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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)

SUPPLEMENTAL ANNOUNCEMENT TO THE 2022 ANNUAL REPORT AND 2023 INTERIM REPORT

Reference is made to the annual report for the year ended 31 December 2022 (the "**2022 Annual Report**") of Flat Glass Group Co., Ltd.* (the "**Company**") published on 17 April 2023 and the interim report for the six months ended 30 June 2023 (the "**2023 Interim Report**") of the Company published on 15 September 2023. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those set out in the 2022 Annual Report and 2023 Interim Report.

In addition to the information provided in the 2022 Annual Report and 2023 Interim Report, the Board would like to provide to the shareholders of the Company and the potential investors with the following supplementary information.

RESTRICTED A SHARE INCENTIVE SCHEME FOR 2020

On 29 June 2020, the shareholders of the Company approved a restricted A share incentive scheme for 2020 (the "**2020 Incentive Scheme**"). The principal terms of the 2020 Incentive Scheme are as follows:

a. The purpose of the 2020 Incentive Scheme

For the purpose of further improving the corporate governance structure, establishing and improving the Company's long-term incentive and restraint mechanism, attracting and retaining senior and middle management and key technical staff, fully mobilizing their enthusiasm, effectively enhancing the cohesion of core team and core competitiveness of the enterprise, bonding the interests of shareholders, the Company and core teams together effectively, enabling all parties to jointly pay attention to the long-term development of the Company and securing the successful achievement of the Company's long-term development goals and business objectives, and under the premise of fully safeguarding the interests of the shareholders, the 2020 Incentive Scheme is prepared following the principle of reciprocity between revenue and contribution in accordance with the relevant laws, regulations and normative documents including the Company Law of the PRC, the Securities Law of the PRC and the Assessment Management Measures for the Implementation of the Restricted A Share Incentive Scheme for 2020 of the Company, the Listing Rules, as well as the Articles of Association.

b. The participants of the 2020 Incentive Scheme

The participants of the 2020 Incentive Scheme include the senior and middle management and key technical staff of the Company (including its subsidiaries).

c. The total number of shares available for issue

6,000,000 restricted shares are proposed to be granted under the 2020 Incentive Scheme, representing 0.31% of the Company's total share capital of 1,950,000,000 Shares as at 29 June 2020, including 5,000,000 Shares under the first grant, representing 0.26% of the Company's total share capital as at 29 June 2020 and 83.33% of the total restricted shares to be granted under the 2020 Incentive Scheme; and 1,000,000 reserved shares, representing 0.05% of the Company's total share capital as at 29 June 2020 and 16.67% of the total restricted shares to be granted under the 2020 Incentive Scheme.

There are no shares available for issue under the 2020 Incentive Scheme as at the respective dates of the 2022 Annual Report and the 2023 Interim Report.

d. The maximum entitlement of each participant

The total number of Shares to be granted to any participant under all the fully effective share incentive schemes of the Company shall not exceed 1.00% of the total share capital of the Company.

e. The remaining life of the 2020 Incentive Scheme

The validity period of the 2020 Incentive Scheme shall commence on the grant date and end on the date when all the restricted shares are unlocked or otherwise repurchased and cancelled, which shall not be longer than 72 months. The remaining life of the 2020 Incentive Scheme shall be approximately 3 years and 7 months, as at the date of this announcement.

Details of the restricted shares granted under the 2020 Incentive Scheme during the year ended 31 December 2022 are set out below:

				Number of Restricted Shares					
Category of participants	**Date of grant**	**Lock-up period**	**Grant price** *(RMB)*	**As at 1 January 2022**	**Granted during the period**	**Attributed during the period**	**Cancelled during the period**	**Lapsed during the period**	**As at 31 December 2022**
15 Employees	11 August 2020	*Notes 1, 3*	6.23	3,680,000	Nil	920,000	Nil	Nil	2,760,000
3 Employees	25 May 2021	*Notes 2, 3*	14.23	700,000	Nil	140,000	Nil	Nil	560,000
Total				**4,380,000**	**Nil**	**1,060,000** *(Note 4)*	**Nil**	**Nil**	**3,320,000**

Details of the restricted shares granted under the 2020 Incentive Scheme during the six months ended 30 June 2023 are set out below:

				Number of Restricted Shares					
Category of participants	**Date of grant**	**Lock-up period**	**Grant price** *(RMB)*	**As at 1 January 2023**	**Granted during the period**	**Attributed during the period**	**Cancelled during the period**	**Lapsed during the period**	**As at 30 June 2023**
15 Employees	11 August 2020	*Notes 1, 3*	6.23	2,760,000	Nil	Nil	Nil	Nil	2,760,000
3 Employees	25 May 2021	*Notes 2, 3*	14.23	560,000	Nil	140,000	Nil	Nil	420,000
Total				**3,320,000**	**Nil**	**140,000** *(Note 5)*	**Nil**	**Nil**	**3,180,000**

