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)

INDICATIVE ANNOUNCEMENT IN RELATION TO POSSIBLE ACQUISITION OF LAND USE RIGHTS

On 16 December 2016, the board (the "**Board**") of directors (the "**Directors**") of Luoyang Glass Company Limited* (the "**Company**") resolved that in order to satisfy its future development need, the Company intends to acquire the land use rights of a land in the listing-for-sale (No.: Puxiandi 2016-43) (the "**Land**") from the Land Resources Bureau of Puyang County, Henan Province, the People's Republic of China (the "**PRC**") by way of tender application (the "**Possible Acquisition**").

Details of the Land are set out below:

Number of the Land:	Puxiandi 2016-43
Site area of the Land:	Approximately 205,783.5 square meters
Location of the Land:	North side of Chengquzhan South Road and west side of No. 5 Oil Production Factory of Zhongyuan Oil Field in Puyang County
Nature of the Land:	Industrial land use
Term of the land use rights:	50 years
Starting price in the tender:	RMB55,561,545. The successful bidder will be determined in accordance with the "highest bidding price will win" principle in the listing-for-sale of the land use rights.

Since the Company plans to implement a new project in Puyang County in the future, the Possible Acquisition would provide sufficient land resources for such new project and would meet the strategic arrangement and long-term development objective of the Company. The Possible Acquisition is also for the interests of the Company and its shareholders as a whole.

As the expected applicable percentage ratios will be more than 5% but less than 25%, the Possible Acquisition, if proceeded, will constitute a discloseable transaction of the Company and will be subject to the reporting and announcement requirements only but exempt from the shareholders' approval requirement under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

If the Company succeeds in the listing-for-sale, the Company will enter into a transfer contract of land use rights of State-owned land with Puyang Land Resources Bureau as required. Further announcements will be made by the Company in respect of the result of the listing-for-sale as and when appropriate.

The Possible Acquisition is yet to be finalized between the parties and may or may not eventually materialize. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Luoyang, the PRC
16 December 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*