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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**  
**PRELIMINARY PRICE CONSULTATION PERIOD OF A SHARE OFFERING**  
**AND**  
**SUMMARY OF PRINCIPAL PROVISIONS OF A SHARE PROSPECTUS**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to the announcements of Flat Glass Group Co., Ltd. (the “**Company**”) dated 25 August 2016, 21 November 2016, 20 November 2017, 18 September 2018 and 19 November 2018 and the circulars of the Company dated 5 October 2016, 4 October 2017 and 3 October 2018 (the “**Circulars**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circulars.

**(I) PRELIMINARY PRICE CONSULTATION PERIOD OF THE A SHARE OFFERING**

As disclosed in the announcement of the Company dated 18 January 2019, the CSRC has officially approved the A Share Offering pursuant to a written notice dated 18 January 2019. The A Share Offering is valid for a period of 12 months from the date of the approval notice and not more than 150,000,000 A Shares can be issued thereunder. As required by the applicable PRC laws and regulations, the Company and the sponsor (lead underwriter) of the A Share Offering will conduct preliminary price consultations among qualified participants who meet the requirements of the PRC laws and regulations between 23 January 2019 and 24 January 2019 (from 9:30 a.m. to 3:00 p.m. on each trading day) in the PRC to determine the issue price. The Company will make further announcement(s) once the final size and issue price of the A Share Offering have been determined.

## (II) PRINCIPAL PROVISIONS OF THE A SHARE PROSPECTUS

The full text of the prospectus in relation to the A Share Offering (the “**A Share Prospectus**”), a summary of the A Share Prospectus and the relevant appendices were published on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) in Chinese only on 21 January 2019. A summary of the A Share Prospectus was also published on various PRC newspapers including the China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily on the same date.

A summary of the principal provisions of the A Share Prospectus is as follows:

### 1. Summary of the A Share Offering

Class of shares:	Ordinary shares in RMB (A Shares)
Nominal value per A Share:	RMB0.25
Number of A Shares to be issued:	Up to 150,000,000 new A Shares, representing not less than 7.69% of the total share capital of the Company after the Offering
Issue price per A Share:	RMB[•]
Price earnings ratio of the A Share Offering:	[•] times (calculated by dividing the audited net profit attributable to the shareholders of the parent company for 2017 before or after deduction of non-recurring profit or loss (whichever is lower) by the total share capital of the Company after the Offering)
Net asset value per A Share before the Offering:	RMB1.92 (calculated by dividing the audited equity attributable to the shareholders of the parent company as at 30 June 2018 by the total share capital of the Company before the Offering)
Net asset value per A Share after the Offering:	RMB[•] (calculated by dividing the sum of audited equity attributable to the shareholders of Company as at 30 June 2018 and the net proceeds raised from the Offering by the total share capital of the Company after the Offering)
Price-to-book ratio:	[•] times (calculated by dividing the issue price per A Share by the net asset value per A Share after the Offering)
Issuing method:	By a combination of placing of shares to participants through offline price consultation and public offering of shares through online subscription or other offering methods approved by the CSRC

Target persons of the Offering:	The qualified participants (who meet the requirements of the PRC laws and regulations and requirements from regulatory authorities) in the price consultation process and natural persons, legal persons and other investors within the PRC which have established A Share accounts with the Shanghai Stock Exchange (except those prohibited by the PRC laws and regulations)
Underwriting method:	Standby underwriting
Gross and net proceeds raised:	RMB[•] and RMB[•]
Estimated Offering expenses:	Total Offering expenses are RMB45.62 million (each expense excluding tax), of which, underwriting and sponsor fees are RMB29.53 million; auditing and capital verification fees are RMB7.45 million; legal expenses are RMB2.74 million; issuing fees and issuing material fees are RMB1.18 million; and information disclosure expenses are RMB4.72 million
The stock exchange for the listing:	The Shanghai Stock Exchange

## 2. Use of proceeds

It is expected that the net proceeds to be raised from the A Share Offering, after deduction of relevant issuance expenses, will be utilised mainly in the following investment projects (the “Investment Projects”):

Investment Projects	Investment amount	Amount of proceeds to be utilised
The annual production capacity of 900,000 tons of glass as covers for PV modules project ( <i>Note</i> )	2,086,620,000.00	254,384,951.00
The annual production capacity of 100,000 tons on-line low- emissivity (Low-E) coated glass project	225,000,000.00	—

*Note:* The annual production capacity of 900,000 tons of glass as covers for PV modules project will be implemented by stages. The production capacity of 600,000 tons of PV glass will be funded by the proceeds from the Proposed A Share Offering.

