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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)

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary general meeting of Luoyang Glass Company Limited to be held at 9:00 a.m. on 28th March, 2003 at the office address of the Company is set out on pages 3 to 5 of this circular.

27th February, 2003

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LETTER FROM THE CHAIRMAN



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)

Directors

Mr. Liu Baoying (*Chairman*)
Mr. Wang Yongxin
Mr. Zhu Leibo
Mr. Zhang Shaojie
Mr. Zhu Liuxin
Mr. Jiang Hong
Mr. Wang Jie

Registered Office:

No. 9, Tang Gong Zhong Lu,
Xigong District, Luoyang Municipal,
Henan Province,
the People's Republic of China

Independent directors:

Mr. Dai Zhiliang
Mr. Wei Chenglong

27 February 2003

To the holders of H Shares

Dear Sir/Madam,

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

Articles of Association of the Company are amended according to the Notice of Amendments to Articles of Association of Companies Listed in Domestic and Overseas Markets (Document Zheng Jian Company Zi [2001] No. 104) issued by the China Securities Regulatory Commission (the "CSRC") and the Standards for Governance of Listed Companies (Document Zheng Jian Fa [2002] No. 1) jointly issued by the CSRC and the State Economic and Trade Commission on 7 January 2002 (the "Standard")) and the Guiding Opinions on the Establishment of Independent Director System by Listed Companies (Document Zheng Jian Fa [2002] No. 102 issued by the CSRC on 16 August 2001) (the "Guiding Opinions").

The Board of Directors would like to propose certain amendments to the Articles of Association of the Company in accordance with the Standards and the Guiding Opinions for shareholders' approval at an extraordinary general meeting. It is hoped that by introducing these amendments, the Company could foster regulation of its operation, enhance the corporate governance of the Company as a separate legal entity, and protect the legal rights and interests of the Company and its shareholders.

The Board of Directors believes that the proposed amendments do not cause any substantive changes to the content of the original Articles of Association in terms of their adherence to the "Mandatory Provisions or Companies listing Overseas" ("Mandatory Provisions") issued on 27 August 1994 by the then State Council Securities Policy Committee and the State Commission for Restructuring the Economic System. Therefore, both the directors of the Company and the Company's legal advisor confirm that the amended Articles of Association will still satisfy the requirements of the Mandatory Provisions.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The directors believe that the Proposed Amendments to Articles of Association are in the best interests of the Company and its shareholders and accordingly recommended all the shareholders to vote in favor of this resolution at the extraordinary general meeting.

Yours faithfully,
Liu Baoying
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2003

NOTICE IS HEREBY GIVEN that the Board of Directors of Luoyang Glass Company Limited (the "Company") resolved to convene an extraordinary general meeting ("EGM") to be held at the Conference Room of the Company on 4th 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 28 March 2003 to transact the following matters:

I. SPECIAL RESOLUTION:

Amend Articles of Association of the Company. (Details set out on Appendix I)

