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福萊特玻璃集團股份有限公司

Flat Glass Group Co., Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 6865)

PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

The Board is pleased to announce that, on 1 June 2022, subject to the Shareholders' approval at the 2022 First EGM and the 2022 First Class Meetings, the Board has approved the Proposed Issuance. The Board will propose resolutions at the 2022 First EGM and the 2022 First Class Meetings for the Shareholders to consider and, if thought fit, approve, among other things, the Proposed Issuance.

A circular containing, among other things, details of the Proposed Issuance, together with notice convening the 2022 First EGM and the 2022 First H Shares Class Meeting, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

As the Non-Public Issuance is subject to certain conditions precedent, it may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) regarding the detailed terms of the Non-public Issuance will be made by the Company as and when applicable. This announcement is for information purposes only and does not constitute an invitation or an offer to acquire, purchase or subscribe for the securities of the Company.

I. PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

The principal terms of the Non-Public Issuance proposal are as follows:

(I) Class and nominal value of the shares to be issued

The shares to be issued under the Non-Public Issuance are RMB-denominated ordinary Shares (A Shares) with a nominal value of RMB0.25 each, which will be listed on the Shanghai Stock Exchange.

(II) Method and time of issuance

The Proposed Issuance will be conducted by way of non-public issuance of Shares to specific target subscribers. The issuance will be implemented by the Company in due course within the validity period upon obtaining approval and reply from the CSRC.

(III) Target subscribers and subscription method

The target subscribers of the Non-Public Issuance shall be not more than 35 specified investors, including securities investment fund management companies, securities firms, trust companies, finance companies, insurance institutional investors, qualified foreign institutional investors which satisfy the relevant requirements of the CSRC and other corporate bodies, individuals or other institutional investors which satisfy the relevant requirements of the relevant PRC laws and regulations. A securities investment fund management company, securities firm, qualified foreign institutional investor and RMB qualified foreign institutional investor subscribing for the Shares through two or more products under its management shall be deemed as one single subscriber. Target subscribers which are trust investment companies shall only subscribe for the Shares with their own funds.

Subject to the obtaining of approval and reply for the Non-Public Issuance from the CSRC and the Shareholders' approval at the 2022 First EGM and the 2022 First Class Meetings, the Board and the sponsor institution (lead underwriter) for the issuance will determine the final identified target subscribers according to the price consultation results of the Proposed Issuance. In the event that PRC laws and regulations have new rules on the target subscribers of non-public issuance of shares, the Company will make adjustments accordingly.

All target subscribers of the Non-Public Issuance shall subscribe the Shares under the Non- Public Issuance by cash in RMB.

(IV) Price determination date, issue price and pricing principles

The price determination date of the Shares to be issued under the Non-Public Issuance shall be the first day of the issue period. The issue price shall be not less than 80% of the average trading price of the Shares over the 20 trading days before the price determination date. The average trading price of the Shares over the 20 trading days before the price determination date equals to the total turnover of the Shares over the 20 trading days before the price determination date divided by the total trading volume of the Shares over the 20 trading days before the price determination date. In the event that there is any ex-right, ex-dividend or share capital changing matter in the Shares during the period from the price determination date to the issue date of the Proposed Issuance as a result of distribMB quass,n2eribes
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Based on the aforementioned minimum issue price, the final issue price of the Shares shall be determined by the Board together with the sponsor institution (leading underwriter) under the authorization granted at the 2022 First EGM, the 2022 First Class Meetings and based on the bid prices offered following the price priority principle, upon obtaining approval and reply from the CSRC regarding the Proposed Issuance.

(V) Number of Shares to be issued

As of the date of this announcement, the total A Shares capital of the Company was 1,696,893,254 Shares. The number of Shares to be issued under the Non-Public Issuance shall not be more than 30% of the total A Shares capital of the Company before the Proposed Issuance, i.e. not more than 509.068 million Shares (inclusive) and shall be subject to the approval from the CSRC. Subject to the above, the final number of Shares to be issued shall be determined through negotiation by the Board together with the sponsor institution (leading underwriter) for the Proposed Issuance under the authorization granted by the 2022 First EGM and the 2022 First Class Meetings in accordance with relevant requirements and based on the bid prices offered, upon obtaining approval and reply from the CSRC regarding the Non-Public Issuance.

In the event that there is any share capital changing matter in the Shares during the period from the date of announcement of the Board resolutions regarding the Proposed Issuance to the date of issue as a result of bonus issue, repurchase and conversion of capital reserve into share capital, the maximum number of Shares to be issued under the Proposed Issuance shall also be adjusted accordingly.

(VI) Lock-up period

The Shares to be issued under the Non-Public Issuance and subscribed for by the target subscribers of the Proposed Issuance shall not be transferable within 6 months from the date of closing of the Proposed Issuance. Target subscribers reducing their shareholding upon expiration of the above lock-up period shall also be required to comply with the relevant requirements of PRC laws, regulations, rules and regulatory documents such as the Company Law, the Securities Law and the Rules Governing the Listing of Shares on the Shanghai Stock Exchange, as well as the Articles of Association. During the above lock-up period, in the event that the Shares to be issued under the Proposed Issuance and subscribed for by the target subscribers are derived from matters such as bonus issue and conversion of capital reserve into share capital by the Company, the above lock-up arrangement shall also be complied with.

