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If you have sold or transferred all your shares in **Fuyao Glass Industry Group Co., Ltd.**, you should at once hand this circular, together with the accompanying proxy form and the reply slip, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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 AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND CERTAIN CORPORATE GOVERNANCE POLICIES

Placing Agent



The 2021 second extraordinary general meeting (the “EGM”) of Fuyao Glass Industry Group Co., Ltd. will be held in the conference room of the Company located at Fuyao Industrial Zone, Rongqiao Economic & Technological Development Zone, Fuqing City, Fujian Province, the PRC at 2:00 p.m. on Friday, February 26, 2021, the 2021 first A share class meeting (the “**A Share Class Meeting**”) will be held at 2:15 p.m. on the same date or immediately after the conclusion of the EGM (whichever is later), and the 2021 first H share class meeting (the “**H Share Class Meeting**”, together with the A Share Class Meeting, the “**Class Meetings**”) will be held at 2:30 p.m. on the same date or immediately after the conclusion of the A Share Class Meeting (whichever is later). Notices of the EGM and the H Share Class Meeting and the accompanying reply slips and proxy forms have been dispatched to Shareholders on January 12, 2021.

Whether or not you are attending the EGM and the H Share Class Meeting, you are requested to carefully read the notices of the EGM and the H Share Class Meeting and complete and return the accompanying proxy forms in accordance with the instructions printed thereon as soon as possible. To be valid, H Shareholders shall return the proxy forms or other authorization documents to the Company's H Share Registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited, and in any event not less than 24 hours before the time appointed for holding of the EGM and the H Share Class Meeting (i.e. before 2:00 p.m. on Thursday, February 25, 2021 for the purpose of the EGM, and before 2:30 p.m. on Thursday, February 25, 2021 for the purpose of the H Share Class Meeting) or any adjournments thereof by hand or by post. Completion and return of the proxy forms will not preclude you from attending and voting in person at the EGM and the H Share Class Meeting or at any adjournments thereof should you so wish.

If you are an H Shareholder and intend to attend the EGM and the H Share Class Meeting in person or by proxy, you are requested to complete the reply slips attached to this circular in accordance with the instructions printed thereon and return the same to the Company's H Share Registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited, on or before Friday, February 5, 2021.

References to dates and time in this circular are to Hong Kong dates and time.

January 26, 2021

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“A Share Class Meeting”	the 2021 first A share class meeting of the Company to be held at 2:15 p.m. on Friday, February 26, 2021 or immediately after the conclusion of the EGM (whichever is later)
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“A Share(s)”	the ordinary shares of the Company, with a nominal value of RMB1.00 each, which are listed on the main board of the Shanghai Stock Exchange and traded in RMB
“A Shareholder(s)”	the registered holder(s) of A Shares
“Board” or “Board of Directors”	the board of Directors of the Company
“CSRC”	the China Securities Regulatory Commission
“Class Meetings”	the A Share Class Meeting and the H Share Class Meeting
“Company”	Fuyao Glass Industry Group Co., Ltd., a joint stock company incorporated in the PRC with limited liability, whose H Shares and A Shares are listed on the main board of the Hong Kong Stock Exchange and the main board of the Shanghai Stock Exchange, respectively
“Company Law”	Company Law of the People’s Republic of China (2018 Revision)
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the 2021 second extraordinary general meeting of the Company to be held at 2:00 p.m. on Friday, February 26, 2021

DEFINITIONS

“H Share Class Meeting”	the 2021 first H share class meeting of the Company to be held at 2:30 p.m. on Friday, February 26, 2021 or immediately after the conclusion of the EGM and the A Share Class Meeting or any adjournments thereof
“H Share(s)”	the overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the main board of the Hong Kong Stock Exchange and traded in HKD
“H Shareholder(s)”	holder(s) of the H Shares
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“Issuance”	proposed issuance and placement of no more than 101,126,240 additional H Shares by the Company to qualified investors under the Specific Mandate
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	January 20, 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time)
“PRC”	the People’s Republic of China, and for the purposes of this circular only, excluding Hong Kong, Macao Special Administrative Region and Taiwan region
“Rules of Procedure of the Board of Directors”	Rules of Procedure of the Board of Directors of the Company

DEFINITIONS

“Rules of Procedure of General Meetings of Shareholders”	Rules of Procedure of General Meetings of Shareholders of the Company
“Share(s)”	shares of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholder(s)”	the shareholders of the Company, including the A Shareholders and the H Shareholders
“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 EGM and the Class Meetings

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Cho Tak Wong (*Chairman of the Board*)

Mr. Tso Fai (*Vice Chairman of the Board*)

Mr. Ye Shu

Mr. Chen Xiangming

Non-executive Directors:

Mr. Wu Shinong

Ms. Zhu Dezhen

Independent Non-executive Directors:

Ms. Cheung Kit Man Alison

Mr. Liu Jing

Mr. Qu Wenzhou

Registered office and principal place of business

in PRC:

Fuyao Industrial Zone

Rongqiao Economic & Technological

Development Zone

Fuqing City

Fujian Province

the PRC

Principal place of business in Hong Kong:

Room 1907

Shun Tak Centre West Tower

200 Connaught Road

Central

Hong Kong

January 26, 2021

To the Shareholders

Dear Sir/Madam,

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

AND

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
CERTAIN CORPORATE GOVERNANCE POLICIES**

I. INTRODUCTION

References are made to the announcements of the Company dated January 9, 2021 in relation to the Issuance and the amendments to the Articles of Association, respectively. The purpose of this circular is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM and the Class Meetings.

LETTER FROM THE BOARD

II. THE ISSUANCE

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 automobiles industry will recover and rebound in 2021. By using the funds raised from the Issuance in its working capital, debt repayment, research and development projects and photovoltaic glass market expansion, the Company may further expand its businesses and optimize its capital structure. As such, 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.

