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福萊特玻璃集團股份有限公司

FULEI TEGUO GROUP CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6865)

IN THE INFORMATION PROPOSED ISSUANCE OF A SHARE CONVERTIBLE BOND

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 16 June 2021, the Board has approved the proposed issuance of the A Share Convertible Bonds. The Board will propose resolutions at the EGM and the 2021 Second Class Meetings for the Shareholders to consider and approve, if thought fit, and among others, the Proposed Issuance, the A Share Convertible Bonds Issuance Plan and the Possible Subscription.

A circular containing, among other matters, details of the Proposed Issuance, the A Share Convertible Bonds Issuance Plan and the Possible Subscription, together with notices of the EGM and the 2021 Second H Shareholders' Class Meeting, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

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I. THE PROPOSED FINANCE

The principal terms of the A Share Convertible Bonds Issuance Plan are set out below:

1. **Security** : The type of securities to be issued by the Company are the A Share Convertible Bonds. The A Share Convertible Bonds and the A Shares to be converted therefrom will be listed on the Shanghai Stock Exchange.
2. **Issue Size** : Pursuant to the relevant laws and regulations and together with the Company's financial situation and investment plans, the total amount of the A Share Convertible Bonds proposed to be issued will be no more than RMB4 billion (inclusive of RMB4 billion). A resolution will be proposed to the Shareholders at the EGM and the 2021 Second Class Meetings to authorise the Board to determine the final issue size within the range above.
3. **Par Value** : The A Share Convertible Bonds will be issued at par with a nominal value of RMB100 each.
4. **Term** : The term of the A Share Convertible Bonds will be six years from the Issuance Date.
5. **Coupon Rate** : It will be proposed at the EGM and the 2021 Second Class Meetings to authorise the Board, and the Board shall determine the methods for determining the coupon rate and actual annual coupon rate for the interest accrual year with reference to the PRC government policies, market conditions and the actual conditions of the Company, prior to the issuance of the A Share Convertible Bonds, and by negotiating and agreeing with the sponsor and the lead underwriter. Also, if the deposit rate of the banks has adjusted prior to the issuance of the A Share Convertible Bonds, the authorisation from the Shareholders to the Board will also cover the adjustment of the coupon rate.
6. **Maturity and Interest** : Interest of the A Share Convertible Bonds will be paid annually, while the principal and the final year's interest will be paid upon maturity.

(Q) 利率 / 票面价值 的 乘积 为 利息

“ $A_{n,t} \times I_t$ ” means the interest accrued for the year on each anniversary of the Issuance Date of the A Share Convertible Bonds, calculated based on the aggregate face value of the A Share Convertible Bonds that a Bondholder is entitled to.

The formula for calculating the annual interest is:

$$I = B \times i$$

where,

I = annual interest

B = the aggregate face value of the A Share Convertible Bonds held by a Bondholder as at the record date for interest payment in an interest accrual year (referred to as “ t_1/t_2 ” or “ t_1, t_2 ” for this purpose);

i = the coupon rate of the A Share Convertible Bonds of that year.

(Q) 每年 12 月 31 日 或 12 月 31 日 前 的 最后一个 交易日 为 利息 支付 日期

(a) Interest of the A Share Convertible Bonds will be paid once a year, accruing from the Issuance Date of the A Share Convertible Bonds.

(b) $I_{n,t}$: The interest is payable annually on each anniversary of the Issuance Date. If such day falls on a statutory holiday or rest day, the interest payment date shall be postponed to the next trading day and no additional interest will be paid during the period of postponement. The period between an interest payment date and the next interest payment date will be an interest accrual year.

Matters relating to the interest and dividend entitlement during the year of conversion shall be determined by the Board in accordance with relevant laws, rules and regulations of the Shanghai Stock Exchange.

(c) **Record Date:** The record date for interest payment of each year will be the last trading day preceding the interest payment date. The Company will pay the interest accrued in that year within five trading days from the interest payment date. The Company will not pay any interest to Bondholders, who have applied for conversion of the A Share Convertible Bonds to A Shares on or before the record date for interest payment, for that year and subsequent interest accrual years.

(d) Tax payable on the interest income from the A Share Convertible Bonds shall be borne by the Bondholders.

