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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)

2017 THIRD QUARTERLY REPORT

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

Set out below is the 2017 third quarterly report of Fuyao Glass Industry Group Co., Ltd. (the “**Company**”) and its subsidiaries for the nine months ended September 30, 2017 (the “**Reporting Period**”). The financial report contained herein is prepared pursuant to the PRC Accounting Standards for Business Enterprises and has not been audited.

This announcement is prepared in both Chinese and English languages. In the event of any inconsistency between these two versions, the Chinese version shall prevail.

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

Fuzhou, Fujian, the PRC, October 26, 2017

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. Cheng Yan, 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 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 director	Position of absent director	Reason for absence	Name of proxy
Tso Fai	A non-executive director	Business trip	Chen Xiangming
Wu Shinong	A non-executive director	Business trip	Zhu Dezhen

1.3 Cho Tak Wong, person-in-charge of the Company, Chen Xiangming, the principal-in-charge of accounting, and Lin Xuejuan, 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 2017 third quarterly report of the Company has not been audited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major financial data

		<i>Unit: Yuan Currency: RMB</i>	
	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	30,673,593,788	29,865,845,423	2.70
Net assets attributable to shareholders of the listed company	18,084,285,820	18,033,617,524	0.28
	From the beginning of 2017 to the end of the Reporting Period (January to September)	From the beginning of previous year to the end of the reporting period of previous year (January to September)	Increase/ decrease as compared with the corresponding period of previous year (%)
Net cash flows from operating activities	3,124,665,802	2,727,876,775	14.55

	From the beginning of 2017 to the end of the Reporting Period (January to September)	From the beginning of previous year to the end of the reporting period of previous year (January to September)	Increase/ decrease as compared with the corresponding period of previous year (%)
Operating revenue	13,399,533,416	11,590,552,414	15.61
Net profit attributable to shareholders of the listed company	2,143,549,923	2,175,402,903	-1.46
Net profits attributable to shareholders of the listed company, net of non-recurring gains or losses	2,085,025,580	2,131,238,531	-2.17
Return rate on weighted average net assets (%)	11.87	13.06	Decreased by 1.19 percentage points
Basic earnings per share (Yuan/share)	0.85	0.87	-2.30
Diluted earnings per share (Yuan/share)	0.85	0.87	-2.30

During the Reporting Period, the Company realized operating revenue of RMB13,399,533,400, representing an increase of 15.61% as compared with the corresponding period last year; realized total profit of RMB2,601,397,700, representing a decrease of 2.76% as compared with the corresponding period last year, which was mainly due to an exchange loss of RMB303,737,400 (the exchange gains were RMB209,037,900 from January to September 2016) 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 17.80%.

Non-recurring profit and loss items and amounts

Unit: Yuan Currency: RMB

Items	Amount for the current period (July to September)	Amount from the beginning of 2017 to the end of the Reporting Period (January to September)
Profit and loss from disposal of non-current assets	-11,008,329	-19,536,391
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)	27,299,899	88,189,385
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	6,690,518	-20,362,502
Other non-operating income and expenses other than the above items	-3,715,372	10,558,776
Impact on non-controlling interests (after tax)	11,426	11,058
Effect of income tax	996,119	-335,983
Total	<u>20,274,261</u>	<u>58,524,343</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 September 30, 2017, the Company had 74,579 holders of A shares and 62 registered holders of H shares in total. The number of shareholders in aggregate is 74,641.

Unit: Shares

Total number of shareholders 74,641

Shareholding of top ten shareholders

Name of shareholders (Full name)	Shareholding at the end of period	Percentage (%)	Number of shares held with selling restrictions	Pledge or moratorium Status of shares	Number	Nature of shareholder
HKSCC NOMINEES LIMITED <i>(Note)</i>	491,734,400	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	257,760,233	10.27		Unknown		Unknown
TEMASEK FULLERTON ALPHA PTE LTD	38,653,598	1.54		Unknown		Unknown
Fujian Yaohua Industrial Village Development Co., Ltd.	34,277,742	1.37		Pledged	27,200,000	Domestic non- state-owned legal entity
Bai Yongli	32,319,406	1.29		Unknown		Unknown
Central Huijin Asset Management Ltd.	24,598,300	0.98		Unknown		Unknown
Li Shengqing	20,633,938	0.82		Unknown		Unknown
Li Haiqing	20,632,159	0.82		Unknown		Unknown

**Shareholding 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>)	491,734,400	Overseas listed foreign shares	491,734,400
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	257,760,233	Ordinary shares denominated in RMB	257,760,233
TEMASEK FULLERTON ALPHA PTE LTD	38,653,598	Ordinary shares denominated in RMB	38,653,598
Fujian Yaohua Industrial Village Development Co., Ltd.	34,277,742	Ordinary shares denominated in RMB	34,277,742
Bai Yongli	32,319,406	Ordinary shares denominated in RMB	32,319,406
Central Huijin Asset Management Ltd.	24,598,300	Ordinary shares denominated in RMB	24,598,300
Li Shengqing	20,633,938	Ordinary shares denominated in RMB	20,633,938
Li Haiqing	20,632,159	Ordinary shares denominated in RMB	20,632,159

