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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)

2021 THIRD QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Set out below is the 2021 third quarterly report of Fuyao Glass Industry Group Co., Ltd. (the “**Company**”) and its subsidiaries for the nine months ended September 30, 2021 (the “**Reporting Period**”). The financial report contained herein is prepared pursuant to the PRC Accounting Standards for Business Enterprises and has not been audited. The report is prepared in Chinese and translated into English. In the event of any inconsistency between these two versions, the Chinese version shall prevail.

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

Fuzhou, Fujian, the PRC, October 29, 2021

As at the date of this announcement, the Board 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.

I. IMPORTANT NOTICE

- (I) The board of directors, board of supervisors, directors, supervisors and senior management members of the Company warrant the truthfulness, accuracy and completeness of the contents stated in the quarterly report and that there are no false presentations, misleading statements or material omissions thereof and shall assume joint and several legal liabilities.
- (II) Person-in-charge of the Company, the principal-in-charge of accounting and head of the Accounting Department (person-in-charge of accounting) warrant the truthfulness, accuracy and completeness of the information of the financial statements set out in the quarterly report.
- (III) The third quarterly financial statement has not been audited.

II. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	During the Reporting Period	Increase/decrease during the Reporting Period as compared with the corresponding period of previous year (%)	Increase/decrease during the period	
			From the beginning of 2021 to the end of the Reporting Period	from the beginning of 2021 to the end of the Reporting Period as compared with the corresponding period of previous year (%)
Operating revenue	5,609,762,969	-0.80	17,152,931,389	24.51
Net profit attributable to shareholders of the listed company	826,520,644	8.91	2,595,768,110	50.66
Net profit attributable to shareholders of the listed company, net of non-recurring gains or losses	716,967,838	-0.12	2,378,709,178	57.54
Net cash flows from operating activities	Not applicable	Not applicable	4,581,800,836	54.13
Basic earnings per share (Yuan/share)	0.32	3.23	1.02	47.83
Diluted earnings per share (Yuan/share)	0.32	3.23	1.02	47.83
Return rate on weighted average net assets (%)	3.22	Decreased by 0.34 percentage points	10.89	Increased by 2.92 percentage points

	As at the end of the Reporting Period	As at the end of previous year	Increase/decrease at the end of the Reporting Period as compared with the end of previous year (%)
Total assets	44,840,370,691	38,423,625,184	16.70
Ownership Interest attributable to shareholders of the listed company	25,824,254,549	21,594,517,508	19.59

Note: The “Reporting Period” refers to the three-month period from the beginning of this quarter to the end of this quarter, the same hereinafter.

(II) Non-recurring profit and loss items and amounts

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period	Amount for the period from the beginning of 2021 to the end of the Reporting Period
Profit and loss from disposal of non-current assets (including the written-off portion of provisions for asset impairment)	-8,745,579	-35,876,918
Government subsidies recorded under current profit and loss (except for those closely related to the normal business operation of the Company, in compliance with requirements of the national policies and granted continuously in a fixed amount or fixed quantity)	89,404,227	189,863,046
Capital occupancy fee from non-financial enterprises recorded under current profit and loss	9,502,270	25,620,220

Items	Amount for the Reporting Period	Amount for the period from the beginning of 2021 to the end of the Reporting Period
Apart from hedging instruments relating to the normal operations of the Company, profit or loss from change in fair value of held-for-trading financial assets, held-for-trading financial liabilities and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets	2,572,641	29,881,083
Write back of the provision for impairment of accounts receivable that is individually tested for impairment	127,153	127,153
Other non-operating income and expenses other than the above items	39,918,415	54,862,010
Less: effect of income tax	-23,178,327	-47,512,638
Impact on minority interests (after tax)	-47,994	94,976
Total	109,552,806	217,058,932

(III) Particulars of and reasons for changes in major accounting data and financial indicators

Items	Change (%)	Main reason
Net profit attributable to shareholders of the listed company	50.66	Mainly due to the increase in revenue and the effective control of cost.
Net profit attributable to shareholders of the listed company, net of non-recurring gains or losses	57.54	Mainly due to the increase in revenue and the effective control of cost.
Net cash flows from operating activities	54.13	Mainly due to the increase in revenue and the effective control of cost.
Basic earnings per share	47.83	Mainly due to the increase in net profit.
Diluted earnings per share	47.83	Mainly due to the increase in net profit.

