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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)

REPORT FOR THE FIRST QUARTER 2018

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

Set out below is the report for the first quarter 2018 of Fuyao Glass Industry Group Co., Ltd. (the “**Company**”) and its subsidiaries for the three months ended March 31, 2018 (the “**Reporting Period**”). The financial report contained herein is prepared pursuant to the PRC Accounting Standards for Business Enterprises and has not been audited.

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

Fuzhou, Fujian, the PRC, April 27, 2018

As at the date of this announcement, the board of directors of the Company comprises Mr. Cho Tak Wong, Mr. Chen Xiangming and Ms. Sun Yiqun, as executive directors; Mr. Tso Fai, Mr. Wu Shinong and Ms. Zhu Dezhen, as non-executive directors; Ms. Cheung Kit Man Alison, Ms. Liu Xiaozhi and Mr. Wu Yuhui, as independent non-executive directors.

I. IMPORTANT NOTICE

1.1 The board of directors, board of supervisors, directors, supervisors and senior management members of the Company shall 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.

1.2 Directors absent

Name of absent directors	Position of absent directors	Reason for absence	Name of proxies
Sun Yiqun	Director	Other work commitments	Chen Xiangming
Wu Shinong	Director	Other work commitments	Zhu Dezhen

1.3 Cho Tak Wong, person-in-charge of the Company, Chen Xiangming, the principal-in-charge of accounting, and Qiu Yongnian, head of the Accounting Department (person-in-charge of accounting), warrant the truthfulness, accuracy and completeness of the financial statements set out in the quarterly report.

1.4 The 2018 first quarterly report of the Company has not been audited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major financial data

Unit: Yuan Currency: RMB

	As at the end of this Reporting Period	As at the end of previous year	Increase/decrease at the end of this Reporting Period as compared with the end of previous year (%)
Total assets	33,404,363,606	31,704,009,489	5.36
Net assets attributable to shareholders of the listed company	19,357,810,414	19,000,835,533	1.88

	From the beginning of 2018 to the end of the Reporting Period	From the beginning of previous year to the end of the reporting period of previous year	Increase/decrease as compared with the corresponding period of previous year (%)
Net cash flows from operating activities	1,124,024,008	1,052,335,467	6.81
	From the beginning of 2018 to the end of the Reporting Period	From the beginning of previous year to the end of the reporting period of previous year	Increase/decrease as compared with the corresponding period of previous year (%)
Operating revenue	4,747,842,101	4,197,598,309	13.11
Net profit attributable to shareholders of the listed company	562,617,916	692,879,063	-18.80
Net profits attributable to shareholders of the listed company, net of non-recurring gains or losses	594,857,072	685,237,597	-13.19
Return rate on weighted average net assets (%)	2.92	3.77	Decreased by 0.85 percentage point
Basic earnings per share (RMB/share)	0.22	0.28	-21.43
Diluted earnings per share (RMB/share)	0.22	0.28	-21.43

During the Reporting Period, the Company realized operating revenue of RMB4,747,842,100, representing an increase of 13.11% as compared with the corresponding period last year; realized total profit of RMB697,639,300, representing a decrease of 19.08% as compared with the corresponding period last year, which was mainly due to an exchange loss and a loss from changes in fair value of RMB252,093,500 (a loss of RMB39,013,000 from January to March 2017) in aggregate resulting from the RMB appreciation during the Reporting Period; without taking this factor into account, the total profit for the Reporting Period represented a year-on-year increase of 5.39%.

Non-recurring profit and loss items and amounts

Unit: Yuan Currency: RMB

Items	Amount for the current period
Profit and loss from disposal of non-current assets	-2,319,874
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 entitled continuously to a fixed amount or fixed quantity under the requirements of the State policies)	16,852,628
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 and 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	-53,441,941
Other non-operating income and expenses other than the above items	405,399
Impact on non-controlling interests (after tax)	57,243
Effect of income tax	6,207,389
Total	<u><u>-32,239,156</u></u>

2.2 Total number of shareholders, the shareholdings of the top ten shareholders and top ten shareholders with tradable shares (or shareholders not subject to selling restrictions) as at the end of the Reporting Period

As at March 31, 2018, the total number of shareholders of the Company was 97,378, of which, 97,319 were holders of A shares and 59 were holders of H shares.