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 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 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 as at the beginning of the year	Increase/decrease	Percentage of increase/decrease
Financial assets at fair value				
through profit or loss	110,019,355	1,951,267	108,068,088	5,538.35%
Other receivables	272,699,929	118,430,342	154,269,587	130.26%
Other current assets	104,983,702	174,699,089	-69,715,387	-39.91%
Short-term borrowings	5,829,600,852	4,255,037,518	1,574,563,334	37.00%
Financial liabilities at fair value				
through profit or loss	19,429,785	0	19,429,785	100.00%
Notes payable	856,891,527	613,982,362	242,909,165	39.56%
Taxes payable	249,386,211	558,062,870	-308,676,659	-55.31%
Other current liabilities	0	608,604,575	-608,604,575	-100.00%

- (1) Increase in financial assets at fair value through profit or loss was due to the expected financial assets arising from the CCS Currency Swap Contract (CCS貨幣互換合同) during the Reporting Period and the purchase of principal-guaranteed wealth management products with income linked with J.P. Morgan MOZAIC WEEKLY Index (摩根大通MOZAIC WEEKLY指數) being designated as this item for accounting as a whole.
- (2) Increase in other receivables was mainly due to the principal and interest of loans of RMB128,000,000 due from Jinken Glass Industry Shuangliao Co., Ltd., an associate of the Company.
- (3) Decrease in other current assets was mainly due to the decrease in the input tax of value-added tax to be credited.
- (4) Increase in short-term borrowings was mainly due to an increase in working capital requirements.

- (5) Increase in financial liabilities at fair value through profit or loss was mainly due to the estimated unrealized loss incurred by the undue swap contracts as a result of movements in foreign exchange rates.
- (6) Increase in notes payable was mainly due to an increase in procurement amount and amount settled by notes.
- (7) Decrease in taxes payable was mainly due to the settlement and payment of the income tax payable last year during the Reporting Period.
- (8) Decrease in other current liabilities was due to the full repayment of ultra short-term financing bonds during the Reporting Period.

3.1.2 Analysis on the reasons for significant changes in 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
Taxes and surcharges	144,640,541	97,520,649	47,119,892	48.32%
Financial expenses	313,515,459	-143,616,133	457,131,592	-318.30%
Gain or loss arising from changes in fair value	-7,201,698	403,685	-7,605,383	-1,883.99%
Investment income	28,943,238	43,976,478	-15,033,240	-34.18%
Other income	87,947,545	0	87,947,545	100.00%
Non-operating income	32,630,860	65,543,225	-32,912,365	-50.21%
Non-operating expenses	41,366,635	14,242,764	27,123,871	190.44%
Minority controlling interest	26,854	-780,283	807,137	-103.44%

- (1) Increase in taxes and surcharges was mainly due to reclassification of land use tax, property tax, vehicle and vessel usage tax and stamp duty under the “administrative expenses” into the “tax and surcharges” in accordance with “the Provisions on the Accounting Treatment of Value Added Tax” (Cai Kuai [2016] No. 22) issued by the Ministry of Finance since May 1, 2016.
- (2) Increase in financial expenses was mainly due to foreign exchange losses of RMB304 million as compared with foreign exchange gains of RMB209 million for the corresponding period of last year.

- (3) Loss arising from changes in fair value was mainly due to the estimated unrealized loss incurred by the undue swap contracts as a result of movements in foreign exchange rates.
- (4) Investment income was mainly the income arising from the disposal of 100% equity interests in Fuzhou Fuyao Float Glass Co., Ltd. (福州福耀浮法玻璃有限公司), a subsidiary of the Company during the Reporting Period, as compared with the income arising from the disposal of 75% equity interests in Fuyao Group Shuangliao Ltd. (福耀集團雙遼有限公司), a subsidiary of the Company for the corresponding period of last year.
- (5) During the Reporting Period, based on “Notice of Issuance of Amendments on China Accounting Standard No. 16 – Government Grants” (Cai Kuai [2017] No. 15) issued by the Ministry of Finance, the Company accounted the government grants related to daily corporate activities as other income from January 1, 2017.
- (6) The decrease in non-operating income was mainly due to that, during the Reporting Period, based on “Notice of Issuance of Amendments on China Accounting Standard No. 16 – Government Grants” (Cai Kuai [2017] No. 15) issued by the Ministry of Finance, the Company reclassified the government grants related to daily corporate activities from non-operating income into other income.
- (7) Increase in non-operating expenses was mainly due to the increase in the loss from the disposal of non-current assets.
- (8) Changes in gains or losses on non-controlling interests were mainly due to the change in gains or losses of Xupu Fuyao Silica Sand Co., Ltd. (溱浦福耀硅砂有限公司), a non-wholly-owned subsidiary of the Company.

