Agreement and the New Annual Caps
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huayi CCT Transaction”	the continuing connected transaction contemplated under the Huayi Glass Supply Agreement
“Huayi Glass”	安徽省蚌埠華益導電膜玻璃有限公司 (Anhui Province Bangbu Huayi Glass Company Limited*), a limited liability company incorporated in the PRC and an associate of CNBMG
“Huayi Glass Supply Agreement”	the Huayi Glass Supply Agreement dated 24 April 2009 entered into between Longhai Glass as supplier and Huayi Glass as purchaser, details of which were disclosed in the Company’s announcement dated 24 April 2009
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Zhang Zhanying, Mr. Guo Aimin, Mr. Huang Ping and Mr. Dong Jiachun, all of whom are independent non-executive Directors, formed to advise the Independent Shareholders as to the Supplemental Agreement and the New Annual Caps
“Independent Shareholders”	Shareholders other than CLFG and its associates
“Latest Practicable Date”	29 June 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information containing herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Longhai Glass”	洛玻集團洛陽龍海電子玻璃有限公司 (CLFG Luoyang Longhai Electronic Glass Company Limited*), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Company
“New Annual Caps”	the proposed new annual caps of Huayi CCT Transaction of RMB80,020,000 and RMB100,080,000 for the two years ending 31 December 2010 and 31 December 2011 respectively
“Original Approved Caps”	the maximum amounts of the aggregate annual values in respect of the Huayi CCT Transaction for the year ended 31 December 2009 and two years ending 31 December 2010 and 2011 as approved by the then Independent Shareholders at the second extraordinary general meeting of the Company held on 13 July 2009
“percentage ratios”	has the same meaning as ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong and the Macau Special Administrative Region of the PRC and Taiwan
“Ratification”	the ratification of the 2009 Annual Cap by an amount equal to the 2009 Transaction Amount
“Revision of Annual Caps”	the proposed revision of the annual caps for the Huayi CCT Transaction for the two years ending 31 December 2010 and 31 December 2011
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of RMB1.00 each of the Company
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“subsidiaries”	has the same meaning as ascribed to it under the Listing Rules
“substantial shareholders”	has the same meaning as ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement to the Huayi Glass Supply Agreement dated 10 June 2010 entered into between Longhai Glass and Huayi Glass
“%”	per cent.

* *Denotes English translation of the name of a Chinese company or entity and is provided for identification purposes only.*



洛阳玻璃股份有限公司

LUOYANG GLASS COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1108)

Executive Directors:

Mr. Song Jianming (Chairman)
Ms. Song Fei
Mr. Ni Zhisen
Mr. Cheng Zonghui

Registered office:

No. 9 Tang Gong Zhong Lu
Xigong District
Luoyang Municipal
Henan Province
PRC

Non-executive Directors:

Mr. Shen Anqin
Mr. Bao Wenchun
Mr. Guo Yimin

Independent non-executive Directors:

Mr. Zhang Zhanying
Mr. Guo Aimin
Mr. Huang Ping
Mr. Dong Jiachun

2 July 2010

To the Independent Shareholders,

Dear Sir or Madam,

**REVISION OF ANNUAL CAPS AND
RATIFICATION ON THE 2009 ANNUAL CAP FOR
A CONTINUING CONNECTED TRANSACTION**

INTRODUCTION

Reference is made to the Announcement and the announcements of the Company dated 24 April 2009 and 22 April 2010 in relation to, among other things, the Huayi CCT Transaction under the Huayi Glass Supply Agreement.

LETTER FROM THE BOARD

Pursuant to the Huayi Glass Supply Agreement, Longhai Glass agreed to supply super-thin float flat glass to Huayi Glass with the Original Approved Caps of RMB28,410,000, RMB31,430,000 and RMB34,260,000 for each of the three years ending 31 December 2009, 31 December 2010 and 31 December 2011, respectively.

As the 2009 Transaction Amount under the Huayi Glass Supply Agreement has exceeded the 2009 Annual Cap as approved by the then Independent Shareholders at the second extraordinary general meeting of the Company held on 13 July 2009, the Company shall re-comply with the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. In addition, in light of the continuous business cooperation with Huayi Glass and the expected increase in the price and demand for the super-thin float flat glass, the Board would like to propose to revise the annual caps for the Huayi CCT Transaction for each of the two years ending 31 December 2010 and 31 December 2011. Accordingly, a Supplemental Agreement to the Huayi Glass Supply Agreement was entered into between Longhai Glass and Huayi Glass on 10 June 2010, pursuant to which the New Annual Caps for each of the two years ending 31 December 2010 and 31 December 2011 in the amount of RMB80,020,000 and RMB100,080,000 respectively in respect of the Huayi CCT Transaction were determined. Save for the New Annual Caps, the terms of the Supplemental Agreement are substantially the same as those of the Huayi Glass Supply Agreement.

