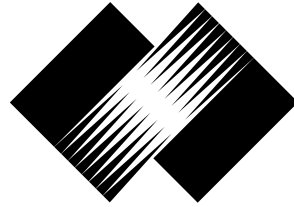


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洛阳玻璃股份有限公司

LUOYANG GLASS COMPANY LIMITED

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

(Stock Code: 1108)

**RE-ELECTION OF DIRECTORS AND SUPERVISORS; AND
CONNECTED TRANSACTION — FRAMEWORK AGREEMENT**

RE-ELECTION OF DIRECTORS AND SUPERVISORS

The terms of office of the current Sixth Board and Sixth Supervisory Committee have expired on 18 May 2012. However, the Company needed time to locate suitable candidates to form the Seventh Board and Seventh Supervisory Committee. According to the relevant requirements under the PRC Company Laws, the current Directors and Supervisors should hold their respective office until the formation of the Seventh Board and Seventh Supervisory Committee. The Company would like to propose the re-election of the members to the Board and Supervisory Committee, with a term of office from the date of the EGM (i.e. 9 November 2012) to 8 November 2015.

CONNECTED TRANSACTION — FRAMEWORK AGREEMENT

The Board announces that on 20 September 2012, the Company entered into the Framework Agreement with Longxin Glass, pursuant to which the Group agreed to sell and Longxin Glass agreed to purchase the Selling Assets at a consideration of RMB8,047,270.97.

CLFG (the controlling Shareholder of the Company) owns 50% equity interest in Longxin Glass. Therefore, Longxin Glass is an associate of CLFG and accordingly, is regarded as a connected person of the Company. The transaction contemplated under the Framework Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

On 28 November 2011, the Company entered into the assets transfer agreement with Longxin Glass, pursuant to which the Group has sold certain assets to Longxin Glass (details of which were set out in the Company's announcement dated 28 November 2011). The Framework Agreement should be aggregated with the above assets transfer agreement pursuant to Rule 14A.25 of the Listing Rules. As the applicable percentage ratios for the sale of the Selling Assets (after aggregation) are more than 0.1% but less than 5%, the transaction contemplated under the Framework Agreement is subject to the reporting and announcement requirements only but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be held for the purposes of, among other things, seeking Shareholders' approval on the appointment of the proposed Directors and Supervisors (other than Mr. Wang Jian).

GENERAL

A circular containing, among other things, (i) details of the re-election of Directors to the Seventh Board and Supervisors to the Seventh Supervisory Committee; and (ii) a notice of the EGM will be despatched to the Shareholders as soon as practicable.

RE-ELECTION OF DIRECTORS AND SUPERVISORS

The terms of office of the current Sixth Board and Sixth Supervisory Committee have expired on 18 May 2012. However, the Company needed time to locate suitable candidates to form the Seventh Board and Seventh Supervisory Committee. According to the relevant requirements under the PRC Company Laws, the current Directors and Supervisors should hold their respective office until the formation of the Seventh Board and Seventh Supervisory Committee. The Company would like to propose the re-election of the members to the Board and Supervisory Committee, with a term of office from the date of the EGM (i.e. 9 November 2012) to 8 November 2015.

Nomination of Directors

The controlling Shareholder of the Company, CLFG, has nominated the following persons to be the Directors of the Seventh Board:

Executive Directors:

1. Mr. Song Jianming;
2. Mr. Ni Zhisen; and
3. Ms. Song Fei

Non-executive Directors:

1. Mr. Zhao Yuanxiang;
2. Mr. Zhang Chengong; and
3. Mr. Guo Yimin

Independent Non-executive Directors:

1. Mr. Huang Ping;
2. Mr. Dong Jiachun;
3. Mr. Liu Tianni; and
4. Mr. Zeng Shaojin

Details of the above proposed Directors are set out as follows:

Mr. Song Jianming, aged 56, is a senior engineer with a bachelor's degree. He is currently the chairman of the Company. He had successively been the manager of the import and export company, the general manager of the sales company, the general manager of Longhai Glass and deputy general manager of the Company. He concurrently acts as the executive director of Longhai Glass, the chairman of Longmen Glass and the supervisor of Longhao Glass (all being wholly-owned subsidiaries of the Company) and the chairman of Longfei Glass (a holding subsidiary of the Company).

