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# FGG

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)**

## **INSIDE INFORMATION MAJOR PV GLASS SALES CONTRACT**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that the Board has approved, and the Company and certain of its wholly-owned subsidiaries as the Sellers and certain wholly-owned subsidiaries of Jinko Group as the Purchasers entered into the Sales Contract on 30 December 2020 for the supply and sale of an aggregate of 59GW (approximately 338,000,000 square meters) of Photovoltaic Rolled Glass (for using in solar modules) from 1 January 2021 to 31 December 2023.

As the Sales Contract and the transactions contemplated under the Sales Contract are of a revenue nature in the ordinary and usual course of business of the Group under Rule 14.04(1)(g) of the Listing Rules, it does not constitute as a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

**Shareholders and potential investors of the Company should note that the Sale Contract is subject to certain conditions precedent. Furthermore, the effect on the performance of the Company depends on, among others, the actual quantity delivered, the actual price of the PV Glass under the specific purchaser orders signed by the parties and the revenue recognition under the China Accounting Standards for Business Enterprises. The Sales Contract may also be delayed, amended or terminated due to force majeure or any other reasons. Accordingly, Shareholders and potential investors of the Company shall exercise caution when dealing in the shares of the Company.**

### **INTRODUCTION**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This announcement sets out certain information from the overseas regulatory announcement for the information of the potential investors and shareholders of the Company.

The Board is pleased to announce that the Board has approved, and the Company and certain of its wholly-owned subsidiaries as the Sellers and certain wholly-owned subsidiaries of Jinko Group as the Purchasers entered into the Sales Contract on 30 December 2020 for the supply and sale of an aggregate of 59GW (approximately 338,000,000 square meters) of Photovoltaic Rolled Glass (for using in solar modules) from 1 January 2021 to 31 December 2023.

## **PRINCIPAL TERMS OF THE SALES CONTRACT**

The principal terms of the Sales Contract are set out below:

- Date:** 30 December 2020
- Parties:**
- (1) the Company, Anhui Flat Glass, Zhejiang Jiafu, Flat (Vietnam) Company Limited and Flat (Hong Kong) Company Limited, wholly-owned subsidiaries of the Company, as the Sellers
  - (2) Jinko Group, Jinko Solar (Chuzhou) Co., Ltd., Zhejiang Jinko Solar Co., Ltd., Jinko Solar (Yiwu) Co., Ltd., Yuhuan Jinko Solar Co., Ltd. and Jinko Solar Technology Sdn. Bhd, as the Purchasers
- Duration:** 1 January 2021 to 31 December 2023
- Total sales quantity:** An aggregate of 59GW (approximately 338,000,000 square meters) of Photovoltaic Rolled Glass (for using in solar modules)
- Estimated contract sum:** Purchase price for glass of each and every specification shall be negotiated by both parties through friendly consultation on a win-win basis with reference to prevailing market prices. Based on the average price of PV Glass of RMB42 per square meter (including tax) as published by Sublime China Information Co., Ltd. on 24 December 2020 in its weekly report, the total estimated contract sum will be approximately RMB14.196 billion (including tax).
- Payment term:** The Purchasers shall pay certain prepayment(s) to the Sellers in accordance with the Sales Contract, and that such prepayment(s) may be used to offset the payable(s). The Purchasers shall settle the balance of the contract price corresponding to the specific purchase order based on the purchase progress in accordance with such time and terms as agreed between both parties.

- Breach of contract:**
- (1) The Sellers shall perform the obligation of delivery on time. If the Sellers fail to deliver on time as agreed, they shall pay the Purchasers the corresponding liquidated damages. If the Sellers delay the delivery within a certain period, the Purchasers shall have the right to cancel the contract or order and request the Sellers to pay the corresponding liquidated damages as agreed;
  - (2) If there is any quality problem with the goods delivered by the Sellers, the Sellers shall pay the Purchasers the corresponding liquidated damages as agreed, and the Purchasers shall have the right to cancel the contract or order;
  - (3) After this agreement comes into effect, the Purchasers and the Sellers shall not terminate the agreement without reasons, and if the agreement is terminated for unilateral reasons, the terminating party shall pay a certain amount of liquidated damages.

