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洛陽玻璃股份有限公司

LUOYANG GLASS COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 01108)

**ANNOUNCEMENT ON
ISSUANCE RESULTS OF NON-PUBLIC ISSUANCE OF A
SHARES OF SIGNIFICANT ASSET RESTRUCTURING
AND
CHANGE IN SHARE CAPITAL**

The board of directors and all directors of Luoyang Glass Company Limited* (the “**Company**” or “**Luoyang Glass**”) guarantee that there are no false statements or misleading representations contained in or material omissions from this announcement and jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

Unless otherwise defined, terms used herein shall have the same meanings as defined in the circular of the Company dated 10 August 2015 in relation to, among others, the acquisition, disposal and connected transactions of the Company.

The Company received the Reply in relation to the Approval of the Issuance of Shares by Luoyang Glass Company Limited* to China Luoyang Float Glass (Group) Company Limited for Asset Acquisition and Raising of Supporting Funds Proceeds (CSRC Permit [2015] No. 2813) (《關於核准洛陽玻璃股份有限公司向中國洛陽浮法玻璃集團有限責任公司發行股份購買資產並募集配套資金的批覆》(證監許可[2015]2813號)) from the CSRC on 4 December 2015.

On 2 February, 2016, the Company completed the non-public issuance of new A shares (the “**Issuance**”) to the subscribers (the “**Subscribers**”) in accordance with the raising of supporting funds proceeds.

The additional shares under the Issuance of A shares obtained registration proof of changes in securities issued by Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 2 February 2016. The nature of the additional A shares issued under the Issuance is tradable shares subject to trading moratorium with a lock-up period of 12 months. If it falls on a statutory holiday or non-working day, then it shall be postponed to the next trading day. The lock-up period commences from the date of completion of share issuance. Asset transfer will not be involved in the Issuance, while the Subscribers shall pay in cash for subscription.

Shareholders and potential investors may also refer to the announcement of the Company in relation to “Significant Asset Swap and Issuance of Shares by Luoyang Glass Company Limited* for Raising of Supporting Funds Proceeds and Issuance Results of Non-public Issuance of Shares for Connected Transactions for Asset Acquisition in Cash and Change in Share Capital” that was published on the website of The Shanghai Stock Exchange at www.sse.com.cn on 3 February 2016 and the relevant overseas regulatory announcements published on the website of The Stock Exchange on 3 February 2016.

IMPORTANT NOTICE:

1. Type of shares: domestically-listed RMB-denominated ordinary shares (A shares)
2. Number of shares issued: 11,748,633 A shares
3. Issue price: RMB18.30/A share
4. Total amount of proceeds: RMB214,999,983.90
5. Issuance expenses (underwriting fees): RMB5,374,999.60
6. Net amount of proceeds: RMB209,624,984.30
7. Independent financial advisor (lead underwriter): Morgan Stanley Huaxin Securities Company Limited

Subscribers, number of placed shares and lock-up period:

No.	Subscribers	Number of placed shares (A shares)	Placement amount (RMB)	Proportion to total share capital of the Company upon the Issuance (%)	Lock-up period (month)
1	First Capital Securities Co., Ltd. (第一創業證券股份有限公司)	1,202,185	21,999,985.50	0.23	12
2	Caitong Fund Management Co., Ltd. (財通基金管理有限公司)	10,546,448	192,999,998.40	2.00	12
	Total	11,748,633	214,999,983.90	2.23	

Note: The values are rounded up to two digits after the decimal place, which may result in discrepancy between the sum of the mantissa and the total value.

To the best of the knowledge, information and belief of the Directors, none of the Subscribers and their respective ultimate beneficial owners is a connected person of the Company or its connected persons. None of the Subscribers entered into material transactions with the Company within one year prior to the date of this announcement, and none of them has any arrangements in relation to future transactions with the Company as of the date of this announcement.

The total number of A shares under the Issuance was 11,749,633 shares, which did not exceed the upper limit of 32,137,519 shares under the Issuance as approved by the CSRC. Total number of the Subscribers were 2, which did not exceed 10 and were in compliance with the requirements of Implementation Details of Non-Public Issuance of Shares by Listed Companies (《上市公司非公開發行股票實施細則》).

The nature of the additional A shares issued under the Issuance is tradable shares subject to trading moratorium with a lock-up period of 12 months. If it falls on a statutory holiday or non-working day, then it shall be postponed to the next trading day. The lock-up period commences from the date of completion of share issuance.

