
☐ : ☐ t as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

☐ : t : : all your shares in the Company, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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福萊特玻璃集團股份有限公司

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Notices convening the EGM to be held at 2:00 p.m. on Thursday, 25 March 2021 at the Conference Room, Flat Glass Group Co., Ltd., 1999 Yunhe Road, Xiuzhou District, Jiaxing, Zhejiang Province, the PRC and the H Shareholders' Class Meeting to be held immediately following the conclusion of the A Shareholders' Class Meeting, are set out on pages 16 to 19 of this circular.

Proxy forms for use at the EGM and the H Shareholders' Class Meeting are also enclosed with this circular. If you intend to attend the meeting by proxy, you are required to complete and return the enclosed proxy form(s) in accordance with the instructions printed thereon to the Company's H shares registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for H Shareholders) as soon as possible but in any event by not later than 24 hours before the time appointed for holding of the respective meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the relevant meeting or any adjourned meeting should you so wish.

2 March 2021

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“CSRC” China Securities Regulatory Commission (中國證券監督管理委員會)

“Directors” the directors of the Company

“EGM” or “2021 First EGM” the 2021 first extraordinary general meeting of the Company

“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“PV”	photovoltaic
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	the A Share(s) and the H Share(s)
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“Specific Mandate”	the specific mandate proposed to be granted to the Board by the Shareholders at the EGM and the Class Meetings in relation to the Issuance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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福萊特玻璃集團股份有限公司

特 約 公 司

(公 司 代 理 人)
(公 司 代 理 人)

Mr. Ruan Hongliang (吳 宏 亮)
Ms. Jiang Jinhua
Mr. Wei Yezhong
Mr. Shen Qifu

1999 Yunhe Road
Xiuzhou District, Jiaxing
Zhejiang Province, the PRC

Mr. Cui Xiaozhong
Ms. Hua Fulan
Mr. Ng Ki Hung

Unit 6, 11/F, Prosperity Place
6 Shing Yip Street
Kwun Tong, Kowloon
Hong Kong

2 March 2021

Dear Sir or Madam,

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The purpose of this circular is to provide you with information in connection with, among other things, considering and approving the proposed issuance of New H Shares under the Specific Mandate; and to give you notice of the EGM and the H Shareholders' Class Meeting.

1. **Particulars of the proposed Issuance**

Reference is made to the Announcement in relation to the proposed issuance of not more than 76,000,000 New H Shares, pursuant to the Specific Mandate to be sought at the EGM and the Class Meetings.

The maximum number of New H Shares to be issued represents: (i) approximately 3.5% of the total issued share capital of the Company as at the Latest Practicable Date, (ii) approximately 3.4% of the total issued share capital of the Company as enlarged by the Issuance, (iii) approximately 16.9% of the total number of issued H Shares of the Company as at the Latest Practicable Date, and (iv) approximately 14.4% of the total issued H Shares of the Company as enlarged by the Issuance.

Details of the proposed Issuance are as follows:

(a) Class and par value of the Shares to be issued

The New H Shares to be issued are overseas-listed foreign shares which shall be listed on the Main Board of the Stock Exchange with a par value of RMB0.25 each.

(b) Method and time of issuance

The Issuance involves a placing of New H Shares to qualified investors in accordance with the Articles of Association. The Issuance is subject to the approval by the Shareholders and the CSRC and is conditional upon the Stock Exchange granting approval for the listing of and permission to deal in the New H Shares. The Company will implement the Issuance in single or multiple tranches within the validity period of the resolutions in relation to the Issuance and in compliance with applicable laws and regulations.

(c) Target placees and subscription method

The target placees of the New H Shares will be qualified investors (excluding those in respect of which subscription has been or would be prohibited under relevant laws and regulations), who (together with their respective ultimate beneficial owners) are independent third parties and not connected persons (as defined under the Listing Rules) of the Company. The New H Shares will be subscribed by the placee(s) in cash.

(d) Issue price and pricing method

According to Article 127 of the Company Law, the issue price of the New H Shares shall not be below its par value (i.e. RMB0.25 each). Subject to compliance with applicable laws and regulations, the New H Shares will be issued at a price determined after arm's length negotiation between the Company and the Placing Agent with reference to the capital market conditions, the overall interest of existing Shareholders, and the trading price of the H Shares of the Company. In addition to the above factors, the issue price of the New H Shares shall not be lower than 90% of the average closing price of the H Shares as quoted on the Stock Exchange over the last five trading days prior to the date of determination of the relevant issue price, and shall comply with the applicable laws and regulations and market practices.

