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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)**

**THE FIRST GRANT OF SHARE OPTIONS TO  
THE PARTICIPANTS AND THE ADJUSTMENTS TO  
THE LIST OF PARTICIPANTS AND THE NUMBER OF  
SHARE OPTIONS GRANTED UNDER THE FIRST GRANT OF  
SHARE OPTIONS OF THE A SHARE OPTION  
INCENTIVE SCHEME**

This announcement is made by Flat Glass Group Co., Ltd. (the “**Company**”) in accordance with the Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to the announcements dated 17 August 2021, 24 September 2021, 12 October 2021, 18 November 2021 and the circular dated 27 October 2021 (the “**Circular**”) of the Company in relation to the 2021 A Share Option Incentive Scheme of the Company. Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The conditions of the Scheme have been satisfied. In accordance with the requirements under the A Share Option Incentive Scheme and the authorization granted by the 2021 Third EGM, the 2021 Third A Shareholders' Class Meeting and the 2021 Third H Shareholders' Class Meeting held by the Company on 18 November 2021, the Company convened the eleventh meeting of the sixth session of the Board on 19 November 2021, which considered and approved the resolution on the First Grant of 2021 A Share Options to the Participants and the resolution on the Adjustments to the List of Participants and Number of Share Options Granted under the First Grant of the 2021 A Share Option Incentive Scheme, and determined 19 November 2021 as the Date of Grant under the Scheme and adjusted the list of Participants and the number of Share Options granted under the first Grant of Share Options. The relevant matters are explained as follows:

**I. DETAILS OF THE GRANT OF SHARE OPTIONS**

1. Date of Grant: 19 November 2021.
2. Number of Grant: 5,341,072.

3. Number of Participants of Grant: 288.
4. Exercise Price: RMB44.02 per Share. In the event of capitalization of capital reserves, bonus issue, dividend distribution, subdivision or consolidation of Shares, rights issue, etc. of the Company during the period from the date of the announcement of the Scheme to the completion of share registration of Share Options by the Participants, the Exercise Price and the total number of underlying Shares involved would be adjusted in accordance with the Scheme.
5. Market Price of the A Shares on the Date of Grant: RMB47.45 per Share.
6. Source of Shares: A Shares of the Company to be directly issued to the Participants by the Company.
7. The Arrangement of Validity Period, Vesting Period and Exercise Period of the Scheme:
  - (1) The Validity Period of the Scheme is the period from the Date of Grant of the Share Options to the date on which all Share Options granted to the Participants are exercised or cancelled, and shall not be longer than 72 months.
  - (2) All Share Options granted to the Participants are subject to different Vesting Periods, and each of them commences on the date on which the registration of the grant of Share Options is completed. The interval between the Date of Grant and the first Exercise Date shall not be less than 12 months.
  - (3) The Participants of the Scheme may exercise Share Options upon the expiration of the Vesting Period. The Exercise Date must be a trading day within the Validity Period of the Scheme, and shall not fall within the period prohibited from exercising rights of share options by the listing rules of the stock exchange where the Company's Shares are listed.

- (4) The exercise arrangement for the first Grant of Share Options and the reserved Share Options are as follows.

The exercise arrangement for the first Grant of Share Options:

<b>Exercise Arrangement</b>	<b>Exercise Period</b>	<b>Proportion of exercisable Share Options to the total number of Share Options granted</b>
First Exercise Period	Commencing from the first trading day after the expiry of the 12th month from the Date of the Grant of the first Grant of Share Options, and ending on the last trading day of the 24th month from the Date of Grant	20%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24th month from the Date of Grant of the first Grant of Share Options, and ending on the last trading day of the 36th month from the Date of Grant	20%
Third Exercise Period	Commencing from the first trading day after the expiry of the 36th month from the Date of Grant of the first Grant of Share Options, and ending on the last trading day of the 48th month from the Date of Grant	20%
Fourth Exercise Period	Commencing from the first trading day after the expiry of the 48th month from the Date of Grant of the first Grant of Share Options, and ending on the last trading day of the 60th month from the Date of Grant	20%
Fifth Exercise Period	Commencing from the first trading day after the expiry of the 60th month from the Date of Grant of the first Grant of Share Options, and ending on the last trading day of the 72th month from the Date of Grant	20%

The exercise arrangement for the reserved Share Options:

<b>Exercise Arrangement</b>	<b>Exercise Period</b>	<b>Proportion of exercisable Share Options to the total number of Share Options granted</b>
First Exercise Period	Commencing from the first trading day after the expiry of the 12th month from the Date of the Grant of the reserved Share Options, and ending on the last trading day of the 24th month from the Date of Grant	20%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24th month from the Date of Grant of the reserved Share Options, and ending on the last trading day of the 36th month from the Date of Grant	20%
Third Exercise Period	Commencing from the first trading day after the expiry of the 36th month from the Date of Grant of the reserved Share Options, and ending on the last trading day of the 48th month from the Date of Grant	20%
Fourth Exercise Period	Commencing from the first trading day after the expiry of the 48th month from the Date of Grant of the reserved Share Options, and ending on the last trading day of the 60th month from the Date of Grant	20%
Fifth Exercise Period	Commencing from the first trading day after the expiry of the 60th month from the Date of Grant of the reserved Share Options, and ending on the last trading day of the 72th month from the Date of Grant	20%

Share Options for which the Exercise Conditions are not fulfilled during the above agreed period shall not be exercised or deferred to the next exercise period, and the relevant Share Options of such Participants shall be cancelled by the Company in accordance with the principles stipulated in the Scheme. After the end of each Exercise Period of the Share Options, the Share Options exercisable by the Participants for the current period that have not been exercised shall be terminated and cancelled by the Company.

8. The distribution of the number of Share Options Granted among the Participants is as follows:

Position(s)	Number of Share Options granted (10'000)	Percentage of the number of Share Options granted under the Scheme	Percentage of total share capital as at the Date of Grant
Middle and senior management and technical personnel (288 persons)	534.1072	89.80%	0.25%
Reserved Share Options	<u>60.6786</u>	<u>10.20%</u>	<u>0.03%</u>
Total	<u><u>594.7858</u></u>	<u><u>100%</u></u>	<u><u>0.28%</u></u>

*Note:* Some figures shown as totals in the table above may not be an arithmetic aggregation of the figures preceding them due to rounding adjustments.

9. Scope of the Participants

Participants of the Scheme are the senior and mid-level management and technical personnel of the Company (including subsidiaries). None of the participants of the A Share Option Incentive Scheme is a Director or Supervisor of the Company. Except for Mr. Zhu Yuping (祝宇平), son of Mr. Zhu Quanming (祝全明), a Supervisor of the Company thus a connected person of the Company, none of the Participants under the Scheme is a connected person of the Company as defined under Chapter 14A of the Listing Rules. A total of 40,000 Share Options were granted to Mr. Zhu Yuping under the first Grant of Share Options to the Participants.

## II. EXPLANATION ON THE DIFFERENCES BETWEEN THIS GRANT AND THE A SHARE OPTION INCENTIVE SCHEME CONSIDERED AND APPROVED AT THE 2021 THIRD EGM

One Participant ceased to be qualified for participating in the Scheme due to dismissal. The Company convened the eleventh meeting of the sixth session of the Board, at which the adjustments to the list of Participants of the first Grant of Share Options and number of Shares Options granted under the Scheme have been made, in accordance with the authorizations obtained from the 2021 Third EGM, the 2021 Third A Shareholders' Class Meeting and the 2021 Third H Shareholders' Class Meeting. After such adjustments, the number of Participants of the Scheme is adjusted from 289 to 288, and the number of Share Options granted of 5,947,858 remains unchanged, of which the number of the first Grant of Share Options is adjusted from 5,353,072 to 5,341,072 while the number of the reserved Share Options is adjusted from 594,786 to 606,786.

The adjustments fell within the scope of the authorization granted to the Board at the Company's 2021 Third EGM, the 2021 Third A Shareholders' Class Meeting and the 2021 Third H Shareholders' Class Meeting, and need not to be submitted to the Shareholders' general meeting for approval.

Save for circumstances stated above, there is no difference between this grant of Share Option and the A Share Option Incentive Scheme previously announced by the Company.

### III. IMPACT ON THE FINANCIAL POSITION OF THE COMPANY AFTER THE GRANT OF INTERESTS

In accordance with the relevant 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 Enterprises No. 22 – Recognition and Measurement of Financial Instruments (《企業會計準則第22號 – 金融工具確認和計量》), the Company shall, on each balance sheet date within the Vesting Period, modify the number of Share Options expected to be exercisable according to the latest changes in the number of persons entitled to exercise and the completion of performance indicators and other follow-up information, and recognize the relevant costs or expenses and capital reserves for the services acquired during the particular period at the fair value of the Share Options on the Date of Grant.

Upon calculation, the total expenses to be amortized of 5,341,072 Share Options granted by the Company on 19 November 2021 is RMB48.1005 million. The amortization of the Share Options costs from 2021 to 2026 is as follows:

*Unit: RMB10'000*

<b>Amortized costs of the Share Options</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
4,810.05	152.77	1,787.83	1,254.73	858.85	523.49	232.38

- Note:*
1. Shareholders are reminded to be aware of 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;
  3. Any difference in the mantissa of the sum of the totals and the breakdown in the table above, if any, is due to rounding.

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

Jiaxing, Zhejiang Province, the PRC  
26 November 2021

*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.*