Mr. Ni Zhisen, aged 40, is a professor-grade senior engineer with bachelor's degree. He is an executive Director and the general manager of the Company. Mr. Ni had served as deputy general manager and party secretary of Longmen Glass and Longhai Glass. He has served as the general manager and Director of the Company since May 2009 and September 2009 respectively. He concurrently acts as the executive director of Longhao Glass and director of Longmen Glass (all being wholly-owned subsidiaries of the Company) as well as the director of Longfei Glass, the director of Longfei Glass, the chairman of Yinan Mineral and the chairman of Dengfeng Silicon (all being holding subsidiaries of the Company).

Ms. Song Fei, aged 49, a senior accountant and a senior certified consultant with a postgraduate qualification, is currently an executive Director, financial controller and secretary to the Board of the Company. She had successively served as head of planning and financial department of CLFG and assistant financial controller of CLFG. She concurrently acts as the director of Longmen Glass (a wholly-owned subsidiary of the Company), the director of Longfei Glass, the director of Yinan Mineral and the director of Dengfeng Silicon (all being holding subsidiaries of the Company).

Mr. Zhao Yuanxiang, aged 44, a holder of master's degree and an engineer, is a non-executive Director of the Company. Mr. Zhao currently serves as the vice chairman and general manager of CLFG. Mr. Zhao worked for China United Cement Corporation Limited* (中國聯合水泥集團有限公司) and Nanfang Cement Company Limited* (南方水泥有限公司) and served as the vice president of Nanfang Cement Company Limited, the vice managing president of Hunan Nanfang Cement Group Company Limited*(湖南南方水泥集團有限公司) and the chairman of Hunan Shaofeng Nanfang Cement Company Limited* (湖南韶峰南方水泥有限公司). Since January 2010, Mr. Zhao has held the position of the general manager of CLFG and has served as the vice chairman of CLFG since June 2010.

Mr. Zhang Chengong, aged 40, the holder of BiMBA at Peking University, currently serves as the non-executive Director of the Company, the deputy general manager of China Building Materials Glass Company. Mr. Zhang joined Beijing New Building Material Public Limited Company* (北新集團建材股份有限公司) of China National Building Material Company Limited* (中國建材股份有限公司) in December 2000 as deputy general manager of heating supply department, general manager and vice head of radiator committee of the China Construction Material Metal Structure Association, chairman and general manager, and general manager of heating supply and pipe system department of Bexin Plastic Pipe Company Limited (北新塑管有限公司), director and general manager of international business department of Bexin Properties Company Limited* (北新房屋有限公司), assistant to general manager and deputy general manager of Beijing New Building Material Public Limited Company, etc.

Mr. Guo Yimin, aged 48, a senior economist with bachelor's degree, currently serves as the non-executive Director of the Company and the chief accountant of CLFG. Mr. Guo served as the deputy general manager of CLFG Financial Company, as well as head of Investment Department and assistant financial controller of CLFG.

Mr. Huang Ping, aged 44, is a security specialized accountant and an independent non-executive Director of the Company. He is currently the deputy head of Luoyang China Certified Public Accountants* (洛陽中華會計師事務所). Mr. Huang has served as the head of the finance department of Luoyang Yutong Automobile Company Limited* (洛陽宇通汽車有限公司). He has worked at Luoyang China Certified Public Accountants since 1997. He concurrently acts as the supervisor of First Tractor Company Limited* (第一拖拉機股份有限公司).