II. ORDINARY RESOLUTIONS:

1. Review the Rules of Procedures for Annual General Meeting of the Company (股東大會議事規則) (Details set out on Appendix II);
2. Review the Rules of Procedures for the Board of Directors' Meeting (董事會議事規則) (Details set out on Appendix II);
3. Review the Rules of Procedures for the Supervisory Committee's Meeting (監事會議事規則) (Details set out on Appendix II);
4. Review the Work System for Independent Directors (獨立董事工作制度) (Details set out on Appendix II);
5. Elect members of the 4th Board of Directors of the Company for a term of three years with effect from 28 March 2003;
6. Elect members (representatives of shareholders) of the 4th Supervisory Committee of the Company for a term of three years with effect from 28 March 2003;
7. Fix remunerations of newly appointed Directors; and
8. Fix remunerations of newly appointed Supervisors.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. According to the requirement of the Articles of Association of the Company, any shareholders holding 5% or more (inclusive of 5%) of the issued shares of the Company are eligible to nominate candidates of the 4th Board of Directors of the Company and the 4th Supervisory Committee of the Company. A written notice in respect of the intent to nominate candidates for directors and supervisors and the acceptance of nomination by such candidates shall be sent to the Company seven days before the holding of the general meeting. The announcement about the profiles (if any) of the candidates for directors and supervisors nominated by any shareholders whose shareholding accounted for 5% or more (inclusive of 5%) of the issued shares of the Company will be made as and when appropriate. The list and profiles of candidates for directors and supervisors nominated by China Luoyang Float Glass (Group) Company of Limited Liability (“CLFG”), the controlling shareholder of the Company will be announced on or before 7 March 2003, along with the Proxy Form for use at the EGM enclosed.
2. Holders of the Company’s A Shares, whose names appear on the register of members maintained by Shanghai Central Securities Registration and Clearing Company at the time of close trading at 3:00 p.m., 26 February 2003, are entitled to attend the EGM by presenting their identity cards, share account cards, power of attorney (if applicable) and identity cards of proxy (ies) during 8:00.a.m.-12:00 noon. and 2:00p.m. -5:30 p.m., 7 March 2003 at the Secretary Office of the Company’s 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 of A shares shall send by post or fax the copy of the same to the registered address of the Company for registration in relation to attending the EGM on or before 7 march 2003.
3. Holders of the Company’s H Shares, whose names appear on the register of members maintained by Hong Kong Registrars Limited at the time of close trading at 4:00 p.m., 26 February 2003, are entitled to attend and vote at the EGM. The Register of Members of the Company’s H Shares will be closed from 27 February 2003 to 28 March 2003 (both days inclusive), during which period no transfer of H Shares will be effected for the purpose to determine the list of H shareholders eligible to attend such meeting. Holders of H shares intended to attend the meeting are required to send any transfer of shares together with the relevant share certificate(s) in respect of H shares must be delivered to the Company’s H shares registrar, Hong Kong Registrars Limited at Room 1901-5, 19/F Hopewell Centre, 183 Queens Road East, Hong Kong by 4:00 p.m. on 26 February 2003.
4. Each Shareholder eligible to attend and vote at the EGM is entitled to appoint one or more proxies (whether a Shareholder or not) to attend and vote on his behalf. If the appointee is a corporation, the relevant legal representative and any persons authorized by any decision-making bodies under the Board of Directors are eligible to attend and vote at the EGM on his behalf.
5. Should more than one proxy be appointed by one Shareholder, such proxy shall only exercise his voting rights on a poll.
6. The instrument appointing a proxy must be in writing under the hand of the shareholder or his / her appointer or attorney duly authorized in writing. If the appointer is a corporation, the proxy must be affixed with the common seal or signed by its Director or attorney duly authorized in writing. The power of attorney shall indicate the number of shares represented by the relevant proxy on behalf of the shareholder. If the Proxy Form is signed by an attorney authorized by such person, the power of attorney or other documents of authorization shall be notarially certified. To be valid, the Proxy Form, other documents of authorization and the notarially certified power of attorney must be delivered to the registered address of the Company not less than 24 hours before the time scheduled for the holding of the EGM.
7. Proxies of shareholders of A Shares and H shares are entitled to attend the EGM by presenting the share account cards of their appointing shareholders, proxy forms (if applicable) and their identity cards.
8. Shareholders or proxies attending the EGM shall clearly respond “for”, “against” or “abstention” for each resolution. Any abstention votes will not be counted by the Company for the relevant resolution on a poll.

NOTICE OF EXTRAORDINARY GENERAL MEETING

9. The EGM is expected to last for half a day. The shareholders and proxies attending the EGM shall be responsible for their own traveling and accommodation expenses.