3.1.3 Analysis on the reasons for substantial changes in cash flow items 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
Refund of taxes and surcharges	227,098,930	147,274,889	79,824,041	54.20%
Cash received relating to other operating activities	202,773,335	121,739,376	81,033,959	66.56%
Cash received from returns on investments	0	9,800,000	-9,800,000	-100.00%
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	66,736,338	35,726,453	31,009,885	86.80%
Net cash received from disposal of subsidiaries and other business units	135,651,005	212,515,869	-76,864,864	-36.17%
Cash received relating to other investing activities	361,855,189	52,500,000	309,355,189	589.25%
Cash paid relating to other investing activities	400,000,000	200,000,000	200,000,000	100.00%
Cash received from issuance of debenture	0	800,000,000	-800,000,000	-100.00%
Cash received relating to other financing activities	0	1,200,000,000	-1,200,000,000	-100.00%
Cash paid relating to other financing activities	0	4,609,290	-4,609,290	-100.00%

- (1) Increase in refund of taxes and surcharges was mainly due to an increase in export tax refund rate for automotive glass (the tax refund rate has increased from 13% to 17% since November 2016).
- (2) Increase in cash received relating to other operating activities was mainly due to an increase in interest income and government subsidies during the Reporting Period.
- (3) Decrease in cash received from returns on investments was due to the receipt of dividends from joint ventures in the corresponding period last year.

- (4) Increase in net cash received from disposal of fixed assets, intangible assets and long-term assets was mainly due to the transfer of assets including the Land Use Right, the Industrial Plant and the Ancillary Facilities to Fujian Triplex Decoration during the Reporting Period.
- (5) Net cash received from disposal of subsidiaries and other business units mainly represented the amount received from disposal of the 100% equity interest in Fuzhou Fuyao Float Glass Co., Ltd., a subsidiary of the Company.
- (6) Cash received relating to other investing activities was mainly due to the recovery of principal and interests of bank wealth management products with guaranteed returns and for a term of six months that expired during the Reporting Period.
- (7) Cash paid relating to other investing activities was expense paid for purchasing bank wealth management products with guaranteed principal and for a term of more than three months during the Reporting Period.
- (8) Decrease in cash received from the issuance of bonds was due to issuing a 3-year term corporate bond of RMB800 million with an annual interest rate of 3% during the corresponding period last year. There was no such issuance during the Reporting Period.
- (9) Decrease in cash received relating to other financing activities was mainly due to the issuance of four ultra-short-term financial bonds in total with a total of RMB1.2 billion in the corresponding period last year. There was no such issuance during the Reporting Period.
- (10) Decrease in cash paid relating to other financing activities was mainly due to payment of issuance fees of corporate bonds and ultra-short-term financing bonds during the corresponding period of last year.

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

3.3.1 Undertakings to distribute dividends

Background of undertakings	Type of undertakings	Undertaking party	Content of undertakings	Time and term of the 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. Wherever 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 shares 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	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 the undertakings	Has performance period or not	Fulfill in a timely and strict manner or not
			<p>distribution of dividend in share 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. 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 reasons for not to propose cash dividend plan and the purpose of reserving such capital which has not been used for dividend distribution in the periodic report. 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 profit distribution plan of the Company on which the Company welcomes any suggestion from shareholders, independent directors and the supervisory committee, is under the supervision of the shareholders, independent directors and the supervisory committee. 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>			

3.3.2 Non-competition and lock-up undertakings

Reference is made to the prospectus of the Company dated March 19, 2015 (the “**Prospectus**”), which contained relevant disclosure on undertakings made by Mr. Cho Tak Wong, a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company, and his associates (as defined in the Hong Kong Listing Rules) to the Company in the section headed “Substantial Shareholders”.

3.3.2.1 Non-competition undertakings

In order to eliminate any future competition with us, each of Mr. Cho Tak Wong, Ms. Chan Fung Ying (陳鳳英) (Mr. Cho’s spouse and the controlling shareholder of Yaohua), Sanyi Development Limited (“**Sanyi**”), Home Bridge Overseas Limited (“**Home Bridge**”) and Fujian Yaohua Industrial Village Development Co., Ltd (“**Yaohua**”) undertook to the Company on February 8, 2002 that, so long as they remain substantial shareholders of the Company, they will not, and will procure all companies they control not to engage in or develop any business competing or potentially competing with our main business or key products, including investment in, mergers and acquisitions of any companies, entities or economic organizations engaged in the same or similar core business or primarily manufacturing the same or similar products (the “**Non-competition Undertakings**”). In addition, they acknowledged that the Company shall have priority to develop any new business in the future, and they will not, and will procure any companies controlled by him/her/it not to develop such new business. In addition to Mr. Cho Tak Wong, Sanyi, Home Bridge and their respective associates, none of other Directors of the Company or their respective associates are interested in any business which is, whether directly or indirectly, in competition with businesses of the Company.