In addition, according to Rule 7.27B of the Listing Rules, the Company may not undertake a specific mandate placing that would result in a theoretical dilution effect of 25% or more, unless the Company can demonstrate that there are exceptional circumstances. Taking into consideration the proposed issue price and pricing method of the New H Shares as set out above, recent market conditions and the fact that the scale of New H Shares to be issued represents only approximately 3.5% and 3.4% of the total number of Shares of the Company immediately before and after the Issuance, respectively, the Issuance would not result in a theoretical dilution effect (as defined in Rule 7.27B of the Listing Rules) of 25% or more within the 12 months' period preceding the date of the Announcement.

Furthermore, the Company and the Placing Agent will decide an appropriate timing for the Issuance, in order to ensure the fairness and reasonableness of the issue price of the New H Shares. The Company further undertakes it will ensure the Issuance would not result in a theoretical dilution effect of 25% or more within the 12-month period preceding the date of the Announcement, including but not limited to adjusting the number of New H Shares to be issued and/or the issue price within the scope of the Specific Mandate as appropriate.

(e) Number of New H Shares to be issued

Subject to the approvals of the Shareholders at the EGM and the Class Meetings, the total number of New H Shares proposed to be issued under the Issuance shall not exceed 76,000,000 H Shares. The actual number of New H Shares to be issued will be determined by the Company and the Placing Agent according to market conditions, the capital requirements of the Company and applicable laws and regulations.

In the event of any rights issue or transfer of capital reserves to share capital during the period from the date of the Announcement and the issuance date of the New H Shares, the maximum number of New H Shares to be issued under the Issuance shall be adjusted to ensure that the total amount of proceeds to be raised from the Issuance will not be affected by such events (if any), and according to the following formula:

$$QA1 = QA0 \times (1 + EA),$$

where QA1 refers to the maximum number of New H Shares to be issued post-adjustment; QA0 refers to maximum number of New H Shares to be issued pre-adjustment; and EA refers to the number of Shares to be issued pursuant to such rights issue or transfer of capital reserves to share capital (on a per Share basis).

(f) Accumulated profits before the Issuance

All Shareholders will be entitled to share the Company's accumulated undistributed profits retained prior to the Issuance according to their respective shareholdings upon completion of the Issuance.

(g) Place of listing

The New H Shares to be issued under the Issuance will be listed and traded on the Main Board of the Stock Exchange. Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in all New H Shares on the Stock Exchange, as and when appropriate.

(h) Use of proceeds

The proceeds from the issuance of the New H Shares, after deducting relevant expenses, will be applied as follows:

- a. approximately 50% will be used to replenish the working capital of the Company. In light of the rapidly growing PV industry globally, the Company has expanded its production capacity and scale of PV glass in recent years. It expects that the business of the Company will continue to grow accordingly and, therefore, it is necessary to replenish the working capital to meet the daily operating capital needs of the Company;
- b. approximately 35% will be used for general corporate purposes, which primarily include investment in the research and development (“ & ”) projects and investment in PV glass projects. As a leader in PV industry, the Company endeavours to continue to invest in innovation and technology. As PV module manufacturers accelerate the development of large-size PV modules, the Company will further increase its investment in R&D to accelerate the development and market growth of large-size and ultra-thin PV glass. As for investment in PV glass projects, the Company plans to apply the proceeds in various initiatives which

will help to further increase its market share in the PV industry, including but not limited to project renovation, equipment upgrade and marketing and promotion, etc.; and

- c. approximately 15% will be used to repay certain interest-bearing debts of the Company. As of 30 September 2020, the Company had (unaudited) total interest-bearing debts of approximately RMB2,110.9 million, of which RMB913.3 million would be due by 2021, RMB431.5 million would be due by 2022 and RMB766.1 million would be due by 2023. The Company will apply the proceeds from the Issuance to partially repay such interest-bearing debts based on the debt structure (including but not limited to debt currency, debt interest rate and maturity date) and the then capital needs of the Company as appropriate. By partial repayment of these interest-bearing debts with the proceeds from the Issuance, the interest expenses of the Company will be correspondingly reduced, and the capital structure and financial performance will be improved.