The Company's registered address is as follows:

No. 9, Tang Gong Zhong Lu

Xigong District, Luoyang Municipal

Henan Province

The PRC

Contact persons: Wang Fan and Guo Bing

Telephone: 86-379-3908588

Facsimile: 86-379-3251984

Postal Code: 471009

By order of the Board
Secretary of Board of Directors
Wang Jie

Luoyang, the PRC, 10 February 2003

According to the requirements of rules and regulations of the Company Law, Management Standards for Listed Companies (上市公司治理準則) and Guidelines to the Articles of Association of the Company and in view of the operations of the Company, Articles of Association of the Company are amended as follows:

1. The original Article 1 shall be amended as follows: Luoyang Glass Company Limited (the "Company") was incorporated and registered in accordance with the law of the State, administration regulations and Opinions on Regulation for joint stock companies (股份公司規範意見) issued by 國家經濟體制改革委員會 before the Company Law of the People's Republic of China (the "Company Law") took effect. Since the Company Law has been in effect, the Company continues to operate in accordance with the Company Law and Special Regulation of Proceeds from Offering Shares and Listing in Overseas Markets by China State Council (國務院關於股份有限公司境外募集股份及上市的特別規定) (the "Special Regulation"). The Company operates in compliance with the relevant requirements of the Company Law.

The Company was incorporated by an organizer with the approval (國家經濟體制改革委員會體改生(1994)56號文件) and registered in Luoyang Commercial and Industrial management Bureau (洛陽市工商行政管理局) on 6 April 1994 with an business license.

The Company was granted an approval (國家經濟體制改革委員會體改生(1994)64號文件) to change to a public listed company and registered in Luoyang Commercial and Industrial management Bureau on 19 April 1995. After such change, business license number is: 17111122.

On 28 February 1996, Trading and Economic Department (對外經濟貿易部) of the People's Republic of China granted the approval (中華人民共和國外商投資企業批准證書), according to which the Company changed its registration as Hong Kong registration joint stock company (港商投資股份有限公司). After such change, business license number is: 企股洛總副字第000327號.

The organizer of the Company was China Luoyang Float Glass (Group) Company of Limited Liability.

2. The original Articles 6 and 7 shall be amended as follows: Subject to the approval of the special resolution by shareholders at the general meeting and to be approved by 國家經濟體制改革委員會 and Securities Committee of China State Council (國務院證券委員會), the amended Articles of Association of the Company can register to commercial and industrial management authorities to replace the original Articles of Association of the Company registered to such commercial and industrial management authorities. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
3. The original Article 9 shall be amended as follows: Articles of Association of the Company are binding provisions to the Company, shareholders, directors, supervisors, the general manager and senior management. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
4. Two new sub clauses shall be added to Clause 5 of the original Article 51 as Sub Clause 6 and Sub Clause 7 as follows: Holders of ordinary shares of the Company are entitled to:
 - (6) be informed of and participate in the significant matters of the Company regarding the law, administration regulations and Articles of Association of the Company.
 - (7) protect their legal interests according to the requirements of the law and the administration law by way of initiating civil litigations or other legal means. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)

5. A new clause shall be added to the original Article 52 as follows: if shareholders, holding 5% or more of shares (with voting power) of the Company, pledge shares, they shall give a written notice to the Company within three business days of such pledge.
6. Seven new clauses shall be added to the original Article 55 as follows:
 - Clause 1: The controlling shareholder shall be honest to the Company and shareholders. The controlling shareholder shall execute his/her rights as a capital contributor in strict compliance with the law. The controlling shareholder shall not affect legal interests of the Company and shareholders by way of assets restructuring and shall not seek illegal interest by his/her controlling power over the Company.
 - Clause 2: The controlling shareholder shall nominate candidates (who shall possess relevant knowledge and capabilities as required in such positions) of directors and supervisors of the Company in strict compliance with the law, regulations and Articles of Association of the Company. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
 - Clause 3: Any material policies shall be determined by shareholders at the general meeting and the Board of Directors. The controlling shareholder shall not directly or indirectly interfere policies and legal operations of the Company and affect interests of the Company and shareholders.
 - Clause 4: Senior Management shall be independent of the controlling shareholder. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
 - Clause 5: The Company shall establish a consolidated financial and accounting management system and an independent audit system in accordance with the requirements of the law and regulations. The controlling shareholder shall respect the financial independence of the Company and shall not interfere financial and accounting operations of the Company.
 - Clause 6: The Board of Directors, the Supervisory Committee and other internal organizations shall operate independently. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
 - Clause 7: Operations of the Company shall be completely independent of the controlling shareholder. The controlling shareholder and other units under his/her control shall not compete with the Company in the same or similar industry. The controlling shareholder shall take effective initiatives to avoid this competition from happening.