1. Issuance Plan of the Issuance

The Issuance will be made under the Specific Mandate, and details of the issuance plan 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.

LETTER FROM THE BOARD

(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.

In addition, according to Rule 7.27B of the Listing Rules, the Company may not undertake a specific mandate placing that would result in a theoretical dilution effect of 25% or more, unless the Stock Exchange found that there are exceptional circumstances. The Issuance would not result in a theoretical dilution effect (as defined in Rule 7.27B of the Listing Rules) of 25% or more for the 12 months immediately preceding the Latest Practicable Date.

The Company has not determined the minimum issue price at this preliminary stage. However, when determining the final price of the Issuance, the Company will pay close attention to the conditions of the international capital market, the price trend of the H Shares of the Company and the valuation level in the international market. It will select the appropriate time for the Issuance according to the above-mentioned pricing method, so as to ensure the fairness and reasonableness of the issue price of H Shares and reduce the impact of the price discount and dilution on the existing Shareholders.

(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 Listing Rules.

LETTER FROM THE BOARD

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

All the Shareholders will be entitled to share in 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.

The proportion of proceeds to be allocated to each specific usage and the considerations thereof are as follow:

- approximately 60% of the Issuance proceeds will be used to replenish the working capital and optimize the Group's capital structure — The Company expects the PRC automobiles industry to recover and rebound in 2021. As one of the world's largest suppliers of automotive glass, the Company expects that the business volume of the Group will grow accordingly and, therefore, it is necessary to increase and replenish the working capital to meet the daily operating capital needs of the Group;
- approximately 15% of the Issuance proceeds will be used to repay interest-bearing debts — As of September 30, 2020, the Group's interest-bearing debts amounted to approximately RMB12,087.15 million, RMB9,102.15 million out of which were short-term loans due within 12 months, and RMB2,985 million were long-term loans due after 12 months. The Company will determine a specific loan repayment plan by using the Issuance proceeds, based on the debt structure (including but not limited to debt interest rate and maturity date) and capital needs of the Group upon completion of the Issuance. By partial repaying of its interest-bearing debts with the Issuance proceeds, the interest expenses of the Group will be reduced, and the capital structure and financial performance will be improved.
- approximately 15% of the Issuance proceeds will be used to invest in the research and development ("R&D") projects — The Company takes the lead in R&D innovation and technology as an industry leader in the automotive glass

LETTER FROM THE BOARD

market. With the anticipated recovery and rebound of the PRC automobiles industry in 2021, many automobiles manufactures have speeded up launching new models. The Company will further increase the R&D investment to keep the pace with the development trend of CASE (namely connected, autonomous, shared and electrified) in the automobiles industry, based on which, the Company will promote the technology application in automotive glass. The R&D direction of the Company includes but not limited to panoramic sunroof, display technology, signal reception, intelligent sensing, and lightweight and ultra-thin applications in automotive glass. The Company will continuously conduct R&D innovation and speed up its development.

- approximately 10% of the Issuance proceeds will be used to expand the photovoltaic glass market — the Company possesses the production technology for solar backplane glass, and currently manufactures and sells solar backplane glass through Fuyao Glass Illinois Co., Ltd., its wholly-owned subsidiary in the United States. The Company plans to use 10% of the proceeds for its further expansion of the domestic and international photovoltaic glass markets, including but not limited to market research, marketing and promotion and equipment upgrade, etc.

(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 considered and 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 relevant work in relation to the Issuance of additional H Shares during the validity period as confirmed in such approval, permission, filing or registration issued by regulatory authorities in relation to the Issuance.

2. Specific Mandate to the Board and its Authorized Persons to Deal with the Issuance at Full Discretion

As at the Latest Practicable Date, 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 issuance plan of 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 Latest Practicable Date; and (ii) approximately 16.67% of the enlarged issued H Shares and approximately 3.87% of the total enlarged issued share capital of the Company upon completion of the Issuance. The Issuance is proposed to be made under the Specific Mandate, and pursuant to the Articles of Association and Rule 19A.38 of the Listing Rules, the Company shall seek the approvals of the Shareholders for the grant of the Specific Mandate for the purpose of the Issuance.

LETTER FROM THE BOARD

In this regard, the Board seeks the approvals from the Shareholders at the EGM 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 and the pricing method for the issue price as approved by the Shareholders.

In addition, in order to facilitate the smooth implementation of the Issuance, the Board proposed to the EGM to grant authorization to Mr. Cho Tak Wong, the chairman of the Board, or Mr. Ye Shu, the general manager of the Company, either of whom shall have the right to deal with and decide, at his full discretion, the specific matters regarding the Issuance, including but not limited to:

1. deal with the procedures such as consideration, registration, filing, approval and consent to the relevant regulatory departments, institutions and stock exchanges in the PRC and abroad with regard to the Issuance, and apply for the listing and trading of H Shares to be issued under the Issuance on the main board of the Hong Kong Stock Exchange;
2. consider, approve and execute the agreements (including but not limited to the placing agreement and its amendment and supplement) and documents (including but not limited to the relevant filing documents submitted to the CSRC and the official listing application for the issuance of H Shares (Form C1)) regarding the Issuance, publish all announcements (including but not limited to the announcement on the placing and the announcement on the completion of the placing) related to the Issuance, next day disclosure return, relevant waivers of disclosure and other relevant documents) related to the Issuance, and approve the execution, implementation, amendment and supplement of relevant agreements and documents;
3. decide the target subscribers and number of Shares to be issued according to the specific situation of the Issuance;
4. decide, at his full discretion, the time of issuance of the Issuance;
5. appoint the legal counsel(s), placing agent(s), settlement agent and other intermediaries to conduct the Issuance and negotiate their terms of engagement;
6. approve the matters relating to the Issuance and allocate and issue the H Shares to all eligible places;

