

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Neither this announcement nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful.

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

*This announcement is not, and does not form any part of, an offer or invitation for the sale of securities in the United States (as defined in Regulation S under the United States Securities Act of 1933 (the “**Securities Act**”)). Neither this announcement nor anything herein nor any copy thereof may be taken into or distributed, directly or indirectly, in or into the United States or any other jurisdiction where such release or distribution might be unlawful. The securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered, sold or otherwise transferred within the United States unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Company does not intend to register any securities described herein in the United States or to make any public offering of the securities in the United States.*



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)

PLACING OF NEW H SHARES UNDER SPECIFIC MANDATE

Sole Placing Agent



Co-manager



The Board is pleased to announce that on April 30, 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to act as the agent of the Company and to use its best efforts to procure the Placees to subscribe for a total of up to 101,126,000 new H Shares at the Placing Price per Placing Share upon the terms and subject to the conditions set out in the Placing Agreement.

The number of Placing Shares represents: (a) approximately 20.00% and 4.03% of the total existing issued H Shares and the total existing issued Shares, respectively, as at the date of this announcement; and (b) approximately 16.67% and 3.87% of the total issued H Shares and the total issued Shares, respectively, as enlarged by the issuance of the Placing Shares immediately after the Completion (assuming all the Placing Shares are subscribed for in full and there will be no change in the total number of Shares in issue from the date of this announcement to the Completion other than the issuance by the Company of the Placing Shares).

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$4,338.31 million and the aggregate net proceeds (after deduction of the commissions and estimated expenses) from the Placing are expected to be approximately HK\$4,312.46 million. The net proceeds from the Placing are intended to be used by the Company to replenish the working capital and optimize the Group's capital structure, repay interest-bearing debts, invest in the research and development projects, expand the photovoltaic glass market and general corporate uses.

The Placing Shares are expected to be placed to no less than six independent Placees who shall be professional, institutional and other investors that are, together with their respective ultimate beneficial owners, third parties independent of, and not connected with, the Company and the connected persons of the Company.

The Placing Shares will be issued under the Specific Mandate. The Placing is not subject to any further approval of the Shareholders.

Application will be made by the Company to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

The Company has engaged CCB International Capital Limited to act as a co-manager in respect of the Placing.

As Completion of the Placing is subject to the satisfaction of the Conditions and the Placing Agent's termination rights, the Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

THE PLACING

References are made to the (i) announcement of Fuyao Glass Industry Group Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated January 9, 2021; (ii) circular of the Company dated January 26, 2021 (the “**Circular**”); (iii) the announcement of the Company dated January 29, 2021; (iv) poll results announcement of the Company dated February 27, 2021 (the “**Poll Results Announcement**”); (v) the announcement of the Company dated March 10, 2021 and (vi) the announcement of the Company dated April 30, 2021, in relation to, among other things, the proposed issuance of H Shares under the Specific Mandate, which has been approved by the China Securities Regulatory Commission (the “**CSRC**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that on April 30, 2021 (after trading hours), the Company entered into a placing agreement (the “**Placing Agreement**”) with UBS AG Hong Kong Branch* (the “**Placing Agent**”), pursuant to which, the Placing Agent has agreed to act as the agent of the Company and to use its best efforts to procure certain placees (the “**Placees**”) to subscribe for a total of up to 101,126,000 new H Shares (the “**Placing Shares**”) at HK\$42.90 (the “**Placing Price**”) per Placing Share to be issued by the Company under the Specific Mandate upon the terms and subject to the conditions set out in the Placing Agreement (the “**Placing**”).

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are set out below:

(a) **Date**

April 30, 2021 (after trading hours)

(b) **Parties**

- (1) The Company; and
- (2) The Placing Agent.

* UBS AG Hong Kong Branch, being the Hong Kong branch of UBS AG, a company incorporated in Switzerland with limited liability and a registered institution under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities, each as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

(c) The Placing Agent

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of, and not connected with, the Company and the connected persons (as defined under the Listing Rules) of the Company.

(d) Number of the Placing Shares

The Placing Agent has agreed to act as agent of the Company to use its best efforts to procure the Placees to subscribe for up to 101,126,000 new H Shares at the Placing Price (together with such brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee to the extent payable by the Placees), upon the terms and subject to the conditions set out in the Placing Agreement.

The number of Placing Shares represents: (a) approximately 20.00% and 4.03% of the total existing issued H Shares and the total existing issued Shares, respectively, as at the date of this announcement; and (b) approximately 16.67% and 3.87% of the total issued H Shares and the total issued Shares, respectively, as enlarged by the issuance of the Placing Shares immediately after the completion of the Placing pursuant to the Placing Agreement (the “**Completion**”) (assuming all the Placing Shares are subscribed for in full and there will be no change in the total number of Shares in issue from the date of this announcement to the Completion other than the issuance by the Company of the Placing Shares).