Mr. Dong Jiachun, aged 56, master of engineering and senior engineer, is currently an independent non-executive Director of the Company. He worked at YTO Group Corporation from January 1982 to April 2001. He was engaged in industry research in Luoyang Securities Company from May 2001 to April 2003. Mr. Dong has worked at Central China Securities Holdings Co., Ltd.* (中原證券股份有限公司) since April 2003. At present, Mr. Dong concurrently serves as an independent director at Henan Topfond Pharmaceutical Co., Ltd.* (河南天方藥業股份有限公司), Henan Zhongyuan Expressway Company Limited* (河南中原高速公路股份有限公司) and Zhong Yuan Environmental Protection Co., Ltd.* (中原環保股份有限公司) respectively.

Mr. Liu Tianni, aged 49, is the founder and chairman of the Wonderful Sky Financial Group Holdings Limited, the executive director of Silver Grant International Industries Limited (a company listed in the Stock Exchange), the managing director of Sure Spread Limited, and the independent non-executive directors of Chongqing Iron & Steel Company Limited and Qingling Motors Co. Ltd. Mr. Liu was graduated from Beijing Normal University and obtained a master's degree in science. Mr. Liu has over 16 years of experience in international capital markets, post-listing corporate financing, mergers and acquisitions and direct investments. By virtue of his excellence in corporate management and outstanding business strategies, Mr. Liu was awarded the "Excellence in Achievement of World Chinese Youth Entrepreneurs" by Yazhou Zhoukan in October 2008.

Mr. Zeng Shaojin, aged 68, is a professor-grade senior engineer entitled to special subsidies from the State Council. He graduated from the Department of Geophysical Exploration of Chengdu College of Geology in 1967. From 1967 to 1982, Mr. Zeng participated in geophysical surveying and served as engineer, chief team engineer and vice team leader, etc. of the geology team and physical exploitation team of the Geo-exploration Bureau of Henan province. From 1983 to 2005, Mr. Zeng was appointed as the deputy chief, chief and department head of Henan Province Geology and Mineral Resources Department (Bureau), the chief of the Geological Survey Department of Ministry of Geology and Mineral Resources, the dean of the Chinese Academy of Geological Survey Technologies, the chief of the Department of Mineral Exploitation of the Ministry of Land and Resources, etc. From 2005 to November 2011, Mr. Zeng served as the executive vice president of China Mining Association. At present, Mr. Zeng concurrently serves as the independent director of China Molybdenum Co., Ltd.* (洛陽欒川鉬業集團股份有限公司) (his terms of office shall have expired on 17 August 2012) and the independent non-executive director of Zhongjin Gold Corporation Limited* (中金黃金股份有限公司).

Save as disclosed above, each of the above proposed Directors does not hold any position in the Company or any other members of the Company, nor did he/she hold any directorship in any other listed companies in the last three years.

Length of service and emolument

If each of the above proposed Directors is appointed as a Director of the Company, he/she will enter into a service agreement with the Company for a term of office from the date of the EGM (i.e. 9 November 2012) to 8 November 2015 and he/she will receive a remuneration in accordance with a remuneration proposal, which will be determined with reference to his/her duties and responsibilities with the Company and the market rate for the respective positions and will be subject to the Shareholders' approval.

Relationships

Each of the above proposed Directors has no relationship with any Directors, Supervisors or senior management of the Company or with any management Shareholders, substantial Shareholders or controlling Shareholders of the Company.

Interests in Shares

So far as the Directors are aware as at the date hereof, each of the above proposed Directors does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO).

Matters that need to be brought to the attention of the Shareholders

In relation to the appointment of each of the above proposed Directors, there is no information which is discloseable nor is/was he/she involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no matter which needs to be brought to the attention of the Shareholders of the Company.