The Company confirms with the above substantial shareholders as to whether they have been in compliance with the Non-competition Undertakings on an annual basis. The Company has confirmed that, after making specific enquiries with each substantial shareholder, all the above substantial shareholders have been in full compliance with the Non-competition Undertakings for the financial year ended December 31, 2016. In addition, based on the Company's observation and monitoring over the businesses engaged in by these substantial shareholders, the Company had found no breach of such undertakings by substantial shareholders.

In view of the foregoing, the Company confirms that the substantial shareholders who had made the Non-competition Undertakings had fully complied with their undertakings for the year ended December 31, 2016.

3.3.2.2 Lock-up Undertakings

Each of Yaohua, Ms. Chan Fung Ying and Mr. Cho Tak Wong has undertaken to each of the Company and the Hong Kong Stock Exchange that it, she/he shall not and shall procure that the relevant registered holder(s) controlled by it, her/him shall not, in the period commencing from March 12, 2015 and ending on the date which is 12 months from the listing date of H shares of the Company (the "Listing Date") (the "Lock-up Period"), dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrance (save and except that 22,340,000 A Shares have been pledged by Yaohua to China Merchants Securities Co., Ltd.) in respect of any of those Shares of which Yaohua, Ms. Chan Fung Ying and Mr. Cho Tak Wong or the relevant registered holder(s) controlled by it, her/him (the "Relevant Parties"), as shown in the Prospectus to be the beneficial owner(s), save for a pledge or charge of any securities of the Company as security in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Each of Ms. Chan Fung Ying and Mr. Cho Tak Wong has further undertaken to each of the Company and the Hong Kong Stock Exchange that, in the period commencing from March 12, 2015 and ending on the date which is 12 months from the Listing Date, she/he will:

- (a) when any of the Relevant Parties pledge or charge any securities of the Company beneficially owned by herself/himself or the relevant registered holder(s) controlled by her/him in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, immediately inform the Company of such pledge or charge together with the number of Shares so pledged or charged; and
- (b) when any of the Relevant Parties receive indications, whether verbal or written, from the pledgee or chargee that any of the pledged/charged Shares will be disposed of, immediately inform the Company of such indications.

The Lock-up Period expired on March 31, 2016. According to the Company's records on its shareholding status, and confirmations by Yaohua, Ms. Chan Fung Ying and Mr. Cho Tak Wong, Ms. Chan Fung Ying, Yaohua and Mr. Cho Tak Wong did not dispose of any shares held by them since the Listing Date and therefore had complied with their respective Lock-up Undertakings for the year ended December 31, 2016.

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	October 25, 2017

IV. APPENDIX

4.1 Financial statements

Consolidated Balance Sheets

September 30, 2017

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	6,556,562,871	7,211,178,987
Settlement provisions		
Placement		
Financial assets at fair value through profit or loss	110,019,355	1,951,267
Derivative financial assets		
Notes receivable	1,078,348,567	871,597,857
Accounts receivable	3,282,077,178	3,636,343,106
Advances to suppliers	167,416,787	150,956,724
Premiums receivable		
Reinsurance receivable		
Deposits receivable from reinsurance treaty		
Interest receivable		
Dividends receivable		
Other receivables	272,699,929	118,430,342
Financial assets purchased for resale		
Inventories	3,049,257,000	2,785,865,099
Assets of disposal groups classified as held-for-sale		
Non-current assets due within one year	20,874,735	16,936,288
Other current assets	104,983,702	174,699,089
Total current assets	14,642,240,124	14,967,958,759

Items	Closing balance	Opening balance
Non-current assets:		
Loans and advances		
Available-for sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	101,072,239	101,536,425
Investment properties		
Fixed assets	10,913,925,390	9,267,464,872
Construction in progress	3,287,941,820	3,821,964,355
Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		
Oil and gas assets		
Intangible assets	1,098,943,798	1,148,077,027
Development costs		
Goodwill	74,678,326	74,678,326
Long-term prepaid expenses	362,257,608	290,472,267
Deferred tax assets	192,503,727	193,403,942
Other non-current assets	30,756	289,450
	<hr/>	<hr/>
Total non-current assets	16,031,353,664	14,897,886,664
	<hr/> <hr/>	<hr/> <hr/>
Total assets	30,673,593,788	29,865,845,423
	<hr/> <hr/>	<hr/> <hr/>