(i) Validity period of the resolutions

The resolutions relating to the Issuance shall be valid for 12 months, commencing from the date of passing of the relevant special resolutions at the EGM and obtaining of the approval from class shareholders at the Class Meetings and subject to the approval or permission from the regulatory authorities. If the Company obtains the approval or permission from or completes the filing or registration (if applicable) with regulatory authorities within the validity period of the resolutions in relation to the Issuance at the EGM and the Class Meetings, the Company may proceed with the Issuance in accordance with such approval or permission by the regulatory authorities.

(j) Other relevant authorisation

The Board will seek the Shareholders' approval at the EGM and the Class Meetings respectively to authorise the Board, the chairman of the Board and/or (where appropriate) persons delegated by the chairman of the Board to deal with and complete all the matters in relation to the Issuance with full authority during the validity period of the resolutions relating to the Issuance. Such matters include but are not limited to:

- (1) determining and implementing the Issuance, including but not limited to the time of issuance, target placees, method of issuance, issue price (including the date of issuance, to agent

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- (2) dealing with matters related to the examination, registration, filing, approval and permission of the Issuance from relevant PRC and overseas authorities and application for the listing and trading of the New H Shares on the Main Board of the Stock Exchange;
 - (3) review and approval of agreements (including but not limited to the placing agreement and its amendments and supplements) and documents (including but not limited to application documents with the CSRC and the formal application for the issuance of the New H Shares (C1 Form)) related to the Issuance, publication of relevant announcement(s) (including but not limited placing announcement and announcement on the completion of the placing), next day disclosure return and relevant waivers in relation to the Issuance and approval of the signing, execution, amendment and supplement of all such agreements and documents;
 - (4) appointment of legal advisers, placing agents, settlement agents and other intermediaries in connection with the Issuance, and the negotiation and determining their terms of appointment;
 - (5) issuance and allotment of New H Shares to successful applicant(s) of the Issuance;
 - (6) arranging the opening of bank accounts of the Company;
 - (7) authorising and instructing the Company's shares registrar in respect of H Shares, Tricor Investor Services Limited, to register the relevant information of new holders of H Shares or HKSCC Nominees Limited in the register of members of the Company in Hong Kong;
 - (8) performing and signing (with seal or not) all acts, matters, deeds and documents and other matters desirable, appropriate or related to the Issuance (as the case may be), and such authority is specifically granted to any Director who shall be authorised to, on behalf of the Company, deal with all matters and implement all acts necessary or desirable in connection with the Issuance;
 - (9) amending provisions of the Articles of Association upon completion of the Issuance and in accordance with the actual circumstances of the Issuance as appropriate, to reflect the change of capital structure of the Company due to the Issuance;
 - (10) upon completion of the Issuance, signing relevant documents to authorise specified person(s) to deal with the relevant registration and filing procedures with the relevant industry and commerce administration authorities and all other necessary actions in relation to the change of registered capital and amendment to the Articles of Association of the Company; and

- (11) dealing with all other matters in relation to the Issuance, including but not limited to formulating, changing, approving, ratifying and confirming all provisions in relation to the Issuance, and signing, or delivering any documents as necessary and appropriate.

the Board:

The Issuance is conditional upon:

- (a) the grant of the proposed Specific Mandate by the Shareholders to the Board having been obtained at the EGM and the Class Meetings;
- (b) the approval of the proposed issue of the New H Shares pursuant to the proposed Specific Mandate by the relevant PRC administrative and/or regulatory authorities, (including the CSRC);
- (c) the entering into of the issuance/placing agreement(s) between the Company and the issuance/placing agent(s) and the subscription agreement(s) between the Company and the investor(s) (as the case may be) and such issuance/placing agreement(s) and subscription agreement(s) (as the case may be) not being terminated in accordance with the terms therein; and
- (d) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in all of the New H Shares to be issued and allotted pursuant to the Issuance.

the Board:

The Board considers that the Issuance is beneficial to the Company by providing long-term capital at a relative low financing cost, which will facilitate the Company's steady development and growth. As of 30 September 2020, the Company's (unaudited) total interest-bearing debts were approximately RMB2,110.9 million, accounting for approximately 33.2% of its total liabilities. The interest burden arising from such debts poses additional pressure to the Company's future cash flow. In contrast, no interest would be payable under the Issuance, and the net proceeds from the Issuance will also be applied to partially repay certain interest-bearing debts and to improve the working capital position of the Company. In addition, the ability of the Company to obtain further debts usually depends on its existing banking facilities, profitability and financial

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The Company has engaged China International Capital Corporation Hong Kong Securities Limited to act as a placing agent for the Issuance and expects to enter into a formal placing agreement with it in due course, while details of the transaction (including the issue price and placing arrangement) are to be finalised.

