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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)**

**ANNOUNCEMENT IN RELATION TO THE RESERVED GRANT OF  
THE RESTRICTED SHARES TO PARTICIPANTS UNDER  
THE RESTRICTED A SHARE INCENTIVE SCHEME FOR 2020**

Reference is made to (i) the announcement of Flat Glass Group Co., Ltd. (the “**Company**”) dated 29 April 2020 in relation to, among other things, the proposed adoption of the Incentive Scheme; (ii) the circular dated 27 May 2020 in relation to, among other things, the proposed adoption of the Incentive Scheme; (iii) the announcement dated 29 June 2020 in relation to the poll results of the relevant resolutions in respect of the approval of the Incentive Scheme at the AGM and the Class Meetings; (iv) announcement dated 11 August 2020 in relation to the announcement on the First Grant of the Restricted Shares to Participants under the Incentive Scheme; and (v) announcement dated 31 August 2020 in relation to the results of the First Grant. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as defined in the above announcements and circular.

**I. EXPLANATION OF THE BOARD REGARDING SATISFACTION OF CONDITIONS OF THE RESERVED GRANT**

The Company shall grant Restricted Shares to the Participants upon satisfaction of all of the following conditions of grant; conversely, if any of the following conditions has not been satisfied, no Restricted Shares shall be granted to the Participants.

**1. None of the following has occurred on the part of the Company:**

- (1) An audit report on the financial and accounting report for the most recent fiscal year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
- (2) An audit report on internal control over financial reporting for the most recent fiscal year in which a certified public accountant issued opinion or was unable to express an opinion;

- (3) In the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public commitments;
- (4) Laws and regulations stipulate that equity incentives shall not be implemented;
- (5) Other circumstances as determined by the CSRC.

**2. None of the following has occurred on the part of the Participants:**

- (1) The Participant has been determined as an inappropriate candidate by the Stock Exchange within the most recent 12 months;
- (2) The Participant has been identified as an inappropriate candidate by the CSRC and its agencies within the most recent 12 months;
- (3) The Participant has been subject to administrative punishment or market ban measures by CSRC and its agencies due to major illegal acts in the most recent 12 months;
- (4) The Participant has the circumstances stipulated in the Company Law that he/she shall not act as a director or senior manager of any company;
- (5) Laws and regulations stipulate that the Participant shall not participate in the equity incentives of listed companies;
- (6) Other circumstances as determined by the CSRC.

After careful verification, the Board considers that: according to the relevant provisions of the Management Measures for Share Incentives of Listed Companies and the Incentive Scheme, as well as the authorization at the AGM, the 2020 First A Shares Class Meeting and the 2020 First H Shares Class Meeting of the Company, the conditions of the Reserved Grant of the Incentive Scheme are satisfied and agree that the Company to set the Grant Date on 25 May 2021 and grant 700,000 Restricted Shares to three Participants.

**II. PARTICULARS OF THE RESERVED GRANT**

1. Grant Date: 25 May 2021
2. Number of Restricted Shares granted: 700,000 A shares
3. Number of persons granted: three
4. Grant Price: RMB14.23 per Share
5. Source of Restricted Shares: the ordinary A Shares issued by the Company to the Participants

6. Validity Period, Lock Period and unlocking arrangement:

The Validity Period of the Incentive Scheme shall commence from the completion date of the registration of the Restricted Shares and end on the date on which all the Restricted Shares granted to the Participants have been unlocked or otherwise repurchased and canceled, which shall not be longer than 72 months.

All the Restricted Shares granted to the Participants are subject to different Lock-up Periods, starting from the completion date of registration of the Restricted Shares under the grant. The interval between the Grant Date and the first unlocking day shall not be less than 12 months.