Unit: Shares

Total number of shareholders 97,378

Shareholding of top ten shareholders

Name of shareholders (Full name)	Shareholding at		Number of shares held with selling restrictions	Pledge or moratorium		Nature of shareholder
	the end of period	Percentage (%)		Status of shares	Number	
HKSCC NOMINEES LIMITED <i>(Note)</i>	491,619,200	19.60		Unknown		Unknown
Sanyi Development Limited	390,578,816	15.57		Nil		Overseas legal entity
Heren Charitable Foundation	290,000,000	11.56		Nil		Domestic non-state-owned legal entity
Hong Kong Securities Clearing Company Limited	254,006,983	10.13		Unknown		Unknown
TEMASEK FULLERTON ALPHA PTE LTD	38,653,598	1.54		Unknown		Unknown
Bai Yongli	34,653,315	1.38		Unknown		Unknown
Fujian Yaohua Industrial Village Development Co., Ltd.	34,277,742	1.37		Pledged	12,000,000	Domestic non-state-owned legal entity
Central Huijin Asset Management Ltd.	24,598,300	0.98		Unknown		Unknown
Li Haiqing	21,942,159	0.87		Unknown		Unknown
Li Shengqing	20,725,938	0.83		Unknown		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 <i>(Note)</i>	491,619,200	Overseas listed foreign shares	491,619,200
Sanyi Development Limited	390,578,816	Ordinary shares denominated in RMB	390,578,816
Heren Charitable Foundation	290,000,000	Ordinary shares denominated in RMB	290,000,000
Hong Kong Securities Clearing Company Limited	254,006,983	Ordinary shares denominated in RMB	254,006,983
TEMASEK FULLERTON ALPHA PTE LTD	38,653,598	Ordinary shares denominated in RMB	38,653,598
Bai Yongli	34,653,315	Ordinary shares denominated in RMB	34,653,315
Fujian Yaohua Industrial Village Development Co., Ltd.	34,277,742	Ordinary shares denominated in RMB	34,277,742
Central Huijin Asset Management Ltd.	24,598,300	Ordinary shares denominated in RMB	24,598,300
Li Haiqing	21,942,159	Ordinary shares denominated in RMB	21,942,159
Li Shengqing	20,725,938	Ordinary shares denominated in RMB	20,725,938

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 the same family members. Among the remaining eight shareholders not subject to selling restrictions, it is uncertain whether there is any connected relationship among the shareholders and whether such shareholders are parties acting in concert which fall within the meaning under the “Measures for the Administration of Information Disclosure of Change of Shareholdings Held by Shareholders of Listed Companies”.

Note: HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司) holds shares on behalf of several customers.

III. SIGNIFICANT EVENTS

3.1 Particulars and reasons of material changes in major accounting items and financial indicators of the Company

3.1.1 Particulars and reasons of material changes in major balance sheet items of the Company as at the end of the Reporting Period

Unit: Yuan Currency: RMB

Items	Balance as at the end of the period	Balance		Percentage of increase/ decrease
		as at the beginning of the year	Increase/ decrease	
Other receivables	205,092,235	105,412,820	99,679,415	94.56%
Financial liabilities at fair value through profit or loss	54,638,844	23,190,469	31,448,375	135.61%
Advances from customers	33,264,568	18,007,856	15,256,712	84.72%
Employee benefits payable	216,535,065	439,505,286	-222,970,221	-50.73%
Other comprehensive income	-410,051,797	-204,408,762	-205,643,035	100.60%

- a. Increase in other receivables was mainly due to the deposits paid by Fuyao Europe GmbH, a subsidiary of the Company, for lease of properties in the current period.
- b. Increase in financial liabilities at fair value through profit or loss was due to an increase in the estimated unrealized loss incurred by unsettled currency swap contracts as a result of the fluctuation of foreign exchange rates.
- c. Increase in advances from customers was mainly due to an increase in payments for products and technological equipment from customers in advance.
- d. Decrease in employee benefits payable was mainly due to the payment of the annual bonus provided for in the previous year during the Reporting Period.
- e. Decrease in other comprehensive income was due to a decrease in currency translation differences arising from RMB appreciation during the Reporting Period.

3.1.2 Analysis on the reasons for significant changes in major items of the income statement of the Company during the Reporting Period

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the comparable period	Increase/ decrease	Percentage of increase/ decrease
Financial expenses	265,408,254	26,025,477	239,382,777	919.80%
Gain or loss arising from changes in fair value	-33,513,676	-3,576,480	-29,937,196	837.06%
Profit or loss from disposal of assets	-2,319,874	-14,348,093	12,028,219	-83.83%

- a. Year-on-year increase in financial expenses was mainly due to the foreign exchange losses of RMB219 million during the Reporting Period as compared with the foreign exchange losses of RMB35 million for the corresponding period of last year.
- b. Loss arising from changes in fair value was mainly due to the estimated unrealized loss incurred by unsettled currency swap contracts as a result of the fluctuation of foreign exchange rates.
- c. Changes in loss from disposal of assets was mainly due to a year-on-year decrease in scrapping and disposal of fixed assets during the Reporting Period.