The purpose of this circular is to provide you with further details of the Supplemental Agreement, the Ratification and the Revision of Annual Caps, the recommendations from the Independent Board Committee, the letter of advice from Goldin Financial to the Independent Board Committee and the Independent Shareholders and a notice of the EGM at which ordinary resolutions will be proposed to approve the Supplemental Agreement, the Ratification and the New Annual Caps.

REVISION OF ANNUAL CAPS

The Huayi Glass Supply Agreement

On 24 April 2009, the Huayi Glass Supply Agreement was entered into between Longhai Glass, as supplier, and Huayi Glass, as purchaser, pursuant to which Longhai Glass agreed to supply super-thin float flat glass to Huayi Glass at a price to be determined with reference to the prevailing market price at the time of transaction. The Huayi Glass Supply Agreement is conditional on obtaining the approval from the Independent Shareholders at the extraordinary general meeting as required under the Listing Rules and shall take effect after signing by the parties thereto and the approval of the Huayi Glass Supply Agreement by the then Independent Shareholders at the second extraordinary general meeting of the Company held on 13 July 2009 for a period up to 31 December 2011.

LETTER FROM THE BOARD

Original Annual Caps

The historical transaction amounts with Huayi Glass for the three years ended 31 December 2009 and the Original Approved Caps for the three years ending 31 December 2011 are as follows:

	Historical transaction amounts			Original Approved Caps		
	2007	2008	2009	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Supply of super-thin float flat glass to Huayi Glass by Longhai Glass	23,102	18,904	32,645	28,410	31,430	34,260

Revision of Annual Caps

The Revision of Annual Caps is determined based on management's internal projection on the expected value of the goods to be sold to Huayi Glass after taking into account of (i) the expected Huayi Glass' demand for such products, and (ii) the expected increase in the selling price of the A-grade super-thin float flat glass in the PRC with reference to the prevailing market price.

Set out below are (i) the 2009 Transaction Amount; (ii) the transaction amounts for the 4-months period ended 30 April 2010; and (iii) the New Annual Caps:

The transaction amounts of Huayi CCT Transaction	New Annual Caps		
	For the 4-months ended	For the year ending	For the year ending
2009 Transaction Amount	30 April 2010	31 December 2010	31 December 2011
RMB'000	RMB'000	RMB'000	RMB'000
32,645	16,791	80,020	100,080

REASONS FOR THE RATIFICATION

Owing to the fact that it was the first time for the Company to estimate the 2009 Annual Cap for the Huayi CCT Transaction, and the lack of sufficient historical transaction amounts for making the estimation, the Company has underestimated the 2009 Annual Cap. The 2009 Transaction Amount began to exceed the 2009 Annual Cap at about the end of 2009.

LETTER FROM THE BOARD

Amid the global financial crisis in 2008, the demand for the Company's products from the manufacturers under the Company's downstream product chain was greatly affected in early 2009. Following the launch of the macro-economic adjustment measures in the PRC, the product demand gradually increased in the second half of 2009. At the same time, the domestic supply of the superthin float flat glass from the major competitors of Longhai Glass gradually decreased in the second quarter of 2009, which in turn led to a significant increase in the product prices and sales volume of the Company's super-thin float glass during the period from November to December 2009.

On the other hand, owing to the resignation of a key personnel who was responsible for monitoring and controlling the transaction amounts of the Company's continuing connected transactions during that period of time, the relevant monitoring and controlling work was delayed. The Company therefore failed to identify on a timely basis that the 2009 Transaction Amount exceeded the 2009 Annual Cap by RMB4,235,000. The Company would like to seek Independent Shareholders' approval for the Ratification.

The Directors consider that the Huayi CCT Transaction is crucial to the long-term business relationship between Longhai Glass and Huayi Glass and is one of the major income sources of the Group.

The Directors consider that the supply of super-thin float flat glass to Huayi Glass was conducted in accordance with the Huayi Glass Supply Agreement and the Exceeded Amount is not significant, and that the Huayi CCT Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group. As such, the Directors consider the Ratification is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR THE ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT AND THE REVISION OF ANNUAL CAPS

In light of the continuous business cooperation with Huayi Glass and the expected growth of the price and demand for the super-thin float flat glass, the Board would like to propose to revise the annual caps for the Huayi CCT Transaction for each of the two years ending 31 December 2010 and 31 December 2011. A Supplemental Agreement to the Huayi Glass Supply Agreement was entered into between Longhai Glass and Huayi Glass on 10 June 2010, pursuant to which the New Annual Caps for each of the two years ending 31 December 2010 and 31 December 2011 in the amount of RMB80,020,000 and RMB100,080,000 respectively in respect of the Huayi CCT Transaction were determined. Save for the Revision of Annual Caps, the terms of the Supplemental Agreement are substantially the same as those of the Huayi Glass Supply Agreement. The Supplemental Agreement shall take effect after signing by the parties thereto and approval of the Supplemental Agreement by the Independent Shareholders at the EGM for a period up to 31 December 2011.

LETTER FROM THE BOARD

The Directors consider that the entering into of the Supplemental Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group and the Revision of Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP, LONGHAI GLASS AND HUAYI GLASS

The Group is principally engaged in the production and sale of float sheet glass and reprocessed automobile glass.