7. **Conversion Period:** The conversion period of the A Share Convertible Bonds commences on the first trading day immediately following the expiry of the six-month period after the Issuance Date and ends on the maturity date of the A Share Convertible Bonds.

8. **Initial Conversion Price:** (i) **Definition:** The initial Conversion Price of the A Share Convertible Bonds shall not be lower than the higher of the average trading prices of A Shares of the Company for the 20 trading days preceding the publication date of the Offering Document (in the event that the price has been adjusted due to ex-rights or ex-dividend during such 20 trading days, the average trading price of each of these trading days before adjustment shall be adjusted with reference to the ex-rights or ex-dividend A Share price) and the average trading price of A Shares on the trading day preceding the publication date of the Offering Document.

It will be proposed at the EGM and the 2021 Second Class Meetings to authorise the Board, and the Board shall determine the actual initial Conversion Price with reference to the market conditions and the situation of the Company, and by negotiating and agreeing with the sponsor and the lead underwriter.

The averages shall be calculated as follows:

The average trading price of A Shares for the 20 trading days immediately preceding the date of publication of the Offering Document = $\frac{\text{the total trading amount of the A Shares during the 20 trading days}}{\text{The total trading volume of the A Shares during the 20 trading days}}$

The average trading price of A Shares for the trading day immediately preceding the date of publication of the Offering Document = $\frac{\text{the total trading amount of the A Shares on the trading day}}{\text{The total trading volume of the A Shares on such trading day}}$

(ii) $P_1 = \frac{C_{1A} + P_0}{1+n}$

Upon completion of the Proposed Issuance, where there is distribution of scrip dividend, capitalisation issue, issuance of new Shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Bonds), rights issue or distribution of cash dividend by the Company, the Company will adjust the Conversion Price in accordance with the following formulae (the adjusted value shall be rounded off to two decimal places):

Distribution of scrip dividend or capitalization issue:

$$P_1 = P_0 / (1+n)$$

Issuance of new Shares or rights issue:

$$P_1 = (P_0 + A \times k) / (1+k)$$

If the two situations above took place together:

$$P_1 = (P_0 + A \times k) / (1+n+k)$$

Distribution of cash dividend:

$$P_1 = P_0 - D$$

If the three situations above took place together:

$$P_1 = (P_0 - D + A \times k) / (1 + n + k)$$

where,

A = price of issuance of new Shares or rights issue

D = cash dividend per Share

P_0 = the Conversion Price before adjustments

P_1 = the adjusted Conversion Price

n = the ratio of the scrip dividend or capitalisation

k = the ratio of issuance of new Shares or rights issue

Where the above changes in the Company's equity interests occur, the Conversion Price will be adjusted accordingly and an announcement will be published by means designated by the CSRC for disclosing information of listed companies and the website of the Shanghai Stock Exchange. The announcement will indicate the date of adjustment to the Conversion Price, adjustment method and period of suspension for Share conversion (if necessary). If the date of adjustment to the Conversion Price takes place on or after a Bondholder's application for conversion, and before the registration date of the shares, then such conversion will be based on the Conversion Price adjusted by the Company.

In the event that the rights and benefits of the Bondholders are affected by the change in the Company's share class, quantity and/or Shareholders' interest due to the possible Share repurchase, consolidation, subdivision or any other circumstances which may occur, the Company will adjust the Conversion Price based on the actual situation and in a fair, just and equitable manner and to protect the Bondholders' interests. The Conversion Price will be adjusted based on the relevant PRC laws and regulations and the relevant regulations of the securities regulatory authorities of the relevant time.

9. **Downward Adjustment of Conversion Price**

(A) **Adjustment of Conversion Price**

The Conversion Price may be subject to downward adjustments if, during the term of the A Share Convertible Bonds, the closing prices of the A Shares for 15 trading days out of any 30 consecutive trading days are lower than 90% of the prevailing Conversion Price. The Board may propose downward adjustments of the Conversion Price for the Shareholders to consider and seek their approval at the EGM and the 2021 Second Class Meetings.