7. Three new clauses shall be added to the original Article 60 as follows:

Clause 1: Any general meetings shall be held in compliance with the following conditions:

1. Resolutions to be considered at the general meeting shall be in compliance with the law, regulations and Articles of Association of the Company and relate to operations of the Company and reference to duties of shareholders at the general meeting;
2. Resolutions are clearly defined; and
3. The Board of Directors shall be provided with written resolutions.

Clause 2: If resolutions proposed to the general meeting are not listed on the agenda of such general meeting, Directors shall explain such decision in such general meeting and publish content of resolutions and the relevant explanation not to list on the agenda, as well as the announcement of resolutions at the general meeting after the closure of the meeting.

Clause 3: If the shareholder disagrees with the Board of Directors' decision not to list the resolution proposed by him on the agenda of the general meeting, he may convene an extraordinary meeting in accordance with the procedures as required by the Articles of Association of the Company.

8. Two new clauses shall be added to the original Article 66 as follows:

Clause 1: Individual shareholders are entitled to attend any general meeting by presenting their identity cards and share account cards; proxies on behalf of shareholders are entitled to attend any general meeting by presenting their identity cards, power of attorney and share account cards.

The legal person shareholder is entitled to appoint a legal representative or a proxy on behalf of such legal representative to attend any general meeting. The legal representative is entitled to attend any general meeting by presenting their identity cards, power of attorney confirming his legal representation and share account cards; his proxy is entitled to attend any general meeting by presenting identity cards, power of attorney granted by the legal representative on behalf the legal person shareholder and share account cards.

Clause 2: The proxy form to appoint a proxy to attend any general meeting by a shareholder shall contain the following:

- (1) Name of the proxy;
- (2) Indication of whether voting power is granted;
- (3) Instruction of voting "for", "against" or "abstention" for the first resolution proposed at any general meeting;
- (4) Instruction of voting if voting power granted;
- (5) Date of appointing a proxy and the effective period for such appointment; and
- (6) The appointer shall sign (or seal) the proxy form. If the appointer is a corporation, the proxy form must be affixed with the common seal. The proxy form shall indicate the proxy may vote at his discretionary if no instruction is given.

9. A new clause shall be added to the original Article 67 as follows: The Company is responsible for compiling the signatures of the personnel attending the meeting. The signature list states clearly names of personnel (or unit names) attending the meeting, ID card numbers, abode addresses, numbers of shares held and represented and names of the appointers (or unit names).
10. A new clause shall be added to the original Article 69 as follows: After the notice of holding a general meeting dispatched, the Board of Directors shall not change the date of holding such meeting, unless the occurrence of the force majeure or other accidents. Even if the date of holding such meeting needs to change due to the occurrence of the force majeure, the Company should not change the register day of shares.
11. Two new clauses shall be added to the original Article 81 as follows:
 - Clause 1: Members of the Board of Directors and the Supervisory Committee shall answer any questions and suggestions raised at the general meeting unless related to commercial secrets, which cannot be disclosed.
 - Clause 2: Minutes of the Board of Directors shall be compiled and maintained. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
12. A new clause shall be added to the original Article 83 as follows: When a poll is taken relating to connected transactions at the general meeting, any shareholders involved in such connected transactions shall abstain from voting and their shares with voting power shall not be counted to the total number of shares with voting power from shareholders attending the meeting
13. The original Article 84 shall be amended as follows: If votes are tallied at the general meeting, the tally shall be contained in the minutes of the meeting. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
14. A new clause shall be added to the original Article 84 as follows: Attendance of shareholders, number of their shares, proxy forms, results of each resolution, minutes of the meeting and the validity of the procedure to hold the meeting shall be notarially certified if required.
15. The original Article 94 shall be amended as follows: The Board of Directors consists of 5 - 19 Directors. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
16. The original Article 95 shall be amended as follows: The Directors are elected by shareholders at the general meeting for a term of years as they are subject to retirement by rotation and re-election at the general meeting of the Company. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
17. Clause 2 of the original Article 98 shall be amended as follows: Review resolutions passed at the Board of Directors' meeting and monitor operations by management of the Company.
18. The original Article 99 shall be amended as follows: The Board of Directors convenes at least four meetings every year. The Chairman shall be the convener and give the notice of such meeting to all directors at least ten day in advance. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)