CHANGE IN SHAREHOLDING OF THE TOP 10 SHAREHOLDERS OF THE COMPANY BEFORE AND AFTER THE ISSUANCE

(I) Shareholding of the top 10 shareholders of the Company before the Issuance

Before the Issuance, the shareholding of the top 10 shareholders of A shares of the Company (excluding shareholders of H shares) as of 29 December 2015 is as follows:

Numerical order	Name of shareholders	Number of shares held (Share)	Shareholding Percentage (%)	Nature of share capital
1	China Luoyang Float Glass (Group) Company Limited	174,018,242	33.79	Ordinary shares denominated in RMB
2	Liu Bibo	1,361,600	0.26	Ordinary shares denominated in RMB
3	Agricultural Bank of China Limited – Fullgoal CSI Stateowned Enterprises Reform Index Classified Fund	1,220,700	0.24	Ordinary shares denominated in RMB
4	Zhang Lixin	1,000,000	0.19	Ordinary shares denominated in RMB
5	Hong Kong Securities Clearing Company Limited	473,921	0.09	Ordinary shares denominated in RMB
6	Jin Ruiming	315,394	0.06	Ordinary shares denominated in RMB
7	Li Jinsong	306,700	0.06	Ordinary shares denominated in RMB
8	Liu Chumin	203,800	0.04	Ordinary shares denominated in RMB
9	Li Pin	200,000	0.04	Ordinary shares denominated in RMB
10	Chang Yongbao	190,000	0.04	Ordinary shares denominated in RMB

(II) SHAREHOLDING OF THE TOP 10 SHAREHOLDERS OF THE COMPANY AFTER THE ISSUANCE

Upon completion of the Issuance, the shareholding of the top 10 shareholders of A shares of the Company (excluding shareholders of H shares) as of 2 February 2016 (share registration date) is as follows:

Numerical order	Name of shareholders	Number of shares held (Share)	Shareholding Percentage (%)	Type of share
1	China Luoyang Float Glass (Group) Company Limited	174,018,242	33.04	Ordinary shares denominated in RMB
2	Caitong Fund – Ping An Bank – Tianrun Capital Management (Beijing) Co., Ltd.(財通基金－平安銀行－天潤資本管理（北京）有限公司)	1,962,130	0.37	Ordinary shares denominated in RMB
3	Liu Bibo	1,300,726	0.25	Ordinary shares denominated in RMB
4	Agricultural Bank of China Limited – Fullgoal CSI State-owned Enterprises Reform Index Classified Fund	1,220,700	0.23	Ordinary shares denominated in RMB
5	First Capital Securities Co., Ltd. – Guosen Securities – Gongying Dayan Quantified Private Placement Assembled Asset Management Plan(第一創業證券－國信證券－共盈大岩量化定增集合資產管理計劃)	1,202,185	0.23	Ordinary shares denominated in RMB
6	Caitong Fund – Industrial and Commercial Bank of China – Qiaogeli Blue Chip Selected No. 2 Asset Management Plan(財通基金－工商銀行－喬格理藍籌精選2號資產管理計劃)	981,065	0.19	Ordinary shares denominated in RMB
7	Zhang Lixin	800,000	0.15	Ordinary shares denominated in RMB
8	Caitong Fund – Ping An Bank – Shanghai Goldstate Brilliance Asset Management Co., Ltd.(財通基金－平安銀行－上海金元百利資產管理有限公司)	735,799	0.14	Ordinary shares denominated in RMB
9	Caitong Fund – Ping An Bank – Wang Xiqiang	490,532	0.09	Ordinary shares denominated in RMB

Numerical order	Name of shareholders	Number of shares held (Share)	Shareholding Percentage (%)	Type of share
9	Caitong Fund – Industrial and Commercial Bank of China – Fuchun Private Placement No. 553 Asset Management Plan(財通基金－工商銀行－富春定增553號資產管理計劃)	490,532	0.09	Ordinary shares denominated in RMB
9	Caitong Fund – Shanghai Bank – Fuchun Private Placement No. 832 Asset Management Plan(財通基金－上海銀行－富春定增832號資產管理計劃)	490,532	0.09	Ordinary shares denominated in RMB
9	Caitong Fund – Ningbo Bank – Dongfang Shenxing No. 2 Asset Management Plan(財通基金－寧波銀行－東方晨星2號資產管理計劃)	490,532	0.09	Ordinary shares denominated in RMB
9	Caitong Fund – Ningbo Bank – Fuchun Private Placement No. 715 Asset Management Plan(財通基金－寧波銀行－富春定增715號資產管理計劃)	490,532	0.09	Ordinary shares denominated in RMB

The controlling shareholder and the de facto controller of the Company are still CLFG and CNBMG respectively after the Issuance. The shareholding of the Company remains unchanged.