The above proposal is subject to approval of more than two-thirds of the votes of the participating Shareholders at the EGM and the 2021 Second Class Meetings. Shareholders holding the A Share Convertible Bonds should abstain from voting at the EGM and the 2021 Second Class Meetings. The adjusted Conversion Price shall not be lower than the higher of the average trading price of A Shares of the Company for the 20 trading days preceding the said EGM and 2021 Second Class Meetings, and the average trading price of A Shares of the Company for the trading day immediately before the said EGM and 2021 Second Class Meetings. Furthermore, the adjusted Conversion Price shall not be lower than the latest audited net asset value per Share and the par value per Share.

In the event that another adjustment of Conversion Price has taken place within the prior 30 trading days, the Conversion Price and closing price of Shares will be calculated on an unadjusted basis during the trading days prior to the adjustment, while the adjusted Conversion Price and closing price of Shares will be adopted during the trading days on which the adjustment was made and the trading day afterwards.

(B) **Publication of Downward Adjustment of Conversion Price**

If the EGM and 2021 Second Class Meetings of the Company resolve to make a downward adjustment to the Conversion Price, the Company will publish an announcement on the relevant resolutions through the means designated by the CSRC for disclosing information of listed companies and on the website of the Shanghai Stock Exchange. The announcement will disclose the magnitude of the adjustment, the registration date of the Shares, the suspension period of Share conversion.

Application for share conversion will be restored based on the adjusted Conversion Price on the first trading day after the registration date of the shares (i.e. the effective date of the adjustment to the Conversion Price). If the adjustment date is on or after the share conversion application date and prior to the registration date of the shares, the share conversion application should be executed based on the Conversion Price after the adjustment.

10. **Conversion of A Share Convertible Bonds** : When a Bondholder applies to convert the A Share Convertible Bonds during the conversion period, the number of the shares to be issued upon conversion is calculated as follows and any fractional share shall be rounded down to the nearest whole number:

$$\text{Number of converted shares} = \frac{\text{aggregate face value of the A Share Convertible Bonds that the Bondholder applies for conversion}}{\text{prevailing Conversion Price as at the date of application for conversion}}$$

Within five trading days from the conversion of the A Share Convertible Bonds by the Bondholders, the Company will pay the Bondholders in cash an amount equals to the face value of the remaining balance of the A Share Convertible Bonds which are insufficient to be converted into one A Share and the interest accrued on such balance in accordance with the relevant requirements of such as the Shanghai Stock Exchange and the securities registration authorities.

11. **Redemption of A Share Convertible Bonds** : ()

Within five trading days after the maturity of the A Share Convertible Bonds, the Company will redeem all of the A Share Convertible Bonds which have not been converted into A Shares from the Bondholders at a price equivalent to the face value or a certain percentage higher than the face value of the A Share Convertible Bonds (including annual interests accrued for the final year). It will be proposed at the EGM and the 2021 Second Class Meetings to authorise the Board, and the Board shall determine the actual redemption price after discussion and agreement with the sponsor and the lead underwriter with reference to the market conditions at the time of issuance.

During the term of the A Share Convertible Bonds, if the closing price of the A Shares of the Company is equal to or not lower than 130% of the prevailing Conversion Price for at least 15 trading days out of any 30 consecutive trading days, or when the balance of the outstanding A Share Convertible Bonds issued is less than RMB30 million, the Company has the right to redeem all or part of the A Share Convertible Bonds which have not been converted into A Shares based on the face value plus the accrued interest for the period.

The accrued interest for the period is:

$$IA = B \times i \times t/365$$

where,

- IA = the accrued interest for the period
- B = the aggregate face value of the A Share Convertible Bonds held by the Bondholder
- i = the interest rate of the A Share Convertible Bonds for the year
- t = the number of calendar days on which interest is accrued, from the beginning of current year to the redemption date and excluding the redemption date

In the event that another adjustment of Conversion Price has taken place within the prior 30 trading days, the Conversion Price and closing price of A Shares for the trading days prior to the adjustment date will be calculated based on the Conversion Price and closing price of A Shares prior to the adjustment, and for trading days after the adjustment, Conversion Price and closing price of the A Shares will be calculated based on the Conversion Price and closing price after the adjustment.