Longhai Glass, a wholly-owned subsidiary of the Company, is principally engaged in the business of production and sale of float sheet glass.

Huayi Glass is principally engaged in the business of production and sale of indium tin oxide conductive coating glass, vacuum coated glass, relevant machinery and equipment and electrical products. It is an associate of CNBMG, which is the ultimate controlling Shareholder.

LISTING RULES IMPLICATION

Huayi Glass is an associate of CNBMG (the controlling shareholder of CLFG, who holds 179,018,242 shares of the Company, and the ultimate controlling shareholder of the Company). By virtue of their interests in the Company, CLFG, CNBMG and Huayi Glass are regarded as connected persons of the Company. CLFG together with its associates with interests in the Huayi CCT Transaction will abstain from voting at the EGM. Messrs. Shen Anqin, Bao Wenchun and Guo Yimin, the non-executive Directors, were abstained from voting to approve the Supplemental Agreement, the Ratification and the Revision of Annual Caps in the Board meeting due to the fact that they were nominated by CLFG and are regarded not independent to make any recommendation to the Board.

Pursuant to Rule 14A.36 of the Listing Rules, the Company is required to re-comply with Rules 14A.35(3) and (4) of the Listing Rules in respect of the Ratification and the Revision of Annual Caps. Each of the proposed New Annual Caps under the Supplemental Agreement is less than 25% of applicable percentage ratios, however, the annual transaction amounts under the Supplemental Agreement are expected to exceed HK\$10 million. Therefore, the transaction contemplated under the Supplemental Agreement constitutes a non-exempt continuing connected transaction of the Company under Rule 14A.35 of the Listing Rules.

LETTER FROM THE BOARD

EGM

The EGM will be held at 9:00 a.m. on 20 August 2010 at the conference room of the Company on 1st Floor, No.9 Tang Gong Zhong Lu, Xigong District, Luoyang Municipal, Henan Province, the PRC. The notice of the EGM is set out on pages 21 to 23 to this circular. The purpose of the EGM is for the Independent Shareholders to consider and, if thought fit, approve ordinary resolutions in respect of, among other things, the Supplemental Agreement, the Ratification and the New Annual Caps. At the EGM, voting of the Shareholders will be conducted by way of poll.

A proxy form for use at the EGM is also enclosed. Whether or not you intend to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Hong Kong Registrars Limited, at Rooms 1901-5, Hopewell Centre, 183 Queen's Road East, Hong Kong, or to the Company's registered address at No.9 Tang Gong Zhong Lu, Xigong District, Luoyang Municipal, Henan Province, the PRC as soon as possible and in any event not less than 24 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meetings should you so wish.

An announcement will be made by the Company following conclusion of the EGM to inform Shareholders of the results of the EGM.

RECOMMENDATION

The Board (with the opinion of the Independent Board Committee set out in the paragraph below) considered that the entering into of the Supplemental Agreement, the Ratification and the Revision of Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the resolutions with respect of the Supplemental Agreement, the Ratification and the New Annual Caps to be proposed at the EGM.

The Independent Board Committee, having taken into account of the advice of Goldin Financial, is of the opinion that the Huayi CCT Transaction is in the ordinary and usual course of business of the Group and on normal commercial terms, and the Huayi CCT Transaction and the New Annual Caps are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole whilst the terms of the Supplemental Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, the Independent Board Committee recommends the Shareholders to vote in favour of the resolutions as set out in the notice of EGM to approve the Supplemental Agreement and the New Annual Caps.

LETTER FROM THE BOARD

Your attention is drawn to the letter from the Independent Board Committee set out on pages 8 to 9 of this circular which contains its recommendation to the Independent Shareholders in relation to the Supplemental Agreement and the New Annual Caps. Your attention is also drawn to the letter of advice from Goldin Financial set out on pages 10 to 17 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Agreement and the New Annual Caps. You are advised to read the said letters from the Independent Board Committee and Goldin Financial before deciding how to vote at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular and the notice of EGM.

By order of the Board of
LUOYANG GLASS COMPANY LIMITED
Song Jianming
Chairman

Luoyang, the PRC



洛阳玻璃股份有限公司

LUOYANG GLASS COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1108)

2 July 2010

To the Independent Shareholders

Dear Sir or Madam,

**REVISION OF ANNUAL CAPS AND
RATIFICATION ON THE 2009 ANNUAL CAP FOR
A CONTINUING CONNECTED TRANSACTION**

We refer to the circular dated 2 July 2010 issued by Luoyang Glass Company Limited (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the terms of the Supplemental Agreement and the Revision of Annual Caps and to advise the Independent Shareholders as to whether, in our opinion, the entering into of the Supplemental Agreement, the Huayi CCT Transaction and the New Annual Caps are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Goldin Financial has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Huayi CCT Transaction and the New Annual Caps.

