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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

INTRODUCTION

The Board of Directors is pleased to announce that, on 1 August 2022, Anhui Flat Glass, a wholly-owned subsidiary of the Company and Chuzhou Natural Resources and Planning Bureau (滁州市自然資源和規劃局) entered into the Mining Right Assignment Contract, pursuant to which, Anhui Flat Glass won the bid for the Mining Right of the thirteenth new segment of a quartzite mine for glass located at Lingshan-Mujishan Mining Zone, Fengyang County, Anhui Province, from Chuzhou Natural Resources and Planning Bureau through public listing-for-sale at a consideration of RMB3.38 billion.

THE CONTRACT

The key terms of the Mining Right Assignment Contract are summarized as follows.

Date: 1 August 2022

Parties: (1) Chuzhou Natural Resources and Planning Bureau (as the Assignor);

(2) Anhui Flat Glass (as the Assignee);

Mining Right: Anhui Flat Glass will acquire, by bidding through public listing-for-sale process of Chuzhou Natural Resources and Planning Bureau, the Mining Right of the thirteenth new segment of a quartzite mine for glass located at Lingshan-Mujishan Mining Zone, Fengyang County, Anhui Province for a term of 24 years (including the infrastructure period) from the date of obtaining the mining license, which covers an assigned mining area of 1.1130 km^2 with resource reserve of quartzite mine for glass (proved+controlled+ inferred) of 117.005 million tons and protolith (quartz-sericite schist (dunn bass), marble, ferruginous quartzite, fault breccia, etc.) of 13.1083 million m^3, and a mining scale of 6.3 million tons per year, including 5 million tons per year for quartzite for glass use and 1.3 million tons per year for protolith.

Consideration: The consideration for the mining rights was RMB3.38 billion, which was the highest biding price through public listing-for-sale. The mining right is assigned through listing-for-sale process, for which the bidders will increase the price from the starting price determined by the government, and the bidding winner will be determined according to the highest price. The relevant starting price shall not be disclosed to the public according to the requirements of the government.

Payment Terms: The consideration for the assignment of the Mining Right shall be paid in three installments:

(1) the first installment shall be 30% of the consideration and shall be paid before 5 August 2022;

(2) the second installment shall be 30% of the consideration and shall be paid before 20 November 2022; and

(3) the third installment shall be 40% of the consideration and shall be paid before 15 October 2023.

Source of Funding: The Company shall use its internal financial resources and loans with third party banks for funding of the acquisition.

Special Provisions:

(1) After completion of the Mining Right assignment, the land of the mine for construction shall be declared in accordance with the law. Anhui Flat Glass shall not occupy farmland or use land illegally. Anhui Flat Glass shall construct and manufacture in strict accordance with the green mine standard, and actively accept the supervision of the departments of natural resources, water conservancy, ecological environment, etc.

(2) The expenses related to the expropriation, compensation and resettlement of the land, forest, buildings, structures, tombs and other attachments of the affected areas within and outside the Mining Right shall be borne by Anhui Flat Glass itself and the specific matters shall be settled by Anhui Flat Glass itself through discussion with Fengyang County Government upon request.

(3) Chuzhou Natural Resources and Planning Bureau is only responsible for the preparation of geological data, development and utilization plan and assessment fees. Anhui Flat Glass will follow up with the preparation of other related information, and bear the expenses related to assessment, mining or transportation facilities, etc.

REASONS FOR AND BENEFITS OF THE SUCCESSFUL BIDDING FOR THE MINING RIGHTS

This successful bidding for the Mining Rights is beneficial for the Company to increase its mineral resource reserves and reduce the impact of the price fluctuations in quartz sand raw materials on product costs and financial results of the Company.

The Directors believe that the successful bidding for the Mining Right is in the Group's ordinary and usual course of business, on normal commercial terms and in the interests of the Company and its shareholders as a whole, and the terms of this transaction are fair and reasonable.

INFORMATION OF THE PARTIES

The Company

The Company is a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the main board of the Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange. The Group is one of the largest photovoltaic glass manufacturers globally and in the PRC, in terms of photovoltaic raw glass and processed photovoltaic glass. The Company also manufactures and sells float glass, household glass and architectural glass.

Anhui Flat Glass

Anhui Flat Solar Glass Co., LTD is a limited liability company established in China, and a wholly-owned subsidy of the Company. It is principally engaged in the development, production and sales of photovoltaic glass.

Chuzhou Natural Resources and Planning Bureau

Chuzhou Natural Resources and Planning Bureau is a department under Chuzhou government. It is mainly responsible for performing duties of owners of natural resources assets such as all lands, mining assets, forests, grasslands, wetlands and water owned by all citizens and the duties for managing the uses of all national land space, and in charge of work including investigation, monitor, evaluation, registration of unified right confirmation, use of assets with consideration, reasonable development and use of natural resources.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as Chuzhou Natural Resources and Planning Bureau is a PRC governmental body, itself and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the successful bidding for the Mining Rights exceeds 5% but all the applicable percentage ratios are less than 25%, the successful bidding for the Mining Rights constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

"A Share(s)"	RMB-denominated ordinary share(s) of the Company which are issued and subscribed for in RMB in the PRC and are listed on the Shanghai Stock Exchange
"Anhui Flat Glass"	Anhui Flat Solar Glass Co., Ltd.* (安徽福萊特光伏玻璃有限公司), a limited liability company established in China, a wholly-owned subsidy of the Company
"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 Stock Exchange and Shanghai Stock Exchange, respectively
"connected person"	a person with the meaning conferred by the Listing Rules
"Directors"	directors of the Company
"H Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB0.25 each, which are subscribed for and traded in Hong Kong dollars, and listed on the Stock Exchange (stock code: 6865)
"Hong Kong"	the Hong Kong Special Administrative Region of China
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Mining Right"	

"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"km^2"	square kilometre
"ton"	a metric unit of mass equal to 1,000 kilograms
"%"	per cent

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

Jiaxing, Zhejiang Province, PRC
1 August 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.

* *If there is any inconsistency between the English name and the Chinese name, the Chinese name shall prevail.*