LETTER FROM THE BOARD

7. handle the Company's bank account opening procedure with bank(s);
8. authorize and instruct the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, to record the names and particulars of the newly H Shareholders or HKSCC Nominees Limited (if applicable) onto and manage the register of members of the Company;
9. perform and execute (no matter whether the official seal of the Company is needed or not) all acts, matters, deeds, documents and other related matters necessary, appropriate, desirable and relevant for the matters discussed and approved under the Issuance, and delegate the power stated in this item to any Director of the Company for handling and implementing all relevant acts and matters necessary or desirable to the resolutions passed under the Issuance on behalf of the Company;
10. amend the relevant articles of the Articles of Association as appropriate and necessary according to the actual situation of the Issuance upon the completion of the Issuance, so as to reflect the changes in the shareholding structure of the Company due to the Issuance;
11. execute the relevant documents and authorize the specific handling personnel to apply for managing the modification registration and filing procedures of the registered capital and the Articles of Association to the commercial competent department (if necessary) and market regulatory authority and take other necessary actions upon the completion of the Issuance;
12. take all necessary actions for managing and handling the matters relevant to the Issuance.

The Specific Mandate shall be valid for 12 months from the date on which the plan for the Issuance is considered and approved at the EGM and the Class Meetings. 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 validity period of the Specific Mandate shall be the period as confirmed in such approval, permission, filing or registration issued by regulatory authorities.

3. Fund-raising Activities of the Company in 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 Latest Practicable Date.

LETTER FROM THE BOARD

4. 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 Latest Practicable Date to the completion date of the Issuance, (1) as at the Latest Practicable Date; 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 Latest Practicable Date		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⁾	34,277,742	1.37%	34,277,742	1.31%
Homekiu Overseas Holdings Limited ⁽³⁾	12,086,605	0.48%	12,086,605	0.46%
A Shares (held by the public Shareholders)	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%
Total	2,508,617,532	100.00%	2,609,743,772	100.00%

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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.

5. Other Financing Methods

The Board had also considered to raise funds through other equity financing methods, including rights issue and public offering. The Board is of the view that it is more difficult for the rights issue and public offering of H Shares to achieve the goal of attracting new long-term or strategic investors and it will also involve a higher transaction cost. In respect to the debt financing, given that the fund-raising activities principally aims at enhancing the capital base of the Company, the Board is of the view that the equity financing is more in the long-term interests of the Company than the debt financing.

Relevant resolutions of the Issuance shall be submitted to the EGM and the Class Meetings for consideration and approval, and meanwhile, shall also be subject to the approval of the CSRC. The Company will apply for the approval of the listing and trading of all H Shares to the Listing Committee of Hong Kong Stock Exchange.

6. 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.

Shareholders and potential investors should be aware that the Issuance is subject to the approval at the EGM and the Class Meetings and by the regulatory institutions (including but not limited to the CSRC and the Hong Kong Stock Exchange), as well as various factors including market conditions. Therefore, the Issuance may or may not proceed. Accordingly, you are advised to exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

III. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On January 8, 2021, the Board of the Company approved the resolution in relation the proposed amendments to certain articles of the Articles of Association. The amendments were made mainly according to the provisions under the Company Law, the Securities Law of the People’s Republic of China, the Reply of the State Council on the Adjustment to the Provisions Applicable to the Notice Period of Convening General Meetings of Shareholders and Other Matters Applicable to the Companies Listed Abroad (Guo Han [2019] No. 97), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (revised in April 2019), and by taking into account the actual business needs of the Company. The amendments to the Articles of Association will take effect upon the approvals at the EGM and the Class Meetings.

The proposed amendments to the Articles of Association are specified as follows:

Current version	Amended version
Article 1 The Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Guidelines on Articles of Association of Listed Companies (hereinafter referred to as the “Guidelines on Articles”), Letter of Opinions on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong Kong, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”) and other relevant requirements in the People’s Republic of China (the “PRC”, for	Article 1 The Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), <u>the Reply of the State Council on the Adjustment to the Provisions Applicable to the Notice Period of Convening General Meetings of Shareholders and Other Matters Applicable to the Companies Listed Abroad,</u> the Guidelines on Articles of Association of Listed Companies (hereinafter referred to as the “Guidelines on Articles”), Letter of Opinions on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong

LETTER FROM THE BOARD

Current version	Amended version
<p>the Articles of Association, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region), with an aim to safeguard the legal interests of Fuyao Glass Industry Group Co., Ltd. (hereinafter referred to as the “Company”), its shareholders and creditors and regulate the organization and conduct of the Company.</p>	<p>Kong, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”) and other relevant requirements in the People’s Republic of China (the “PRC”, for the Articles of Association, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region), with an aim to safeguard the legal interests of Fuyao Glass Industry Group Co., Ltd. (hereinafter referred to as the “Company”), its shareholders and creditors and regulate the organization and conduct of the Company.</p>
<p>Article 51 No changes shall be made in the registration in the register of shareholders as a result of the transfer of shares within thirty days prior to a shareholders’ general meeting or within five days prior to the base date on which the Company decides to distribute dividends.</p> <p>Other requirements of the securities regulatory authorities of the locality where the shares are listed shall prevail.</p>	<p>Article 51 <u>The registration of changes in the register of Shareholders resulting from transfer of shares prior to a general meeting shall comply with relevant laws, administrative regulations, departmental regulations, normative documents and the requirements of the relevant stock exchange or regulators of the place where the Company’s Shares are listed.</u> No changes shall be made in the registration in the register of shareholders as a result of the transfer of shares within five days prior to the base date on which the Company decides to distribute dividends.</p> <p>Other requirements of the securities regulatory authorities of the locality where the shares are listed shall prevail.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 81</p> <p>Shareholders individually or jointly holding more than three percent of shares of the Company may bring forward provisional proposals and submit the same in writing to the convenor ten days prior to the shareholders' general meeting. The convenor shall issue a supplementary notice of shareholders' general meeting within two days of receiving the proposals to publish particulars of the provisional proposals, and shall submit the provisional proposals to the shareholders' general meeting for consideration.</p>	<p>Article 81</p> <p>Shareholders individually or jointly holding more than three percent of shares of the Company may bring forward provisional proposals and submit the same in writing to the convenor ten days prior to the shareholders' general meeting <u>or before the deadline of issuing a supplementary circular of shareholders' general meeting as required by the Hong Kong Listing Rules, whichever is earlier.</u> The convenor shall issue a supplementary notice of shareholders' general meeting within two days of receiving the proposals to publish particulars of the provisional proposals, and shall submit the provisional proposals to the shareholders' general meeting for consideration.</p>
<p>Article 82 To hold a shareholders' general meeting, the Company shall issue a written notice stating the matters intended to be considered and the date and venue of the meeting to shareholders who are in the register forty-five days prior to the meeting. Shareholders who intend to attend the shareholders' general meeting shall serve a written reply on attending the meeting to the Company twenty days prior to the meeting.</p> <p>The date on which the meeting is convened and held shall not be included when calculating the starting term.</p>	<p>Article 82 <u>To hold an annual general meeting, the Company shall issue a notice stating the matters to be considered and the date and venue of the meeting to shareholders whose names stand on the register of members twenty business days prior to the meeting; to hold an extraordinary general meeting, the Company shall issue a notice stating the same ten business days or fifteen days (whichever is longer) prior to the meeting.</u></p> <p>The date on which the meeting is convened and held shall not be included when calculating the starting term.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 83 Based on the written replies received twenty days prior to a shareholders' general meeting, the Company shall calculate the number of shares with voting rights represented by the shareholders who intend to attend the meeting. In the event that the number of shares with voting rights represented by the shareholders who intend to attend the meeting reach more than half of the total number of shares of the Company with voting rights, the Company may hold the shareholders' general meeting. In the event that there is less than half of the total number of shares with voting rights, the Company shall within five days notify shareholders once again of the matters to be considered at the meeting as well as the date and venue of meeting by way of announcement. Once a notice is made by announcement, the Company may hold the shareholders' general meeting.</p> <p>Matters not stated in an announcement may not be decided at an extraordinary general meeting.</p>	<p>Article 83 Matters not stated in an announcement may not be decided at an extraordinary general meeting.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 86 Unless otherwise prescribed by the Articles of Association, the notice of a general meeting of shareholders shall be served on shareholder (whether or not such shareholder is entitled to vote at the general meeting of shareholders) by personal delivery or pre-paid mail to the address of the shareholder as shown in the register of shareholders. For the domestic shareholders, the notice of a general meeting of shareholders can also be served by means of public announcement.</p> <p>The aforesaid announcement shall be published in one or more newspapers designated by the securities regulatory authority of the place where the Company is listed during the period of the forty-five (45) days to fifty days (50) prior to the date of the meeting. All holders of the domestic shares shall be deemed to have received the notice of the relevant general meeting of shareholders upon the publication of such announcement.</p>	<p>Article 86 Unless otherwise prescribed by the Articles of Association, the notice of a general meeting of shareholders shall be served on shareholder (whether or not such shareholder is entitled to vote at the general meeting of shareholders) by personal delivery or pre-paid mail to the address of the shareholder as shown in the register of shareholders. For the domestic shareholders, the notice of a general meeting of shareholders can also be served by means of public announcement.</p> <p>The aforesaid announcement shall be published in one or more newspapers designated by the securities regulatory authority of the place where the Shares of the Company are listed. All holders of the domestic shares shall be deemed to have received the notice of the relevant general meeting of shareholders upon the publication of such announcement.</p>