The Restricted Shares granted to the Participants shall not be transferred or assigned or used as guarantee or for repayment of debts during the Lock-up Period. Upon completion of registration by the depository and clearing company, the Restricted Shares granted to the Participants shall have the same rights as the Shares, including but not limited to the rights to dividend, rights to rights issue and voting right conferred by such shares. Shares by conversion of capital reserve, rights issue shares and shares placed to original shareholders upon issuance of new shares which are acquired by the Participants due to grant of Restricted Shares during the Lock-up Period, shall be locked simultaneously, and shall not be sold in the secondary capital market or otherwise transferred. The Lock-up Period of such shares is the same as that of the Restricted Shares.

When the Company pays cash dividends, the Participant shall enjoy the cash dividends to be obtained for the Restricted Shares granted to the Incentive Participant after withholding personal income tax, which shall be collected by the company in principle and returned to the Participants if the Restricted Share is locked; if the Restricted Shares are not locked, corresponding cash dividend shall be recovered by the company and corresponding accounting treatment shall be carried out.

The unlocking arrangement for the Restricted Shares under the reserved grant of the Incentive Scheme is shown in the table below:

<b>Unlocking arrangement</b>	<b>Unlocking time</b>	<b>Unlocking proportion</b>
First unlocking period	Commencing from the reserved trading day upon the expiry of 12 months from the Grant Date of the reserved grant of the Restricted Shares to the last trading day upon the expiry of 24 months from the Grant Date of the reserved grant of the Restricted Shares	20%

<b>Unlocking arrangement</b>	<b>Unlocking time</b>	<b>Unlocking proportion</b>
Second unlocking period	Commencing from the reserved trading day upon the expiry of 24 months from the Grant Date of the reserved grant of the Restricted Shares to the last trading day upon the expiry of 36 months from the Grant Date of the reserved grant of the Restricted Shares	20%
Third unlocking period	Commencing from the reserved trading day upon the expiry of 36 months from the Grant Date of the reserved grant of the Restricted Shares to the last trading day upon the expiry of 48 months from the Grant Date of the reserved grant of the Restricted Shares	20%
Fourth unlocking period	Commencing from the reserved trading day upon the expiry of 48 months from the Grant Date of the reserved grant of the Restricted Shares to the last trading day upon the expiry of 60 months from the Grant Date of the reserved grant of the Restricted Shares	20%
Fifth unlocking period	Commencing from the reserved trading day upon the expiry of 60 months from the Grant Date of the reserved grant of the Restricted Shares to the last trading day upon the expiry of 72 months from the Grant Date of the reserved grant of the Restricted Shares	20%

For the Restricted Shares that have not been applied for unlocking or cannot be applied for unlocking due to failure to meet the Unlocking Conditions during the aforesaid Unlocking Periods, the Company will repurchase and cancel such Restricted Shares from relevant Participants in accordance with the principles of the Incentive Scheme.

If the unlocking conditions of the Restricted Shares are satisfied, the Company shall handle the unlocking of the Restricted Shares which satisfied the conditions at its discretion.

7. The name list of the Participants and allocation of Restricted Shares granted to the Participants:

Name	Number of the Restricted Shares granted <i>(10'000 Shares)</i>	Proportion in the total Restricted Shares granted	Capital of the Company as at the date of this announcement
Senior and middle management (Three people in total)	70.00	13.21%	0.033%

### III. VERIFICATION OF THE LIST OF PARTICIPANTS OF THE FIRST GRANT BY THE SUPERVISORY COMMITTEE

Upon verification of whether the Participants of the Reserved Grant of the Incentive Plan fulfilled the conditions of grant, the Supervisory Committee is of the view that:

1. The Participants above exclude the Company's Directors, Supervisors, the Shareholders individually or in aggregate holding 5% or more of the Shares of the Company or the de facto controllers and their spouses, parents or children.

Upon verification, the Participants of the Reserved Grant of the Incentive Plan not subject to the following circumstances shall not be the incentive object as stipulated under the Management Measures:

- (1) The Participant has been determined as an inappropriate candidate by the Stock Exchange within the most recent 12 months;
- (2) The Participant has been identified as an inappropriate candidate by the CSRC and its agencies within the most recent 12 months;
- (3) The Participant has been subject to administrative punishment or market ban measures by CSRC and its agencies due to major illegal acts in the most recent 12 months;
- (4) The Participant has the circumstances stipulated in the Company Law that he/she shall not act as a director or senior manager of any company;
- (5) Laws and regulations stipulate that the Participant shall not participate in the equity incentives of listed companies;
- (6) Other circumstances as determined by the CSRC.

