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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)

CONNECTED TRANSACTION

ACQUISITION OF EQUITY INTEREST IN SHANGHAI FULAI RUICHENG

THE ACQUISITION

The Board is pleased to announce that on 5 August 2026, the Company and Yihe Investment entered into the Equity Transfer Agreement, pursuant to which the Company agrees to acquire and Yihe Investment agrees to sell 60% equity interest in Shanghai Fulai Ruicheng for a total consideration of RMB60,039,859.73. Upon completion of the Acquisition, Shanghai Fulai Ruicheng will become a wholly-owned subsidiary of the Company, and its financial performance will be consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

Mr. Ruan Hongliang (the chairman of the Board and an executive Director), Ms. Ruan Zeyun (an executive Director, the president of the Company and the daughter of Mr. Ruan Hongliang), Ms. Jiang Jinhua (an executive Director and the spouse of Mr. Ruan Hongliang) and Mr. Zhao Xiaofei (the son-in-law of Mr. Ruan Hongliang) entered into a concert party agreement on 19 September 2016, pursuant to which they have acted and continue to act in concert in relation to the exercise of voting rights attached to the Shares held by each of them, being an aggregate of 1,104,775,000 A Shares and 2,799,000 H Shares as of the date of this announcement, representing a total of approximately 47.27% of the total issued share capital of the Company, at the general meetings of the Company. As such, each of Mr. Ruan Hongliang and Ms. Ruan Zeyun is considered a controlling shareholder of the Company and thus a connected person of the Company under Chapter 14A of the Listing Rules. As of the date of this announcement, Yihe Investment is held by Mr. Ruan Hongliang as to 37.5% and Ms. Ruan Zeyun as to 62.5%, respectively, thus an associate of each of Mr. Ruan Hongliang and Ms. Ruan Zeyun. Accordingly, Yihe Investment is a connected person under Rule 14A.07 of the Listing Rules.

As the applicable percentage ratios in respect of the Acquisition are more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 5 August 2026, the Company and Yihe Investment entered into the Equity Transfer Agreement, pursuant to which the Company agrees to acquire and Yihe Investment agrees to sell 60% equity interest in Shanghai Fulai Ruicheng for a total consideration of RMB60,039,859.73. Upon completion of the Acquisition, Shanghai Fulai Ruicheng will become a wholly-owned subsidiary of the Company, and its financial performance will be consolidated into the financial statements of the Company.

PRINCIPAL TERMS OF THE EQUITY TRANSFER AGREEMENT

Date:	5 August 2026
Parties:	The Company (as purchaser) Yihe Investment (as seller)
Subject Matter:	Pursuant to the terms of the Equity Transfer Agreement, the Company agrees to acquire and Yihe Investment agrees to sell 60% equity interest in Shanghai Fulai Ruicheng.
Total Consideration	RMB60,039,859.73
Basis for Determination of Total Consideration:	The total consideration was determined after arm's length negotiations and equals to 60% of the appraised value of 100% equity interest of Shanghai Fulai Ruicheng as of the appraisal benchmark date (i.e. 30 June 2026) (the “ Appraisal Benchmark Date ”), as set out in an asset appraisal report issued by Kunyuan Asset Appraisal Co., Ltd (坤元資產評估有限公司) (the “ Valuer ”).
Payment method:	The Company shall, within 20 days from the date of signing the Equity Transfer Agreement, remit the total consideration thereunder by wire transfer in a single lump sum to the designated account of Yihe Investment.

VALUATION OF SHANGHAI FULAI RUICHENG

Appraisal Approaches

Pursuant to the prevailing asset valuation standards and relevant regulations, the basic approaches for enterprise value appraisal are the asset-based approach, the market approach, and the income approach.

Given the specific characteristics of the enterprise under appraisal, the Valuer found it difficult to identify comparable listed companies similar to the subject company in the open market. Moreover, due to the current relatively low level of marketization and informatization in China, it is difficult to collect sufficient equity transaction cases of similar enterprises. It is also not feasible to obtain from normal and open channels the various factors affecting transaction prices, nor is it possible to quantify such factors into adjustment coefficients to adjust the transaction prices. Therefore, the market approach is not considered suitable for this enterprise value appraisal.

In view of the actual operating conditions, Shanghai Fulai Ruicheng was established for a relatively short period and is currently in its preparatory stage. The future prospects of its principal business and its future performance are subject to significant uncertainties. The management of the Company is unable to make reasonable forecasts of the company's future performance. Accordingly, the income approach is not suitable for this appraisal.