<p>Article 137 In the following conditions, rights of a class of shareholders shall be deemed to have been changed or abrogated:</p>	<p>Article 137 In the following conditions, rights of a class of shareholders shall be deemed to have been changed or abrogated:</p> <p><u>No approval by a class meeting is required for variation or abrogation of rights of class shareholders resulting from any change in laws, regulations and the listing rules of the place where the Company's securities are listed, and those resulting from decisions made by domestic and overseas regulatory authorities in accordance with the laws.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 140 Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders 45 days before the date of the class meeting. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the class meeting.</p> <p>If the shareholders who intend to attend such class meeting represent more than half of the total number of shares of that class which have the right to vote at such meeting, the Company may hold the class meeting; if not, the Company shall within five days give the shareholders further notice of the matters to be considered, the date and the place of the class meeting by way of public announcement or in other manners as stipulated in these Articles of Association, if applicable. The Company may then hold the class meeting after such public announcement or such notice in other manners as stipulated in these Articles of Association, if applicable, has been made.</p>	<p>Article 140 <u>A notice of a class meeting shall be given with reference to the notice period for holding an extraordinary general meeting under Article 82 of the Articles of Association to all shareholders who are registered as holders of that class in the register of shareholders stating the matters to be considered and the date and venue of the class meeting.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 158</p> <p>Any connected transaction between the Company and the connected natural person involving an amount less than RMB300,000 and any connected transaction between the Company and the connected legal person involving an amount less than RMB3 million and less than 0.5% of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the general manager of the Company. The Company shall not provide borrowings for the directors, supervisors and senior executives directly or through subsidiaries.</p> <p>Any connected transaction between the Company and the connected natural person involving over RMB300,000 (inclusive) but less than RMB30 million or involving an amount less than 5% of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the Board of Directors of the Company. Any connected transaction between the Company and the connected legal person involving over RMB3 million (inclusive) or accounting for over 0.5% (inclusive) of the absolute value of the latest audited net assets of the Company but involving less than RMB30 million or involving an amount less than 5% of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the Board of Directors of the Company.</p>	<p>Article 158</p> <p>Any connected transaction between the Company and the connected natural person involving an amount less than RMB300,000 and any connected transaction between the Company and the connected legal person involving an amount less than RMB3 million or less than 0.5 % of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the general manager of the Company. The Company shall not provide borrowings for the directors, supervisors and senior executives directly or through subsidiaries.</p> <p>Any connected transaction between the Company and the connected natural person involving over RMB300,000 (inclusive) but less than RMB30 million or involving an amount less than 5% of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the Board of Directors of the Company. Any connected transaction between the Company and the connected legal person involving over RMB3 million (inclusive) and accounting for over 0.5% (inclusive) of the absolute value of the latest audited net assets of the Company but involving less than RMB30 million or involving an amount less than 5% of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the Board of Directors of the Company.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 169 Voting of the Board of Directors shall be conducted by a show of hands or name-recording ballots.</p> <p>Where the Board of Directors considers, including but not limited to connected transactions, external guarantees, major acquisition or disposal of assets and other issues requiring independent advice from independent directors, the board meeting shall be held as a site meeting.</p> <p>Unless otherwise provided by the laws, regulations and regulatory documents, a resolution can be considered and resolved by correspondence at the provisional board meeting, with the resolution signed by the participating directors, provided that all directors can fully express their opinions.</p>	<p>Article 169 Voting of the Board of Directors shall be conducted by a show of hands or name-recording ballots.</p> <p>Unless otherwise provided by the laws, regulations and regulatory documents, a resolution can be considered and resolved by correspondence at the provisional board meeting, with the resolution signed by the participating directors, provided that all directors can fully express their opinions.</p>
<p>Article 179 The Board of Directors of the Company establishes certain special committees such as the Strategic Development Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee.</p> <p>Special committees shall only comprise of directors, independent directors shall constitute the majority of the Nomination Committee and the Remuneration and Appraisal Committee and the convener (head/chairman) shall be independent directors. The Audit Committee shall comprise of three independent directors, among which at least one independent director shall be an accounting professional, and the convener (head/chairman) shall be the independent directors.</p>	<p>Article 179 The Board of Directors of the Company establishes certain special committees such as the Strategic Development Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee.</p> <p>Special committees shall only comprise of directors, independent directors shall constitute the majority of the Nomination Committee and the Remuneration and Appraisal Committee and the convener (head/chairman) shall be independent directors; <u>the Audit Committee shall comprise of three directors, and independent directors shall constitute the majority thereof</u>, among which at least one independent director shall be an accounting professional, and the convener (head/chairman) shall be the independent director.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 255 Unless otherwise stipulated in the Articles of Association, the notices of general meetings, information and written statements of the Company to holders of overseas listed foreign shares shall be delivered by any of the following methods within 45 days before the date of the meeting:</p>	<p>Article 255 Unless otherwise stipulated in the Article s of Association, the notices of general meetings, information and written statements of the Company to holders of overseas listed foreign shares shall be delivered by any of the following methods:</p>
<p>Article 288 Definitions</p>	<p>Article 288 Definitions</p> <p>(IV) <u>A “business day” referred to in these Articles of Association shall mean any day on which the Hong Kong Stock Exchange is open for the business of dealing in securities.</u></p>

