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洛阳玻璃股份有限公司

LUOYANG GLASS COMPANY LIMITED*

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

(Stock code: 01108)

**ANNOUNCEMENT IN RESPECT OF THE PROGRESS
OF FULFILLMENT OF THE UNDERTAKING BY THE DE FACTO
CONTROLLER AND THE RELATED PARTIES**

References are made to the announcements of Luoyang Glass Company Limited (the “**Company**”) dated 28 May 2014, 30 June 2014, 31 December 2014 and 10 June 2015 and the overseas regulatory announcements dated 30 June 2014 and 10 June 2015.

The Company and all members of the board (the “**Board**”) of directors (the “**Directors**”) of the Company warrant the truthfulness, accuracy and completeness of the contents of this announcement, and accept several and joint responsibilities for any false information, misleading statements or material omissions in this announcement.

When transferring the equity interest on 9 December 2010, China National Building Material Group Corporation* (中國建築材料集團有限公司) (“**CNBMG**”), the de facto controller of the Company, and Kaisheng Technology Group Company (formerly known as China Building Material Glass Company* (中建材玻璃公司)), a wholly-owned subsidiary of CNBMG, undertook that they would comprehensively solve the problem of horizontal competition between the Company and Luoyang Longxin Glass Co. Ltd.* (洛陽龍新玻璃有限公司), Anhui Fangxing Science and Technology Co. Ltd.* (安徽方興科技股份有限公司) and Henan Zhonglian Glass Co., Ltd.* (河南省中聯玻璃有限責任公司) by way of conducting consolidation through a series of business and asset restructuring through the Company as a platform.

On 27 June 2014, CNBMG made re-specification for the above undertakings in accordance with the requirements of the “Regulatory Guide No. 4 to Listed Companies – Undertakings and Fulfillments by the De Facto Controllers, Shareholders, Connected Persons and Purchasers of Listed Companies as well as Listed Companies” issued by the China Securities Regulatory Commission (“CSRC”), and made the following undertakings:

1. To split off the ordinary float glass business from the Company through methods including feasible and practicable business and asset restructuring; and
2. CNBMG will assist the Company in completing the abovementioned asset restructuring on or before 30 June 2015.

In light of the above undertakings, CNBMG proactively promoted and assisted the Company in implementing tasks on the relevant significant asset restructuring, however, as the relevant procedures for the significant asset restructuring of the Company were yet to be completed, the relevant undertakings were unable to be fulfilled on schedule.

Up till now, implementation of the above undertakings was set out as follows:

As the Company was preparing to conduct the significant asset restructuring in relation to the above undertakings, upon application of the Company, A shares and H shares of the Company had been suspended for trading since 30 June 2014. On 31 December 2014, at the 33rd meeting of the seventh session of the Board of the Company, the Board considered and approved the “Proposal on Significant Asset Swap, Issuance of Shares to Acquire Assets and Raise Supporting Fund and Connected Transaction of Luoyang Glass Company Limited”, and the Company and China Luoyang Float Glass (Group) Company Limited (“CLFG”) entered into the “Framework Agreement in Relation to the Significant Asset Swap, Issuance of Shares to Acquire Assets and Raise Supporting Fund”. Trading for H shares and A shares of the Company was resumed on 2 January 2015 and 5 January 2015 respectively. On 6 May 2015, the valuation outcome of the subject assets involved in the significant asset restructuring of the Company was filed with the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (“SASAC”). On 10 June 2015, at the 39th meeting of the seventh session of the Board of the Company, the Board considered and approved the “Transaction Proposal in Relation to the Significant Asset Swap, Issuance of Shares and Cash Payment to Acquire Assets and Raise Supporting Fund”, and the Company and CLFG entered into the “Formal Agreement in Relation to the Significant Asset Swap, Issuance of Shares and Cash Payment to Acquire Assets and Raise Supporting Fund”.

According to the proposal on the significant asset restructuring of the Company, the Company will dispose the equity interest in its subsidiary that is engaged in ordinary float glass business and silicon sand business, and purchase the entire equity interest in Bengbu China Building Information Display Materials Co. Ltd.* (蚌埠中建材信息顯示材料有限公司) that is engaged in the production of ultra-thin glass at the same time. Upon completion of the restructuring, the Company will no longer operate ordinary float glass business but will operate ultra-thin glass substrates as its main business, in order to solve the problem of horizontal competition in other glass substrates with subsidiaries of CNBMG.

Currently, the formal proposal on the significant asset restructuring of the Company has been submitted to the SASAC for approval. The notice of general meeting in relation to the significant asset restructuring was issued on 25 June 2015. The Company will convene the extraordinary general meeting and shareholders' class meetings on 10 August 2015 to consider matters in relation to the restructuring of the Company. Subsequent decision and approval procedures that are yet to be performed mainly include:

1. the approval of the significant asset restructuring of the Company by the SASAC;
2. the approval of the significant asset restructuring of the Company and the transaction at the general meeting and A shareholders' class meeting of the Company by non-associated shareholders in accordance with the Shanghai Stock Exchange Share Listing Rules;
3. the approval of the significant asset restructuring of the Company and the transaction at the general meeting and H shareholder's class meeting of the Company by independent shareholders in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
4. the approval of the significant asset restructuring of the Company by the CSRC.

By order of the Board
Luoyang Glass Company Limited*
Ma Liyun
Chairman

Luoyang, the PRC
30 June 2015

As at the date of this announcement, the Board comprises four executive Directors: Mr. Ma Liyun, Mr. Ni Zhisen, Ms. Sun Lei and Mr. Xie Jun; two non-executive Directors: Mr. Zhang Chengong and Mr. Zhang Chong; and four independent non-executive Directors: Mr. Huang Ping, Mr. Dong Jiachun, Mr. Liu Tianni and Mr. Jin Zhanping.

* For identification purposes only