Items	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	5,829,600,852	4,255,037,518
Borrowings from the central bank		
Customer and interbank deposits		
Borrowing from interbank		
Financial liabilities at fair value through profit or loss	19,429,785	
Derivative financial liabilities		
Notes payable	856,891,527	613,982,362
Accounts payable	1,246,556,003	1,300,220,344
Advances from customers	25,809,869	21,435,585
Amount from sales of repurchased financial assets		
Bank charges and commissions due		
Employee benefits payable	337,437,471	420,291,759
Taxes payable	249,386,211	558,062,870
Interest payable	18,395,919	15,286,048
Dividends payable		
Other payables	1,019,139,561	1,090,612,474
Reinsurance accounts payable		
Provisions for insurance contracts		
Customer deposits for trading in securities		
Amounts due to issuer for securities underwriting		
Liabilities of disposal groups classified as held-for-sale		
Non-current liabilities due within one year	760,000,000	808,000,000
Other current liabilities		608,604,575
Total current liabilities	<u>10,362,647,198</u>	<u>9,691,533,535</u>
Non-current liabilities:		
Long-term borrowings	937,500,000	776,000,000
Debentures payables	798,320,244	797,530,999
Including: Preference shares		
Perpetual liabilities		
Long-term payables		

Items	Closing balance	Opening balance
Long-term salaries payable		
Specific payables		
Accrued liabilities		
Deferred income	396,744,844	481,827,522
Deferred tax liabilities	89,140,558	80,407,573
Other non-current liabilities		
Total non-current liabilities	<u>2,221,705,646</u>	<u>2,135,766,094</u>
Total liabilities	<u>12,584,352,844</u>	<u>11,827,299,629</u>
Owners' equity		
Share capital	2,508,617,532	2,508,617,532
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital surplus	6,228,753,097	6,228,753,097
Less: inventory shares		
Other comprehensive income	-120,380,355	91,038,123
Special reserve		
Surplus reserve	1,634,319,463	1,634,319,463
General risk reserve		
Undistributed profits	7,832,976,083	7,570,889,309
Total equity attributable to equity holders of the Company	<u>18,084,285,820</u>	<u>18,033,617,524</u>
Minority interests	4,955,124	4,928,270
Total owners' equity	<u>18,089,240,944</u>	<u>18,038,545,794</u>
Total liabilities and owners' equity	<u>30,673,593,788</u>	<u>29,865,845,423</u>

Legal representative:
Cho Tak Wong

*Principal in charge
of accounting:*
Chen Xiangming

*Head of the Accounting
Department:*
Lin Xuejuan

Balance Sheet of the Company
September 30, 2017

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	6,289,668,248	6,587,731,042
Financial assets at fair value through profit or loss	110,019,355	
Derivative financial assets		
Notes receivable	1,031,661,414	800,076,560
Accounts receivable	710,042,783	361,285,253
Advances to suppliers	23,340,051	23,564,221
Interest receivable		
Dividends receivable	242,501,543	213,608,642
Other receivables	12,260,657,737	9,856,598,443
Inventories	370,609,029	426,578,001
Assets of disposal groups classified as held-for-sale		
Non-current assets due within one year	1,711,219	839,850
Other current assets	<u>23,996,134</u>	<u>21,912,456</u>
Total current assets	<u>21,064,207,513</u>	<u>18,292,194,468</u>

Items	Closing balance	Opening balance
Non-current assets:		
Available-for sale financial assets		
Held-to-maturity investments		
Long-term receivables	148,666,560	155,388,800
Long-term equity investments	6,407,066,741	5,554,988,875
Investment properties		
Fixed assets	626,684,444	616,052,406
Construction in progress	156,909,308	40,770,551
Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		
Oil and gas assets		
Intangible assets	53,673,952	57,781,176
Development costs		
Goodwill	48,490,007	48,490,007
Long-term prepaid expenses	13,587,454	17,335,425
Deferred tax assets	7,515,661	5,892,522
Other non-current assets		
	<hr/>	<hr/>
Total non-current assets	<u>7,462,594,127</u>	<u>6,496,699,762</u>
Total assets	<u>28,526,801,640</u>	<u>24,788,894,230</u>

Items	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	3,837,464,352	426,672,868
Financial liabilities at fair value through profit or loss	19,355,014	
Derivative financial liabilities		
Notes payable	1,453,191,941	2,123,644,487
Accounts payable	202,316,535	196,871,770
Advances from customers	233,705,150	157,361,156
Employee benefits payable	72,492,025	102,322,228
Taxes payable	1,922,445	147,655,124
Interest payable	17,856,281	12,384,795
Dividends payable		
Other payables	5,524,562,157	4,807,963,309
Liabilities of disposal groups classified as held-for-sale		
Non-current liabilities due within one year	760,000,000	808,000,000
Other current liabilities		608,604,575
	<hr/>	<hr/>
Total current liabilities	<u>12,122,865,900</u>	<u>9,391,480,312</u>