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(i) *Issuance of A Share convertible corporate bonds*

In June 2020, the Company issued the A share convertible corporate bonds to raise RMB1.45 billion. The net proceeds raised (approximately RMB1.44 billion) was and will be applied to the Company's investment in a PV glass project in Fengning Modern Industrial Park, Fengyang County, Chuzhou City, Anhui Province, the PRC with an annual production capacity of 750,000 tons of glass with expected investment amount totaling RMB1,751.7 million (the “ ”).

The PV Glass Project will include two raw glass production lines with a daily melting capacity of 1,200 tons, which has been gradually put into production since the beginning of 2021. As of 30 June 2020, approximately RMB15 million of the net proceeds raised was utilised and

presented as follows:

Assuming that, save for the Issuance, (1) there is no other change in the total issued share capital of the Company from the Latest Practicable Date to the completion date of the Issuance, and (2) all 76,000,000 New H Shares are fully issued, the shareholding structures of the Company as at the Latest Practicable Date and immediately after the completion of the Issuance are as follows:

As at the Latest Practicable Date		Immediately after the completion of the Issuance	
Number of Shares	Percentage	Number of Shares	Percentage
1,000,000,000	100.00%	1,076,000,000	100.00%
1,000,000,000	100.00%	1,076,000,000	100.00%

Ms. Jiang Jinhua

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In this regard, the Board intends to seek approvals from the Shareholders at the EGM and the Class Meetings to grant the Specific Mandate to the Board to issue not more than 76,000,000 New H Shares to qualified investors independent of the Company and its connected persons in accordance with the plan for the Issuance, the issue price and the pricing method as approved by the Shareholders.

The Specific Mandate shall be valid for 12 months from the date on which it is approved at the EGM and the Class Meetings. If the Company has obtained the approval or permission from or completed the filing or registration (if applicable) with regulatory authorities within the validity period of the resolutions in relation to the Issuance as approved by the Shareholders at the EGM and the Class Meetings, the Company may proceed with the Issuance in accordance with such approval or permission by the regulatory authorities.

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The Company intends to convene the EGM and the H Shareholders' Class Meeting at 2:00 p.m. on Thursday, 25 March 2021 at the Conference Room, Flat Glass Group Co., Ltd., 1999 Yunhe Road, Xiuzhou District, Jiaxing, Zhejiang Province, the PRC, to consider and, if thought fit, pass resolutions in respect of the matters set out in the notices of the EGM and the H Shareholders' Class Meeting. Notices convening the EGM and the H Shareholders' Class Meeting dated 2 March 2021, together with the relevant forms of proxy have been dispatched to the Shareholders in accordance with the Listing Rules. Notices convening the EGM and the H Shareholders' Class Meeting are also set out on pages 16 to 19 of this circular.

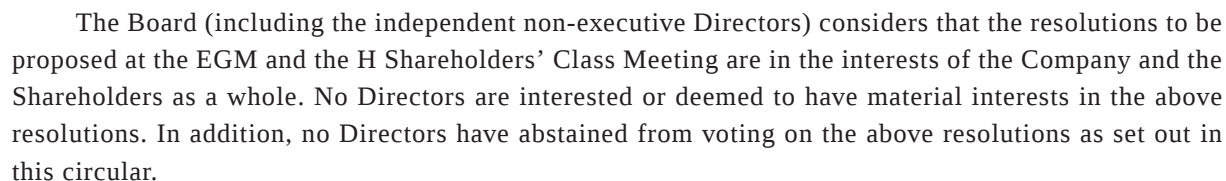
Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Accordingly, all resolutions to be proposed at the EGM and the H Shareholders' Class Meeting will be voted by poll.

To the best of the Directors' knowledge, information and belief, no Shareholders has any material interest in the Issuance and therefore no Shareholders will be required to abstain from voting on the relevant resolutions at the EGM and/or the H Shareholders' Class Meeting.