III. INFORMATION OF SHAREHOLDERS

(I) Total number of holders of ordinary shares and number of holders of preference shares with restored voting rights and shareholdings of the top ten shareholders

As at September 30, 2021, the Company had 231,803 holders of A shares and 44 registered holders of H shares in total. The number of shareholders in aggregate is 231,847.

Unit: Share(s)

Total number of holders of ordinary shares at the end of the Reporting Period	231,847	Number of holders of preference shares with restored voting rights at the end of the Reporting Period (if any)	Not applicable
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Shareholding of top ten shareholders

Name of shareholders	Nature of shareholder	Shareholding	Shareholding percentage (%)	Number of shares held with selling restrictions	Pledge, mark or moratorium Status of shares	Number
HKSCC NOMINEES LIMITED ^(Note)	Unknown	595,874,359	22.83		Unknown	
Sanyi Development Limited	Overseas legal entity	390,578,816	14.97		Nil	
Hong Kong Securities Clearing Company Limited	Unknown	203,147,508	7.78		Unknown	
Heren Charitable Foundation	Domestic non-state-owned legal entity	201,976,409	7.74		Nil	
Agricultural Bank of China Limited – E Fund Consumer Industry Equity Securities Investment Fund (易方達消費行業股票型證券投資基金)	Unknown	40,015,862	1.53		Unknown	
Bai Yongli	Unknown	34,653,315	1.33		Unknown	
China Securities Finance Corporation Limited	Unknown	28,095,485	1.08		Unknown	
Fujian Yaohua Industrial Village Development Co., Ltd.	Domestic non-state-owned legal entity	24,077,800	0.92		Nil	
Li Haiqing	Unknown	21,922,059	0.84		Unknown	
Li Fuqing	Unknown	20,561,966	0.79		Unknown	

**Shareholdings of the top ten shareholders
not subject to selling restrictions**

Name of shareholders	Number of tradable shares not subject to selling restrictions	Types and number of shares	
		Types	Number
HKSCC NOMINEES LIMITED ^(Note)	595,874,359	Overseas listed foreign shares	595,874,359
Sanyi Development Limited	390,578,816	Ordinary shares denominated in RMB	390,578,816
Hong Kong Securities Clearing Company Limited	203,147,508	Ordinary shares denominated in RMB	203,147,508
Heren Charitable Foundation	201,976,409	Ordinary shares denominated in RMB	201,976,409
Agricultural Bank of China Limited – E Fund Consumer Industry Equity Securities Investment Fund (易方達消費行業股票型證券投資基金)	40,015,862	Ordinary shares denominated in RMB	40,015,862
Bai Yongli	34,653,315	Ordinary shares denominated in RMB	34,653,315
China Securities Finance Corporation Limited	28,095,485	Ordinary shares denominated in RMB	28,095,485
Fujian Yaohua Industrial Village Development Co., Ltd.	24,077,800	Ordinary shares denominated in RMB	24,077,800
Li Haiqing	21,922,059	Ordinary shares denominated in RMB	21,922,059
Li Fuqing	20,561,966	Ordinary shares denominated in RMB	20,561,966

**Shareholdings of the top ten shareholders
not subject to selling restrictions**

Name of shareholders	Number of tradable shares not subject to selling restrictions	Types and number of shares	
		Types	Number
Explanations on the connected relationship or parties acting in concert among the above shareholders		The de facto controllers of Sanyi Development Limited and Fujian Yaohua Industrial Village Development Co., Ltd. are members of a same family. Among the remaining eight shareholders not subject to selling restrictions, it is uncertain whether there is any connected relationship among them and whether such shareholders are parties acting in concert within the meaning under the “Measures for the Administration of Information Disclosure of Change of Shares Held by Shareholders of Listed Companies”.	
Explanations on the participation of the top ten shareholders and the top ten shareholders not subject to selling restrictions in margin financing and securities lending and refinancing businesses (if any)		<ol style="list-style-type: none"> 1. Bai Yongli, a shareholder, holds 34,653,315 shares through the credit guarantee account; 2. Li Haiqing, a shareholder, holds 21,922,059 shares through the credit guarantee account; 3. Li Fuqing, a shareholder, holds 20,561,966 shares through the credit guarantee account. 	

