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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)

VARIATION OF TERMS TO CONNECTED TRANSACTIONS

Reference is made to the announcement of Luoyang Glass Company Limited* (the “**Company**”) dated 1 December 2016 (the “**Previous Announcement**”) in relation to its connected transactions. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Previous Announcement.

CONNECTED TRANSACTIONS

As disclosed in the Previous Announcement, on 1 December 2016, Bengbu Institute and Bengbu Company (a wholly-owned subsidiary of the Company) entered into the First Technology Development (Delegate) Agreement and the Second Technology Development (Delegate) Agreement (the “**Two Technology Agreements**”), pursuant to which Bengbu Institute should delegate Bengbu Company to conduct research and development in respect of the project of production technology of industrialization of 0.2 mm high strength electronic glass and the project of production technology of 3D wear-resistant glass substrate (the “**Two Projects**”), respectively.

Bengbu Institute is a substantial shareholder of the Company and a wholly-owned subsidiary of Triumph Group, which is an indirect controlling shareholder of the Company. As such, Bengbu Institute is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Two Technology Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

VARIATION OF TERMS

The Board hereby announces that on 24 March 2017, Bengbu Institute and Bengbu Company entered into a supplemental agreement to the First Technology Development (Delegate) Agreement, pursuant to which, the parties have agreed to extend the validity period of the First Technology Development (Delegate) Agreement to 31 December 2018 and extend the date of acceptance of the project of production technology of industrialization of 0.2 mm high strength electronic glass to a date of on or before 25 December 2018. On the same date, Bengbu Institute and Bengbu Company entered into a supplemental agreement to the Second Technology Development (Delegate) Agreement, pursuant to which, the parties have agreed to extend the validity period of the Second Technology Development (Delegate) Agreement to 31 December 2018 and extend the date of acceptance of the project of production technology of 3D wear-resistant glass substrate to a date of on or before 15 September 2018.

The extension of the validity period of the Two Technology Agreements and the date of acceptance of the Two Projects has been determined after arm's length negotiations between the parties. Save for the extension of the validity period and the date of acceptance, other terms of the Two Technology Agreements will remain the same.

REASONS FOR THE VARIATION OF TERMS

Pursuant to the Two Technology Agreements, Bengbu Company has already conducted research and development in respect of the Two Projects respectively, and has already obtained some experimental data and parameters. However, in order to increase the accuracy of such experimental data, taking into account the ordinary production and management of Bengbu Company, the parties have agreed that longer experiment and testing period is required to further verify the parametric reliability.

The terms of each of the above two supplemental agreements were determined after arm's length negotiations between the parties thereto. The Directors (including the independent non-executive Directors) are of the view that the terms of each of the supplemental agreements are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interest of the Group and the Shareholders as a whole.

Mr. Zhang Chong and Mr. Ma Yan, the executive Directors of the Company, and Mr. Zhang Chengong, Mr. Xie Jun and Mr. Tang Liwei, the non-executive Directors of the Company, have abstained from voting in respect of the above two supplemental agreements in the Board meeting(s) due to the fact that they have connected relationship with the substantial Shareholder(s) or indirect controlling shareholder(s) of the Company and are therefore not regarded as independent to make any recommendation to the Board.

By Order of the Board of
Luoyang Glass Company Limited*
Zhang Chong
Chairman

Luoyang, the PRC
24 March 2017

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 purposes only*