We wish to draw your attention to the (i) letter from the Board; (ii) letter from Goldin Financial to the Independent Board Committee and the Independent Shareholders which contains its advice in respect of the Huayi CCT Transaction and the New Annual Caps; and (iii) additional information set out in the appendix of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Supplemental Agreement and having taken into account the opinion of Goldin Financial and, in particular, the factors, reasons and recommendations as set out in the letter from Goldin Financial on pages 10 to 17 of the Circular, we consider that the Huayi CCT Transaction is in the ordinary and usual course of business of the Group and on normal commercial terms, and the Huayi CCT Transaction and the New Annual Caps are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole whilst the terms of the Supplemental Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions which will be proposed at the EGM to approve the Supplemental Agreement and the New Annual Caps.

Yours faithfully,

For and on behalf of

Independent Board Committee

Mr. Zhang Zhanying

Mr. Guo Aimin

Mr. Huang Ping

Mr. Dong Jiachun

Independent non-executive Directors

LETTER FROM GOLDIN FINANCIAL

The following is the full text of the letter from Goldin Financial setting out the advice to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Agreement and the New Annual Caps, which has been prepared for the purpose of inclusion in this circular.



高銀融資有限公司
GOLDIN FINANCIAL LIMITED

Goldin Financial Limited

23rd Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

2 July 2010

*To the Independent Board Committee and
the Independent Shareholders of
Luoyang Glass Company Limited*

Dear Sirs,

REVISION OF ANNUAL CAPS FOR THE CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to the independent board committee (the “Independent Board Committee”) and the independent shareholders (the “Independent Shareholders”) of Luoyang Glass Company Limited (the “Company”) in connection with the revision of the annual caps (the “New Annual Caps”) of the Company in relation to the sale of super-thin float flat glass (the “Huayi CCT Transaction”) from the Company to Anhui Province Bangbu Huayi Glass Company Limited (“Huayi Glass”) contemplated under the supply agreement (the “Huayi Glass Supply Agreement”) and the supplemental supply agreement (the “Supplemental Agreement”) between CLFG Luoyang Longhai Electronic Glass Company Limited (“Longhai Glass”) and Huayi Glass dated 24 April 2009 and 10 June 2010, respectively, details of which are contained in the announcements dated 22 April 2010 and 10 June 2010 (the “Announcements”) and in the “Letter from the Board”, on page 1 to page 7 of the circular of the Company dated 2 July 2010 (the “Circular”) to the Shareholders. Capitalized terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

LETTER FROM GOLDIN FINANCIAL

As disclosed in the circular of the Company dated 27 May 2009, the Group entered into a number of supply agreements including, among others, the Huayi Glass Supply Agreement with connected persons on 24 April 2009, each of which is for a three-year term commencing from 1 January 2009 and ending on 31 December 2011. On 22 April 2010, the Board announced that the actual transacted amount of the Huayi CCT Transaction for the year ended 31 December 2009 (the “2009 Transaction Amount”) had exceeded the approved annual caps of the Huayi CCT Transaction for the year ended 31 December 2009 (the “2009 Annual Cap”) as approved by the then Independent Shareholders at the extraordinary general meeting of the Company held on 13 July 2009. Accordingly, the Board proposed to revise the annual caps of the Huayi Glass Supply Agreement for the two years ending 31 December 2010 and 2011 and Longhai Glass subsequently entered into the Supplemental Agreement with Huayi Glass on 10 June 2010.

As Huayi Glass is an associate of CNBMG (the controlling shareholders of CLFG and the ultimate controlling Shareholders), by virtue of their interests in the Company, CLFG, CNBMG and Huayi Glass are regarded as connected persons of the Company. The entering into of the Supplemental Agreement constitutes connected transaction to the Company. Pursuant to Rule 14A.36 of the Listing Rules, the Company is required to comply with Rules 14A.35(3) and (4) of the Listing Rules in respect of the Ratification and the Revision of Annual Caps. Each of the proposed New Annual Caps under the Supplemental Agreement is less than 25% of applicable percentage ratios, however, the annual transaction amounts under the Supplemental Agreement are expected to exceed HK\$10 million. Therefore, the transactions contemplated under the Supplemental Agreement constitute non-exempt continuing connected transactions of the Company under Rule 14A.35 of the Listing Rules. Accordingly, the Company will seek approval from the Independent Shareholders for the Huayi CCT Transaction and the Revision of Annual Caps by way of poll at the EGM.

Mr. Shen Anqin, Mr. Bao Wenchun and Mr. Guo Yimin, the non-executive Directors were abstained from voting to approve the Supplemental Agreement and the Revision of Annual Caps in the Board’s meeting held on 10 June 2010 due to the fact that they were nominated by CLFG and are considered not independent to make any recommendation for the Huayi CCT Transaction to the Board.

The Independent Board Committee comprising Mr. Zhang Zhanying, Mr. Guo Aimin, Mr. Huang Ping and Mr. Dong Jiachun, being the independent non-executive Directors, has been formed to advise the Independent Shareholders in relation to the Huayi CCT Transaction and the New Annual Caps.