Since the assets and liabilities of Shanghai Fulai Ruicheng can be reasonably identified in accordance with accounting policies, business operations, and other relevant factors, and since there are conditions to select appropriate and specific valuation methods for each asset and liability, and the operational prerequisites for implementing these methods are available, the asset-based approach is considered appropriate for this appraisal.

After analysis, the valuation result derived from the asset-based approach as at the Appraisal Benchmark Date can generally reflect the value of the equity interest. Therefore, the asset-based approach is adopted for the appraisal of 100% equity interest of Shanghai Fulai Ruicheng .

Appraisal Assumptions

1. The appraisal is premised on the change in the ownership interest of the appraised assets, which includes both complete and partial changes in the interest holders.
2. The appraisal is premised on the assumption of an open market transaction.
3. The appraisal is premised on the going concern assumption that the appraised entity will continue to operate in accordance with its predetermined operating objectives, i.e., all assets of the appraised entity will continue to be used in their current manner and for their current purposes, without considering any change in their current use, or any change in planning or mode of use while keeping the use unchanged.
4. The appraisal is premised on the assumption that the legal documents, accounting vouchers, accounting books, and other information provided by the appraised entity are true, complete, lawful and reliable.

5. The appraisal is premised on the assumption of relative stability of the macro environment, i.e., there shall be no material changes in the existing macroeconomic, political and policy environment of the country, nor in the industrial policies of the industry in which the appraised entity operates; the social economy shall maintain continuous, healthy and stable development; the national monetary and financial policies shall remain in their current state and shall not cause significant fluctuations to the social economy; the existing tax laws and regulations shall remain unchanged, with no major changes in tax categories and tax rates; and there shall be no material changes in the current interest rates, exchange rates, etc.
6. The appraisal is premised on the assumption of relative stability of the operating environment of the appraised entity, i.e., there shall be no material changes in the social, political, legal, economic and other operating environments in the regions where the appraised entity's principal business premises and operations are located; the appraised entity shall be able to conduct its business activities within its defined scope of operations, without any policy, legal or artificial obstacles.

The Valuer has determined, in accordance with the requirements of asset appraisal, that the above premises and assumptions hold as of the Appraisal Benchmark Date. Should any of the foregoing premises and assumptions change, the valuation conclusions shall become invalid.

Appraisal Conclusions

Based on the valuation assumptions in the valuation report issued by the Valuer, the results of the appraised values of the assets, liabilities and total equity of Shanghai Fulai Ruicheng as at the Appraisal Benchmark Date using the asset-based approach are as follows:

Items	Book value (RMB) A	Appraised value (RMB) B	Appreciation amount (RMB) C=B-A	Appreciation rate % D=C/A × 100%
I. Current assets	10,423.33	10,423.33		
II. Non-current assets	100,000,000.00	100,066,009.90	66,009.90	0.07
Including: long-term equity investments	<u>100,000,000.00</u>	<u>100,066,009.90</u>	<u>66,009.90</u>	<u>0.07</u>
Total assets	<u>100,010,423.33</u>	<u>100,076,433.23</u>	<u>66,009.90</u>	<u>0.07</u>
III. Current liabilities	10,000.34	10,000.34		
IV. Non-current liabilities	<u>0.00</u>	<u>0.00</u>		
Total liabilities	<u>10,000.34</u>	<u>10,000.34</u>		
Total equity value	<u>100,000,422.99</u>	<u>100,066,432.89</u>	<u>66,009.90</u>	<u>0.07</u>

REASONS FOR AND BENEFITS OF THE ACQUISITION

From a strategic perspective, the Acquisition will afford the Company full decision-making autonomy, enabling it to completely control and steer Shanghai Fulai Ruicheng's research and development priorities, market strategies, and resource deployment, so as to ensure that its operations will be fully aligned with the Group's overarching strategic objectives. Concurrently, the limited collaborative benefits arising from the current minority share holding will be elevated to comprehensive business consolidation, whereby Shanghai Fulai Ruicheng's R&D and sales functions will be fully integrated into the Company's existing operational framework, facilitating a seamless interface between new material innovation and commercial production. At the operational level, Shanghai Fulai Ruicheng is primarily engaged in the R&D of new material technologies and the distribution of technical glass products, functional glass and novel optical materials. The Company will have direct oversight over the direction and pace of Shanghai Fulai Ruicheng's R&D activities, thereby ensuring that the resulting technological advances are deployed in priority towards the enhancement of the Company's own product offerings.

The Directors (including the independent non-executive Directors) are of the view that the Acquisition is on normal commercial terms, and the terms contained therein are fair and reasonable and in the interests of the Company and its Shareholders as a whole, notwithstanding that such transaction is not conducted in the ordinary and usual course of business of the Group due to its nature.