Based on the nominal value of RMB1.00 per Placing Share, the aggregate nominal value of the 101,126,000 Placing Shares will be RMB101,126,000.

(e) Rights of the Placing Shares

The Placing Shares will, on issuance, be free from all liens, charges and encumbrances, and together with all rights attaching thereto as at the date of issuance of the Placing Shares, including the right to receive all dividends declared, made or paid for which a record date occurs on or after the date of issuance of the Placing Shares. The Placing Shares will rank *pari passu* with the other existing H Shares upon issuance.

(f) Placees

The Placing Shares are expected to be placed to no less than six independent Placees who shall be professional, institutional and other investors that are, together with their respective ultimate beneficial owners, third parties independent of, and not connected with, the Company and the connected persons of the Company.

Immediately after the Completion, it is expected that none of the Placees will become a substantial shareholder (as defined under the Listing Rules) of the Company.

(g) Placing Price

The Placing Price is HK\$42.90 per Placing Share and represents:

- (i) a discount of approximately 4.98% to the closing price of HK\$45.15 per H Share as quoted on the Stock Exchange on April 30, 2021, being the last trading day immediately prior to the date of the Placing Agreement; and
- (ii) a discount of approximately 8.53% to the average closing price of HK\$46.90 per H Share as quoted on the Stock Exchange for the five consecutive trading days of the H Shares immediately prior to the date of the Placing Agreement (including April 30, 2021).
- (iii) a discount of approximately 6.18% to the average closing price of HK\$45.73 per H Share as quoted on the Stock Exchange for the twenty consecutive trading days of the H Shares immediately prior to the date of the Placing Agreement (including April 30, 2021).
- (iv) a discount of approximately 4.72% to the average closing price of HK\$45.03 per H Share as quoted on the Stock Exchange for the thirty consecutive trading days of the H Shares immediately prior to the date of the Placing Agreement (including April 30, 2021).

The Placing Price was determined through order and book building process by the Placing Agent and arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the H Shares, the interests of the existing Shareholders, investors' capabilities and the potential issuance risks, as well as the market practice and applicable regulatory requirements, and with reference to the capital market conditions and the valuations of comparable companies at the time when the Company issues the Placing Shares.

The Directors consider that the Placing Price and the terms and conditions of the Placing Agreement are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

(h) Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction of the following conditions (the "**Conditions**"):

- (a) the approvals of all relevant PRC regulatory authorities including the CSRC in connection with the issue and placing of the Placing Shares remaining in full force and effect;
- (b) the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares);
- (c) the delivery of a copy of the approval from the CSRC in respect of the Placing to the Placing Agent; and

- (d) the delivery of one duly executed original of the deed of undertaking signed by the single largest shareholders of the Company, namely Mr. Cho Tak Wong and Sanyi Development Limited, in favour of the Placing Agent;
- (e) the delivery to the Placing Agent of (i) a PRC legal opinion by the PRC legal counsel of the Placing Agent; and (ii) a no-registration opinion by the U.S. legal counsel of the Placing Agent, all in the form satisfactory to the Placing Agent.

The Company has obtained the necessary PRC regulatory approval for the Placing, being the approval from the CSRC, and will make application to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and the permission to deal in, the Placing Shares as soon as practicable.

(i) Termination

The Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which may be given at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date (as defined below) in accordance with the terms thereof, on the grounds of, including but not limited to, breach of any of the representations, warranties and undertakings by the Company as set out in the Placing Agreement and the occurrence of certain force majeure events.

(j) Completion of the Placing

Completion of the Placing shall take place on the second business day, being any day (excluding a Saturday, Sunday or public holiday in Hong Kong and a day on which a tropical cyclone warning number 8 or above or a “**black rainstorm warning signal**” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for ordinary banking business throughout their normal business hours in Hong Kong and the Hong Kong Stock Exchange is generally open for trading of securities throughout its normal trading hours in Hong Kong, after the date on which the Conditions are fulfilled but in any event no later May 10, 2021, or such other date as the Company and the Placing Agent may agree in writing (the “**Closing Date**”).

LOCK-UP UNDERTAKING

The Company has undertaken to the Placing Agent that for a period from the date of the Placing Agreement up to 90 days after the Closing Date, neither the Company nor any of its subsidiaries or affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, except for the Placing Shares, (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares, or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above, or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Placing Agent.