Note: The proposed amendments to the Articles of Association are drafted in Chinese and the English version is a translation only. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

LETTER FROM THE BOARD

IV. PROPOSED AMENDMENT TO THE RULES OF PROCEDURES OF GENERAL MEETINGS OF SHAREHOLDERS

In light of the above-mentioned proposed amendments to the Articles of Association, the Company proposes to make the corresponding amendments to the Rules of Procedures of General Meetings of Shareholders. Such amendments will take effect upon obtaining the approvals at the EGM.

The proposed amendments to the Rules of Procedures of General Meetings of Shareholders are as follow:

Current version	Amended version
<p>Article 1 In order to regulate the conduct of Fuyao Glass Industry Group Co., Ltd. (hereinafter referred to as the “Company”) and to ensure the lawful exercise of powers and functions at general meetings of the Company, the following rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), Letter of Opinions on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing Shareholders’ General Meetings of Listed Companies (Zheng Jian Fa [2006] No. 21) issued by the China Securities Regulatory Commission (hereinafter referred to as “CSRC”), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”) and other</p>	<p>Article 1 In order to regulate the conduct of Fuyao Glass Industry Group Co., Ltd. (hereinafter referred to as the “Company”) and to ensure the lawful exercise of powers and functions at general meetings of the Company, the following rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), <u>the Reply of the State Council on the Adjustment to the Provisions Applicable to the Notice Period of Convening General Meetings of Shareholders and Other Matters Applicable to the Companies Listed Abroad</u>, Letter of Opinions on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing Shareholders’ General Meetings of Listed Companies (Zheng Jian Fa [2006] No. 21) issued by the China</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>relevant laws, administrative rules, regulations and normative documents in the People’s Republic of China (the “PRC”, for the rules, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region) and the provisions of the Articles of Association of Fuyao Glass Industry Group Co., Ltd. (the “Articles of Association”), taking into consideration the actual conditions of the Company.</p>	<p>Securities Regulatory Commission (hereinafter referred to as “CSRC”), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”) and other relevant laws, administrative rules, regulations and normative documents in the People’s Republic of China (the “PRC”, for the rules, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region) and the provisions of the Articles of Association of Fuyao Glass Industry Group Co., Ltd. (the “Articles of Association”), taking into consideration the actual conditions of the Company.</p>
<p>Article 15</p> <p>Shareholders individually or jointly holding more than three percent of shares of the Company may bring forward provisional proposals and submit the same in writing to the convenor ten days prior to the shareholders’ general meeting. The convenor shall issue a supplementary notice of shareholders’ general meeting within two days of receiving the proposals to publish particulars of the provisional proposals.</p>	<p>Article 15</p> <p>Shareholders individually or jointly holding more than three percent of shares of the Company may bring forward provisional proposals and submit the same in writing to the convenor ten days prior to the shareholders’ general meeting <u>or before the deadline of issuing a supplementary circular of shareholders’ general meeting as required by the Hong Kong Listing Rules, whichever is earlier.</u> The convenor shall issue a supplementary notice of shareholders’ general meeting within two days of receiving the proposals to publish particulars of the provisional proposals.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 16 To hold a shareholders' general meeting, the Company shall issue a written notice stating the matters intended to be considered and the date and venue of the meeting to shareholders who are in the register forty-five days prior to the meeting. Shareholders who intend to attend the shareholders' general meeting shall serve a written reply on attending the meeting to the Company twenty days prior to the meeting.</p> <p>The date on which the meeting is convened and held shall not be included when calculating the starting term.</p>	<p>Article 16 <u>To hold an annual general meeting, the Company shall issue a notice stating the matters to be considered and the date and venue of the meeting to shareholders whose names stand on the register of members twenty business days prior to the meeting; to hold an extraordinary general meeting, the Company shall issue a notice stating the same ten business days or fifteen days (whichever is longer) prior to the meeting.</u></p> <p>The date on which the meeting is convened and held shall not be included when calculating the starting term.</p>
<p>Article 17 Based on the written replies received twenty days prior to a shareholders' general meeting, the Company shall calculate the number of shares with voting rights represented by the shareholders who intend to attend the meeting. In the event that the number of shares with voting rights represented by the shareholders who intend to attend the meeting reach more than half of the total number of shares of the Company with voting rights, the Company may hold the shareholders' general meeting. In the event that there is less than half of the total number of shares with voting rights, the Company shall within five days notify shareholders once again of the matters to be considered at the meeting as well as the date and venue of meeting by way of announcement. Once a notice is made by announcement, the Company may hold the shareholders' general meeting.</p> <p>Matters not stated in an announcement may not be decided at an extraordinary general meeting.</p>	<p>Article 17 Matters not stated in an announcement may not be decided at an extraordinary general meeting.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 19</p> <p>The interval between the record date and the date of the meeting shall not be more than seven working days. Once the record date is confirmed, no change may be made thereto.</p>	<p>Article 19</p> <p><u>The record date shall be recognized in accordance with the regulations of the securities regulatory authority of the place where the shares of the Company are listed.</u></p> <p>Once the record date is confirmed, no change may be made thereto.</p>
<p>Article 21 Unless otherwise prescribed by the Articles of Association, the notice of a general meeting of shareholders and the relevant documents shall be served on shareholder (whether or not such shareholder is entitled to vote at the general meeting of shareholders) by personal delivery or pre-paid mail to the address of the shareholder as shown in the register of shareholders. For the domestic shareholders, the notice of a general meeting of shareholders can also be served by means of public announcement.</p> <p>The aforesaid announcement shall be published in one or more newspapers designated by the securities regulatory authority of the place where the Company is listed during the period of the forty-five (45) days to fifty days (50) prior to the date of the meeting. All holders of the domestic shares shall be deemed to have received the notice of the relevant general meeting of shareholders upon the publication of such announcement.</p>	<p>Article 21 Unless otherwise prescribed by the Articles of Association, the notice of a general meeting of shareholders and the relevant documents shall be served on shareholder (whether or not such shareholder is entitled to vote at the general meeting of shareholders) by personal delivery or pre-paid mail to the address of the shareholder as shown in the register of shareholders. For the domestic shareholders, the notice of a general meeting of shareholders can also be served by means of public announcement.</p> <p>The aforesaid announcement shall be published in one or more newspapers designated by the securities regulatory authority of the place where the shares of the Company are listed. All holders of the domestic shares shall be deemed to have received the notice of the relevant general meeting of shareholders upon the publication of such announcement.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 52 Resolutions of a general meeting shall consist of ordinary resolutions and special resolutions, of which:</p> <p>(II) The following issues shall be approved by special resolutions at a general meeting:</p> <ol style="list-style-type: none"> 1. increase or reduction in the registered capital of the Company and the issue of shares of any class, warrants and other similar securities; 2. issue of corporate bonds; 3. split-up, merger, dissolution and liquidation of the Company; 4. amendments to the Articles of Association; 5. the Company's acquisition or disposal of major assets or guarantee for any obligation within one year in an aggregate amount exceeding 30% of the latest audited total assets of the Company; 6. repurchase of shares of the Company; 7. equity incentive scheme; 8. any other matter specified in the laws, administrative regulations, the listing rules of the stock exchange on which the shares of the Company are listed or the Articles of Association and confirmed by an ordinary resolution at a general meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions. 	<p>Article 52 Resolutions of a general meeting shall consist of ordinary resolutions and special resolutions, of which:</p> <p>(II) The following issues shall be approved by special resolutions at a general meeting:</p> <ol style="list-style-type: none"> 1. increase or reduction in the registered capital of the Company and the issue of shares of any class, warrants and other similar securities; 2. issue of corporate bonds; 3. split-up, merger, dissolution and liquidation of the Company; 4. amendments to the Articles of Association; 5. the Company's acquisition or disposal of major assets or guarantee for any obligation within one year in an aggregate amount exceeding 30% of the latest audited total assets of the Company; <u>6. purchase of shares of the Company due to the reduction of the registered capital of the Company;</u> 7. equity incentive scheme; 8. any other matter specified in the laws, administrative regulations, the listing rules of the stock exchange on which the shares of the Company are listed or the Articles of Association and confirmed by an ordinary resolution at a general meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions.

