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: 1108)

Pledging of Domestic Shares by the Controlling Shareholder

This announcement is made pursuant to Rules 13.09 and 13.17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

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 in this announcement, and accept joint and several responsibilities for any false information, misleading statements or material omission in this announcement.

On 5 November 2008, the Company was notified by China Luoyang Float Glass (Group) Company Limited ("**CLFG**"), the controlling shareholder (as defined under the Listing Rules) of the Company, that CLFG entered into a share pledge agreement (the "**Share Pledge Agreement**") with China National Building Material Group Corporation ("**CNBMG**"), the controlling shareholder of CLFG and the ultimate controller of the Company, on 16 October 2008. Pursuant to the Share Pledge Agreement, CLFG has agreed to pledge 179,018,242 domestic shares of the Company ("**Domestic Shares**") (representing approximately 35.80% of the total issued share capital of the Company and 100% of the Domestic Shares held by CLFG) in favour of CNBMG to secure several entrusted loans and guarantees in the total amount of RMB690,000,000 granted by CNBMG to CLFG and enterprises under its control as well as to the Company under several loan and guarantee arrangements, which include:

(1) an entrusted loan agreement entered into between CNBMG as lender and the Company as borrower on 4 August 2008 relating to an entrusted loan of RMB50,000,000;

(2) two entrusted loan agreements entered into between CNBMG as lender and the Company as borrower on 25 December 2007 relating to total entrusted loans of RMB50,000,000;

(3) a guarantee agreement entered into between CNBMG as guarantor and China CITIC Bank Zhengzhou Branch（中信銀行鄭州分行）as lender on 7 November 2007 relating to a guarantee of a loan of RMB50,000,000 granted to the Company;

(4) a guarantee agreement entered into between CNBMG as guarantor and Bank of Communications Co. Ltd. Luoyang Branch（交通銀行股份有限公司洛陽分行）as lender on 12 June 2008 relating to a guarantee of a loan of RMB111,000,000 granted to the Company;

(5) a guarantee agreement entered into between CNBMG as guarantor and China Construction Bank Co. Ltd. Luoyang Branch（中國建設銀行股份有限公司洛陽分行）as lender on 4 July 2008 relating to a guarantee of a loan of RMB139,000,000 granted to the Company;

(6) a guarantee agreement entered into between CNBMG as guarantor and Shenzhen Development Bank Co. Ltd. Foshan Branch（深圳發展銀行股份有限公司佛山分行）as lender on 1 June 2008 relating to a guarantee of a loan of RMB90,000,000 granted to the Company;

(7) a guarantee agreement entered into between CNBMG as guarantor and China Railway Materials Commercial Corporation Guangzhou Branch（中國鐵路物資廣州公司）as lender on 15 August 2008 relating to a guarantee of a loan of RMB60,000,000 granted to the Company;

(8) a guarantee agreement entered into between CNBMG as guarantor and China CITIC Bank Zhengzhou Branch（中信銀行鄭州分行）as lender on 4 July 2008 relating to a guarantee of a loan of RMB15,000,000 granted to the Company;

(9) a guarantee agreement entered into between CNBMG as guarantor and Bank of Communications Co. Ltd. Luoyang Branch（交通銀行股份有限公司洛陽分行）as lender on 9 April 2008 relating to a guarantee of a loan of RMB20,000,000 granted to the Company;

(10) a guarantee agreement entered into between CNBMG as guarantor and Bank of Communications Co. Ltd. Luoyang Branch (交通銀行股份有限公司洛陽分行) as lender on 13 May 2008 relating to a guarantee of a loan of RMB35,000,000 granted to the Company; and

(11) a guarantee agreement entered into between CNBMG as guarantor and Guangdong Development Bank Co. Ltd. Zhengzhou Nongye Road Branch (廣東發展銀行鄭州分行農業路支行) as lender on 12 September 2008 relating to a guarantee of a loan of RMB20,000,000 granted to the Company.

The relevant registration procedures for the above pledge were completed on 4 November 2008 in accordance with the applicable laws and regulations.

By order of the Board
Luoyang Glass Company Limited
Gao Tianbao
Chairman

Luoyang, the PRC
6 November 2008

As at the date of this announcement, the Board comprises five executive Directors: Mr. Gao Tianbao, Mr. Xie Jun, Mr. Cao Mingchun, Mr. Song Jianming and Ms. Song Fei, two non-executive Directors: Mr. Yang Weiping and Mr. Shen Anqin, and four independent non-executive Directors: Mr. Zhang Zhanying, Mr. Guo Aimin, Mr. Xi Shengyang and Mr. Ge Tieming.