Nomination of Supervisors by controlling Shareholder

The controlling Shareholder of the Company, CLFG, has nominated the following persons to be the Supervisors of the Seventh Supervisory Committee:

1. Mr. Ren Zhenduo;
2. Mr. Guo Hao; and
3. Mr. He Baofeng

Details of the above proposed Supervisors are set out as follows:

Mr. Ren Zhenduo, aged 48, a holder of bachelor's degree is currently the chairman of Supervisory Committee of the Company, director of CLFG and deputy head of party committee. He successively served as general manager of Longxin Glass (a subsidiary of CLFG) and deputy head of party committee of the Company, etc. Since June and September 2009, Mr. Ren began to serve as director of CLFG and deputy head of party committee respectively.

Mr. He Baofeng, aged 40, a PRC certified public accountant and a PRC certified tax agent with an associate degree, currently acts as the Supervisor of the Company, the director and vice head of Luoyang Topchina CPA Limited and head of Luoyang Topchina Tax Agent. He is a member of the Expert Panel under Henan Institute of Certified Public Accountants.

Mr. Guo Hao, aged 55, has a master's degree and is an associate professor and the PRC certified public accountant. He is currently a Supervisor of the Company, the deputy dean of Economics and Management School of Henan University of Science and Technology and the deputy head of MBA Education Center of Henan University of Science and Technology. He is concurrently a standing member of the Chinese Institute of Business Administration and a member of Henan Accounting Association.

Save as disclosed above, each of the above proposed Supervisors does not hold any position in the Company or any other members of the Company, nor did he hold any directorship in any other listed companies in the last three years.

Re-appointment of Supervisor nominated by staff representative committee of the Company

The staff representative committee of the Company has approved the re-appointment of Mr. Wang Jian as the staff representative Supervisor with a term of office from the date of approving the formation of the Seventh Supervisory Committee at the EGM (i.e. 9 November 2012) to 8 November 2015. Mr. Wang Jian, aged 37, with a postgraduate qualification, currently serves as the staff representative Supervisor of the Company and head of float glass joint workshop of Longhai Glass. Mr. Wang joined the Company in November 1993, and has held the positions of section chief, assistant head and deputy chief of technology section, etc, in which he accumulated a wealth of experience in the float glass production technologies.

Save as disclosed above, Mr. Wang does not hold any position in the Company or any other members of the Company, nor did he hold any directorship in any other listed companies in the last three years.

Length of service and emolument

If each of the above Supervisors is appointed as a Supervisor of the Company, he will enter into a service agreement with the Company for a term of office from the date of the EGM (i.e. 9 November 2012) to 8 November 2015. The remuneration proposal for each Supervisor will be determined with reference to the Supervisor's duties and responsibilities with the Company and the market rate for the position, and will be subject to the Shareholders' approval.

Relationships

Each of the above Supervisors has no relationship with any Directors, Supervisors or senior management of the Company or with any management Shareholders, substantial Shareholders or controlling Shareholders of the Company.

Interests in Shares

So far as the Directors are aware as at the date hereof, each of the above Supervisors does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO).

Matters that need to be brought to the attention of the Shareholders

In relation to the appointment of each of the above Supervisors, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no matter which needs to be brought to the attention of the Shareholders of the Company.

The appointment of the above proposed Directors and Supervisors (other than Mr. Wang Jian) is subject to the approval by the Shareholders at the EGM. Ordinary resolutions in relation to the above proposed appointment of Mr. Song Jianming, Mr. Ni Zhisen and Ms. Song Fei as executive Directors, Mr. Zhao Yuanxiang, Mr. Zhang Chengong and Mr. Guo Yimin as non-executive Directors, Mr. Huang Ping, Mr. Dong Jiachun, Mr. Liu Tianni and Mr. Zeng Shaojin as independent non-executive Directors, and Mr. Ren Zhenduo, Mr. Guo Hao, and Mr. He Baofeng as Supervisors will be proposed to be approved by the Shareholders at the EGM.