3.1.3 Analysis on the reasons for substantial changes in major cash flow items of the Company

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the comparable period	Increase/ decrease	Percentage of increase/ decrease
Refund of taxes and surcharges	87,200,338	56,272,360	30,927,978	54.96%
Cash received relating to other investing activities	60,764,000	3,521,710	57,242,290	1,625.41%
Cash paid relating to other investing activities	0	300,000,000	-300,000,000	-100.00%
Cash received from borrowings	3,079,765,358	1,546,645,436	1,533,119,922	99.13%
Cash payments for interest expenses and distribution of dividends or profits	79,990,525	33,591,896	46,398,629	138.12%

- a. Refund of taxes and surcharges was mainly due to the receipt of the export tax refund that should be refunded but had not been refunded at the end of last year during the Reporting Period.
- b. Increase in cash received relating to other investing activities was mainly due to an increase in government subsidies relating to the assets.
- c. Year-on-year change in cash paid relating to other investing activities was due to the expense arising from purchase of bank wealth management products with principal preservation with floating return and for a term of six months for the corresponding period of last year.
- d. Cash received from borrowings was mainly due to an increase in cash reserve (monetary funds were increased by RMB1,690 million as compared with the beginning of the year).
- e. Increase in cash payments for interest expenses and distribution of dividends or profits was mainly due to a year-on-year increase in interest-bearing liabilities and an increase in interest payments as a result of higher interest rates on borrowings.

3.2 Progress of important events and their influence and analysis on the solution

Not applicable

3.3 Undertakings that have fallen due but not yet completed during the Reporting Period

Background of undertakings	Type of undertakings	Undertaking party	Content of undertakings	Time and term of undertakings	Has performance period or not	Fulfill in a timely and strict manner or not
Other undertakings	Dividend distribution	Fuyao Glass Industry Group Co., Ltd.	The dividend distribution plan for the equity holders of the Company for the next three years (2015–2017) is as follows: 1. Method of profit distribution: Subject to relevant laws, regulations, normative documents, Articles of Association and relevant provisions and conditions under this plan, and on the premise that the consistency and stability of the profit distribution policy are guaranteed, the Company may distribute dividends in cash, in shares, in a combination of both cash and shares or otherwise as permitted by laws and regulations. The profit distribution shall not exceed the accumulative distributable profit without prejudice to the Company's ability of continuing operation. Among these distribution methods, preference will be given to cash dividend as compared to share dividend. Whenever the Company qualifies to distribute cash dividend, the cash dividend shall be adopted for profit distribution. If the Company decides to distribute profit by way of share dividend, such real and reasonable factors as the Company's growth and dilution of net asset value per share shall be taken into consideration. 2. Frequency of profit distribution: On the premise that the Company records profit for the year with positive accumulative profit undistributed, it shall make profit distribution at least once a year. The Company can also declare interim cash dividend. In the next three years, the board of the Company can propose to declare interim dividend according to the current profit rate, condition of cash flow, development stage and capital needs. 3. The specific conditions of cash dividend and the minimum ratio of cash dividend: Under the precondition that the Company can maintain continuing operation and long-term development, if the Company has no such matters as major investment plans or major cash expenditures (other than investment projects funded with proceeds from fund raising), the Company shall, on the premise that the Company records profit for the year with positive accumulative profit undistributed, distribute dividend in cash and the profit of the Company distributed in cash shall be no less than 20% of the distributable profit achieved during that year. The specific dividend ratio for each year shall be proposed by the board according to the annual profit performance and the future capital use plan of the Company. 4. Specific conditions under which shares will be issued in lieu of dividends: Where the Company's business is in a sound condition and the board considers that the earning per share, stock price and net asset value per share of the Company do not reflect its share capital size, the Company may propose dividend distribution in shares, provided that the above conditions of dividend distribution in cash are fully satisfied. When determining the specific amount of profit distribution in shares, full consideration shall be given to whether the total share capital upon distribution of dividend in share	Publishing date of undertakings: March 12, 2015 Performance period of undertakings: between January 1, 2015 and December 31, 2017	Yes	Yes