Note: Investors have their H shares in the Company deposited into the Central Clearing and Settlement System under the Hong Kong Stock Exchange and the aggregate number of the shares registered under the name of HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司), a wholly-owned subsidiary member body of the Hong Kong Stock Exchange.

IV. QUARTERLY FINANCIAL STATEMENTS

Consolidated Balance Sheet

September 30, 2021

Prepared by: Fuyao Glass Industry Group Co., Ltd.

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	September 30, 2021	December 31, 2020
Current assets:		
Cash at bank and on hand	15,230,531,215	8,809,985,853
Settlement provisions		
Placement		
Held-for-trading financial assets	4,651,160	300,287,671
Derivative financial assets	663	
Notes receivable	18,035,927	19,430,381
Accounts receivable	3,819,083,574	3,734,495,117
Accounts receivable financing	1,167,982,174	1,301,612,117
Advances to suppliers	251,848,361	173,525,313
Premiums receivable		
Reinsurance receivable		
Deposits receivable from reinsurance treaty		
Other receivables	139,827,386	526,506,578
Including: Interest receivable		
Dividends receivable		
Financial assets purchased for resale		
Inventories	3,927,564,000	3,280,989,599
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		160,000,000
Other current assets	117,273,325	252,804,600
Total current assets	24,676,797,785	18,559,637,229

Items	September 30, 2021	December 31, 2020
Non-current assets:		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables	473,000,000	
Long-term equity investments	218,986,560	206,748,905
Other investments in equity instruments	69,320,755	58,000,000
Other non-current financial assets		
Investment properties		
Fixed assets	14,279,421,775	14,260,438,910
Construction in progress	2,315,187,114	2,354,298,463
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	498,226,948	607,068,550
Intangible assets	1,242,490,972	1,270,843,245
Development costs		
Goodwill	154,940,513	154,940,513
Long-term prepaid expenses	432,142,594	431,039,005
Deferred income tax assets	479,855,675	520,610,364
Other non-current assets		
	_____	_____
Total non-current assets	<u><u>20,163,572,906</u></u>	<u><u>19,863,987,955</u></u>
Total assets	<u><u>44,840,370,691</u></u>	<u><u>38,423,625,184</u></u>

Items	September 30, 2021	December 31, 2020
Current liabilities:		
Short-term borrowings	6,490,741,020	6,165,804,499
Borrowings from the central bank		
Borrowing from interbank		
Held-for-trading financial liabilities		
Derivative financial liabilities	4,670,929	795,244
Notes payable	1,617,819,525	1,166,210,433
Accounts payable	1,288,639,402	1,299,794,957
Advances from customers		
Contract liabilities	767,746,898	756,282,114
Financial assets sold for repurchase		
Customer and interbank deposits		
Customer deposits for trading in securities		
Amounts due to issuer for securities underwriting		
Employee benefits payable	473,368,195	489,357,281
Taxes payable	237,532,977	302,321,505
Other payables	1,434,420,322	1,376,997,551
Including: Interest payable		
Dividends payable		
Bank charges and commissions due		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	1,585,881,251	270,557,753
Other current liabilities	1,206,373,181	303,131,507
	<u>15,107,193,700</u>	<u>12,131,252,844</u>
Total current liabilities	<u>15,107,193,700</u>	<u>12,131,252,844</u>

Items	September 30, 2021	December 31, 2020
Non-current liabilities:		
Provisions for insurance contracts		
Long-term borrowings	1,340,970,000	1,985,000,000
Debentures payables	1,198,817,548	1,198,784,928
Including: Preference shares		
Perpetual bonds		
Lease liabilities	430,515,978	510,511,192
Long-term payables	68,622,198	75,694,702
Long-term salaries payable		
Accrued liabilities		
Deferred income	690,567,354	735,789,390
Deferred income tax liabilities	191,070,479	195,684,830
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u>3,920,563,557</u>	<u>4,701,465,042</u>
Total liabilities	<u>19,027,757,257</u>	<u>16,832,717,886</u>
Ownership Interest (or shareholders' equity):		
Paid-in capital (or share capital)	2,609,743,532	2,508,617,532
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital surplus	9,700,750,924	6,222,912,435
Less: inventory shares		
Other comprehensive income	-361,668,241	-373,980,332
Special reserve		
Surplus reserve	2,931,419,311	2,931,419,311
General risk reserve		
Undistributed profits	<u>10,944,009,023</u>	<u>10,305,548,562</u>

