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**福耀玻璃工业集团股份有限公司**  
**FUYAO GLASS INDUSTRY GROUP CO., LTD.**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 3606)**

## **PROPOSED ISSUANCE OF ADDITIONAL H SHARES UNDER SPECIFIC MANDATE**

**Placing Agent**



### **THE ISSUANCE**

The Board is pleased to announce that, in order to broaden the investor base of H Shares and optimize the capital structure of the Company, on January 8, 2021, the Board resolved that according to the provisions of the Articles of Association, the Company proposed to issue and place not more than 101,126,240 additional H Shares to qualified investors, representing 20% of the total number of issued H Shares of the Company as at the date of the Board meeting.

Subject to the approval of the Shareholders, the Issuance will proceed under the Specific Mandate. The Company will convene an extraordinary general meeting and the Class Meetings, and will dispatch to the Shareholders in due course the relevant meeting notices and a circular containing, among other things, details of the relevant resolutions on the Issuance and the Specific Mandate.

**This announcement only provides information relating to the Issuance to the Shareholders and potential investors, and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities in the Company. The Issuance is subject to the approvals of the extraordinary general meeting and the Class Meetings and from the regulatory authorities (including but not limited to the CSRC and the Hong Kong Stock Exchange), as well as various factors including market conditions, and therefore the Issuance may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **I. THE ISSUANCE**

The Board is pleased to announce that, in order to broaden the investor base of H Shares and optimize the capital structure of the Company, on January 8, 2021, the Board resolved that according to the provisions of the Articles of Association, the Company proposed to issue and place not more than 101,126,240 additional H Shares to qualified investors, representing 20% of the total number of issued H Shares as at the date of the Board meeting. Subject to the approval of the Shareholders, the Issuance will proceed under the Specific Mandate.

Details of the issuance plan of the Issuance are as follows:

### **(I) Class and par value of the Shares to be issued**

The Shares under the Issuance are the foreign shares issued overseas and listed on the Main Board of the Hong Kong Stock Exchange (i.e., H Shares) with a par value of RMB1 per Share.

### **(II) Method and time of issuance**

The Issuance is a placing of H Shares to qualified investors in accordance with the provisions of the Articles of Association. The Issuance is subject to the approval of the CSRC and is conditional upon the Hong Kong Stock Exchange granting approval for the listing of and permission to deal in the underlying Shares. Meanwhile, as for the Issuance, the Company undertakes to strictly comply with relevant domestic and overseas laws and regulations (including information disclosure requirements involving changes in equity, etc.) during the process of overseas issuance in multiple tranches.

### **(III) Target subscribers and subscription method**

The target subscribers of the Issuance will be the qualified investors independent of the Company and its connected persons (other than those restricted by law) in compliance with the requirements of the Hong Kong Stock Exchange, and all of them are entitled to subscribe for the H Shares of the Company under the Issuance in cash.

#### **(IV) Issue price and pricing method**

Subject to compliance with applicable laws and regulations, the pricing of the Issuance is to be determined by the Company and the placing agent(s) in accordance with international practices and relevant rules of the Hong Kong Stock Exchange, taking full account of the interests of the existing Shareholders of the Company, on the basis of the international capital market conditions and with reference to the price trend of the Company's H Shares and the valuation level in the international market. The issue price of the Issuance shall not be less than 80% of the average closing price of the first five trading days prior to the date on which the placing or subscription price is determined, and shall conform with the PRC laws, regulations and practice.

#### **(V) Number of Shares to be issued**

Subject to the approvals of the general meeting and the Class Meetings of the Company, the total number of additional H Shares proposed to be issued under the Issuance shall not exceed 101,126,240 Shares. The actual number of H Shares to be issued will be determined by the Company and the placing agent(s) according to market conditions, the capital requirements of the Company and the Hong Kong Listing Rules.

#### **(VI) Distribution plan of the accumulated profits before the Issuance**

All the Shareholders will be entitled to share the Company's accumulated undistributed profits retained prior to the Issuance according to their respective shareholdings upon completion of the Issuance.