2. The Participants under the Reserved Grant have satisfied the employment requirements stipulated under the Company Law, the Securities Law and other laws and regulations, have all met the conditions of Participants under the Management Measures, are within the scope of the Incentive Scheme, are legally and validly qualified and have satisfied the conditions of grant of the Restricted Shares.

In view of the above, the Supervisory Committee is of the view that the conditions of the Reserved Grant of the Incentive Plan are satisfied and agree to the set of the Grant Date of the Reserved Grant under the Incentive Plan on 25 May 2021 and the grant of 700,000 Restricted Shares to the three Participants who satisfied the conditions.

#### **IV. STATEMENT ON DEALING IN SHARES OF THE COMPANY BY THE DIRECTORS AND SENIOR MANAGEMENT PARTICIPATING IN THE INCENTIVE SCHEME DURING THE 6 MONTHS PRIOR TO THE GRANT DATE**

The Participants of the Reserved Grant of the Incentive Plan do not include the Directors and senior management personnel of the Company.

#### **V. IMPACT OF THE RESERVED GRANT OF RESTRICTED SHARES ON THE FINANCIAL POSITION OF THE COMPANY**

According to the requirements of the Accounting Standards for Business Enterprises No. 11-Share-based Payments(《企業會計準則第11號－股份支付》), and the Accounting Standards for Business Enterprise No.22 -Financial Instrument Confirmation and Measurements(《企業會計準則第22號－金融工具確認和計量》), at each balance sheet date within the Lock-up Period, the Company shall revise the number of the Restricted Shares which are expected to be unlocked according to the change in the latest available number of persons eligible to unlock the Restricted Shares, completion of the performance targets and other subsequent information, and recognize the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

The incentive cost of the Incentive Scheme will be confirmed by stages according to the proportion of unlocking during the implementation of the Incentive Scheme. The Reserved Grant Date of the Incentive Scheme is 25 May 2021, and the 700,000 Restricted Shares of the Reserved Grant were predicted based on the closing price of A Shares on 25 May 2021. After calculation, it is estimated that the incentive cost of the Restricted Shares in the future will be 10.031 million, and the specific amortization is as follows:

*Unit: RMB10,000*

<b>Total Amortization Costs of the Restricted Shares</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
1,003.10	<u>267.21</u>	<u>341.05</u>	<u>198.95</u>	<u>118.14</u>	<u>61.02</u>	<u>16.72</u>

*Notes:*

1. The Shareholders shall pay attention to the possible dilutive effect of the above-mentioned share-based payments;
2. The final impact of the above amortization costs projections on the Company's operating results is subject to the audit report issued by the accountant;

## **VI. SUMMARY OF THE LEGAL OPINIONS**

Beijing Anjie (Shanghai) Law Firm has issued a professional opinion in relation to the Reserved Grant of the Restricted A Share Incentive Scheme for 2020 of the Company as follows: as at the issuance date of the legal opinion, (i) pursuant to the authorisations of the 2019 Annual General Meeting, the 2020 First A Shares Class Meeting and the 2020 First H Shares Class Meeting, the Company obtained the required approval and authorisation for the Reserved Grant; (ii) the determination of the Participants, the number of Restricted Shares granted, the Grant Price and the Grant Date of the Reserved Grant complied with the relevant requirements under the Management Measures and the Incentive Scheme; and (iii) none of the circumstances had occurred on the part of the Company and the Participants under which the Restricted Shares shall not be granted as stipulated in the Management Measures and the Incentive Scheme, and the conditions for granting the Restricted Shares under the Incentive Scheme were satisfied.

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

Jiaxing, Zhejiang Province, the PRC  
25 May 2021

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