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 CESSATION OF PRODUCTION AND IMPROVEMENT IN TECHNOLOGY OF ULTRA-THIN GLASS PRODUCTION LINE OF LONGHAI COMPANY

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.

The ultra-thin electronic glass production line (the "**Production Line**") of CLFG Luoyang Longhai Electronic Glass Company Limited* (洛玻集團洛陽龍海電子玻璃有限公司) ("**Longhai Company**"), a wholly-owned subsidiary of the Company, was ignited and commenced production on 19 January 2006 with the kiln designed to be in operation for 10 years. As at the date hereof, the Production Line had been in actual operation for more than 10 years and 8 months, which extended the designed operation period for almost 9 months. The Company intended to commence recently the project on improvement in technology in cold-repair and re-construction of the Production Line in Longhai Company, in order to adapt to the new market development needs. In view of the aforementioned and after discussion, the Company intended to stop ignition and cease production of the Production Line on 10 September 2016.

After this cessation of production and improvement in technology, the Production Line will be positioned as a high technology electronic glass production line being able to produce international leading and among the best in the People's Republic of China (the "**PRC**") domestic high technology electronic glass products, with high level of informationization, automation, mechanization and intellectualization, excellent and advanced equipment, as well as low operation cost. As at the date hereof, it was in the process of optimizing and perfecting the plan for improvement in technology of the Production Line.

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

Luoyang, the PRC
9 September 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*