Items	Closing balance	Opening balance
Non-current liabilities:		
Long-term borrowings	937,500,000	776,000,000
Debentures payables	798,320,244	797,530,999
Including: Preference shares		
Perpetual liabilities		
Long-term payables		
Long-term salaries payable		
Specific payables		
Accrued liabilities		
Deferred income	27,834,446	27,189,358
Deferred tax liabilities	41,017,366	35,782,179
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u>1,804,672,056</u>	<u>1,636,502,536</u>
Total liabilities	<u>13,927,537,956</u>	<u>11,027,982,848</u>
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	1,634,319,463	1,634,319,463
Undistributed profits	4,253,773,949	3,415,421,647
	<hr/>	<hr/>
Total owners' equity	<u>14,599,263,684</u>	<u>13,760,911,382</u>
Total liabilities and owners' equity	<u>28,526,801,640</u>	<u>24,788,894,230</u>

Legal representative:
Cho Tak Wong

*Principal in charge
of accounting:*
Chen Xiangming

*Head of the Accounting
Department:*
Lin Xuejuan

Consolidated Income Statement
January to September 2017

Prepared by: Fuyao Glass Industry Group Co., Ltd

Unit : Yuan Currency: RMB Audit Type : Unaudited

Items	Amount for the current period (July to September)	Amount for the corresponding period of previous year (July to September)	Amount for	Amount for
			the period from the beginning of 2017 to the end of the Reporting period (January to September)	the corresponding period of previous year to the end of the previous reporting period (January to September)
I Total operating revenue	4,685,570,791	4,006,127,458	13,399,533,416	11,590,552,414
Including: Operating revenue	4,685,570,791	4,006,127,458	13,399,533,416	11,590,552,414
Interest income				
Premiums earned				
Income from handling fees and commissions				
II. Total cost of sales	3,834,091,098	3,184,893,520	10,899,089,015	9,011,000,142
Including: Cost of sales	2,694,262,896	2,300,343,892	7,662,875,073	6,606,873,612
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	48,917,700	28,978,776	144,640,541	97,520,649
Selling and distribution expenses	289,264,825	289,875,678	900,916,965	851,557,177
General and administrative expenses	644,939,107	557,135,066	1,873,057,882	1,593,582,055
Financial expenses	155,028,782	8,708,306	313,515,459	-143,616,133
Asset impairment losses	1,677,788	-148,198	4,083,095	5,082,782

Items	Amount for the current period (July to September)	Amount for the corresponding period of previous year (July to September)	Amount for	Amount for
			the period from the beginning of 2017 to the end of the Reporting period (January to September)	the corresponding period of previous year to the end of the previous reporting period (January to September)
Add: Profit arising from changes in fair value (losses are represented by "-")	21,783,513	604,742	-7,201,698	403,685
Investment income (losses are represented by "-")	29,189,342	41,910,595	28,943,238	43,976,478
Including: Share in profit of associates and joint ventures	-218,082	25,144	-464,186	1,907,232
Gains from foreign exchange (losses are represented by "-")				
Other income	27,058,059		87,947,545	
III. Operating profit (losses are represented by "-")	929,510,607	863,749,275	2,610,133,486	2,623,932,435
Add: Non-operating income	3,500,101	35,196,401	32,630,860	65,543,225
Including: Gains on disposal of non-current assets	-864,123	1,971,117	12,662,659	4,539,566
Less: Non-operating expenses	17,981,962	2,962,867	41,366,635	14,242,764
Including: Losses on disposal of non-current assets	10,144,206	2,856,641	32,199,050	10,424,576
IV. Total Profit (total losses are represented by "-")	915,028,746	895,982,809	2,601,397,711	2,675,232,896
Less: Income tax expenses	156,123,749	178,871,472	457,820,934	500,610,276
V. Net Profit (losses are represented by "-")	758,904,997	717,111,337	2,143,576,777	2,174,622,620
Profit attributable to the equity holders of the Company	757,363,095	718,593,311	2,143,549,923	2,175,402,903
Minority controlling interest	1,541,902	-1,481,974	26,854	-780,283

Items	Amount for the current period (July to September)	Amount for the corresponding period of previous year (July to September)	Amount for the period from the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
VI. Net amount of other comprehensive income after tax	-110,707,842	70,294,736	-211,418,478	165,198,637
Net amount of other comprehensive income after tax attributable to the equity holders of the Company	-110,707,842	70,294,736	-211,418,478	165,198,637
(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	-110,707,842	70,294,736	-211,418,478	165,198,637
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				

