

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 ON CHANGES IN ACCOUNTING ESTIMATES OF A WHOLLY-OWNED SUBSIDIARY

Luoyang Glass Company Limited (the “**Company**”) and all members of the board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby 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 omission in this announcement.

The Board announces that Bengbu China Building Information Display Materials Co. Ltd.* (蚌埠中建材信息顯示材料有限公司) (“**Bengbu Company**”), a wholly-owned subsidiary of the Company, has made adjustments to the depreciation terms of its fixed assets, which is expected to result in an impact of approximately RMB8.9739 million on the total profit of the Company for the year of 2016. However, it will not have any impact on the Company’s financial conditions and operating results for previous years.

(I) OVERVIEW OF THE CHANGES IN ACCOUNTING ESTIMATES

1. Reasons for changes

According to the relevant requirements of Accounting Standards for Business Enterprises No. 4 – Fixed Assets, an enterprise shall at least review the service life and expected residual value of fixed assets by the end of each year. Where there is a difference between the expected and the originally estimated service life of fixed assets, the service life of fixed assets shall be adjusted. Bengbu Company owns domestically first-class ultra-thin glass

production equipment. Bengbu Company has adjusted the depreciation terms of its fixed assets in accordance with their actual usage. The depreciation terms and economic lives are more reasonable after the adjustment. These could more fairly and appropriately reflect the financial conditions and operating results of Bengbu Company.

2. Date of changes

The adjustment of depreciation terms of the fixed assets shall come into effect on 1 April 2016.

3. Comparison of the depreciation terms for each fixed asset before and after adjustment

Type of assets	Estimated service life before changes (years)	Estimated service life after changes (years)
Buildings and Structures	30	35
Special equipment	10	10–15
Office equipment	3	5
Transport vehicles	4	8

4. Consideration by the Board

Resolution in relation to the above-mentioned changes in accounting estimates was considered and approved at the eighth meeting of the eighth session of the Board of the Company convened on 24 June 2016.

(II) EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES ON THE COMPANY

As preliminarily assessed by the finance department of the Company, the adjustment of depreciation terms of its fixed assets made by Bengbu Company will reduce the Company's accrued depreciation for the year of 2016 by RMB8.9739 million and will be expected to result in an impact of approximately RMB8.9739 million on the total profit of the Company for the year of 2016. Pursuant to the provisions of "Accounting Standards for Enterprises No. 28 – Changes in Accounting Policies and Estimates and Corrections of Errors", Bengbu Company shall adopt prospective application for accounting treatments after the changes in the accounting estimates, thus there is no need for retroactive adjustment. Therefore, it will not have any impact on the Company's financial conditions and operating results for previous years.

(III) CONCLUSIVE OPINIONS OF INDEPENDENT DIRECTORS, BOARD OF SUPERVISORS OF THE COMPANY AND ACCOUNTANTS

The Company's independent Directors have carefully reviewed relevant information and expressed independent opinions as follows:

The changes in accounting estimates of Bengbu Company are in compliance with the Accounting Standards for Business Enterprises, and the depreciation terms of fixed assets after changes are more consistent with the actual conditions and could objectively and fairly reflect the financial conditions and operating results of Bengbu Company. The changes in accounting estimates are in compliance with the requirements of relevant laws, regulations and the Articles of Association and have no harm to the interests of the Company and its minority shareholders. Therefore, we agree with the changes in accounting estimates of Bengbu Company.

The board of supervisors of the Company has convened a meeting and expressed its opinions as follows:

The changes in accounting estimates of Bengbu Company are more consistent with the actual conditions of Bengbu Company and in compliance with the requirements of relevant laws and regulations. The accounting estimates after changes could more truly and accurately reflect the financial conditions and operating results of Bengbu Company. Therefore, we unanimously agree with the changes in the accounting estimates.

WUYIGE Certified Public Accountants LLP, the auditor of the Company, has expressed its specific explanation as to the aforementioned changes in accounting estimates of Bengbu Company as follows:

The changes in accounting estimates are reasonable and are more consistent with the actual conditions of Bengbu Company. They are in compliance with the Accounting Standards for Business Enterprises and its relevant requirements. The changes could more accurately, truly and fairly reflect the operating results and financial conditions of Bengbu Company.

By order of the Board
LUOYANG GLASS COMPANY LIMITED*
Zhang Chong
Chairman

Luoyang, the PRC
24 June 2016

As at the date of this announcement, the Board comprises four executive Directors: Mr. Zhang Chong, Mr. Ni Zhisen, Mr. Wang Guoqiang and Mr. Ma Yan; three non-executive Directors: Mr. Zhang Chengong, Mr. Xie Jun and Mr. Tang Liwei; and four independent non-executive Directors: Mr. Jin Zhanping, Mr. Liu Tianni, Mr. Ye Shuhua and Mr. He Baofeng.

* For identification purpose only