Retirement of Directors and Supervisors

Upon approval of the above proposed appointment of Directors and Supervisors (other than Mr. Wang Jian) at the EGM, Mr. Guo Aimin, and Mr. Zhang Zhanying will retire from the position of Directors, effective from the date of the EGM (i.e. 9 November 2012). The above retiring Directors have confirmed that they have no disagreement with the Board and there is no matter with respect to their retirement that needs to be brought to the attention of the Shareholders.

CONNECTED TRANSACTION — FRAMEWORK AGREEMENT

The Board announces that on 20 September 2012, the Company entered into the Framework Agreement with Longxin Glass, pursuant to which the Group agreed to sell and Longxin Glass agree to purchase the Selling Assets at a consideration of RMB8,047,270.97.

Set out below is a summary of the principle terms of the Framework Agreement:

The Framework Agreement

Date

20 September 2012

Parties

- (1) The Group as vendor; and
- (2) Longxin Glass as purchaser

Assets to be sold

Pursuant to the Framework Agreement, the Group has agreed to sell and Longxin Glass has agreed to purchase the Selling Assets, including but not limited to stored mechanical spare parts, electric components, raw materials (sodium carbonate, limestone, dolomite, potassium feldspar, sodium sulfate, etc.), cullet, stain-inhibiting powder, and chemical reagents, etc. The unaudited book value of the Selling Assets as at 31 August 2012 was RMB8,047,270.97.

Consideration

The consideration of the Selling Assets is RMB8,047,270.97 (equivalent to approximately HK\$9,898,143.29), which shall be paid by Longxin Glass to the Group in cash within 10 days upon receipt of the Selling Assets. The consideration of the Selling Assets was determined after arm's length negotiations between the parties with reference to the book value of the Selling Assets. The Directors, including the independent non-executive Directors, believe that the consideration is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Delivery of the Selling Assets

The Selling Assets shall be delivered to the warehouses of Longxin Glass by highway land transport with the transportation fees to be borne by Longxin Glass.

Reasons for entering into the Framework Agreement

In its glass production process, the Group remains some idle materials including the Selling Assets. With a view to better arranging these idle materials, the Group proposes to sell the Selling Assets to Longxin Glass to generate cash for use by the Group. Upon sale of the Selling Assets, the Group does not expect any gain or loss since the Selling Assets were sold according to their book value. The sale proceeds will be used as the general working capital of the Group.

The terms of the Framework Agreement were determined after arm's length negotiation between the parties thereto. The Directors (including the independent non-executive Directors) consider that the sale of the Selling Assets and the terms of the Framework Agreement are in the ordinary course of business and on normal commercial terms, and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Information of the Company and Longxin Glass

The Company is principally engaged in the production and sale of float sheet glass and ultra-thin electronic glass.

Longxin Glass, owned as to 50% by CLFG, is principally engaged in the production and sale of float sheet glass.

Listing Rules Implications

CLFG (the controlling Shareholder of the Company) owns 50% equity interest in Longxin Glass. Therefore, Longxin Glass is an associate of CLFG and accordingly, is regarded as a connected person of the Company. The transaction contemplated under the Framework Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

On 28 November 2011, the Company entered into the assets transfer agreement with Longxin Glass, pursuant to which the Group has sold certain assets to Longxin Glass (details of which were set out in the Company's announcement dated 28 November 2011). The Framework Agreement should be aggregated with the above assets transfer agreement pursuant to Rule 14A.25 of the Listing Rules. As the applicable percentage ratios for the sale of the Selling Assets (after aggregation) are more than 0.1% but less than 5%, the transaction contemplated under the Framework Agreement is subject to the reporting and announcement requirements only but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Zhao Yuanxiang, Mr. Zhang Chengong and Mr. Guo Yimin, the non-executive Directors of the Company, have abstained from voting to approve the Framework Agreement in the Board meeting due to the fact that they are senior management of CLFG or its controlling shareholder and are therefore not regarded as independent to make any recommendation to the Board.