Items	Amount for the current period (July to September)	Amount for the corresponding previous year (July to September)	Amount for the period from the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
4. Valid part of profit and loss from hedging cash flow				
5. Difference on translation of foreign financial statements	-110,707,842	70,294,736	-211,418,478	165,198,637
6. Others				
Net amount of other comprehensive income after tax attributable to minority interest				
VII. Total comprehensive income	648,197,155	787,406,073	1,932,158,299	2,339,821,257
Total comprehensive income attributable to the equity holders of the Company	646,655,253	788,888,047	1,932,131,445	2,340,601,540
Total comprehensive income attributable to minority shareholders	1,541,902	-1,481,974	26,854	-780,283
VIII. Earnings per share				
(1) Basic earnings per share (RMB/share)	0.3	0.29	0.85	0.87
(2) Diluted earnings per share (RMB/share)	0.3	0.29	0.85	0.87

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> Cho Tak Wong	<i>Principal in charge of accounting:</i> Chen Xiangming	<i>Head of the Accounting Department:</i> Lin Xuejuan
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Income Statement of the Company
January to September 2017

Prepared by: Fuyao Glass Industry Group Co., Ltd

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	Amount for the current period (July to September)	Amount for the corresponding period of previous year (July to September)	Amount for the period from the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
I. Operating revenue	1,128,442,597	1,014,670,659	3,137,264,282	3,341,393,167
Less: Cost of sales	1,032,182,718	913,248,731	2,866,760,230	2,934,891,909
Taxes and surcharges	1,822,413	3,281,060	8,104,506	11,195,410
Selling and distribution expenses	48,916,378	37,303,574	160,422,632	136,966,843
General and administrative expenses	86,226,655	80,652,985	269,879,943	238,820,328
Financial expenses	171,931,969	-60,629,643	336,302,081	-224,737,558
Asset impairment losses	1,813,788	537,559	3,918,523	5,708,756
Add: Profit arising from changes in fair value (losses are represented by "-")	8,941,225		-5,175,659	675,290
Investment income (losses are represented by "-")	765,741	16,085,374	3,222,577,137	2,465,372,314
Including: Share in profit of associates and joint ventures	765,741	877,874	2,174,145	2,759,962
Other income	2,925,520		8,578,870	
II. Operating profit (losses are represented by "-")	-201,818,838	56,361,767	2,717,856,715	2,704,595,083
Add: Non-operating income	594,020	7,352,058	11,575,025	15,036,044
Including: Gains on disposal of non-current assets	205,090		3,142,746	17,194
Less: Non-operating expenses	4,551,064	265,841	6,724,149	2,452,558
Including: Losses on disposal of non-current assets	4,551,064	237,841	6,688,249	2,415,590

Items	Amount for the period (July to September)	Amount for the corresponding period of previous year (July to September)	Amount for the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
III. Total Profit (total losses are represented by “-”)	-205,775,882	63,447,984	2,722,707,591	2,717,178,569
Less: Income tax expenses	443,983	11,309,392	2,892,140	39,593,300
IV. Net Profit (net losses are represented by “-”)	-206,219,865	52,138,592	2,719,815,451	2,677,585,269
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				

Items	Amount for the current period (July to September)	Amount for the corresponding period of previous year (July to September)	Amount for the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
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				
VI. Total comprehensive income	-206,219,865	52,138,592	2,719,815,451	2,677,585,269
VII. Earnings per share:				
(1) Basic earnings per share <i>(RMB/share)</i>	Not applicable	Not applicable	Not applicable	Not applicable
(2) Diluted earnings per share <i>(RMB/share)</i>	Not applicable	Not applicable	Not applicable	Not applicable
Legal representative: Cho Tak Wong	<i>Principal in charge of accounting:</i> Chen Xiangming	<i>Head of the Accounting Department:</i> Lin Xuejuan		

Consolidated Cash Flow Statement
January to September 2017

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

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	Amount for the period from the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	14,894,311,643	12,449,591,043
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	227,098,930	147,274,889
Cash received relating to other operating activities	202,773,335	121,739,376
Sub-total of cash inflows from operating activities	<u>15,324,183,908</u>	<u>12,718,605,308</u>

Items	Amount for the period from the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
Cash paid for goods and services	7,965,966,339	6,515,581,011
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	2,503,292,516	2,086,554,640
Payments of taxes and surcharges	1,553,596,890	1,242,074,145
Cash paid relating to other operating activities	176,662,361	146,518,737
Sub-total of cash outflows from operating activities	12,199,518,106	9,990,728,533
Net cash flows from operating activities	3,124,665,802	2,727,876,775
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from returns on investments		9,800,000
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	66,736,338	35,726,453
Net cash received from disposal of subsidiaries and other business units	135,651,005	212,515,869
Cash received relating to other investing activities	361,855,189	52,500,000
Sub-total of cash inflows from investing activities	564,242,532	310,542,322

