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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 GOVERNMENT
SUBSIDIES RECEIVED BY 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 omissions in this announcement.

The Company recently received a document, i.e. “Approval of the Transfer and Payment of Subsidy Funds for the Disposal of “Zombie Enterprises” by the Central Government-owned Enterprises to CLFG (Kai Sheng Qi Fa [2017] No. 15) 《關於撥付洛玻集團中央企業處置“僵屍企業”補助資金的批覆》”, from Triumph Technology Group Company* (凱盛科技集團公司) (“**Triumph Group**”). Pursuant to such document, Triumph Group agrees to transfer to China Luoyang Float Glass (Group) Company Limited* (中國洛陽浮法玻璃集團有限責任公司) (“**CLFG**”) the subsidy funds for the disposal of “Zombie Enterprises” by the Central Government-owned Enterprises, RMB8,320,000 of which would be allocated to CLFG Longmen Glass Co. Ltd.* (洛玻集團龍門玻璃有限責任公司) (“**Longmen Company**”), a wholly-owned subsidiary of the Company, as subsidy funds for the placements of personnel. According to the relevant requirements, such funds shall be earmarked for the use within the scope of placements of personnel, as required by the “Administrative Measures on Subsidy Funds for the Disposal of “Zombie Enterprises” by Central Government-owned Enterprises 《中央企業處置“僵屍企業”補助資金管理辦法》” issued by the Ministry of Finance of the People’s Republic of China (the “**PRC**”) and the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

Longmen Company received such funds from CLFG on 23 June 2017.

According to the relevant provisions of the “Accounting Standard for Business Enterprises No. 16 – Government Grants” of the PRC, Longmen Company intends to record such subsidy funds in the financial statements for the year 2017 as “non-operating income”. The final accounting treatment and the effect on the Company’s current profit and loss will be based on the results of the accounting firm’s annual audit.

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

Luoyang, the PRC
23 June 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*