EGM

The EGM of the Company will be held for the purposes of, among other things, seeking Shareholders' approval on the appointment of proposed Directors and Supervisors (other than Mr. Wang Jian). At the EGM, voting on the proposed ordinary resolutions will be conducted by way of poll.

GENERAL

A circular containing, among other things, (i) details of the re-election of Directors to the Seventh Board and Supervisors to the Seventh Supervisory Committee; and (ii) a notice of the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors

“CLFG”	China Luoyang Float Glass (Group) Company Limited* (中國洛陽浮法玻璃集團有限責任公司), a company incorporated in the PRC with limited liability and the controlling Shareholder of the Company holding 31.80% equity interest in the Company
“Company”	Luoyang Glass Company Limited (洛陽玻璃股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares and A shares of which are listed on the main board of the Stock Exchange (stock code: 1108) and the Shanghai Stock Exchange respectively
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Dengfeng Silicon”	Dengfeng CLFG Silicon Company Limited* (登封洛玻矽砂有限公司), a company with limited liability incorporated in the PRC, and owned as to 67% by the Company
“Directors”	the directors of the Company, including the independent non-executive directors
“EGM”	the extraordinary general meeting of the Company to be held at the conference room of the Company on 1st Floor, No. 9 Tang Gong Zhong Lu, Xigong District, Luoyang Municipal, Henan Province, the PRC at 9:00 a.m. on 9 November 2012, or any adjournment thereof
“Framework Agreement”	the materials sales and purchase framework agreement dated 20 September 2012 entered into between the Company and Longxin Glass, pursuant to which the Group has agreed to sell the Selling Assets to Longxin Glass
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longfei Glass”	CLFG Longfei Glass Company Limited* (洛玻集團龍飛玻璃有限公司), a company with limited liability incorporated in the PRC, and owned as to 63.98% by the Company
“Longhai Glass”	CLFG Luoyang Longhai Electronic Glass Company Limited* (洛玻集團洛陽龍海電子玻璃有限公司), a company with limited liability incorporated in the PRC, and a wholly-owned subsidiary of the Company
“Longhao Glass”	CLFG Luoyang Longhao Glass Company Limited* (洛玻集團洛陽龍昊玻璃有限公司), a company with limited liability incorporated in the PRC, and a wholly-owned subsidiary of the Company
“Longmen Glass”	CLFG Longmen Glass Company Limited* (洛玻集團龍門玻璃有限責任公司), a company with limited liability incorporated in the PRC, and a wholly-owned subsidiary of the Company
“Longxin Glass”	Luoyang Longxin Glass Company Limited* (洛陽龍新玻璃有限公司), a company with limited liability incorporated in the PRC, and owned as to 50% by CLFG
“percentage ratios”	has the same meaning as ascribed to it under the Listing Rules, as applicable to a transaction
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Selling Assets”	the assets to be sold by the Group to Longxin Glass under the Framework Agreement, details of which are set out under the paragraph with heading “Assets to be sold”

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisors”	the supervisors of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Yinan Mineral”	Yinan Huasheng Mineral Products Company Limited* (沂南華盛礦產實業有限公司), a company with limited liability incorporated in the PRC, and owned as to 52% by the Company
“%”	per cent.

For the purpose of this announcement, the following exchange rate is used:-

RMB1.00 = HK\$1.23

By order of the Board
Luoyang Glass Company Limited
Song Jianming
Chairman

Luoyang, the PRC
20 September 2012

As at the date of this announcement, the Board comprises three executive Directors: Mr. Song Jianming, Mr. Ni Zhisen and Ms. Song Fei; three non-executive Directors: Mr. Zhao Yuanxiang, Mr. Zhang Chengong and Mr. Guo Yimin; and four independent non-executive Directors: Mr. Zhang Zhanying, Mr. Guo Aimin, Mr. Huang Ping and Mr. Dong Jiachun

* *For identification purposes only*