#### **(VII) Place of listing of Shares under the Issuance**

The new H Shares under the Issuance will be listed on the Main Board of the Hong Kong Stock Exchange.

#### **(VIII) Use of Proceeds**

All the proceeds from the Issuance will be used to replenish the working capital, repay interest-bearing debts, invest in the research and development projects, optimize the Company's capital structure, and expand the photovoltaic glass market as well as for general corporate purposes.

## **(IX) Validity period of the resolution in relation to the Issuance**

The resolution in relation to the Issuance shall be valid for 12 months from the date on which the issuance plan of the Issuance is passed at the general meeting and the Class Meetings of the Company. If the Company has obtained the approval or permission from or completed the filing or registration (if applicable) with regulatory authorities within the validity period of the resolution in relation to the Issuance at the general meeting and the Class Meetings, the Company may complete the work in relation to the Issuance during the validity period as confirmed in such approval or permission by, or filing or registration with regulatory authorities in relation to the Issuance.

## **II. SPECIFIC MANDATE**

The Issuance is proposed to proceed under the Specific Mandate. Pursuant to the Articles of Association and Rule 19A.38 of the Listing Rules, the Company shall convene an extraordinary general meeting and the Class Meetings to seek approvals from the Shareholders for the grant of Specific Mandate for the purpose of the Issuance.

In this regard, the Board intends to seek approvals from the Shareholders at the extraordinary general meeting and the Class Meetings to grant the Special Mandate to the Board to issue not more than 101,126,240 H Shares to the qualified investors independent of the Company and its connected persons in accordance with the plan for the Issuance, the issue price and the pricing method as approved by the Shareholders. In addition, in order to facilitate the smooth implementation of the Issuance, the Board proposed to the Shareholders to grant the authorization to Mr. Cho Tak Wong, chairman of the Board, or Mr. Ye Shu, the general manager of the Company so that either of them shall have the right to deal with and decide on, at his full discretion, the specific matters regarding the Issuance, including but not limited to handling the filings with and applications to the competent regulatory authorities, and determining the number of Shares to be issued, time of issuance and the issue price.

The Special Mandate shall be valid for 12 months from the date on which it is considered and approved at the general meeting and the Class Meetings of the Company. If the Company has obtained the approval or permission from or completed the filing or registration (if applicable) with regulatory authorities within the validity period of the resolution in relation to the Issuance as approved by the Shareholders at the general meeting and the Class Meetings, the Company may complete the work in relation to the Issuance during the validity period as confirmed in such approval or permission by, or filing or registration with regulatory authorities in relation to the Issuance.

As at the date of this announcement, the total number of issued Shares of the Company is 2,508,617,532 Shares, comprising 2,002,986,332 A Shares and 505,631,200 H Shares. Pursuant to the plan for the Issuance, assuming that 101,126,240 H Shares are fully issued, it represents (i) approximately 20% of the existing issued H Shares and 4.03% of the total existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the enlarged issued H Shares and approximately 3.87% of the total enlarged issued share capital upon completion of the Issuance.

Should the Board, upon obtaining the Specific Mandate, proceed to exercise the Specific Mandate to conduct the Issuance, the Company will apply to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, all of the H Shares.

### III. FUND-RAISING ACTIVITIES OF THE COMPANY FOR THE PAST 12 MONTHS

The Directors confirm that, the Company has not conducted any fund-raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

### IV. IMPACT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that, save for the Issuance, there is no other change in the total issued share capital of the Company from the date of this announcement to the completion date of the Issuance, (1) as at the date of this announcement and (2) immediately after the completion of the proposed Issuance (assuming that 101,126,240 H Shares are fully issued), the shareholding structures of the Company are set out as follows:

	As at the date of this announcement		Immediately after the completion of the Issuance	
	Number of Shares	Approximate percentage of issued share capital of the Company <sup>(1)</sup>	Number of Shares	Approximate percentage of issued share capital of the Company <sup>(1)</sup>
A Shares	2,002,986,332	79.84%	2,002,986,332	76.75%
including:				
Mr. Cho Tak Wong <sup>(2)</sup>	314,828	0.01%	314,828	0.01%
Sanyi Development Limited <sup>(2)</sup>	390,578,816	15.57%	390,578,816	14.97%
Fujian Yaohua Industrial Village Development Co., Ltd. <sup>(2)</sup>	34,277,742	1.37%	34,277,742	1.31%
Homekiu Overseas Holdings Limited <sup>(3)</sup>	12,086,605	0.48%	12,086,605	0.46%