To the extent that the proceeds received from the A Share Offering cannot satisfy the investment needs of the Investments Projects, the Company will fund the shortfall through self-financing. To the extent that the proceeds received from the A Share Offering exceeds the investment needs of the Investment Projects, the extra proceeds will be utilised by the Company as appropriate after completing the necessary procedures as required under applicable PRC laws and regulations and the relevant requirements of the CSRC.

If the Company has already satisfied part of the investment needs by self-financing based on the actual payment schedule of the Investment Projects prior to receiving the proceeds from the A Share Offering, such amounts shall be repaid to the Company upon receipt of the proceeds from the A Share Offering.

The Investment Projects are closely related to the existing business and development strategies of the Company. The Investment Projects will enable the Company to consolidate its competitive strengths, enhance its core competitiveness, improve the profitability of its business and promote the implementation of its development strategies. As such, it is expected that the use of proceeds will have a positive effect on the financial positions and operating results of the Company.

### 3. Share capital and shareholding structure before and after the A Share Offering

Prior to the A Share Offering, the total number of Shares of the Company is 1,800,000,000 Shares. If 150,000,000 A Shares are issued under the A Share Offering, the total number of Shares of the Company after the A Share Offering will be 1,950,000,000 Shares. The shareholding structure before the A Share Offering is based on the information as at the signing date of the A Share Prospectus. The following is the shareholding structure of the Company before and after the A Share Offering (assuming the A Share Offering consists of 150,000,000 newly issued A Shares):

Name of shareholder	Before the A Share Offering			Immediately upon completion of the A Share Offering		
	Number of Shares	Percentage of shareholding	Class of Share	Number of Shares	Percentage of shareholding	Class of Share
Ruan Hongliang	439,358,400	24.41%	Domestic shares	439,358,400	22.53%	A Shares
Ruan Zeyun	350,532,000	19.47%	Domestic shares	350,532,000	17.98%	A Shares
Jiang Jinhua	324,081,600	18.00%	Domestic shares	324,081,600	16.62%	A Shares
Zheng Wenrong	57,780,000	3.21%	Domestic shares	57,780,000	2.96%	A Shares
Shen Fuquan	38,520,000	2.14%	Domestic shares	38,520,000	1.98%	A Shares
Zhu Quanming	38,520,000	2.14%	Domestic shares	38,520,000	1.98%	A Shares
Wei Yezhong	19,260,000	1.07%	Domestic shares	19,260,000	0.99%	A Shares
Tao Hongzhu	12,840,000	0.71%	Domestic shares	12,840,000	0.66%	A Shares
Shen Qifu	12,840,000	0.71%	Domestic shares	12,840,000	0.66%	A Shares
Tao Hongqiang	15,408,000	0.86%	Domestic shares	15,408,000	0.79%	A Shares
Wei Zhiming	12,840,000	0.71%	Domestic shares	12,840,000	0.66%	A Shares
Pan Rongguan	6,420,000	0.36%	Domestic shares	6,420,000	0.33%	A Shares
Jiang Jinlan	6,000,000	0.33%	Domestic shares	6,000,000	0.31%	A Shares
Zhu Haiou	6,000,000	0.33%	Domestic shares	6,000,000	0.31%	A Shares
Zhao Xiaofei	4,800,000	0.27%	Domestic shares	4,800,000	0.25%	A Shares
Zheng Yong	3,600,000	0.20%	Domestic shares	3,600,000	0.18%	A Shares
Sun Lizhong	1,200,000	0.07%	Domestic shares	1,200,000	0.06%	A Shares

Name of shareholder	Before the A Share Offering			Immediately upon completion of the A Share Offering		
	Number of Shares	Percentage of shareholding	Class of Share	Number of Shares	Percentage of shareholding	Class of Share
Holders of A Shares	–	–	Domestic listed shares	150,000,000	7.69%	A Shares
Holders of H Shares	<u>450,000,000</u>	<u>25.00%</u>	Overseas-listed foreign shares	<u>450,000,000</u>	<u>23.08%</u>	H Shares
Total	<u>1,800,000,000</u>	<u>100.00%</u>		<u>1,950,000,000</u>	<u>100.00%</u>	

The above English version of the summary of the principal provisions of the A Share Prospectus is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

The Company will keep the Shareholders and potential investors informed of any further development in relation to the A Share Offering in accordance with the Listing Rules and applicable laws and regulations.

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

Jiaxing  
Zhejiang Province  
PRC

21 January 2019

*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 Dr. Cui Xiaozhong, Ms. Hua Fulan and Mr. Ng Ki Hung.*