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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)

DISCLOSEABLE TRANSACTION
ENTERING INTO THE SUPPLEMENTAL AGREEMENT (IV) ON
THE DISPOSAL OF 75% EQUITY INTEREST IN
BEIJING FUTONG

References are made to the announcements (the “**Announcements**”) of Fuyao Glass Industry Group Co., Ltd. (the “**Company**”) dated June 29, 2018, December 25, 2018, August 29, 2019, and June 6, 2020, respectively, in relation to the transfer of 75% equity interest in total in Beijing Futong by the Company to Taiyuan Jinnuo Industry Co., Ltd. (太原金諾實業有限公司, formerly known as Taiyuan Jinnuo Investment Co., Ltd. (太原金諾投資有限公司)) (“**Taiyuan Jinnuo**”), so as to extend the payment due date of the Second Tranche of Transfer Payment (as defined below). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, the Company agreed to transfer 75% equity interest in total in Beijing Futong to Taiyuan Jinnuo (the “**Equity Transfer**”), at a total consideration of RMB1,004.45 million, of which, (i) 51% equity interest in Beijing Futong was priced at RMB683.05 million, which was settled by Taiyuan Jinnuo before July 15, 2018, and the Company had completed the registration procedures in relation to the 51% equity interest in Beijing Futong thereafter; and (ii) 24% equity interest in Beijing Futong was priced at RMB321.40 million (the “**Second Tranche of Transfer Payment**”) which shall be settled by Taiyuan Jinnuo by June 30, 2021.

On May 28, 2021, the Company received an application from Taiyuan Jinnuo for extension of payment and reduction of interest rate, on which Taiyuan Jinnuo indicated that due to financial strain, it applied for extending the payment term of the transfer payment of the remaining 24% equity interest in Beijing Futong for three years and also applied for the adjustment on the annual interest rate of the Second Tranche of Transfer Payment to 3.85% with effect from July 1, 2021. To further promote the implementation of the Equity Transfer and safeguard the legitimate rights and interests of the Company and the interests of all the shareholders, after friendly negotiation with Taiyuan Jinnuo, the Company intends to agree to further extend the due date of the Second Tranche of Transfer Payment to June 30, 2024, and to agree that, effective on July 1, 2021, Taiyuan Jinnuo shall pay interests to the Company based on the amount of Second Tranche of Transfer Payment and at a loan prime rate (LPR) of 3.85% announced by the National Inter-bank Funding Center as authorised by the People's Bank of China.

As considered and approved by the board of directors of the Company (the “**Board**”), the Company entered into the Supplemental Agreement (IV) to the Equity Transfer Agreement (the “**Supplemental Agreement (IV)**”) with Taiyuan Jinnuo on June 17, 2021, with the following principal terms:

1. Taiyuan Jinnuo undertakes to pay the Second Tranche of Transfer Payment in a lump sum to the bank account as designated by the Company by way of bank telegraphic transfer by June 30, 2024;
2. Taiyuan Jinnuo agrees to pay interests on the Second Tranche of Transfer Payment on a quarterly basis to the Company based on the Second Tranche of Transfer Payment and at a loan prime rate (LPR) of 3.85% announced by the National Inter-bank Funding Center as authorised by the People’s Bank of China since July 1, 2021 until Taiyuan Jinnuo pays off the Second Tranche of Transfer Payment. The interests shall be accrued on a daily basis and Taiyuan Jinnuo shall pay interests to the Company on time and in full within 10 working days after the end of each quarter. The final installment of interests shall be paid together with the Second Tranche of Transfer Payment;
3. upon receipt of the Second Tranche of Transfer Payment and all interests thereon, the Company shall transfer the 24% equity interest in Beijing Futong to Taiyuan Jinnuo and cooperate with Taiyuan Jinnuo in completing the procedures including industrial and commercial registration of changes in shareholder in relation to the Equity Transfer; and
4. in the event that Taiyuan Jinnuo fails to make full payment of the Second Tranche of Transfer Payment or the interests thereon on time and in full in accordance with the Supplemental Agreement (IV), it will be considered as a breach by Taiyuan Jinnuo and the Company is entitled to unilaterally terminate the Supplemental Agreement (IV) and request Taiyuan Jinnuo to pay the Second Tranche of Transfer Payment and the interests thereon immediately. In addition, the Company is entitled to hold Taiyuan Jinnuo liable for breach of contract.

The Board has taken into full account the following factors when considering the above proposals: (i) the Company only completed the registration procedures for the change of ownership of the 51% equity interest in Beijing Futong, while the transfer of the remaining 24% equity interest has yet to complete, and the Company remains entitled to the shareholder’s rights of Beijing Futong as a shareholder; (ii) the terms of the equity transfer agreement provide safeguard measures to the rights and interests of the Company, including but not limited to the clauses on termination of the agreement, the payment of liquidated damages and late fees by Taiyuan Jinnuo, etc.; (iii) in light of the current loan prime rate (LPR) of 3.85% announced by the National Inter-bank

Funding Center as authorised by the People's Bank of China, the Company adjusted the annual interest rate of the Second Tranche of Transfer Payment; and (iv) so long as Taiyuan Jinnuo pays for interest on time, the Company will earn some interest income and reduce financial costs of the Company. Hence, the directors of the Company consider that the terms of the Supplemental Agreement (IV) are fair and reasonable, and entering into the Supplemental Agreement (IV) and agreeing to extend the payment due date of Taiyuan Jinnuo are in the interest of the Company and its shareholders as a whole.

Except for the provisions above, all material terms of the Equity Transfer and relevant arrangements as set out in the Announcements remain unchanged.

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

Fuzhou, Fujian, the PRC
June 18, 2021

As at the date of this announcement, the Board 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.