Background of undertakings	Type of undertakings	Undertaking party	Content of undertakings	Time and term of undertakings	Has performance period or not	Fulfill in a timely and strict manner or not
			<p>matches with the current operation size, profit growth and dilution of net asset value per share of the Company while the influence on cost of future debt financing shall be taken into consideration to ensure the profit distribution plan in compliance with the overall interest and long-term benefit of the shareholders as a whole.</p> <p>5. Differential cash dividend policy: the board of the Company shall take into comprehensive consideration on such factors as the characteristics and development stage of the industry where the Company operates its business, its operational model, earnings level and the existence of major capital expenditure arrangements, to classify the followings and propose differential cash dividend policy according to the procedures stipulated in the Articles of Association: (1) where the Company is at developed stage without any major capital expenditure arrangement, the minimum ratio taken by cash dividend in the profit distribution shall be 80% when distributing profit; (2) where the Company is at developed stage with major capital expenditure arrangement, the minimum ratio taken by cash dividend in the profit distribution shall be 40% when distributing profit; (3) where the Company is at developing stage with major capital expenditure arrangement, the minimum ratio taken by cash dividend in the profit distribution shall be 20% when distributing profit; where it is hard to classify the development stage of the Company and there is any major capital expenditure arrangement, the Company may deal with the profit distribution according to the former item. 6. If the Company recorded profit in the previous financial year but the board of the Company did not propose any cash dividend plan at the end of the previous financial year, the Company shall consult with its independent directors and disclose in the periodic report the reasons for not to propose cash dividend plan and the purpose of reserving the capital that has not been used for dividend distribution. Independent directors shall express independent opinions and disclose the same publicly. 7. Formulation and implementation of profit distribution plan: at the end of each financial year, the board of the Company shall propose a profit distribution plan and submit to the general meeting for consideration. The Company welcomes any suggestion from all shareholders, independent directors and the supervisory committee in respect of its profit distribution plan and their supervision thereof. After the profit distribution plan is resolved at the general meeting of the Company, the board of the Company shall complete the distribution of dividend (or share) within two months after convening the general meeting.</p>			

3.4 Explanation on the warning on and reason for the predicted loss in the accumulative net profit for the period from the beginning of the year to the end of next reporting period or possible substantial changes as compared to the corresponding period of last year

Not applicable

Name of the Company	Fuyao Glass Industry Group Co., Ltd.
Legal representative	Cho Tak Wong
Date	April 26, 2018

IV. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet

March 31, 2018

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

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	Closing balance	Opening balance
Current assets:		
Cash at bank and on hand	8,417,565,937	6,728,200,042
Settlement provisions		
Placement		
Financial assets at fair value through profit or loss	101,284,102	105,489,404
Derivative financial assets		
Notes receivable	984,288,246	921,383,461
Accounts receivable	3,280,617,104	3,716,260,518
Advances to suppliers	246,376,071	195,521,295
Premiums receivable		
Reinsurance receivable		
Deposits receivable from reinsurance treaty		
Interest receivable		
Dividends receivable		
Other receivables	205,092,235	105,412,820
Financial assets purchased for resale		
Inventories	3,021,793,510	2,974,677,451
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	185,345,762	259,548,554
Total current assets	16,442,362,967	15,006,493,545

Items	Closing balance	Opening balance
Non-current assets:		
Loans and advances		
Available-for sale financial assets		
Held-to-maturity investments		
Long-term receivables	190,000,000	190,000,000
Long-term equity investments	95,305,101	95,519,959
Investment properties		
Fixed assets	11,565,398,819	11,151,786,090
Construction in progress	3,130,807,312	3,366,783,284
Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		
Oil and gas assets		
Intangible assets	1,158,169,552	1,098,130,404
Development costs		
Goodwill	74,678,326	74,678,326
Long-term prepaid expenses	460,572,225	438,811,527
Deferred tax assets	286,659,403	280,595,644
Other non-current assets	409,901	1,210,710
	<hr/>	<hr/>
Total non-current assets	<u><u>16,962,000,639</u></u>	<u><u>16,697,515,944</u></u>
Total assets	<u><u>33,404,363,606</u></u>	<u><u>31,704,009,489</u></u>