LETTER FROM GOLDIN FINANCIAL

BASIS OF OUR ADVICE

In formulating our opinion and recommendations, we have reviewed, inter alia, the Announcements, the Huayi Glass Supply Agreement and the Supplemental Agreement. We have also reviewed certain information provided by the management of the Company relating to the operations, financial condition and prospects of the Group. We have also (i) considered such other information, analyses and market data which we deemed relevant; and (ii) conducted verbal discussions with the management of the Company regarding the terms of the Huayi Glass Supply Agreement, the businesses and future outlook of the Group. We have assumed that such information and statements, and any representation made to us, are true, accurate and complete in all material respects as of the date hereof and we have relied upon them in formulating our opinion.

All Directors collectively and individually accept full responsibility for the purpose of giving information with regard to the Company in the Circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We consider that we have been provided with, and we have reviewed, all currently available information and documents which are available under present circumstances to enable us to reach an informed view regarding the terms of, and reasons for, the Huayi CCT Transaction and to justify reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis of our opinion. We have no reasons to suspect that any material information has been withheld by the Directors or management of the Company, or is misleading, untrue or inaccurate. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the business or affairs or future prospects of the Group. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, at the date of the Circular.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Supplemental Agreement and the New Annual Caps, and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In assessing the New Annual Caps and in giving our recommendation to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

Background to, reasons for, and benefits of, entering into the Huayi Glass Supply Agreement and the Supplemental Agreement

The Group is principally engaged in the production and sale of float sheet glass and reprocessed automobile glass and is one of the largest manufacturers and distributors of float glass in the PRC.

In performing its ordinary course of businesses, the Group has been from time to time carrying out transactions with its connected persons. Indeed, the Group has been carrying on transactions pursuant to a number of supply agreements including, among others, the Huayi Glass Supply Agreement with connected persons dated 24 April 2009, each of which is for a three-year term commencing from 1 January 2009 and ending on 31 December 2011 and the transactions contemplated therein constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. At the extraordinary general meeting of the Company held on 13 July 2009, the then Independent Shareholders approved, among others, the Huayi Glass Supply Agreement and the annual caps for transactions contemplated thereunder for the three years ending 31 December 2011. Details of the transactions under the Huayi Glass Supply Agreement were disclosed in the announcement and the circular of the Company dated 24 April 2009 and 27 May 2009, respectively. As mentioned in the Letter from the Board, owing to the fact that it was the first time for the Company to estimate the 2009 Annual Cap for the Huayi CCT Transaction, and with the lack of sufficient historical transaction amounts for the Company's estimation, the Company underestimated the 2009 Transaction Amount. The 2009 Annual Cap was inadvertently exceeded. Accordingly, Longhai Glass and Huayi Glass entered into the Supplemental Agreement on 10 June 2010. As a result thereof, the Group is required to seek approval from the Independent Shareholders for the Supplemental Agreement and the New Annual Caps. The Directors confirmed to us that the terms and conditions of the Huayi Glass Supply Agreement and the Supplemental Agreement (except for the estimated cap amounts) will remain unchanged.

Huayi Glass is principally engaged in the businesses of production and sales of Indium-tin Oxide (ITO) conductive coating glass, vacuum coated glass, relevant machinery and equipment and electrical products. As advised by the management of the Company, super-thin float flat glass is one of the components of Huayi Glass's products. The Huayi CCT Transaction is conducted in the ordinary and usual course of respective businesses of the Group and Huayi Glass. The Directors consider that the Huayi CCT Transaction is expected to increase the revenue of the Group, bring synergies to the parties and/or provide the Group with overall business and operational convenience.

LETTER FROM GOLDIN FINANCIAL

Pursuant to the Huayi Glass Supply Agreement and the Supplemental Agreement, the price of the Huayi CCT Transaction would be determined with reference to the prevailing market price. In assessing the terms of the transactions under the Huayi Glass Supply Agreement, we have reviewed sample copies of the invoices issued by the Group to independent third parties and compared them with those issued to Huayi Glass. Based on our review, we noted that the prices were charged at market prices comparable to those charged to independent third parties under normal commercial terms.

As advised by the management of the Company, the super-thin float flat glass supplied by the Group to Huayi Glass can be widely utilized for the manufacture of electronic products such as liquid crystal display (LCD) products, mobile phone protection screen, touch screen, air-conditioner display and television (TV) decoration plate and the products of Huayi Glass are mainly sold to the LCD TV manufacturers. In order to assess the commercial justification of revising the caps of the transactions contemplated under the Supplemental Agreement, we have conducted researches from public domains on the future outlook and prospects of the LCD TV industry.

According to the “Statistical Communique of the People’s Republic of China on the 2009 National Economic and Social Development” released by the National Bureau of Statistics of China dated 26 February 2010, the output of color TV sets in 2009 had increased by approximately 9.6% to approximately 98.99 million as compared to that of 2008, of which the output of the LCD TV sets increased by approximately 85.2% to approximately 67.65 million as compared to that of 2008. It is expected that the demand for Huayi Glass’s ITO conductive coating glass, being one of the major raw materials for making LCD TV, would increase as a result of the increase in the production of LCD TV.