LETTER FROM THE BOARD

Current version	Amended version
Article 62 In the following conditions, rights of a class of shareholders shall be deemed to have been changed or abrogated:	Article 62 In the following conditions, rights of a class of shareholders shall be deemed to have been changed or abrogated: <u>No approval by a class meeting is required for variation or abrogation of rights of class shareholders resulting from any change in laws and regulations, and the listing rules of the place where the securities of the Company are listed, and those resulting from decisions made by domestic and overseas regulatory authorities according to law.</u>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 65 Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders 45 days before the date of the class meeting. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the class meeting.</p> <p>If the shareholders who intend to attend such class meeting represent more than half of the total number of shares of that class which have the right to vote at such meeting, the Company may hold the class meeting; if not, the Company shall within five days give the shareholders further notice of the matters to be considered, the date and the place of the class meeting by way of public announcement. The Company may then hold the class meeting after such public announcement has been made.</p>	<p>Article 65 <u>Where the Company convenes a class meeting, a notice shall be given pursuant to the requirements regarding the notice period for convening an extraordinary general meeting as specified in Article 16 herein to notify all shareholders who are registered as holders of that class in the register of shareholders stating the matters to be considered at the meeting, and the date and venue of the class meeting.</u></p>
<p>Article 70 The “above”, “within” and “below” referred to herein shall be inclusive of the stated figure; while “other than”, “lower than” and “more than” are not inclusive of the stated figure.</p>	<p>Article 70 The “above” and “within” referred to herein shall be inclusive of the stated figure; while “other than”, “lower than” and “more than” are not inclusive of the stated figure.</p> <p><u>A “business day” referred to in these Rules shall mean any day on which the Hong Kong Stock Exchange is open for the business of dealing in securities.</u></p>

Note: The proposed amendments to the Rules of Procedures of General Meetings of Shareholders are drafted in Chinese and the English version is a translation only. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

LETTER FROM THE BOARD

V. RESOLUTION ON PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Pursuant to the provisions under the Company Law, the Code of Corporate Governance for Listed Companies, the Detailed Rules for Implementation of the Buyback of Shares by Listed Companies on the Shanghai Stock Exchange, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (as revised in April 2019) and other relevant laws and regulations, and based on the Company's actual operation needs, the Resolution on Amendments to the Rules of Procedure of the Board of Directors was considered and approved at the 18th meeting of the Board held on January 8, 2021, pursuant to which, it was proposed to amend the Rules of Procedure of the Board of Directors covering such articles as related to buyback of shares and authority to approve connected transactions. The relevant amendments will take effect upon approvals at the EGM.

Specific amendments to the Rules of Procedure of the Board of Directors are as follows:

Current version	Amended version
<p>Article 3 The Board of Directors shall exercise the following powers:</p> <p>(16) Exercising other powers conferred by the laws, administrative regulations, departmental rules or provisions of the Articles of Association and shareholders' general meeting.</p> <p>The Board of Directors may resolve on the issues specified in the preceding paragraphs by approval of more than half of the directors save for the issues specified in Items (6), (7), (12) and by laws, administrative regulations and the Articles of Association, of which approval by more than two thirds of the directors is required. Issues beyond the scope authorized by the general meeting shall be submitted to the general meeting for consideration.</p>	<p>Article 3 The Board of Directors shall exercise the following powers:</p> <p><u>(16) Purchasing its own shares by the Company under any of the circumstances as mentioned in Items (3), (5) and (6) under Article 30 of the Articles of Association, unless such purchase is subject to the approval of the shareholders' meeting as provided by laws, administrative regulations, departmental rules, the listing rules of the stock exchanges on which the securities of the Company are listed;</u></p> <p>(17) Exercising other powers conferred by the laws, administrative regulations, departmental rules or provisions of the Articles of Association and shareholders' general meeting.</p>