Notes:

1. The unlocking arrangement for the restricted shares under the first grant of the 2020 Incentive Scheme is shown in the table below:

Unlocking arrangement	**Unlocking Period**	**Unlocking proportion**
First Unlocking Period	Commencing from the first trading day upon the expiry of 12 months from the grant date of the first grant of the restricted shares to the last trading day upon the expiry of 24 months from the grant date of the first grant of the restricted shares	20%
Second Unlocking Period	Commencing from the first trading day upon the expiry of 24 months from the grant date of the first grant of the restricted shares to the last trading day upon the expiry of 36 months from the grant date of the first grant of the restricted shares	20%
Third Unlocking Period	Commencing from the first trading day upon the expiry of 36 months from the grant date of the first grant of the restricted shares to the last trading day upon the expiry of 48 months from the grant date of the first grant of the restricted shares	20%
Fourth Unlocking Period	Commencing from the first trading day upon the expiry of 48 months from the grant date of the first grant of the restricted shares to the last trading day upon the expiry of 60 months from the grant date of the first grant of the restricted shares	20%
Fifth Unlocking Period	Commencing from the first trading day upon the expiry of 60 months from the grant date of the first grant of the restricted shares to the last trading day upon the expiry of 72 months from the grant date of the first grant of the restricted shares	20%

2. The unlocking arrangement for the reserved restricted shares is shown in the table below:

Unlocking arrangement	Unlocking Period	Unlocking proportion
First Unlocking Period	Commencing from the first trading day upon the expiry of 12 months from the grant date of the reserved restricted shares to the last trading day upon the expiry of 24 months from the grant date of the reserved restricted shares	20%
Second Unlocking Period	Commencing from the first trading day upon the expiry of 24 months from the grant date of the reserved restricted shares to the last trading day upon the expiry of 36 months from the grant date of the reserved restricted shares	20%
Third Unlocking Period	Commencing from the first trading day upon the expiry of 36 months from the grant date of the reserved restricted shares to the last trading day upon the expiry of 48 months from the grant date of the reserved restricted shares	20%
Fourth Unlocking Period	Commencing from the first trading day upon the expiry of 48 months from the grant date of the reserved restricted shares to the last trading day upon the expiry of 60 months from the grant date of the reserved restricted shares	20%
Fifth Unlocking Period	Commencing from the first trading day upon the expiry of 60 months from the grant date of the reserved restricted shares to the last trading day upon the expiry of 72 months from the grant date of the reserved restricted shares	20%

3. 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 2020 Incentive Scheme. If the unlocking conditions are satisfied, the Company shall handle the unlocking of the restricted shares which satisfied the conditions at its discretion. Please refer to the circular of the Company dated 27 May 2020 for details of the unlocking conditions under the 2020 Incentive Scheme.

4. The weighted average closing price of the shares immediately before the dates on which the restricted shares were vested is RMB41.16.

5. The weighted average closing price of the shares immediately before the date on which the restricted shares were vested is RMB30.46.

The number of restricted shares available for grant under the 2020 Incentive Scheme at 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023 is nil. There is no service provider sublimit under the 2020 Incentive Scheme.

The Remuneration Committee is responsible for drafting and revising the 2020 Incentive Scheme and submitting the same to the Board for consideration. During the year ended 31 December 2022, the Remuneration Committee reviewed the unlocking applications of the second tranche of 20% first granted restricted shares and the first tranche of 20% of the reserved restricted shares granted under the 2020 Incentive Scheme. During the six months ended 30 June 2023, the Remuneration Committee reviewed the unlocking applications of the second tranche of 20% of the reserved restricted shares granted under the 2020 Incentive Scheme. Having considered that the unlocking conditions as stipulated under the 2020 Incentive Scheme have been fully satisfied, the Remuneration Committee approved such unlocking arrangement and the shares were fully vested. The Remuneration Committee and the Board are of the view that the arrangement is appropriate considering that the unlocking of the granted restricted shares acts as a means for the Company to reward the grantees' past contributions to the Group and incentivise the grantees to continuously contribute to the operation, development and long-term growth of the Group, which is in line with the purpose of the 2020 Incentive Scheme.

The above supplemental information does not affect other information contained in the 2022 Annual Report and 2023 Interim Report. Save as disclosed above, all other information in the 2022 Annual Report and 2023 Interim Report remains unchanged.

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

Jiaxing, Zhejiang Province, the PRC
13 October 2023

As at the date of this announcement, the executive Directors are Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun, 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.

* *For identification purposes only*