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 UNDERTAKING PERFORMER BY TRIUMPH GROUP TO THE COMPANY

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

Reference is made to (i) the overseas regulatory announcement of the Company dated 18 January 2018 (the "**Feedback Reply Announcement**") in relation to the reply on the First Feedback (the "**Feedback**") on Review of Administrative Permission Items from the China Securities Regulatory Commission; and (ii) the undertaking issued by Triumph Group to the Company announcement dated 18 January 2018 (the "**Undertaking Announcement**"). Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Feedback Reply Announcement and the Undertaking Announcement.

As set out in the Undertaking Announcement, the Triumph Group, the direct and/or indirect controlling shareholder of the Target Companies, issued the undertaking (the "**Profit Guarantee from Triumph Group**") in respect of the Feedback to the Company which if the sum of the audited net profit of the Target Companies for 2017 (the "**Sum of the Actual Net Profit**") is lower than the sum of the estimated net profit of the Target Companies for 2017 set out in the valuation report issued by Beijing Pan-China Assets Appraisal Co. Ltd. with valuation base date of 31 October 2016 (the "**Sum of the Estimated Net Profit**"), Triumph Group or its designated party will compensate the Company in cash for the difference between the Sum of the Actual Net Profit and the Sum of the Estimated Net Profit within 2 months after completion of the proposed acquisition of all of the Target Companies, which shall be the date of completion of the change of business registration in relation to the transfer of equity interest and if the dates of completion of the Target Companies are different, the latest date.

On 22 March 2018, WUYIGE Certified Public Accountants LLP issued the auditor's report for the Target Companies for the year of 2017 and the sum of audited net profit realized by the Target Companies for the year of 2017 amounted to RMB84,519,828.26 which is lower than the sum of the estimated net profit of the Target Companies for 2017 set out in the valuation report issued by Beijing Pan-China Assets Appraisal Co. Ltd. with valuation base date of 31 October 2016 of RMB87,335,300. According to the Profit Guarantee from the Triumph Group, the Triumph Group should pay the compensation amount of RMB2,815,471.74 to the Company in cash. On 31 May 2018, the Company received from the Triumph Group the compensation in the amount of RMB2,815,471.74 for 2017, which has been credited to the capital reserve of the Company pursuant to the relevant requirement under the PRC Accounting Standards for Business Enterprises. As at the date of this announcement, the Triumph Group has fulfilled its commitment regarding the profit compensation for 2017.

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

Luoyang, the PRC
1 June 2018

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; one non-executive Director: Mr. Xie Jun; and four independent non-executive Directors: Mr. Jin Zhanping, Mr. Liu Tianni, Mr. Ye Shuhua and Mr. He Baofeng.

* *For identification purposes only*