LETTER FROM THE BOARD

Current version	Amended version
	<p>The Board of Directors may resolve on the issues specified in the preceding paragraphs by approval of more than half of the directors save for the issues specified in Items (6), (7), (12) and by laws, administrative regulations and the Articles of Association, of which approval by more than two thirds of the directors is required. Issues beyond the scope authorized by the general meeting shall be submitted to the general meeting for consideration.</p>
<p>Article 5</p> <p>A single donation or sponsorship involving over RMB30 million but not more than RMB60 million, and those involving a cumulative amount of not more than RMB70 million in a fiscal year shall be subject to consideration and approval by the Board of Directors. A single donation or sponsorship involving over RMB60 million or those involving a cumulative amount of more than RMB70 million in a fiscal year shall be subject to consideration and approval at the general meeting of the Company. Any connected transaction between the Company and the connected natural person involving an amount less than RMB300,000 and any connected transaction between the Company and the connected legal person involving an amount less than RMB3 million and less than 0.5% of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the general manager of the Company. The Company shall not provide borrowings for directors, supervisors and senior executives directly or through subsidiaries.</p>	<p>Article 5</p> <p>A single donation or sponsorship involving over RMB30 million but not more than RMB60 million, and those involving a cumulative amount of not more than RMB70 million in a fiscal year shall be subject to consideration and approval by the Board of Directors. A single donation or sponsorship involving over RMB60 million or those involving a cumulative amount of more than RMB70 million in a fiscal year shall be subject to consideration and approval at the general meeting of the Company. Any connected transaction between the Company and the connected natural person involving an amount less than RMB300,000 and any connected transaction between the Company and the connected legal person involving an amount less than RMB3 million or less than 0.5% of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the general manager of the Company. The Company shall not provide borrowings for directors, supervisors and senior executives directly or through subsidiaries.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Any connected transaction between the Company and the connected natural person involving over RMB300,000 (inclusive) but less than RMB30 million or involving an amount less than 5% of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the Board of Directors of the Company. Any connected transaction between the Company and the connected legal person involving over RMB3 million (inclusive) or accounting for over 0.5% (inclusive) of the absolute value of the latest audited net assets of the Company but involving less than RMB30 million or involving an amount less than 5% of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the Board of Directors of the Company.</p>	<p>Any connected transaction between the Company and the connected natural person involving over RMB300,000 (inclusive) but less than RMB30 million or involving an amount less than 5% of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the Board of Directors of the Company. Any connected transaction between the Company and the connected legal person involving over RMB3 million (inclusive) and accounting for over 0.5% (inclusive) of the absolute value of the latest audited net assets of the Company but involving less than RMB30 million or involving an amount less than 5% of the absolute value of the latest audited net assets of the Company shall be subject to consideration and approval by the Board of Directors of the Company.</p>
<p>Article 26 In accordance with the relevant resolutions in general meeting, the Board of Directors set up special committees including Strategic Development Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee.</p> <p>All such committees shall consist of directors. The majority of the members of the nomination committee and the remuneration and assessment committee shall be independent directors, who shall be convener(director/chairman) of such committees; the audit committee shall comprise three independent directors, at least one of whom shall be an accounting professional being the convener (director/chairman).</p>	<p>Article 26 In accordance with the relevant resolutions in general meeting, the Board of Directors set up special committees including Strategic Development Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee.</p> <p>All such committees shall consist of directors. The majority of the members of the nomination committee and the remuneration and assessment committee shall be independent directors, who shall be convener(director/chairman) of such committees; the audit committee shall comprise three directors, <u>the Audit Committee shall comprise of three directors, and independent directors shall constitute the majority thereof,</u> among which at least one of whom shall be an accounting professional being the convener (director/chairman).</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 40 The Board meeting shall be convened on site in principle. If necessary, the meeting, on the condition that the directors can fully express their opinions, can be held through video, telephones, fax, email voting, etc. upon the consent of the convener (moderator). In addition, the on-site mode and other modes can be concurrently adopted for the convocation of the Board meeting.</p> <p>If the meeting is convened in an off-site way, the directors present via video and any expressing opinions on the phones as well as the valid votes casted via fax, email or other means within the prescribed period and any directors confirming the attendance thereof in writing afterwards shall be counted in the attendance of the meeting.</p> <p>Where the Board of Directors considers matters, including but not limited to connected transactions, external guarantees, major acquisition or disposal of assets and other issues requiring advices from independent directors, shall be held on site.</p>	<p>Article 40 The Board meeting shall be convened on site in principle. If necessary, the meeting, on the condition that the directors can fully express their opinions, can be held through video, telephones, fax, email voting, etc. upon the consent of the convener (moderator). In addition, the on-site mode and other modes can be concurrently adopted for the convocation of the Board meeting.</p> <p>If the meeting is convened in an off-site way, the directors present via video and any expressing opinions on the phones as well as the valid votes casted via fax, email or other means within the prescribed period and any directors confirming the attendance thereof in writing afterwards shall be counted in the attendance of the meeting.</p>

Note: The proposed amendments to the Rules of Procedure of the Board of Directors are drafted in Chinese and the English version is a translation only. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

LETTER FROM THE BOARD

VI. THE EGM AND THE CLASS MEETINGS

The EGM, the A Share Class Meeting and the H Share Class Meeting of the Company will be held in the conference room of the Company located at Fuyao Industrial Zone, Rongqiao Economic & Technological Development Zone, Fuqing City, Fujian Province, the PRC at 2:00 p.m., 2:15 p.m and 2:30 p.m on Friday, February 26, 2021, respectively. Notices of the EGM and the Class Meetings together with relevant proxy forms were dispatched to Shareholders on January 12, 2021.

Whether or not you are attending the EGM and the Class Meetings, you are requested to carefully read the notices of the EGM and the Class Meetings and complete and return the proxy forms attached to this circular in accordance with the instructions printed thereon as soon as possible. To be valid, H Shareholders shall return the proxy forms or other authorization documents to the Company's H Share Registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited, and in any event not less than 24 hours before the time appointed for holding of the EGM and the H Share Class Meeting (i.e. before 2:00 p.m. on Thursday, February 25, 2021 for the purpose of the EGM; and before 2:30 p.m. on Thursday, February 25, 2021 for the purpose of the H Share Class Meeting) or any adjournment thereof by hand or by post. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM and the H Share Class Meeting or at any adjournment thereof should you so wish.

Should you intend to attend the EGM and the H Share Class Meeting in person or by proxy, you are requested to complete the reply slips attached to this circular in accordance with the instructions printed thereon and return the same to the Company's H Share Registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited, on or before Friday, February 5, 2021 (if you are an H Shareholder).

VII. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions put to the vote at the EGM and the Class Meetings will be decided by way of poll. The poll results will be published on the Company's website at www.fuyaogroup.com and the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the EGM and the Class Meetings.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the matters in relation to the Issuance, the Specific Mandate and the proposed amendments to the Articles of Association, Rules of Procedure for General Meetings and Rules of Procedure for the Board of Directors, and no Shareholder has to abstain from voting at the EGM and the Class Meetings on the above resolutions.

LETTER FROM THE BOARD

VIII. RECOMMENDATION

The Board considers that all the resolutions to be proposed at the EGM and the Class Meetings are in the interests of the Company and the Shareholders as a whole, and accordingly the Board recommends you to vote in favour of all the resolutions at the EGM and the Class Meetings.

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

Fuzhou, Fujian, the PRC