During 2009, the Chinese government has implemented a number of policies to improve the livelihood of the rural population as well as foster greater domestic demand in the PRC. Many of these programs would continue up to 2011 and would be expanded to more provinces and cities in 2010. Among all these policies, the “Home Appliances to Countryside” and the “Home Appliance Trade-in Policy” are considered to be beneficial to the China TV industry. The Chinese government fully implemented the “Home Appliances to Countryside” program in February 2009. This subsidy program is nationwide and effective until 31 January 2013. It covers a total of ten home appliances ranging from TV sets, air conditioners, washing machines and microwave ovens, etc.. Another program called the “Home Appliance Trade-in Policy” started its pilots in nine provinces and cities from 1 June 2009 to 31 May 2010. It was announced in the Chinese national conference held by the Ministry of Commerce, the Ministry of Finance and the Ministry of Environmental Protection on 3 June 2010 that the pilots of “Home Appliance Trade-in Policy” would be further expanded to additional 19 provinces and cities and such policy was approved by the State Council of the PRC. This subsidy program would be implemented until 31 December 2011. This would increase incentives for urban dwellers to swap old cathode ray tube TVs with new LCD TVs.

LETTER FROM GOLDIN FINANCIAL

It is expected that the aforesaid policies shall promote the consumption of LCD TV and upgrade TV facilities in rural areas. The management of the Company expects that the glass industry, in which both of the Group and Huayi are principally engaged in, would be benefited from the aforesaid policies. It is expected that the derived demand for the Group's glass products would be benefited from the increasing demand for the LCD TVs. Therefore, we consider that the Company has reasonable ground to revise the caps so as to accommodate such expected increase in the relevant transactions.

Having considered that (i) the Huayi CCT Transaction has been, and will continue to be, carried out by the Group in its ordinary course of business and in accordance with the terms and conditions of the Huayi Glass Supply Agreement and the Supplemental Agreement; (ii) the terms and conditions of the Huayi Glass Supply Agreement and the Supplemental Agreement (except for the estimated cap amounts) will remain unchanged; (iii) the 2009 Transaction Amount has already exceeded the 2009 Annual Cap; (iv) the derived demand for the Group's glass products to be resulted from the increasing demand for LCD TV; and (v) the volume of Huayi CCT Transaction is expected to increase, we are of the view that the Huayi CCT Transaction is in the interest of the Company and the Shareholders as a whole and the New Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

REVISION OF ANNUAL CAPS

The historical transacted amounts, Original Approved Caps and proposed New Annual Caps under the Huayi Glass Supply Agreement and the Supplemental Agreement are set out as follows:

Historical transaction amounts				Original Approved Caps		New Annual Caps	
For the year ended 31 December			For the four months ended 30 April	For the year ending 31 December		For the year ending 31 December	
2007	2008	2009	2010	2010	2011	2010	2011
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
23,102	18,904	32,645	16,791	31,430	34,260	80,020	100,080

As illustrated above, the New Annual Caps for the two years ending 31 December 2010 and 2011 represent a year-on-year increment of approximately 145.1% and approximately 25.1% over the previous year, respectively. We noted from the Letter from the Board that the New Annual Caps for the two years ending 31 December 2010 and 2011 were set based on the management's internal projection on the expected value of the goods to be sold to Huayi Glass after taking into account of (i) the expected Huayi Glass's demand of such products, and (ii) the expected increase in the selling price of the A-grade super-thin float flat glass in the PRC with reference to the prevailing market price. We have reviewed the said projection prepared by the Company and have discussed with the management on the underlying basis and assumptions.

LETTER FROM GOLDIN FINANCIAL

In formulating the said projection, we understand from the management that they have taken into consideration factors such as (i) the business expansion of Huayi Glass in the downstream market which leads to increase in sales volume; and (ii) the steady improvement in the quality of Longhai Glass's A-grade super-thin float flat glass which induce Huayi Glass to shift some of their purchases from overseas suppliers to Longhai Glass. We consider that the setting of the New Annual Caps by management after making reference to the aforesaid factors is fair and reasonable.

In view of the fact that the Group will be benefited from the sales of super-thin float flat glass as the Huayi CCT Transaction will increase the Group's revenue. We are of the view that it is in the commercial interest of the Company to maximise the value of the Huayi CCT Transaction.

In light of the above, we are of the view that the New Annual Caps for the Huayi CCT Transaction for the two years ending 31 December 2010 and 2011 are determined based on the reasonable estimation and after due and careful consideration and that is fair and reasonable for the management of the Company to make reference to the aforesaid factors as the basis to determine such annual caps.

However, the Shareholders should note that as the New Annual Caps are determined based on various factors relating to future events and assumptions which may or may not remain valid for the entire period up to 31 December 2011, they do not represent forecasts of revenue to be generated from the operations of the Group. Consequently, we express no opinion as to how closely the actual amounts to be received by the Group will correspond with the New Annual Caps.