**Conditions precedent:** The Sales Contract, after signature and seal by both parties, shall be effective on the date that the Sellers have received the prepayment from the Purchasers as contracted.

## **REASONS AND BENEFITS OF THE TRANSACTION**

Benefiting from the rapid growth of the global photovoltaic industry, the Company has expanded its production capacity and production scale in recent years in order to better market its PV Glass products and further improve its business performance. The Sales Contract will benefit the Company's PV Glass products sales and promotions, increase the sales of PV Glass products, and further improve its operating results.

## **INFORMATION OF THE GROUP AND THE SELLERS**

The Company is a joint stock company established in the PRC with limited liability, the H shares of which are listed on the main board of the Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange. The Sellers, other than the Company, are wholly-owned subsidiaries of the Company.

The Group is one of the largest photovoltaic glass manufacturers globally and in the PRC, in terms of photovoltaic raw glass and processed photovoltaic glass. The Group also manufactures and sells float glass, household glass and architectural glass.

## **INFORMATION OF THE PURCHASERS**

Jinko Group (NYSE: JKS) is one of the largest and most innovative solar module manufacturers in the world. JinkoSolar distributes its solar products and sells its solutions and services to a diversified international utility, commercial and residential customer base in China, the United States, Japan, Germany, the United Kingdom, Chile, South Africa, India, Mexico, Brazil, the United Arab Emirates, Italy, Spain, France, Belgium, and other countries and regions. The Purchasers are certain wholly-owned subsidiaries of Jinko Group.

To the best of the Directors' knowledge, the Purchasers, their ultimate beneficial owners and their respective associates are all third parties independent of the Group and its connected persons (as defined under the Listing Rules).

## **LISTING RULES IMPLICATION**

As the Sales Contract and the transactions contemplated under the Sales Contract are of a revenue nature in the ordinary and usual course of business of the Group under Rule 14.04(1)(g) of the Listing Rules, it does not constitute as a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

**Shareholders and potential investors of the Company should note that the Sale Contract is subject to certain conditions precedent. Furthermore, the effect on the performance of the Company depends on, among others, the actual quantity delivered, the actual price of the PV Glass under the specific purchaser orders signed by the parties and the revenue recognition under the China Accounting Standards for Business Enterprises. The Sales Contract may also be delayed, amended or terminated due to force majeure or any other reasons. Accordingly, Shareholders and potential investors of the Company shall exercise caution when dealing in the shares of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Anhui Flat Glass”	安徽福萊特光伏玻璃有限公司(Anhui Flat Solar Glass Co., Ltd.*), a wholly-owned subsidiary of the Company in the PRC
“Board”	the board of Directors of the Company
“Company”	福萊特玻璃集團股份有限公司(Flat Glass Group Co., Ltd.*), a joint stock company established in the PRC with limited liability, the H Shares and A Shares of which are listed on the main board of the Stock Exchange and Shanghai Stock Exchange, respectively
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Jinko Group”	JinkoSolar Holding Co., Ltd, a company listed on the New York Stock Exchange (stock code: JKS) and an independent third party

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchasers”	Jinko Group, Jinko Solar (Chuzhou) Co., Ltd., Zhejiang Jinko Solar Co., Ltd., Jinko Solar (Yiwu) Co., Ltd., Yuhuan Jinko Solar Co., Ltd., and Jinko Solar Technology Sdn. Bhd, wholly-owned subsidiaries of Jinko Group
“PV Glass” or “Photovoltaic Rolled Glass”	photovoltaic processed glass
“Sales Contract”	the sales contract entered into between the Sellers and the Purchasers dated 30 December 2020
“Sellers”	the Company, Anhui Flat Glass, Zhejiang Jiafu, Flat (Vietnam) Company Limited and Flat (Hong Kong) Company Limited, wholly-owned subsidiaries of the Company
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhejiang Jiafu”	Zhejiang Jiafu Glass Co., Ltd.* (浙江嘉福玻璃有限公司), a wholly-owned subsidiary of the Company in the PRC

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

Jiaxing, Zhejiang Province, the People’s Republic of China, 30 December 2020

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