Items	Amount for the period from the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,746,773,539	2,756,605,117
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	<u>400,000,000</u>	<u>200,000,000</u>
Sub-total of cash outflows from investing activities	<u>3,146,773,539</u>	<u>2,956,605,117</u>
Net cash flows from investing activities	<u>-2,582,531,007</u>	<u>-2,646,062,795</u>
III. Cash flows from financing activities:		
Cash received from capital contributions		
Including: Cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	8,263,226,104	7,090,695,435
Cash received from issuance of debentures		800,000,000
Cash received relating to other financing activities		<u>1,200,000,000</u>
Sub-total of cash inflows from financing activities	<u>8,263,226,104</u>	<u>9,090,695,435</u>

Items	Amount for the period from the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
Cash repayments of borrowings	7,175,162,769	6,119,715,905
Cash payment relating to distribution of dividends and profits or repayment of interest	2,049,909,318	2,010,052,492
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		
Cash payment relating to other financing activities	<u>4,609,290</u>	<u>4,609,290</u>
Sub-total of cash outflows from financing activities	<u>9,225,072,087</u>	<u>8,134,377,687</u>
Net cash flows from financing activities	<u>-961,845,983</u>	<u>956,317,748</u>
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-243,180,569	174,383,861
V. Net increase in cash and cash equivalents	-662,891,757	1,212,515,589
Add: Cash and cash equivalents balance at the beginning of the period	7,198,834,331	5,906,233,126
VI. Cash and cash equivalents balance at the end of the period	<u>6,535,942,574</u>	<u>7,118,748,715</u>

Legal representative:
Cho Tak Wong

*Principal in charge
of accounting:*
Chen Xiangming

*Head of the Accounting
Department:*
Lin Xuejuan

Cash Flow Statement of the Company
January to September 2017

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

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	Amount for the period from the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	2,738,866,359	3,418,913,559
Refund of taxes and surcharges	208,015,208	119,197,402
Cash received relating to other operating activities	<u>191,233,702</u>	<u>109,365,703</u>
Sub-total of cash inflows from operating activities	<u>3,138,115,269</u>	<u>3,647,476,664</u>
Cash paid for goods and services	3,169,048,893	2,647,403,112
Cash paid to and on behalf of employees	237,016,611	242,744,477
Payments of taxes and surcharges	254,277,624	109,392,224
Cash paid relating to other operating activities	<u>2,492,220,397</u>	<u>2,198,500,801</u>
Sub-total of cash outflows from operating activities	<u>6,152,563,525</u>	<u>5,198,040,614</u>
Net cash flows from operating activities	<u>-3,014,448,256</u>	<u>-1,550,563,950</u>

Items	Amount for the period from the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
II. Cash flows from investing activities:		
Cash received from disposal of investments		100,207,500
Cash received from returns on investments	3,191,510,090	2,328,232,310
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	21,511,401	718,284
Net cash received from disposal of subsidiaries and other business units		190,061,400
Cash received relating to other investing activities	<u>308,605,479</u>	<u>45,000,000</u>
Sub-total of cash inflows from investing activities	<u>3,521,626,970</u>	<u>2,664,219,494</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	234,900,575	35,842,230
Cash paid to acquire investments	849,903,720	69,606,200
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities	<u>400,000,000</u>	<u>200,000,000</u>
Sub-total of cash outflows from investing activities	<u>1,484,804,295</u>	<u>305,448,430</u>
Net cash flows from investing activities	<u>2,036,822,675</u>	<u>2,358,771,064</u>
III. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received from borrowings	7,330,787,369	2,846,092,233
Cash received from issuance of debentures		800,000,000
Cash received relating to other financing activities		<u>1,200,000,000</u>
Sub-total of cash inflows from financing activities	<u>7,330,787,369</u>	<u>4,846,092,233</u>

Items	Amount for the period from the beginning of 2017 to the end of the Reporting period (January to September)	Amount for the corresponding period of previous year to the end of the previous reporting period (January to September)
Cash repayments of borrowings	4,406,495,884	3,070,084,906
Cash payment relating to distribution of dividends and profits or repayment of interest	2,003,060,781	1,942,675,422
Cash payment relating to other financing activities	<u>4,609,290</u>	<u>4,609,290</u>
Sub-total of cash outflows from financing activities	<u>6,409,556,665</u>	<u>5,017,369,618</u>
Net cash flows from financing activities	921,230,704	-171,277,385
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-241,667,917	167,519,765
V. Net increase in cash and cash equivalents	-298,062,794	804,449,494
Add: Cash and cash equivalents balance at the beginning of the period	6,587,731,042	5,809,618,357
VI. Cash and cash equivalents balance at the end of the period	<u>6,289,668,248</u>	<u>6,614,067,851</u>

Legal representative:
Cho Tak Wong

*Principal in charge
of accounting:*
Chen Xiangming

*Head of the Accounting
Department:*
Lin Xuejuan

4.2 Audit Report

Not applicable