Items	September 30, 2021	December 31, 2020
Total equity attributable to equity holders (or shareholders) of the Company	<u>25,824,254,549</u>	<u>21,594,517,508</u>
Minority interests	<u>-11,641,115</u>	<u>-3,610,210</u>
Total ownership interest (or shareholders' equity)	<u>25,812,613,434</u>	<u>21,590,907,298</u>
Total liabilities and ownership interest (or shareholders' equity)	<u>44,840,370,691</u>	<u>38,423,625,184</u>
<i>Person-in-charge of the Company:</i> Cho Tak Wong	<i>Principal in charge of accounting:</i> Chen Xiangming	<i>Head of the Accounting Department:</i> Qiu Yongnian

Consolidated Income Statement

January to September 2021

Prepared by: Fuyao Glass Industry Group Co., Ltd.

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
I. Total operating revenue	17,152,931,389	13,776,355,613
Including: Operating revenue	17,152,931,389	13,776,355,613
Interest income		
Premiums earned		
Income from handling fees and commissions		
II. Total cost of sales	14,317,499,878	11,963,140,251
Including: Cost of operation	10,199,653,221	8,535,089,105
Interest expenses		
Handling fees and commissions expenses		
Surrender payment		
Net expenditure for compensation payment		
Net provisions for insurance contracts		
Expenditure for insurance policy dividend		
Reinsurance cost		
Taxes and surcharges	148,966,429	137,642,540
Selling and distribution expenses	1,359,075,789	1,001,200,323
General and administrative expenses	1,559,929,907	1,525,530,897
Research and development expenses	719,738,844	558,941,038
Financial expenses	330,135,688	204,736,348
Including: Interest expenses	236,416,875	239,811,146
Interest income	121,265,727	230,032,327

Items	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
Add: Other income	189,863,046	215,084,426
Investment income (losses are represented by “-”)	38,284,470	44,304,618
Including: Share in profit of associates and joint ventures	12,237,655	6,799,813
Gains from derecognition of financial assets measured at amortised cost		
Gains from foreign exchange (losses are represented by “-”)		
Gains from net exposure to hedging (losses are represented by”-”)		
Profit arising from changes in fair value (losses are represented by “-”)	-8,628,489	-2,119,850
Impairment loss of credit (losses are represented by “-”)	-66,473	-772,776
Asset impairment losses (losses are represented by “-”)	-5,886,279	-4,658,299
Gains from disposal of assets (losses are represented by “-”)	1,103,148	-792,823
III. Operating profit (losses are represented by “-”)	3,050,100,934	2,064,260,658
Add: Non-operating income	105,994,633	55,050,157
Less: Non-operating expenses	88,112,689	73,331,628
IV. Total Profit (total losses are represented by “-”)	3,067,982,878	2,045,979,187
Less: Income tax expenses	475,130,546	324,676,662

Items	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
V. Net Profit (net losses are represented by “-”)	2,592,852,332	1,721,302,525
(I) Classified on a going concern basis		
1. Net profit from continuing operations (net losses are represented by “-”)	2,592,852,332	1,721,302,525
2. Net profit from discontinued operations (net losses are represented by “-”)		
(II) Classified according to ownership		
1. Net profit attributable to shareholders of the Company (net losses are represented by “-”)	2,595,768,110	1,722,903,942
2. Minority interests (net losses are represented by “-”)	-2,915,778	-1,601,417
VI. Net amount of other comprehensive income after tax	12,312,091	-214,246,052
(I) Net amount of other comprehensive income after tax attributable to the equity holders of the Company	12,312,091	-214,246,052
1. Other comprehensive income which will not be reclassified to gain or loss		
(1) Changes in re-measurement of defined benefit plans		
(2) Other comprehensive income which will not be reclassified into profit and loss under the equity method		
(3) Changes in fair value of other equity instruments investment		
(4) Changes in fair value of the company’s own credit risk		