LISTING RULES REQUIREMENT

Pursuant to Rule 14A.36 of the Listing Rules, the Company is required to re-comply with Rules 14A.35(3) and (4) of the Listing Rules in respect of the Ratification and the Revision of Annual Caps. Each of the proposed New Annual Caps under the Supplemental Agreement is less than 25% of applicable percentage ratios, however, the annual transaction amounts under the Supplemental Agreement are expected to exceed HK\$10 million. Therefore, the transactions contemplated under the Supplemental Agreement constitute a non-exempt continuing connected transaction of the Company under Rule 14A.35 of the Listing Rules. The Huayi CCT Transaction is subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. If the New Annual Caps are expected to be exceeded, the Company will ensure re-compliance with Rule 14A.36 of the Listing Rules. The Huayi CCT Transaction will continue to be subject to the annual review requirements set out in Chapter 14A of the Listing Rules.

LETTER FROM GOLDIN FINANCIAL

ANNUAL REVIEW OF THE TRANSACTION

The revised annual caps for the two years ending 31 December 2010 and 2011 will be subject to the annual review by the independent non-executive Directors, details of which must be included in the Company's subsequent published annual report and accounts. In addition, pursuant to the Listing Rules, the auditors of the Company must provide a letter to the Board confirming, among others, that the Huayi CCT Transaction is conducted in accordance with their terms and that the New Annual Caps not being exceeded. Moreover, pursuant to the Listing Rules, the Company shall publish an announcement if it knows or has reason to believe that the independent non-executive Directors and/or its auditors will not be able to confirm the terms of such transactions or the relevant annual caps not being exceeded. We are of the view that there are appropriate measures in place to govern the conduct of the Huayi CCT Transaction and safeguard the interests of the Independent Shareholders.

RECOMMENDATIONS

In formulating our recommendation to the Independent Board Committee and the Independent Shareholders, we have considered the above principal factors and reasons, in particular, the following:

- (i) the background to, the reasons for, and the benefits of, entering into the Huayi Glass Supply Agreement and the Supplemental Agreement;
- (ii) the basis of determining the New Annual Caps; and
- (iii) the commercial justification for the Huayi CCT Transaction.

Taking into consideration of the above mentioned principal factors and reasons, we consider that the Huayi CCT Transaction and the New Annual Caps are fair and reasonable and on normal commercial terms so far as the Independent Shareholders are concerned and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favor of the resolution to be proposed at the EGM to approve the Supplemental Agreement and the New Annual Cap.

Yours faithfully,

For and on behalf of

Goldin Financial Limited

Billy Tang

Director

Hidulf Kwan

Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors, supervisors and chief executives of the Company

As at the Latest Practicable Date, none of the Directors, the supervisors or the chief executives of the Company has an interest or short position in any Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, the supervisors or the chief executives of the Company was taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, entered in the register kept by the Company; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective associates were considered to have interest in any business, which competes or may compete with the business of the Company or has any other conflict of interest with the Company which would be required to be disclosed under Rule 8.10 of the Listing Rules.

None of the Directors has any interest, direct or indirect, in any assets which have been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group since 31 December 2009, the date to which the latest published audited financial statement of the Group was made up.

None of the Directors is materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

(b) Substantial Shareholders' and other Shareholders' interests

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, the supervisors or the chief executives of the Company, no other person has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to section 324 of the SFO, or, who is, directly or indirectly, interested in 10 per cent. (10%) or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

Long positions in the Shares:

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of the total issued share capital of the Company (%)
CLFG	Beneficial owner	179,018,242	35.80
CNBMG (<i>Note</i>)	Interest in controlled corporation	179,018,242	35.80

Note:

These 179,018,242 Shares are registered and owned by CLFG. The major shareholder of CLFG is CNBMG which owns 70% of the registered capital in CLFG. CNBMG is therefore deemed to be interested in 179,018,242 Shares held by CLFG under the SFO.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or the supervisors of the Company had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, the date to which the latest published audited consolidated financial statements of the Group were made up.

5. EXPERT AND CONSENT

The following is the qualification of the expert whose letter is contained in this circular:

Name	Qualification
Goldin Financial	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Goldin Financial has no shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and has no direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2009, being the date to which the latest published audited consolidated financial statements of the Group were made up.

Goldin Financial has given and has not withdrawn its written consent dated 2 July 2010 to the issue of this circular with the inclusion of its letter and the reference to its name, in the form and context in which it appears.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Supplemental Agreement and the Huayi Glass Supply Agreement will be available for inspection at the office of Messrs. Li & Partners at 22nd Floor, World Wide House, Central, Hong Kong during normal business hours on any weekday (except public holidays) for a period of 14 days from the date of this circular.