19. The original Article 105 shall be amended as follows: The Board of Directors shall maintain minutes of meetings, which must be signed by directors and the recording clerk present at the meeting. Minutes shall be maintained by Secretary of Board of Directors at the address of the Company in the PRC for ten years. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
20. Three new clauses shall be added to the original Article 105 as follows:
- Clause 1: Minutes of the Board of Directors' meetings shall include the following:
- (1) The date, venue and the convener of the meeting;
 - (2) Names of directors or names of their proxy attending the meeting;
 - (3) Agenda;
 - (4) Highlights of speeches by directors; and
 - (5) Procedure and the result of voting, including number of affirmative votes, negative votes and abstention votes.
- Clause 2: The Board of Directors may establish any special committees according to operating circumstances of the Company.
- Clause 3: The Board of Directors may establish any special funds by contributing 1% of sales revenues for the purpose of paying remunerations and subsidies of independent non-executive directors, business expense and training for related persons or other expense as approved by the Chairman.
21. A new article "Independent Non-executive Directors "shall be added to the original Articles of Association of the Company as Article 11 and numbers of all subsequent articles shall increase by one.
- Independent Non-executive Directors do not hold any positions of the Company other than Independent Non-executive Directors per se. Independent Non-executive Directors are not connected to the Company or substantial shareholders and shall be able to provide independent and objective opinions. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
22. The original Article 118 shall be amended as follows: The Supervisory Committee consists of five supervisors, at least one half of who are external supervisors, including two independent supervisors. Supervisors are appointed for a term of three years as they are subject to retirement by rotation and re-election at the general meeting of the Company. Independent supervisors cannot hold their positions for more than six years. The appointment and dismissal of the Chairman of the Supervisory Committee shall be approved by the Supervisory Committee with at least two-thirds of the votes.
23. The original Article 119 shall be amended as follows: The Supervisory Committee consists of three representatives of shareholders and two representatives of employees of the Company. The appointment and dismissal of representatives of shareholders shall be approved by shareholders at the general meeting; the appointment and dismissal of representatives of employees shall be approved by employees of the Company. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)
24. The original Article 121 shall be amended as follows: The Supervisory Committee shall convene at least four meetings with the Chairman of the Supervisory Committee being the convener.

25. Three new clauses shall be added to the original Article 123 as follows:

Clause 1: The Supervisory Committee shall hold meetings with supervisors present and maintain minutes of such meetings. In special circumstance, opinions of a supervisor can be sent by fax. The relevant opinions shall be maintained on the minutes and signed by all supervisors attending the meeting.

Clause 2: Votes are counted by raising hands at the meeting of the Supervisory Committee.

Clause 3: The Supervisory Committee shall maintain minutes of meetings, which must be signed by supervisors and the recording clerk present at the meeting. Minutes shall be maintained by Secretary of Board of Directors for ten years. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)

26. Four new clauses shall be added to the original Article 126 as follows:

Clause 1: Any directors who are absent from the meeting two times in a row and do not appoint any proxy to attending the meeting on their behalf are considered failure to perform diligent duties. The Board of Directors shall propose to the general meeting for their dismissals. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)

Any supervisors who are absent from the meeting two times in a row are considered failure to perform diligent duties and shall be dismissed by shareholders at the general or by representatives of employees in the meeting.