Items	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	6,939,211,500	5,379,161,092
Borrowings from the central bank		
Customer and interbank deposits		
Borrowing from interbank		
Financial liabilities at fair value through profit or loss	54,638,844	23,190,469
Derivative financial liabilities		
Notes payable	1,129,524,625	977,677,867
Accounts payable	1,223,561,023	1,423,419,251
Advances from customers	33,264,568	18,007,856
Amount from sales of repurchased financial assets		
Bank charges and commissions due		
Employee benefits payable	216,535,065	439,505,286
Taxes payable	235,063,113	313,192,643
Interest payable	36,191,588	29,257,043
Dividends payable		
Other payables	1,037,225,895	1,039,849,135
Reinsurance accounts payable		
Provisions for insurance contracts		
Customer deposits for trading in securities		
Amounts due to issuer for securities underwriting		
Held-for-sale liabilities		
Non-current liabilities due within one year	8,500,000	8,500,000
Other current liabilities		
Total current liabilities	<u>10,913,716,221</u>	<u>9,651,760,642</u>

Items	Closing balance	Opening balance
Non-current liabilities:		
Long-term borrowings	1,738,000,000	1,711,000,000
Debtures payables	798,837,845	798,605,414
Including: Preference shares		
Perpetual liabilities		
Long-term payables		
Long-term salaries payable		
Specific payables		
Accrued liabilities		
Deferred income	514,821,834	461,594,918
Deferred tax liabilities	76,684,432	75,790,241
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u>3,128,344,111</u>	<u>3,046,990,573</u>
Total liabilities	<u>14,042,060,332</u>	<u>12,698,751,215</u>
Owners' equity		
Share capital	2,508,617,532	2,508,617,532
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital surplus	6,224,133,097	6,224,133,097
Less: inventory shares		
Other comprehensive income	-410,051,797	-204,408,762
Special reserve		
Surplus reserve	1,912,914,559	1,912,914,559
General risk reserve		
Undistributed profits	9,122,197,023	8,559,579,107
	<hr/>	<hr/>
Total equity attributable to equity holders of the Company	<u>19,357,810,414</u>	<u>19,000,835,533</u>

Items	Closing balance	Opening balance
Minority interests	<u>4,492,860</u>	<u>4,422,741</u>
Total owners' equity	<u>19,362,303,274</u>	<u>19,005,258,274</u>
Total liabilities and owners' equity	<u>33,404,363,606</u>	<u>31,704,009,489</u>

<i>Legal representative:</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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Balance Sheet of the Company

March 31, 2018

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

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	Closing balance	Opening balance
Current assets:		
Cash at bank and on hand	8,154,693,584	6,353,866,585
Financial assets at fair value through profit or loss	101,284,102	105,489,404
Derivative financial assets		
Notes receivable	892,427,737	853,199,702
Accounts receivable	609,962,702	615,981,816
Advances to suppliers	100,606,490	31,810,021
Interest receivable		
Dividends receivable	2,364,667,572	109,615,449
Other receivables	8,315,693,445	8,647,678,460
Inventories	366,435,445	355,656,461
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	23,877,381	42,339,542
Total current assets	<u>20,929,648,458</u>	<u>17,115,637,440</u>

Items	Closing balance	Opening balance
Non-current assets:		
Available-for sale financial assets		
Held-to-maturity investments		
Long-term receivables	3,542,864,772	3,667,553,044
Long-term equity investments	6,670,085,606	6,527,388,995
Investment properties		
Fixed assets	815,884,809	617,442,186
Construction in progress	36,895,143	210,707,551
Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		
Oil and gas assets		
Intangible assets	60,455,197	52,471,474
Development costs		
Goodwill	48,490,007	48,490,007
Long-term prepaid expenses	15,385,216	15,685,546
Deferred tax assets	100,177,887	94,464,201
Other non-current assets		
	-----	-----
Total non-current assets	<u>11,290,238,637</u>	<u>11,234,203,004</u>
Total assets	<u>32,219,887,095</u>	<u>28,349,840,444</u>

Items	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	4,590,042,283	3,803,754,092
Financial liabilities at fair value through profit or loss	51,407,584	22,857,761
Derivative financial liabilities		
Notes payable	1,525,962,531	1,048,884,887
Accounts payable	183,541,681	206,203,916
Advances from customers	62,286,410	189,827,470
Employee benefits payable	32,018,194	99,787,168
Taxes payable	3,091,168	2,599,671
Interest payable	35,454,001	28,713,638
Dividends payable		
Other payables	6,416,394,460	5,742,956,898
Held-for-sale liabilities		
Non-current liabilities due within one year	8,500,000	8,500,000
Other current liabilities		
	_____	_____
Total current liabilities	<u><u>12,908,698,312</u></u>	<u><u>11,154,085,501</u></u>