Items	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
2. Other comprehensive income which will be reclassified to gain or loss	12,312,091	-214,246,052
(1) Other comprehensive income which will be reclassified into profit and loss under equity method		
(2) Changes in fair value of other debt investments		
(3) The amount of financial assets reclassified into other comprehensive income		
(4) Credit impairment provisions for other debt investment		
(5) Reserves for cash flows hedges		
(6) Difference arising from translation of foreign financial statements	12,312,091	-214,246,052
(7) Others		
(II) Net amount of other comprehensive income after tax attributable to minority shareholders		
VII.Total comprehensive income	2,605,164,423	1,507,056,473
(I) Total comprehensive income attributable to the equity holders of the Company	2,608,080,201	1,508,657,890
(II) Total comprehensive income attributable to minority shareholders	-2,915,778	-1,601,417
VIII.Earnings per share:		
(I) Basic earnings per share (<i>Yuan/share</i>)	1.02	0.69
(II) Diluted earnings per share (<i>Yuan/share</i>)	1.02	0.69
<i>Person-in-charge of the Company:</i> Cho Tak Wong	<i>Principal in charge of accounting:</i> Chen Xiangming	<i>Head of the Accounting Department:</i> Qiu Yongnian

Consolidated Cash Flow Statement

January to September 2021

Prepared by: Fuyao Glass Industry Group Co., Ltd.

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	18,279,353,061	13,982,167,001
Net increase in customer and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in intra-bank borrowing from other financial institutions		
Cash received from premiums under original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Cash received from interest, fees and commissions		
Net increase in borrowings from interbank		
Net increase in cash received from repurchase business		
Net cash received from agency securities trading		
Refund of taxes and surcharges	233,296,159	146,922,724
Cash received relating to other operating activities	530,711,786	565,522,690
Sub-total of cash inflows from operating activities	19,043,361,006	14,694,612,415

Items	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
Cash paid for goods and services	9,764,592,369	7,286,235,225
Net increase in customer loans and advance		
Net increase in deposits in the central bank and interbank deposits		
Cash paid for compensation payments under original insurance contract		
Net increase in placements with financial institutions		
Cash paid for interest, fees and commissions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	3,338,987,538	2,940,232,944
Payments of taxes and surcharges	1,181,840,473	1,052,369,504
Cash paid relating to other operating activities	176,139,790	443,067,585
	<u>14,461,560,170</u>	<u>11,721,905,258</u>
Sub-total of cash outflows from operating activities	14,461,560,170	11,721,905,258
	<u>4,581,800,836</u>	<u>2,972,707,157</u>
Net cash flows from operating activities	4,581,800,836	2,972,707,157
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from returns on investments		4,900,000
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	134,930,392	42,653,213
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	330,738,778	2,851,385,256
	<u>465,669,170</u>	<u>2,898,938,469</u>
Sub-total of cash inflows from investing activities	465,669,170	2,898,938,469

Items	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,769,902,201	1,231,641,076
Cash paid to acquire investments	11,320,755	
Net increase in secured loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		2,750,000,000
Sub-total of cash outflows from investing activities	<u>1,781,222,956</u>	<u>3,981,641,076</u>
Net cash flows from investing activities	<u>-1,315,553,786</u>	<u>-1,082,702,607</u>
III. Cash flows from financing activities:		
Cash received from capital contributions	3,578,964,489	
Including: Cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	6,466,555,102	11,281,841,872
Cash received relating to other financing activities	1,500,000,000	3,000,000,000
Sub-total of cash inflows from financing activities	<u>11,545,519,591</u>	<u>14,281,841,872</u>
Cash repayments of borrowings	6,032,382,796	12,876,207,060
Cash payments for distribution of dividends and profits or for interest expenses	2,210,229,230	2,100,722,097
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		
Cash paid relating to other financing activities	105,671,613	93,376,898
Sub-total of cash outflows from financing activities	<u>8,348,283,639</u>	<u>15,070,306,055</u>
Net cash flows from financing activities	<u>3,197,235,952</u>	<u>-788,464,183</u>

Items	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-43,584,490	-127,954,933
V. Net increase in cash and cash equivalents	6,419,898,512	973,585,434
Add: Cash and cash equivalents balance at the beginning of the period	8,807,952,233	8,352,668,535
VI. Cash and cash equivalents balance at the end of the period	<u>15,227,850,745</u>	<u>9,326,253,969</u>

<i>Person-in-charge of the Company:</i> Cho Tak Wong	<i>Principal in charge of accounting:</i> Chen Xiangming	<i>Head of the Accounting Department:</i> Qiu Yongnian
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Announcement is hereby given.

Board of directors of Fuyao Glass Industry Group Co., Ltd.
October 28, 2021