INFORMATION ABOUT THE PARTIES AND SHANGHAI FULAI RUICHENG

The Company

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 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 Company also manufactures and sells float glass, household glass and architectural glass.

Yihe Investment

Yihe Investment a limited liability company established in the PRC, which, as of the date of this announcement, is held by Mr. Ruan Hongliang as to 37.5% and Ms. Ruan Zeyun as to 62.5%, respectively. See also "Listing Rules Implications" below regarding the relationship of Mr. Ruan Hongliang and Ms. Ruan Zeyun with other Directors and Shareholders. Yihe Investment is principally engaged in the investment activities with self-owned funds, leasing of non-residential real estate and industrial investment.

Shanghai Fulai Ruicheng

Shanghai Fulai Ruicheng is a limited liability company established under the laws of the PRC on 12 January 2026. Its principal business activities include research and development of new material technologies, promotion services for new material technologies, sales of technical glass products, functional glass and new optical materials, as well as sales of non-metallic minerals and their products. It is currently held as to 40% by the Company and as to 60% by Yihe Investment.

As informed by Yihe Investment, the original costs of 60% equity interest of Shanghai Fulai Ruicheng was RMB60 million, being Yihe Investment's contribution in the registered capital in Shanghai Fulai Ruicheng.

Set out below is the financial information extracted from the audited consolidated financial statements of Shanghai Fulai Ruicheng:

		<i>Unit: RMB</i>
		As at the Appraisal Benchmark Date
Items		
Assets		102,285,013.87
Liabilities		2,218,580.98
Total shareholders' equity		100,066,432.89
		From January to June 2026
Items		
Net profit (before tax)		66,573.89
Net profit (after tax)		66,432.89

LISTING RULES IMPLICATIONS

Mr. Ruan Hongliang (the chairman of the Board and an executive Director), Ms. Ruan Zeyun (an executive Director, the president of the Company and the daughter of Mr. Ruan Hongliang), Ms. Jiang Jinhua (an executive Director and the spouse of Mr. Ruan Hongliang) and Mr. Zhao Xiaofei (the son-in-law of Mr. Ruan Hongliang) entered into a concert party agreement on 19 September 2016, pursuant to which they have acted and continue to act in concert in relation to the exercise of voting rights attached to the Shares held by each of them, being an aggregate of 1,104,775,000 A Shares and 2,799,000 H Shares as of the date of this announcement, representing a total of approximately 47.27% of the total issued share capital of the Company, at the general meetings of the Company. As such, each of Mr. Ruan Hongliang and Ms. Ruan Zeyun is considered a controlling shareholder of the Company and thus a connected person of the Company under Chapter 14A of the Listing Rules. As of the date of this announcement, Yihe Investment is held by Mr. Ruan Hongliang as to 37.5% and Ms. Ruan Zeyun as to 62.5%, respectively, and thus an associate of each of Mr. Ruan Hongliang and Ms. Ruan Zeyun. Accordingly, Yihe Investment is a connected person under Rule 14A.07 of the Listing Rules.

As the applicable percentage ratios in respect of the Acquisition are more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Ruan Hongliang and Ms. Jiang Jinhua are parents of Ms. Ruan Zeyun, each of them is considered to have a material interest in the Acquisition. Therefore, they have abstained from voting on the Board resolution approving the Acquisition.

Save as disclosed above, none of the Directors had a material interest in the Acquisition, and none of them abstained from voting in respect of the Acquisition at the Board meeting.

DEFINITION

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

“Acquisition”	the acquisition by the Company of 60% of the equity interests in Shanghai Fulai Ruicheng pursuant to the Equity Transfer Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Flat Glass Group Co., Ltd.* (福萊特玻璃集團股份有限公司), 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 Hong Kong Stock Exchange and Shanghai Stock Exchange, respectively

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 5 August 2026 entered into between the Company and Yihe Investment
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shanghai Fulai Ruicheng”	Shanghai Fulai Ruicheng New Materials Co., Ltd.* (上海福來瑞誠新材料有限公司), a limited liability company incorporated in the People’s Republic of China
“Share(s)”	the A share(s) and the H share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“Yihe Investment”	Jiaxing Yihe Investment Co., Ltd.* (嘉興義和投資有限公司), a limited liability company incorporated in the People’s Republic of China
“%”	percent

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

Jiaxing, Zhejiang Province, People’s Republic of China
5 August 2026

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, the independent non-executive Directors are Ms. Xu Pan, Ms. Du Jian and Ms. Ng Yau Kuen Carmen, and the employee Director is Ms. Niu Liping.

* For identification purpose only