Items	Closing balance	Opening balance
Non-current liabilities:		
Long-term borrowings	1,671,000,000	1,671,000,000
Debtentures payables	798,837,845	798,605,414
Including: Preference shares		
Perpetual liabilities		
Long-term payables		
Long-term salaries payable		
Specific payables		
Accrued liabilities		
Deferred income	27,064,504	27,449,475
Deferred tax liabilities	33,227,733	33,300,859
Other non-current liabilities		
	_____	_____
Total non-current liabilities	<u>2,530,130,082</u>	<u>2,530,355,748</u>
Total liabilities	<u>15,438,828,394</u>	<u>13,684,441,249</u>

Items	Closing balance	Opening balance
Owners' equity:		
Share capital	2,508,617,532	2,508,617,532
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital surplus	6,202,552,740	6,202,552,740
Less: inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	1,912,914,559	1,912,914,559
Undistributed profits	6,156,973,870	4,041,314,364
Total owners' equity	<u>16,781,058,701</u>	<u>14,665,399,195</u>
Total liabilities and owners' equity	<u>32,219,887,095</u>	<u>28,349,840,444</u>

Legal representative:
Cho Tak Wong

*Principal in charge of
accounting:*
Chen Xiangming

*Head of the Accounting
Department:*
Qiu Yongnian

Consolidated Income Statement

January to March 2018

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

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	Amount for the current period	Amount for the corresponding period of previous year
I. Total operating revenue	4,747,842,101	4,197,598,309
Including: Operating revenue	4,747,842,101	4,197,598,309
Interest income		
Premiums earned		
Income from handling fees and commissions		
II. Total cost of sales	4,031,412,374	3,343,866,027
Including: Cost of sales	2,757,766,700	2,344,169,420
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	44,195,128	47,680,613
Selling and distribution expenses	323,477,728	314,753,365
General and administrative expenses	641,696,296	609,978,100
Financial expenses	265,408,254	26,025,477
Asset impairment losses	-1,131,732	1,259,052
Add: Profit arising from changes in fair value (losses are represented by "-")	-33,513,676	-3,576,480
Investment income (losses are represented by "-")	-214,858	-168,647
Including: Share in profit of associates and joint ventures	-214,858	-168,647
Gains from disposal of assets (losses are represented by "-")	-2,319,874	-14,348,093
Gains from foreign exchange (losses are represented by "-")		
Other income	16,847,628	23,813,811

Items	Amount for the current period	Amount for the corresponding period of previous year
III. Operating profit (losses are represented by “-”)	697,228,947	859,452,873
Add: Non-operating income	1,069,253	2,863,862
Less: Non-operating expenses	658,854	206,919
IV. Total Profit (total losses are represented by “-”)	697,639,346	862,109,816
Less: Income tax expenses	134,951,311	170,077,760
V. Net Profit (net losses are represented by “-”)	562,688,035	692,032,056
(I) Classified on a going concern basis		
1. Net profit from continuing operations (net losses are represented by “-”)	562,688,035	692,032,056
2. Net profit from discontinued operations (net losses are represented by “-”)		
(II) Classified according to ownership		
1. Minority interests	70,119	-847,007
2. Net profit attributable to shareholders of the Company	562,617,916	692,879,063

Items	Amount for the current period	Amount for the corresponding period of previous year
VI. Net amount of other comprehensive income after tax	-205,643,035	17,562,938
Net amount of other comprehensive income after tax attributable to the equity holders of the Company	-205,643,035	17,562,938
(I) Other comprehensive income which will not be reclassified subsequently to gain or loss		
1. Changes in re-measurement of net liabilities or net assets of defined benefit plans		
2. Shares in other comprehensive income which will not be reclassified into profit and loss of investee entities under the equity method		
(II) Other comprehensive income which will be reclassified subsequently to gain or loss	-205,643,035	17,562,938
1. Shares in other comprehensive income which will be reclassified into profit and loss of investee entities under equity method		
2. Gain or loss from changes in fair value of available-for-sale financial assets		
3. Gain or loss from reclassification of held-to-maturity investments as available-for-sale financial assets		
4. Valid part of profit and loss from hedging cash flow		
5. Difference on translation of foreign financial statements	-205,643,035	17,562,938
6. Others		
Net amount of other comprehensive income after tax attributable to minority interest		

Items	Amount for the current period	Amount for the corresponding period of previous year
VII. Total comprehensive income	357,045,000	709,594,994
Total comprehensive income attributable to the equity holders of the Company	356,974,881	710,442,001
Total comprehensive income attributable to minority shareholders	70,119	-847,007
VIII. Earnings per share		
(1) Basic earnings per share <i>(RMB/share)</i>	0.22	0.28
(2) Diluted earnings per share <i>(RMB/share)</i>	0.22	0.28

For the merger of enterprise under common control during the period, the net profit recorded by the merged party before the merger is RMB0, and the net profit recorded by the merged party in the previous period is RMB0.