Clause 2: Any directors or supervisors can resign before the end of their appointments by giving written reports to the Board of Directors or the Supervisory Committee respectively.

Clause 3: If the resignations of any directors or supervisors reduce the minimum legal number of directors or supervisors to hold any meeting, the written report shall be in effect after the replacement of directors or supervisors in question. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)

Clause 4: Any directors or supervisors who resign before the end of their appointments and have served the whole term of their appointments are obligated to keep any commercial secrets related to the Company until they become disclosable. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)

27. The original headline of Article 15 shall be amended as follows: Financial and Accounting System, Appropriation of Profits and Audit.

28. The original Article 145 shall be amended as follows: The Company shall prepare and review the financial report after the end of each financial year in accordance with the law.

29. The original Article 150 shall be amended as follows: The Company shall publish quarterly reports within 30 days from the end of the relevant period; publish interim reports within 60 days from the end of the relevant period; publish financial reports within 120 days from the end of the relevant period.

30. The original Article 157 shall be amended as follows: Any dividends distributed in foreign currency shall be distributed base on the exchange rate which is the average price of Renminbi per one foreign currency in question as announced by the People's Bank of China for a week before the distribution of such dividends or distributed base on the exchange rate in accordance with the relevant law and regulations.

31. Two new clauses shall be added to the original Article 161 as follows:

Clause 1: The Company has internal auditing system and employ specialized auditing personnel who are responsible for internal audit and supervision on financial posit and operations of the Company.

Clause 2: Duties of the internal auditing system and the auditing personnel shall be approved by the Board of Directors before implementation. The Head of the auditing personnel shall provide auditing reports to the Board of Directors.

32. A new clause shall be added to the original Article 178 as follows: Creditors are entitled to seek repayment or guarantee related the loans payable by the Company within 30 days after receiving the notice of the disconsolidation of the Company or within 90 days after the disclosure of the first announcement (three announcements as required by the law relating to disconsolidation) disclosing the disconsolidation of the Company if no such notice given. If the Company is unable to repay or provide guarantee related the loans payable by the Company, the Company shall not go through any merger or disconsolidation.

33. The original Article 182 shall be amended as follows: Save as the liquidation due to bankruptcy, if the Board of Directors decides to liquidate the Company, the notice for holding the general meeting relating to such liquidation shall contain a statement indicating that the Board of Directors has perform due diligence to thoughtfully review the position of the Company and the Board of Directors confirms the entire debt shall be settled within 12 months from the date of liquidation. (For details For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>)

34. A new clause shall be added to the original Article 187 as follows:

The liquidation division shall be faithful to the duties and perform the liquidation in accordance with the law. The liquidation division shall not make use of the job power to accept bribe or other illegal income and shall not seize assets of the Company.

The personnel of the liquidation division shall be responsible to pay for any loss to the Company and creditors because of intentional or material mistakes made by the personnel of the liquidation division.

35. The original Article 188 shall be amended as follows: According to the requirements of the law, administration regulations and Articles of Association of the Company, the Company may amend the Articles of Association of the Company if:

- (1) the Articles of Association of the Company have conflict with the revised versions of the Company Law or the relevant law and administration regulations;
- (2) the operations of the Company deteriorate to the extent that the Articles of Association of the Company no longer reflect the operations of the Company; and
- (3) authorization granted to amend the Articles of Association of the Company by shareholders at the general meeting.

36. A new clause shall be added to the original Article 191 as follows: The Board of Directors may amend the Articles of Association of the Company in accordance with the resolution to amend the Articles of Association of the Company passed at the general meeting and the agreement from the relevant authorities to amend the Articles of Association of the Company.

37. A new clause shall be added to the original Article 193 as follows: Any amendments to the Articles of Association of the Company are disclosable as required by the law and regulations.