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For the purpose of determining the entitlement for attendance and voting at the EGM and/or the H Shareholders' Class Meeting (as the case may be), the H Shares register of members of the Company will be closed from Friday, 19 March 2021 to Thursday, 25 March 2021 (both days inclusive), during which period no transfer of H Shares will be effected. Shareholders who intend to attend and vote at the EGM and the H Shareholders' Class Meeting shall lodge all the transfer documents together with the relevant share certificates with the Company's H shares registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for H Shareholders) no later than 4:30 p.m. on Thursday, 18 March 2021.

Shareholders who intend to appoint a proxy to attend the EGM and the H Shareholders' Class Meeting shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. The form of proxy should be returned, in person or by post, to the



Yours faithfully
By order of the Board
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福萊特玻璃集團股份有限公司

（ 公 司 章 程 ）

（ 公 司 章 程 ）

2021

（ 公 司 章 程 ） dated 2 March 2021 in relation to the proposed issuance of New H Shares under the Specific Mandate. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the circular.

（ 公 司 章 程 ） that 2021 first extraordinary general meeting (the “ ”) of the Company will be held at 2:00 p.m. on Thursday, 25 March 2021 at the Conference Room, Flat Glass Group Co., Ltd., 1999 Yunhe Road, Xiuzhou District, Jiaxing, Zhejiang Province, the People’s Republic of China (the “ ”) to consider and, if thought fit, to pass the following resolutions:

1. Resolutions in relation to the issue of New H Shares under the Specific Mandate:

- (a) class and par value of the Shares to be issued;
- (b) method and time of issuance;
- (c) target placees and subscription method;
- (d) issue price and pricing method;
- (e) number of New H Shares to be issued;
- (f) accumulated profits before the Issuance;
- (g) place of listing;
- (h) use of proceeds; and
- (i) validity period of the resolutions.

2. Resolution of authorising the Board, the chairman of the Board and/or (where appropriate) persons delegated by the chairman of the Board to deal with and complete all the matters in relation to the Issuance with full authority.

By order of the Board

 _____, Treasurer

Jiaxing, Zhejiang Province, the PRC
 2 March 2021

1. In order to ascertain Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 19 March 2021 (Friday) to 25 March 2021 (Thursday) (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming EGM, all transfer documents must be lodged with the Company's H share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) for registration before 4:30 p.m. on 18 March 2021 (Thursday). H Shareholders whose names appear on the register of members of the Company on 18 March 2021 (Thursday) are entitled to attend and vote at the EGM. The record date and arrangements in respect of the A Shareholders who are entitled to attend the EGM will be determined and announced separately in the PRC by the Company.
2. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder of the Company.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.
4. In order to be valid, the proxy form for the EGM must be deposited by hand or by post to the H share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) not less than 24 hours before the time for holding the EGM (or any adjournment thereof) for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.
5. Shareholders or their proxies shall provide their identification documents when attending the EGM. If corporate Shareholders appoint authorised representative to attend the EGM, the authorised representative shall produce his/her identity documents and a notorially certified copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notorially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the EGM.



福萊特玻璃集團股份有限公司

Flat Glass Group Co., Ltd.

(Incorporated in the People's Republic of China)
(Stock Code: 605)

2021

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References are made to the circular of Flat Glass Group Co., Ltd. (the “**p**”) dated 2 March 2021 in relation to the proposed issuance of New H Shares under the Specific Mandate. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the circular.

that 2021 first H Shareholders’ class meeting (the “**st**”) of the Company will be held immediately following the conclusion of the A Shareholders’ Class Meeting on Thursday, 25 March 2021 at the Conference Room, Flat Glass Group Co., Ltd., 1999 Yunhe Road, Xiuzhou District, Jiaxing, Zhejiang Province, the People’s Republic of China (the “**st**”) to consider and, if thought fit, to pass the following resolutions:

1. Resolutions in relation to the issue of New H Shares under the Specific Mandate:

- (a) class and par value of the Shares to be issued;
- (b) method and time of issuance;
- (c) target placees and subscription method;
- (d) issue price and pricing method;
- (e) number of New H Shares to be issued;
- (f) accumulated profits before the Issuance;
- (g) place of listing;
- (h) use of proceeds; and
- (i) validity period of the resolutions.

- By order of the Board

 _____, Treasurer

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