<i>Legal representative:</i>	<i>Principal in charge of</i>	<i>Head of the Accounting</i>
Cho Tak Wong	<i>accounting:</i>	<i>Department:</i>
	Chen Xiangming	Qiu Yongnian

Income Statement of the Company

January to March 2018

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

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	Amount for the current period	Amount for the corresponding period of previous year
I. Operating revenue	1,038,341,043	991,685,651
Less: Cost of sales	931,853,557	916,761,889
Taxes and surcharges	4,480,382	4,758,344
Selling and distribution expenses	51,359,319	50,440,067
General and administrative expenses	81,816,699	97,265,279
Financial expenses	301,496,995	19,626,471
Asset impairment losses	-276,865	557,690
Add: Profit arising from changes in fair value (losses are represented by “-”)	-30,615,125	
Investment income (losses are represented by “-”)	2,472,635,716	2,282,822,787
Including: Share in profit of associates and joint ventures	1,093,971	724,596
Gains from disposal of assets (losses are represented by “-”)	-856,032	-318,167
Other income	1,054,310	2,572,406
II. Operating profit (losses are represented by “-”)	2,109,829,825	2,187,352,937
Add: Non-operating income	42,868	31,790
Less: Non-operating expenses		
III. Total Profit (total losses are represented by “-”)	2,109,872,693	2,187,384,727
Less: Income tax expenses	-5,786,813	3,024,297
IV. Net Profit (net losses are represented by “-”)	2,115,659,506	2,184,360,430
(I) Net profit from continuing operations (net losses are represented by “-”)	2,115,659,506	2,184,360,430
(II) Net profit from discontinued operations (net losses are represented by “-”)		

Items	Amount for the current period	Amount for the corresponding period of previous year
V. Net amount of other comprehensive income after tax		
(I) Other comprehensive income which will not be reclassified subsequently to gain or loss		
1. Changes in re-measurement of net liabilities or net assets of defined benefit plans		
2. Shares in other comprehensive income which will not be reclassified into profit and loss of investee entities under the equity method		
(II) Other comprehensive income which will be reclassified subsequently to gain or loss		
1. Shares in other comprehensive income which will be reclassified into profit and loss of investee entities under equity method		
2. Gain or loss from changes in fair value of available-for-sale financial assets		
3. Gain or loss from reclassification of held-to-maturity investments as available-for-sale financial assets		
4. Valid part of profit and loss from hedging cash flow		
5. Difference on translation of foreign financial statements		
6. Others		

Items	Amount for the current period	Amount for the corresponding period of previous year
VI. Total comprehensive income	2,115,659,506	2,184,360,430

VII. Earnings per share:

(1) Basic earnings per share (<i>RMB/share</i>)	Not applicable	Not applicable
(2) Diluted earnings per share (<i>RMB/share</i>)	Not applicable	Not applicable

<i>Legal representative:</i>	<i>Principal in charge of accounting:</i>	<i>Head of the Accounting Department:</i>
Cho Tak Wong	Chen Xiangming	Qiu Yongnian

Consolidated Cash Flow Statement
January to March 2018

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

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	Amount for the current period	Amount for the corresponding period of previous year
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	5,578,377,122	5,188,972,399
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		
Net increase in disposal of financial assets at fair value and its changes are calculated into profit or loss in the current period		
Cash received from interest, fees and commissions		
Net increase in borrowings from interbank		
Net increase in cash received from repurchase business		
Refund of taxes and surcharges	87,200,338	56,272,360
Cash received relating to other operating activities	51,993,274	57,178,068
Sub-total of cash inflows from operating activities	<u>5,717,570,734</u>	<u>5,302,422,827</u>

Items	Amount for the current period	Amount for the corresponding period of previous year
Cash paid for goods and services	2,964,279,442	2,651,604,112
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		
Cash paid for interest, fees and commissions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	1,107,394,760	986,043,232
Payments of taxes and surcharges	470,186,446	558,765,495
Cash paid relating to other operating activities	51,686,078	53,674,521
Sub-total of cash outflows from operating activities	<u>4,593,546,726</u>	<u>4,250,087,360</u>
Net cash flows from operating activities	<u>1,124,024,008</u>	<u>1,052,335,467</u>