1. Proposed Rules of Procedures for Annual General Meeting of the Company (股東大會議事規則).**Summary**

In order to enhance efficiency of the annual general meeting of the Company and ensure duties of the meeting to be implemented in accordance with the law and according to the requirements of the Company Law, Opinions on Regulation for Annual General Meeting of Listed Companies (上市公司股東大會規範意見), Articles of Association of Luoyang Glass Company Limited, other relevant law, regulations and ordinance documents, the Company intends to propose Rules of Procedures for Annual General Meeting of the Company (股東大會議事規則) to an extraordinary general meeting to be held at 9:00 a.m. on 28 March 2003.

Procedures for Annual General Meeting of the Company (股東大會議事規則) defines the procedures to propose and pass, if thought fit, resolutions at the general meeting, procedures to convene the general meeting and dispatch notices thereto, rights and written reference of duties of the general meeting, and procedures for polling votes.

According to Rules of Procedures for Annual General Meeting of the Company (股東大會議事規則), the Company shall appoint a lawyer with experience in securities to attend the general meeting and announce his opinions on the following:

- (1) Whether the holding of the general meeting and procedures to convene such meeting are in compliance with the law, regulations and Articles of Association of the Company;
- (2) Legal confirmation of the validity of personnel attending the meeting;
- (3) Legal confirmation of the validity of shareholders proposing resolutions at the general meeting;
- (4) Whether polling of votes is valid; and
- (5) Other matters as required by the Company.

The Board of Directors shall appoint a public notary to attend the general meeting.

The Company shall not provide additional economic interest to shareholders (or proxies) attending the general meeting.

For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>

2. Proposed Rules of Procedures for the Board of Directors' Meeting (董事會議事規則).**Summary**

In order to effectively regulate the procedures to hold meetings and decision-making for the Board of Directors of the Company, establish comprehensive structure of legal person governance, ensure smooth operations and efficient management of the Company and according to the requirements of the relevant law and regulations of the State and in view of the operating circumstance of the Company, the Company intends to propose Rules of Procedures for the Board of Directors' Meeting (董事會議事規則) to an extraordinary general meeting to be held at 9:00 a.m. on 28 March 2003.

Rules of Procedures for the Board of Directors' Meeting (董事會議事規則) defines the qualifications of directors, procedures for nominations, elections and replacement of directors, rights and duties of directors and working conditions of directors.

For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>

3. Proposed Rules of Procedures for the Supervisory Committee's Meeting (監事會議事規則).**Summary**

In order to regulate the operations of the Supervisory Committee of the Company and according to the Company Law, Articles of Association of the Company and the requirements of the relevant law and regulations of the State, the Company intends to propose Rules of Procedures for the Supervisory Committee's Meeting (監事會議事規則) to an extraordinary general meeting to be held at 9:00 a.m. on 28 March 2003.

Rules of Procedures for the Supervisory Committee's Meeting (監事會議事規則) defines the qualifications and written reference of duties of supervisors and procedures for appointments of supervisors, as well as composition of the Supervisory Committee.

For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>

4. Proposed Work System for Independent Directors (獨立董事工作制度).**Summary**

In order to further improve the governance structure of the Company, protect interest of medium and minority shareholders, as well as related persons and regulate the operations of the Company and according to the Company Law, Management Standards for Listed Companies (上市公司治理準則), Guidelines to Establishment of Work System for Independent Directors in Relation to Listed Companies (關於在上市公司建立獨立董事制度的指導意見) and Articles of Association of the Company, the Company intends to propose Work System for Independent Directors (獨立董事工作制度) to an extraordinary general meeting to be held at 9:00 a.m. on 28 March 2003.

Work System for Independent Directors (獨立董事工作制度) defines the qualifications of independent directors, procedures for nominations, elections and replacement of independent directors, rights and duties of independent directors and working conditions of independent directors.

Independent directors do not hold any positions of the Company other than independent directors per se. Independent directors are not connected to the Company or substantial shareholders and shall be able to provide independent and objective opinions.

For details please refer to the website of Shanghai Stock Exchange: <http://www.sse.com.cn>