

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.



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

UPDATES 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, June 6, 2020 and June 18, 2021, 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) (“**Taiyuan Jinnuo**”), and a few rounds of extension of 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 has completed the registration procedures in relation to the 51% equity interest in Beijing Futong thereafter; and (ii) 24% equity interest in Beijing Futong (“**Second Tranche of Transfer**”) was priced at RMB321.40 million (the “**Payment for the Second Tranche of Transfer**”) which shall be settled by Taiyuan Jinnuo by June 30, 2024.

On March 29, 2024, the Company received from Taiyuan Jinnuo a letter of discussion for withdrawal from acquisition of the remaining 24% equity interest in Beijing Futong, in which Taiyuan Jinnuo indicated that due to unforeseeable external circumstances, it is currently unable to proceed with the Second Tranche of Transfer. They requested to forgo the Second Tranche of Transfer and sought a waiver for the accrued interest (the “**Accrued Interest**”) payable to the Company from October 1, 2021 to June 30, 2024, calculated on the Payment for the Second Tranche of the Transfer Payment at an annual rate of 3.85%. In the interest of reaching a satisfactory resolution and protecting the legitimate interests of the Company and its shareholders as a whole, after amicable negotiation with Taiyuan Jinnuo, the Company has consented to the termination of the Second Tranche of Transfer, while the Company will retain the ownership of the 24% equity interest in Beijing Futong and waive the Accrued Interest.

Following deliberation and approval by the board of directors of the Company (the “**Board**”), the Company entered into the Supplemental Agreement (V) to the Equity Transfer Agreement (the “**Supplemental Agreement (V)**”) with Taiyuan Jinnuo on April 25, 2024, with the principal terms set out below:

1. to terminate the provisions pertaining to the Second Tranche of Transfer, and Taiyuan Jinnuo will be released from its obligation to remit Payment for the Second Tranche of Transfer to the Company. The Company will also waive the Accrued Interest;
2. no change will be made to the remaining provisions under the equity transfer agreement entered into between the Company and Taiyuan Jinnuo on August 28, 2018 (the “**Equity Transfer Agreement**”), the performance of which had been completed;
3. in accordance with the stipulations set forth by the Foreign Investment Law of the People’s Republic of China, the highest authority of Beijing Futong will transition from its board of directors to its shareholders’ meeting, and all resolutions at the shareholders’ meeting of Beijing Futong will require the unanimous approval of all shareholders to be deemed valid. The custody of all corporate seals (including the official seals), licenses, property and title certificates, financial books, accounting vouchers, archives, and related documents of Beijing Futong shall be entrusted to the personnel designated by the Company; senior management of Beijing Futong shall be appointed or employed by the Company, and the Company shall assume responsibility for day-to-day operations and management of Beijing Futong; and

4. other terms and conditions shall continue to be governed by the stipulations outlined in the Equity Transfer Agreement.

The Board has thoroughly evaluated the following factors when considering the above proposal: (i) Taiyuan Jinnuo's current inability to fulfill the obligations for Payment for the Second Tranche of Transfer due to unforeseeable external circumstances; (ii) the fact that the Company has only finalized the registration for the change in ownership of the 51% equity interest in Beijing Futong, yet the Second Tranche of the Equity Transfer remains incomplete, thereby ensuring the Company's continued entitlement to the rights associated with its shareholder status for its holding of 49% equity interest in Beijing Futong; (iii) the fact that the highest authority of Beijing Futong will transition to its shareholders' meeting, and all resolutions at the shareholders' meeting will require the unanimous approval of all shareholders to be deemed valid. Additionally, the Company will maintain control over all critical corporate documents, licenses, and seals of Beijing Futong. The Company will also oversee the daily management of Beijing Futong's operations and retain the right to appoint or employ its senior management. Given these factors, the Board consider that the terms of the Supplemental Agreement (V) are fair and reasonable, and entering into the Supplemental Agreement (V) is in the interest of the Company and its shareholders as a whole.

After the termination of the performance of the agreement by Taiyuan Jinnuo, the Company will decrease the investment income by RMB212.1288 million without any impact on the cash flow of the Company.

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

Fuzhou, Fujian, the PRC April 26, 2024

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; Mr. Liu Jing, Mr. Xue Zuyun and Mr. Dat Dzeng Hao Daniel, as independent non-executive Directors.