Items	Amount for the current period	Amount for the corresponding period of previous year
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	15,030,083	11,858,878
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	60,764,000	3,521,710
Sub-total of cash inflows from investing activities	<u>75,794,083</u>	<u>15,380,588</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	821,314,025	695,352,632
Cash paid to acquire investments		
Net increase in secured loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		300,000,000
Sub-total of cash outflows from investing activities	<u>821,314,025</u>	<u>995,352,632</u>
Net cash flows from investing activities	<u>-745,519,942</u>	<u>-979,972,044</u>

Items	Amount for the current period	Amount for the corresponding period of previous year
III. Cash flows from financing activities:		
Cash received from capital contributions Including: Cash received from capital contributions by minority shareholders of subsidiaries	3,079,765,358	1,546,645,436
Cash received from borrowings	3,079,765,358	1,546,645,436
Cash received from issuance of debentures		
Cash received relating to other financing activities	_____	_____
Sub-total of cash inflows from financing activities	<u>3,079,765,358</u>	<u>1,546,645,436</u>
Cash repayments of borrowings	1,492,714,950	1,456,807,150
Cash payments for interest expenses and distribution of dividends or profits	79,990,525	33,591,896
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		
Cash payment relating to other financing activities	_____	_____
Sub-total of cash outflows from financing activities	<u>1,572,705,475</u>	<u>1,490,399,046</u>
Net cash flows from financing activities	<u>1,507,059,883</u>	<u>56,246,390</u>

Items	Amount for the current period	Amount for the corresponding period of previous year
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-191,013,485	-32,948,311
V. Net increase in cash and cash equivalents	1,694,550,464	95,661,502
Add: Cash and cash equivalents balance at the beginning of the period	6,704,295,628	7,198,834,331
VI. Cash and cash equivalents balance at the end of the period	<u>8,398,846,092</u>	<u>7,294,495,833</u>

<i>Legal representative:</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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Cash Flow Statement of the Company
January to March 2018

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

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	Amount for the current period	Amount for the corresponding period of previous year
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	863,906,373	828,653,998
Refund of taxes and surcharges	83,503,877	50,534,106
Cash received relating to other operating activities	1,417,427,130	662,548,738
Sub-total of cash inflows from operating activities	<u>2,364,837,380</u>	<u>1,541,736,842</u>
Cash paid for goods and services	905,192,243	1,025,139,005
Cash paid to and on behalf of employees	141,047,658	134,271,707
Payments of taxes and surcharges	5,173,104	31,536,824
Cash paid relating to other operating activities	67,735,125	88,690,959
Sub-total of cash outflows from operating activities	<u>1,119,148,130</u>	<u>1,279,638,495</u>
Net cash flows from operating activities	<u>1,245,689,250</u>	<u>262,098,347</u>

Items	Amount for the current period	Amount for the corresponding period of previous year
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from returns on investments	216,489,622	135,409,511
Net cash received from disposal of fixed assets, intangible assets and other long- term assets		323,175
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from investing activities	216,489,622	135,732,686
	<hr/> <hr/>	<hr/> <hr/>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	58,827,672	52,731,893
Cash paid to acquire investments	141,602,640	86,313,289
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		300,000,000
	<hr/>	<hr/>
Sub-total of cash outflows from investing activities	200,430,312	439,045,182
	<hr/> <hr/>	<hr/> <hr/>
Net cash flows from investing activities	16,059,310	-303,312,496
	<hr/> <hr/>	<hr/> <hr/>

Items	Amount for the current period	Amount for the corresponding period of previous year
III. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received from borrowings	1,889,003,141	1,301,902,701
Cash received relating to other financing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	<u>1,889,003,141</u>	<u>1,301,902,701</u>
Cash repayments of borrowings	1,102,714,950	658,140,265
Cash payments for interest expenses and distribution of dividends or profits	60,678,832	13,460,506
Cash payment relating to other financing activities		
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	<u>1,163,393,782</u>	<u>671,600,771</u>
Net cash flows from financing activities	<u>725,609,359</u>	<u>630,301,930</u>
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-186,530,920	-33,224,026
V. Net increase in cash and cash equivalents	1,800,826,999	555,863,755
Add: Cash and cash equivalents balance at the beginning of the period	6,353,866,585	6,587,731,042
VI. Cash and cash equivalents balance at the end of the period	<u>8,154,693,584</u>	<u>7,143,594,797</u>

Legal representative:
Cho Tak Wong

*Principal in charge of
accounting:*
Chen Xiangming

*Head of the Accounting
Department:*
Qiu Yongnian

4.2 Audit Report

Not applicable