CHANGE IN SHARE CAPITAL STRUCTURE OF THE COMPANY BEFORE AND AFTER THE ISSUANCE

Change in share capital structure of the Company before and after the Issuance:

Class of shares	Before the Issuance		After the Issuance	
	Number of shares (<i>shares</i>)	Percentage (%)	Number of shares (<i>shares</i>)	Percentage (%)
Shares subject to trading moratorium	15,000,000	2.91	26,748,633	5.08
Shares not subject to trading moratorium	500,018,242	97.09	500,018,242	94.92
including: Ordinary shares denominated in RMB not subject to trading moratorium	250,018,242	48.55	250,018,242	47.46
Ordinary shares denominated in RMB	265,018,242	51.46	276,766,875	52.54
Overseas listed foreign invested shares	<u>250,000,000</u>	<u>48.54</u>	<u>250,000,000</u>	<u>47.46</u>
Total shares	<u><u>515,018,242</u></u>	<u><u>100.00</u></u>	<u><u>526,766,875</u></u>	<u><u>100.00</u></u>

Upon completion of the Issuance, the registered capital and total shares of the Company will be changed. The Company will amend the relevant provisions of the Articles of Association in accordance with the results of this non-public Issuance of Shares.

MANAGEMENT DISCUSSION AND ANALYSIS

(I) Impact on the asset structure of the Company

After the proceeds are in place, the total assets and net assets of the Company will be increased correspondingly, while the gearing ratio will be lowered. The financing and risk resilience capabilities of the Company will be further improved.

(II) Impact on the corporate governance structure

Upon completion of the Issuance, the Company will continue to ensure the effective operation of its corporate governance structure and effectively safeguard the interests of investors and the Company in accordance with the Company Law, the Securities Law, the Standards for Corporate Governance of Listed Companies and requirements under other relevant laws and regulations.

Upon completion of the Issuance, the share capital of the Company will be increased accordingly. The Company will make amendments to the relevant articles in relation to the share capital under the Articles of Association based on actual results of the Issuance and register the same with the industry and business administration.

(III) Impact on the structure of senior management

The Issuance will present no impact on the structure of the senior management of the Company.

(IV) Impact on the peer competition and connected transactions

The Issuance was subscribed by investors by way of cash. There are no connected relationships between relevant investors and the Company. Therefore, the Issuance does not have an impact on the connected transactions of the Company and peer competition.

CONCLUDING OPINIONS OF INDEPENDENT FINANCIAL ADVISER (LEAD UNDERWRITER) AND LAW FIRMS IN RELATION TO COMPLIANCE OF PROCESS AND TARGET SUBSCRIBERS OF THE NON-PUBLIC ISSUANCE

1. Concluding opinions of the independent financial adviser (the Lead Underwriter) in relation to compliance of pricing process and target Subscribers of the non-public Issuance

Upon verification, the independent financial adviser (the Lead Underwriter) of the non-public Issuance is of the view that:

- (1) Upon receipt of the necessary authorization for the Issuance, the issuer has obtained the approval from the board of directors and the shareholders' meeting of the issuer and the approval from the CSRC. The approval procedure of the Issuance was in compliance with the laws and regulations;
- (2) The process of the Issuance by the issuer was in strict compliance with applicable laws and regulations and the requirements as stated in the approval replies from the board of directors and the shareholders' meeting of the Company and the CSRC. The pricing and share placing processes of the Issuance were in compliance with the Company Law, the Securities Law and the stipulations under the laws and regulations including the Measures on the Administration of Issuance of Securities by Listed Companies and Detailed Implementation Rules for the Non-Public Issuance of Securities by Listed Companies promulgated by the CSRC.
- (3) The non-public Issuance of the issuer is in compliance with the requirements under relevant laws and regulations including Measures on the Administration of Material Asset Restructuring of Listed Companies, Measures on the Administration of Issuance of Securities by Listed Companies and Detailed Implementation Rules for the Non-Public Issuance of Securities by Listed Companies. The selection of Subscribers by the issuer is in compliance with the principle of marketization and the Issuance processes and the selection of Subscribers is in compliance with the fair and impartial principle, which is in the interests of the Company and its Shareholders as a whole.

2. Concluding opinions of legal firm on the compliance of the non-public Issuance and Subscribers

Beijing Kangda Law Firm, the lawyer of the issuer of the non-public Issuance, is of view that:

The issuer has obtained the necessary approval and authorization for the Issuance; the Subscribers, the issued price, the number of shares issued and the amount of proceeds of the Issuance of the issuer are in compliance with the laws, regulations, normative documents, including Measures on Issuance and Implementation Rules, and the requirements of the resolution on the Issuance being considered and approved at the shareholders' general meeting of the issuer, and are legitimate and effective. The content and form of the Subscription Invitations and the Application and Quotation Sheets issued by the issuer and the lead underwriter to investors during the price consultation process are in compliance with relevant requirements under Implementation Rules; Subscription Agreement is in compliance with relevant requirements under Measures on Issuance and Implementation Rules and is legitimate and effective. The result of the Issuance is fair and impartial.

By order of the Board
LUOYANG GLASS COMPANY LIMITED*
Zhang Chong
Chairman

Luoyang, the PRC
3 February 2016

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*