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 PROGRESS OF THE SIGNIFICANT ASSET RESTRUCTURING

Luoyang Glass Company Limited* (the "**Company**") and all members of the board (the "**Board**") of directors (the "**Directors**") of the Company 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.

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Since the Company was in the process of planning a significant asset restructuring, upon application, trading in the Company's A shares was suspended from 14 July 2014 for not more than 30 days. According to the relevant requirements, the Company published relevant announcements in Shanghai on 19 July 2014, 26 July 2014, 2 August 2014 and 9 August 2014 respectively. During the suspension period, the Company and the relevant parties have actively worked on the above significant asset restructuring. The intermediary agencies engaged by the Company have commenced due diligence investigation, legal, audit and valuation work. Currently, it is preliminarily expected that the counterparty will be connected person(s) and the transaction will include but not limited to assets swap. The target assets are expected to be glass business and other related assets. Since the volume of due diligence investigation, legal, audit and valuation work is relatively large, they have not yet been completed. The analysis and negotiation in respect of the proposal of the significant asset restructuring were still in the process. Therefore, trading in the Company's A shares could not be resumed in accordance with the above time.

In order to ensure the fairness in information disclosure, protect the interest of the investors and avoid unusual movement in the price of the Company's A shares, upon application by the Company to the Shanghai Stock Exchange, trading in the Company's A shares will continuously be suspended from 14 August 2014 for not more than 30 days.

During the period of suspension, the Company will, based on the progress of the significant asset restructuring, fulfill its obligations of information disclosure in a timely manner and release an announcement in relation to the progress of such matter at the interval of every five trading days.

At the request of the Company, trading in the H shares of the Company on The Stock Exchange of Hong Kong Limited was suspended with effect from 9:00 a.m. on Monday, 30 June 2014 pending the release of an announcement containing inside information of the Company.

By order of the Board
Luoyang Glass Company Limited*
Ma Liyun
Chairman

Luoyang, the PRC
12 August 2014

As at the date of this announcement, the Board comprises four executive Directors: Mr. Ma Liyun, Mr. Ni Zhisen, Ms. Sun Lei and Mr. Xie Jun; three non-executive Directors: Mr. Zhang Chengong, Mr. Guo Yimin and Mr. Zhang Chong; and four independent non-executive Directors: Mr. Huang Ping, Mr. Dong Jiachun, Mr. Liu Tianni and Mr. Jin Zhanping.

* *for identification purposes only*