() A

If the Company's actual usage of the net proceeds from the Proposed Issuance is materially different from the undertaking of the use of proceeds set out in the Offering Document, and such difference is considered by the CSRC as a change in the use of the proceeds, the Bondholders will have a one-off right to sell all or part of the A Share Convertible Bonds held by them back to the Company at the face value plus the interest accrued. Under the said scenario, the Bondholders may sell their A Share Convertible Bonds back to the Company during the sell back declaration period. If the Bondholders do not exercise their sell back rights during the sell back declaration period, such right will automatically lapse. For interest accrued for the current period, please refer to the paragraph "term of redemption" above.

13. D : The new A Shares to be issued by the Company as a result of the conversion of the A Share Convertible Bonds shall rank pari passu with all the existing A Shares. As for the dividend distribution, all Shareholders (including Shareholders from the conversion of the A Share Convertible Bonds) registered on the register of members on the record date for dividend distribution are all entitled to such distribution.

14. M : The actual method of the issuance of the A Share Convertible Bonds will be determined by the Board with the sponsor and the lead underwriter, subject to the authorisation at the EGM and the 2021 Second Class Meetings.

The target investors of the A Share Convertible Bonds are natural persons, legal persons, securities investment funds and other investors who meet the requirements under the laws, and who have maintained securities accounts with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (except those prohibited by the state laws and regulations in the PRC).

- (g) other rights as creditors of the Company prescribed by the laws, administrative regulations and the Articles of Association.

Obligations of Bondholders

- (a) to abide by the terms in relation to the issuance of the Convertible Corporate Bonds of the Company;
- (b) to pay the subscription amount in accordance with the number of the Convertible Corporate Bonds subscribed for;
- (c) to comply with the valid resolutions passed by the bondholders' meetings;
- (d) not to request the Company to make prepayment of the principal and interest of the Convertible Corporate Bonds, unless otherwise required by the laws and regulations or otherwise agreed in the Prospectus on the Public Issuance of the Convertible Corporate Bonds;
- (e) other obligations required to be assumed by the holders of the Convertible Corporate Bonds prescribed by the laws, administrative regulations and the Articles of Association.

(h) Circumstances in which the Board shall convene a Bondholders' meeting

The Board shall convene a Bondholders' meeting if any one of the following situation arises during the subsistence of the A Share Convertible Bonds:

- (a) the Company proposes to change the terms set out in the Prospectus of the Convertible Bonds;
- (b) the Company fails to pay the principal and interest of the Convertible Bonds on time;

- (c) the Company undertakes a capital reduction (except for a capital reduction arising from the repurchase of shares under a share incentive scheme and the repurchase and cancellation of certain restricted shares), merger, division, receivership, close down or dissolution or files for bankruptcy;
- (d) proposed amendment to the rules of the meeting of holders of the Convertible Corporate Bonds;
- (e) other matters which may significantly and materially affect the interests of bondholders;
- (f) proposed changes to the bond trustee or the main contents of the bond trustee management agreement;
- (g) other matters required to be considered and determined at the bondholders' meetings in accordance with the provisions of the laws, administrative regulations, the CSRC, the Shanghai Stock Exchange, and these rules.

The following entities or persons may propose to convene a bondholders' meeting:

- (a) the board of directors of the issuer;
- (b) the trustee;
- (c) bondholders, individually or jointly, holding 10% or more of the aggregate nominal value of the outstanding Convertible Bonds proposing in writing;
- (d) other entities or persons prescribed by the laws, administrative regulations or the CSRC.

17. $\int \frac{1}{x^2} dx$:

19. 本公司 : No guarantee will be provided for the Proposed Issuance of the A Share Convertible Bonds.
20. 本公司 : The resolutions for the Proposed Issuance will be valid for 12 months from the date of the passing of the relevant resolutions at the EGM and the 2021 Second Class Meetings.

II. POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE BOND BY CONTROLLING SHAREHOLDERS, DIRECTOR AND SUPERIOR

Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei are controlling Shareholders who are parties acting in concert pursuant to a concert party agreement dated 19 September 2016. Mr. Wei Yezhong and Mr. Shen Qifu are executive Directors, and Mr. Zheng Wenrong, Mr. Shen Fuquan and Mr. Zhu Quanming are Supervisors of the Company, and who currently are A Shareholders. They are all entitled to the pre-emptive rights to subscribe for the A Share Convertible Bonds under the A Share Convertible Bonds Issuance Plan.