洛阳玻璃股份有限公司

LUOYANG GLASS COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1108)

NOTICE OF FIRST EXTRAORDINARY GENERAL MEETING 2010

NOTICE IS HEREBY given that the First Extraordinary General Meeting 2010 (the “**EGM**”) of Luoyang Glass Company Limited (the “**Company**”) will be held at the conference room of the Company on 1st Floor, No. 9 Tang Gong Zhong Lu, Xigong District, Luoyang Municipal, Henan Province, the People's Republic of China (the “**PRC**”) at 9:00 a.m. on 20 August 2010 for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

*Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 2 July 2010 (the “**Circular**”).*

1. To approve, confirm and ratify the annual cap amount for Huayi CCT Transaction for the year ended 31 December 2009 be RMB32,645,000, being the actual aggregate transaction amount under the Huayi Glass Supply Agreement for the year ended 31 December 2009;
2. To approve and confirm the Supplemental Agreement (a copy of which has been produced to the EGM marked “1” and signed by the chairman of the EGM for the purpose of identification), the terms and conditions thereof, the transaction contemplated thereunder and the implementation thereof, and the New Annual Caps; and

NOTICE OF EGM

3. To approve, confirm and ratify any one of the Directors for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering all such documents and deeds, to do or authorise doing all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the Supplemental Agreement and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the Supplemental Agreement they may in their discretion consider to be desirable and in the interests of the Company and all the Directors' acts as aforesaid.

By order of the Board
Luoyang Glass Company Limited
Song Jianming
Chairman

Luoyang, the PRC
2 July 2010

As at the date of this notice, the Board comprises four executive Directors: Mr. Song Jianming, Ms. Song Fei, Mr. Ni Zhisen and Mr. Cheng Zonghui; three non-executive Directors: Mr. Shen Anqin, Mr. Bao Wenchun and Mr. Guo Yimin; and four independent non-executive Directors: Mr. Zhang Zhanying, Mr. Guo Aimin, Mr. Huang Ping and Mr. Dong Jiachun.

Notes:

1. Holders of the Company's A Shares who registered in the Shanghai Securities Central Clearing and Registration Corporation, and whose names appear on the register of members maintained by Shanghai Securities Central Clearing and Registration Corporation at the close of trading at 3:00 p.m. on 20 July 2010, are entitled to attend the EGM by presenting their identity cards, share account cards as well as power of attorney and identity cards of proxy(ies) (if applicable) during 8:00 a.m. to 12:00 noon and 2:00 p.m. to 5:30 p.m. on 30 July 2010 at the Secretarial Office of the Board, No. 9 Tang Gong Zhong Lu, Xigong District, Luoyang Municipal, Henan Province, the PRC for registration in relation to attending the EGM; overseas shareholders may fax the copy of the same to the registered address of the Company on or before 30 July 2010.
2. Holders of the Company's H Shares, whose names appear on the register of members maintained by Hong Kong Registrars Limited at the close of trading at 4:00 p.m. on 20 July 2010, are entitled to attend and vote at the EGM. The register of members of the Company's H Shares will be closed from 21 July 2010 to 19 August 2010 (both days inclusive), during which period no transfer of H Shares will be effected in order to determine the list of holders of H Shares eligible to attend the EGM. Holders of H Shares who wish to attend the EGM must lodge all share transfer forms accompanied by the relevant H share certificates with the registrar of the Company's H shares, namely Hong Kong Registrars Limited at Rooms 1901-5, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:00 p.m. on 20 July 2010.
3. Any shareholder entitled to attend and vote at the EGM may appoint a proxy or proxies (who need not be a shareholder of the Company) to attend and vote at the EGM on his/her behalf. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll. A proxy needs not be a Shareholder.

NOTICE OF EGM

4. The principal may appoint a proxy in written form (i.e. through the enclosed proxy form). The proxy form shall be signed by the principal or his attorney as authorised. In case that the proxy form is signed by the attorney of the principal, the power of attorney or other authorisation documents must be notarially certified. To be valid, the proxy form, together with a notarially certified copy of the power of attorney or other authorisation documents must be lodged at the Company's share registrar in Hong Kong, Hong Kong Registrars Limited, at Rooms 1901-5, Hopewell Centre, 183 Queen's Road East, Hong Kong or to the Company's registered address at No. 9 Tang Gong Zhong Lu, Xigong District, Luoyang Municipal, Henan Province, the PRC not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof.
5. Shareholders who intend to attend the EGM in person or by proxy should complete and return the signed reply slip for attending the meeting to the registered address of the Company on or before 30 July 2010 personally or by mail or fax.
6. Shareholders or their proxies shall produce their proofs of identity when attending the EGM. A proxy who is appointed to attend the EGM shall produce the proxy form at the same time.
7. The EGM is expected to last for one day. Shareholders and proxies attending the EGM should be responsible for their own traveling and accommodation expenses.
8. The Company's registered address is as follows:

No. 9 Tang Gong Zhong Lu, Xigong District, Luoyang Municipal, Henan Province, the People's Republic of China
Postal Code: 471009
Tel: 86-379-6390 8588
Fax: 86-379-6325 1984
9. Completion and return of the proxy form will not preclude shareholders of the Company from subsequently attending and voting in person at the EGM or any adjourned meetings should you so wish.