	As at the date of this announcement		Immediately after the completion of the Issuance	
		Approximate percentage of issued share capital of the Company <sup>(1)</sup>		Approximate percentage of issued share capital of the Company <sup>(1)</sup>
	Number of Shares		Number of Shares	
A Shares held by other non-connected Shareholders of A Shares	1,565,728,341	62.41%	1,565,728,341	60.00%
H Shares (held by the public Shareholders)	505,631,200	20.16%	606,757,440	23.25%
<b>Total</b>	<b>2,508,617,532</b>	<b>100.00%</b>	<b>2,609,743,772</b>	<b>100.00%</b>

*Notes:*

- (1) Certain amounts and percentage figures in the table above have been rounded to the nearest whole figures. The discrepancies between the total amounts and the amounts shown in the table are due to rounding.
- (2) Mr. Cho Tak Wong directly holds 314,828 A Shares (long position) and indirectly holds 390,578,816 A Shares (long position) through Sanyi Development Limited. In addition, Mr. Cho Tak Wong is deemed to be interested in the 34,277,742 A Shares (long position) indirectly held by his spouse, Ms. Chan Fung Ying.
- (3) Mr. Tso Fai indirectly holds 12,086,605 A Shares (long position) through Homekiu Overseas Holdings Limited.

## V. APPOINTMENT OF PLACING AGENT

The Company has engaged UBS AG Hong Kong Branch to act as a placing agent for the Issuance and expects to enter into a formal placing agreement with it in due course, although details of the transaction (including the issue price and placing arrangement) are yet to be finalized.

## VI. EXTRAORDINARY GENERAL MEETING, CLASS MEETINGS AND CIRCULAR

Subject to the approval of the Shareholders, the Issuance will proceed under the Specific Mandate. The Company will convene an extraordinary general meeting and the Class Meetings, and dispatch to the Shareholders the relevant meeting notices and a circular containing, among other things, details of the relevant resolutions on the Issuance and the Specific Mandate in due course.

**This announcement only provides information relating to the Issuance to the Shareholders and potential investors, and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities in the Company. The Issuance is subject to the approvals of the extraordinary general meeting and the Class Meetings and from the regulatory authorities (including but not limited to the CSRC and the Hong Kong Stock Exchange), as well as various factors including market conditions, and therefore the Issuance may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **VII. DEFINITIONS**

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

“Articles of Association”	the articles of association of the Company currently in effect
“Board”	the board of Directors of the Company
“Class Meetings”	collectively, the A Share Class Meeting and the H Share Class Meeting
“Company”	Fuyao Glass Industry Group Co., Ltd. (福耀玻璃工業集團股份有限公司), a joint stock company incorporated in the PRC with limited liability
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Shares”	the overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Issuance”	the proposed issue and placing of not more than 101,126,240 additional H Shares to qualified investors by the Company under the Specific Mandate



“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region
“RMB”	the lawful currency of the PRC
“Shares”	shares in the share capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate in relation to the Issuance that the Company will seek for granting to the Board by the Shareholders at the Company’s extraordinary general meeting and the Class Meetings

By order of the Board  
**Fuyao Glass Industry Group Co., Ltd.**  
**Cho Tak Wong**  
*Chairman*

Fuzhou, Fujian, the PRC  
January 9, 2021

*As at the date of this announcement, the Board of the Company comprises Mr. Cho Tak Wong, Mr. Ye Shu and Mr. Chen Xiangming, as executive directors; Mr. Tso Fai, Mr. Wu Shinong and Ms. Zhu Dezhen, as non-executive directors; Ms. Cheung Kit Man Alison, Mr. Liu Jing and Mr. Qu Wenzhou, as independent non-executive directors.*