The terms of the Possible Subscription for A Share Convertible Bonds by Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun, Mr. Zhao Xiaofei, Mr. Wei Yezhong, Mr. Shen Qifu, Mr. Zheng Wenrong, Mr. Shen Fuquan and Mr. Zhu Quanming (other than the subscription amount) are the same as the terms and conditions which are set out in the A Share Convertible Bonds Issuance Plan.

Details of their maximum subscription amounts under the Possible Subscription for A Share Convertible Bonds, based on the maximum issuance size of the Proposed Issuance of A Share Convertible Bonds

I . IMPLICATION ON THE PROPOSED ISSUANCE OF A SHARE CONVERTIBLE BOND AND THE POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE BOND UNDER THE LISTING RULE

Pursuant to Rule 19A.38 of the Listing Rules, the Proposed Issuance of A Share Convertible Bonds is subject to the requirements for Shareholders' approvals at the EGM and the 2021 Second Class Meetings.

Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, which are parties acting in concert and hold an aggregate of 1,118,772,000 A Shares of the Company as at the date of this announcement, are connected persons of the Company under the Listing Rules. Mr. Ruan Hongliang and Ms. Jiang Jinhua are also our Directors. If any of Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei (either jointly or independently) exercises his/her/their pre-emptive rights to subscribe for the A Share Convertible Bonds, the Possible Subscription (assuming the maximum subscription amount to be equivalent to their shareholding percentage of A Shares proportional to the size of the Proposed Issuance) will constitute a connected transaction under Chapter 14A of the Listing Rules and be subject to the requirements of reporting, announcement and the independent shareholders' approval.

Mr. Wei Yezhong and Mr. Shen Qifu are our executive Directors holding 16,464,000 and 10,971,400 A Shares, respectively, as at the date of this announcement. Mr. Zheng Wenrong, Mr. Shen Fuquan and Mr. Zhu Quanming are our Supervisors, holding 49,382,000, 32,931,200 and 32,920,400 A Shares, respectively, as at the date of this announcement. They are also connected persons of the Company under the Listing Rules. If any of them exercises his pre-emptive rights to subscribe for the A Share Convertible Bonds, the Possible Subscription (assuming the maximum subscription amount to be equivalent to their shareholding percentage of A Shares proportional to the size of the Proposed Issuance) will constitute a connected transaction under Chapter 14A of the Listing Rules and be subject to the requirements of reporting, announcement and the independent shareholders' approval.

All existing A Shareholders of the Company are entitled to pre-emptively subscribe for the A Share Convertible Bonds. No Shareholders can enjoy any privilege in the capacity of connected persons of the Company.

Mr. Ruan Hongliang, Ms. Jiang Jinhua, Mr. Wei Yezhong and Mr. Shen Qifu, executive Directors, are deemed to have material interests in the Possible Subscription and have abstained from voting on the relevant Board resolution. Save for the above, no other Directors are interested or deemed to have material interests in the above transactions. In addition, no Directors have abstained from voting on the other Board resolutions.

The Board expects the Company will maintain sufficient public float to meet the applicable minimum requirement under the Listing Rules.

EGM AND 2021 SECOND CLASS MEETING

The Board will propose resolutions at the EGM and the 2021 Second Class Meetings for the Shareholders to consider and approve, if thought fit, and among others, the Proposed Issuance, the A Share Convertible Bonds Issuance Plan and the Possible Subscription.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders on the Possible Subscription. The company will appoint an independent financial adviser in accordance with the Listing Rules to advise the Independent Board Committee and the Independent Shareholders on the Possible Subscription.

Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun, Mr. Zhao Xiaofei, Mr. Wei Yezhong, Mr. Shen Qifu, Mr. Zheng Wenrong, Mr. Shen Fuquan and Mr. Zhu Quanming, shall abstain from voting on the resolution approving the Possible Subscription at the EGM and the 2021 Second Class Meetings. Save as mentioned above, to the best of the Directors' knowledge, information and belief, none of the other Shareholders has any material interest in the Possible Subscription and therefore will be required to abstain from voting on the resolution approving the Possible Subscription at the EGM and the 2021 Second Class Meetings. In addition, to the best of the Directors' knowledge, information and belief, none of the Shareholders will be required to abstain from voting on the relevant resolution.

