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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 RELATION TO SHARE BUY-BACKS

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 the false information, misleading statements or material omissions in this announcement.

References are made to (i) the overseas regulatory announcement of the Company dated 29 April 2020 in relation to its Board resolutions; (ii) the overseas regulatory announcement of the Company dated 29 April 2020 in relation to the compensation scheme for unfulfilled performance commitment in 2019 in respect of the target assets under the significant assets restructuring (the "**Performance Compensation Scheme Announcement**"); (iii) the circular of the Company dated 29 May 2020 in relation to its Share Buy-backs (the "**Circular**"); (iv) the announcement of the Company dated 30 June 2020 in relation to its resolutions on the Annual General Meeting 2019, the 2020 first H Share Class Meeting and the 2020 first A Share Class Meeting, at which the resolutions on the compensation scheme for unfulfilled performance guarantee of Hefei New Energy and Tongcheng New Energy in 2019 and the grant of authorisation to the Board to handle the share repurchase, cancellation, registered capital reduction and other relevant matters, amendments to relevant articles of Articles of Association of the Company in respect of total share capital and equity structure, and the implementation of relevant registration and filing procedures inside or outside the PRC (the "**Authorisation**") were considered and approved respectively; and (v) the overseas regulatory announcement of the Company dated 30 June 2020 in relation to the creditor notification of the repurchase and cancellation of performance compensation shares and capital reduction.

Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the Circular.

I. SHARE BUY-BACKS

As approved by China Securities Regulatory Commission (the "**CSRC**"), the Company completed (i) the acquisition of 100% equity interest in Hefei New Energy from CLFG and Hefei High-Tech; (ii) the acquisition of 100% equity interest in Tongcheng New Energy from Huaguang Group, Bengbu Institute and International Engineering; and (iii) the acquisition of 70.99% equity interest in Yixing New Energy from Triumph Group, Yixing Environmental Technology and GCL System Integration by way of issuing Shares on 18 April 2018. According to the Profit Guarantee Indemnity Agreements (as supplemented by the Supplemental PG Indemnity Agreements) entered by the Company and the Guarantors, if the Target Companies failed to fulfill the Profit Guarantee amount during the Profit Guarantee Period, the Guarantors shall make compensation to the Company under the Profit Guarantee Indemnity Agreements.

According to the review report on the level of fulfillment of the performance commitment issued by WUYIGE Certified Public Accountants LLP for the Target Companies, the audited net profit after deducting extraordinary profit or loss of Hefei New Energy, Tongcheng New Energy and Yixing New Energy for 2019 are RMB40,554,200, RMB9,662,200 and RMB47,912,600, respectively. Save for Yixing New Energy has fulfilled its Profit Guarantee Amount for the year 2019, under the Profit Guarantee Indemnity Agreements, the respective Guarantors (the "**Relevant Guarantors**") of Hefei New Energy and Tongcheng New Energy shall compensate the Company as Hefei New Energy and Tongcheng New Energy have failed to fulfill the Profit Guarantee Amount for the year 2019. According to the formula of profit compensation under the Profit Guarantee Indemnity Agreements, the total number of Shares to be compensated by the Relevant Guarantors is 3,856,077, representing approximately 0.70% of the total number of Shares of the Company before the Share Buy-backs. The Company will repurchase the Compensation Shares from the Relevant Guarantors at the total consideration of RMB2.00 and cancel such Shares subsequently.

Pursuant to the Authorisation, the Company has received a written confirmation from the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited in relation to the Share Buy-backs on 5 November 2020, and the aforesaid 3,856,077 Shares repurchased have been transferred to the Company's designated securities account for share repurchase.

The Directors, supervisors, senior management officers, controlling shareholders, de facto controller of the Company and parties acting in concert with it have not traded the Shares of the Company from the date of the Performance Compensation Scheme Announcement to the day prior to the publication of this announcement.

II. SHARE CANCELLATION ARRANGEMENT AND REGISTERED CAPITAL REDUCTION

Following the application of the Company, the Company will cancel the repurchased Shares in the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited, and will timely handle the registration procedures for industrial and commercial changes and other related matters.

Upon completion of the Share cancellation, the total number of Shares of the Company will be changed from 552,396,509 Shares to 548,540,432 Shares, and the registered capital of the Company will also be changed from RMB552,396,509 to RMB548,540,432.

III. CHANGES IN THE SHAREHOLDING

As a result of the aforementioned Share Buy-backs and cancellation, the changes to the shareholding of the Company are as follows:

Type of Shares		**Before the Share Buy-backs**		**Total number of repurchased Shares**	**After the Share cancellation**	
		Number of Shares	*Proportion (%)*		*Number of Shares*	*Proportion (%)*
Shares subject to trading moratorium	A Shares	23,350,632	4.23	3,430,375	19,920,257	3.63
	H Shares	0	0	0	0	0
Shares not subject to trading moratorium	A Shares	279,045,877	50.51	425,702	278,620,175	50.79
	H Shares	250,000,000	45.26	0	250,000,000	45.58
Total number of Shares		552,396,509	100.00	3,856,077	548,540,432	100.00

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

Luoyang, the PRC
5 November 2020

As at the date of this announcement, the Board comprises five executive Directors: Mr. Zhang Chong, Mr. Xie Jun, Mr. Ma Yan, Mr. Wang Guoqiang and Mr. Zhang Rong; two non-executive Directors: Mr. Ren Hongcan and Mr. Chen Yong; and four independent non-executive Directors: Mr. Jin Zhanping, Mr. Ye Shuhua, Mr. He Baofeng and Ms. Zhang Yajuan.

* *For identification purposes only*