In addition, Mr. Cho Tak Wong (the Chairman of the Board and the single largest shareholders directly and indirectly holding approximately 16.91% of the issued share capital of the Company) and Sanyi Development Limited (a company directly holding 15.57% of the issued share capital of the Company which is in turn controlled by Mr. Cho Tak Wong) have undertaken to the Placing Agent for a period from the date of the Placing Agreement up to 90 days after the Closing Date, they will not, and will procure that none of their nominees, companies controlled by them or trusts associated with them (whether individually or together and whether directly or indirectly) will, except for the Placing Shares, (i) sell, transfer, dispose, lend, pledge, or offer to sell, transfer, dispose, lend, pledge, grant any option, right or warrant to purchase (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares, or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above, or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Placing Agent. For the avoidance of doubt, this deed shall not apply to the 33,277,742 A shares held by Fujian Yaohua Industrial Village Development Co., Ltd..

CO-MANAGER

The Company has engaged CCB International Capital Limited to act as a co-manager in respect of the Placing.

SPECIFIC MANDATE TO ISSUE THE PLACING SHARES

As disclosed in the Poll Results Announcement, the grant of the Specific Mandate was approved by the Shareholders at the EGM and Class Meetings of the Company held on February 26, 2021.

As at the date of this announcement, the number of new H Shares that can be issued by the Company under the Specific Mandate is 101,126,240 H Shares. Up to the date of this announcement, no H Shares have been issued by the Company under the Specific Mandate. The Placing Shares will be issued pursuant to the Specific Mandate. The issuance of the Placing Shares will utilize 99.9998% of the Specific Mandate. As such, the Placing is not subject to any further approval of the Shareholders.

REASONS FOR THE PLACING

In view of the fact that the Group has recorded nearly half of its revenue since 2019 from overseas businesses, the Board and the senior management of the Company would like to broaden the H Shareholder base and increase the proportion of H shares in the Company's equity structure, so as to further attract more international reputable investors with strategic value and improve equity structure of the Company. In addition, the Company expects that the PRC automobile industry will recover and rebound in 2021. By using the funds raised from the Placing in its working capital, debt repayment, research and development projects, photovoltaic glass market expansion and general corporate uses, the Company may further expand its businesses and optimize its capital structure.

USE OF PROCEEDS

Assuming that all Placing Shares are subscribed for in full, the aggregate gross proceeds from the Placing are expected to be approximately HK\$4,338.31 million.

The net proceeds from the Placing, after deducting relevant costs and expenses, commission and levies, are expected to be approximately HK\$4,312.46 million (on this basis the net price per Placing Share will be approximately HK\$42.64), and will be utilized in the following manner:

- (a) approximately 60% will be used to replenish the working capital and optimize the Group's capital structure;
- (b) approximately 15% will be used to repay interest-bearing debts;
- (c) approximately 15% will be used to invest in the research and development projects; and
- (d) approximately 10% will be used to expand the photovoltaic glass market and general corporate uses.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that all Placing Shares are subscribed for in full, and there is no other change in the share capital of the Company immediately prior to the Completion, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion 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 ⁽¹⁾	Number of Shares	Approximate percentage of issued share capital of the Company ⁽¹⁾
A Shares	2,002,986,332	79.84%	2,002,986,332	76.75%
including :				
Mr. Cho Tak Wong ⁽²⁾	314,828	0.01%	314,828	0.01%
Sanyi Development Limited ⁽²⁾	390,578,816	15.57%	390,578,816	14.97%
Fujian Yaohua Industrial Village Development Co., Ltd. ⁽²⁾	33,277,742	1.33%	33,277,742	1.28%
Homekiu Overseas Holdings Limited ⁽³⁾	12,086,605	0.48%	12,086,605	0.46%
A Shares (held by the public Shareholders)	1,566,728,341	62.45%	1,566,728,341	60.03%
H Shares (held by the public Shareholders)	505,631,200	20.16%	606,757,200	23.25%
Total	<u>2,508,617,532</u>	<u>100.00%</u>	<u>2,609,743,532</u>	<u>100.00%</u>

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 33,277,742 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.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company did not conduct any fund raising activities during the 12 months immediately preceding the date of this announcement.

As Completion of the Placing is subject to the satisfaction of the Conditions and the Placing Agent's termination rights, the Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Fuzhou, Fujian, the PRC
May 2, 2021

As of the date of this Announcement, the Board of Directors of the Company comprises Mr. Cho Tak Wong, Mr. Tso Fai, Mr. Ye Shu and Mr. Chen Xiangming, as executive Directors; 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.