(VII) Place of listing

The A Shares to be issued under the Non-Public Issuance will be listed and traded on the Shanghai Stock Exchange.

(VIII) Arrangement relating to the accumulated profits prior to the Non-Public Issuance

All the existing and new Shareholders will be entitled to the accumulated undistributed profits prior to the Non-Public Issuance according to their shareholding percentage after the Proposed Issuance.

(IX) Validity period of the resolutions regarding the Non-Public Issuance

The resolutions regarding the Non-Public Issuance shall be valid for 12 months from the date when the resolutions relating to the Proposed Issuance are considered and approved at the 2022 First EGM and the 2022 First Class Meetings.

(X) Use of proceeds

The total proceeds from the Non-Public Issuance shall not exceed RMB6,000 million (inclusive). The proceeds after deducting relevant issuance expenses will be used as follows:

No.	**Use**	**Total investment amount** *(RMB10,000)*	**Proposed amount of proceeds to be applied** *(RMB10,000)*
1	Annual production of 1,950,000 tons of new energy equipment high-transparent panel manufacturing project: Annual production of 750,000 tons of new energy equipment high- transparent panel manufacturing project; Annual production of 1,200,000 tons of glass as covers for PV modules project	434,933.56	193,000.00
2	Annual production of 1,500,000 tons of new energy equipment ultra-thin and ultra- high-transparent panel manufacturing project	375,296.00	227,000.00
3	Working capital	180,000.00	180,000.00
	Total	**990,229.56**	**600,000.00**

Note: "The annual production of 1,500,000 tons of new energy equipment ultra-thin and ultra- high-transparent panel manufacturing project" will be implemented in phases, and such investment in the project will be used for the first phase of the project.

The Board shall, without altering the proposed use of proceeds from the Proposed Issuance, adjust the amount of proceeds to be applied to one or more uses according to the authorization obtained from the 2022 First EGM and the 2022 First Class Meetings. In the event that the actual amount of proceeds from the Non-Public Issuance after deducting issuance expenses is less than the total amount to be used for the projects above, the Company will, based on the actual amount of net proceeds, adjust the application arrangement such as the priority of the projects to be invested and the specific investment amount to each project in accordance with the importance and urgency of the projects. Any shortfall will be made up by the Company with its self-raised funds. Before the receipt of the proceeds from the Non-Public Issuance, the Company will invest with its own funds or self-raised funds as required based on the actual progress of the projects. When the proceeds are available, such funds used will be replaced by the proceeds so raised in accordance with relevant procedures required.

II. REASONS FOR AND BENEFITS OF THE PROPOSED ISSUANCE

The Directors are of view that the Proposed Issuance for fund raising purposes is in line with the development needs of the Company. It will help enhance the Company's core competitiveness, improve sustainable profitability, safeguard the interests of minority Shareholders and is in line with the Company's long-term development goals and Shareholders' interests.

III. EXTRAORDINARY GENEAasp25 MEETING,asp25 THEasp25 AEasp25 SHARESEasp25 CLAS

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"A Share(s)"	Renminbi-denominated ordinary share(s) of the Company which were issued in the PRC and subscribed in RMB and are listed on the Shanghai Stock Exchange
"Articles of Association"	the articles of association of the Company (as amended from time to time)
"Board"	the board of directors of the Company
"Company"	福萊特玻璃集團股份有限公司 (Flat Glass Group Co., Ltd.*), a joint stock company established in the PRC with limited liability, the H Shares and A Shares of which are listed on the main board of the Hong Kong Stock Exchange and Shanghai Stock Exchange, respectively
"Company Law"	the Company Law of the PRC
"CSRC"	China Securities Regulatory Commission
"Director(s)"	director(s) of the Company
"H Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of RMB0.25 each, which are subscribed for, traded in Hong Kong dollars, and listed on the Hong Kong Stock Exchange (stock code: 6865)
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Proposed Issuance" or "Non-Public Issuance"	the proposed non-public issuance of not be more than 30% of the total number of A Shares of the Company before the issuance
"PV"	Photovoltaic
"RMB"	Renminbi, the lawful currency of the PRC
"Securities Law"	the Securities Law of the PRC
"Shanghai Stock Exchange"	Shanghai Stock Exchange (上海證券交易所)

"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the Share(s)
"%"	per cent.

By order of the Board of
Flat Glass Group Co., Ltd.
Ruan Hongliang
Chairman

Jiaxing, Zhejiang Province, the PRC
1 June 2022

As at the date of this announcement, the executive Directors are Mr. Ruan Hongliang, Ms. Jiang Jinhua, Mr. Wei Yezhong and Mr. Shen Qifu, and the independent non-executive Directors are Ms. Xu Pan, Ms. Hua Fulan and Ms. Ng Yau Kuen Carmen.