A circular containing, among others, the details of the Proposed Issuance, the A Share Convertible Bonds Issuance Plan and the Possible Subscription will be despatched to Shareholders in due course.

In accordance with the provisions of the Articles of Association, the Board will convene the EGM and the 2021 Second Class Meetings to consider and approve, if thought fit, and among others, the Proposed Issuance, the A Share Convertible Bonds Issuance Plan and the Possible Subscription. The Board will also convene the 2021 Second H Shareholders' Class Meeting to consider and approve, if thought fit, and among others, the Proposed Issuance, the A Share Convertible Bonds Issuance Plan and the Possible Subscription.

DEFINITION

“2021 Second A Shareholders’ Class Meeting”	the A Share class meeting of the Company to be convened for holders of A Shares to consider and approve, among other things, the resolutions regarding the Proposed Issuance
“2021 Second Class Meetings”	the 2021 Second A Shareholders’ Class Meeting and the 2021 Second H Shareholders’ Class Meeting
“2021 Second H Shareholders’ Class Meeting”	the H Share class meeting of the Company to be convened for holders of H Shares to consider and approve, among other things, the resolutions regarding the Proposed Issuance

“A Share(s)”	Renminbi-denominated ordinary share(s) of the Company which were issued in the PRC and subscribed in RMB and are listed on Shanghai Stock Exchange
“A Share Convertible Bonds”	A Share convertible bonds proposed to be issued by the Company in the PRC in the total amount of not more than RMB4 billion (inclusive of RMB4 billion) which are convertible into new A Shares
“A Share Convertible Bonds Issuance Plan”	the A Share Convertible Bonds issuance plan of the Company to be considered and, if thought fit, approve at the EGM and the 2021 Second Class Meetings, details of which are set out in this announcement
“Articles of Association”	articles of association of the Company (as amended from time to time)
“Board”	the board of Directors of the Company
“Bondholder(s)”	holder(s) of the A Shares Convertible Bonds proposed to be issued by 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
“Company Law”	the Company Law of the PRC
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules, and namely, Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei
“Conversion Price”	the price at which the new A Shares will be issued upon conversion of the A Share Convertible Bonds (as may be adjusted from time to time)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“EGM”	the 2021 second extraordinary general meeting of the Company to be convened for the Shareholders to consider and approve, among other things, the resolutions regarding the Proposed Issuance

“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of RMB0.25 each, which are subscribed for, traded in Hong Kong dollars, and listed on the Stock Exchange (stock code: 6865)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the committee of Directors consisting of Ms. Xu Pan, Ms. Hua Fulan and Ms. Ng Yau Kuen Carmen, who are independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Possible Subscription
“Independent Shareholders”	the Shareholders, other than Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun, Mr. Zhao Xiaofei, Mr. Wei Yezhong, Mr. Shen Qifu, Mr. Zheng Wenrong, Mr. Shen Fuquan and Mr. Zhu Quanming, and their associates who will abstain from voting on the relevant resolution in relation to the Possible Subscription at the EGM and the 2021 Second Class Meetings
“Inside Information Provision”	has the meaning ascribed to it under the Listing Rules
“Issuance Date”	date of issuance of the A Share Convertible Bonds
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offering Document”	the offer memorandum in relation to the Proposed Issuance
“Possible Subscription”	Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, controlling Shareholders, Mr. Wei Yezhong and Mr. Shen Qifu, executive Directors, and Mr. Zheng Wenrong, Mr. Shen Fuquan and Mr. Zhu Quanming, Supervisors may exercise the pre-emptive rights to subscribe for the A Share Convertible Bonds, the specific subscription amount and conversion price on the exercise of the pre-emptive rights shall be subject to the decision of the Board as authorised by the EGM, based on the market conditions before the issuance
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan

“Proposed Issuance”	the issuance of the A Share Convertible Bonds proposed by the Company according to the A Share Convertible Bonds Issuance Plan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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
“Supervisor(s)”	supervisor(s) of the Company

By order of the board of directors of
FRUIT GROUP HOLDINGS LIMITED
吳昊
Chairman

Jiaxing, Zhejiang Province, People’s Republic of China
16 June 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.