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# FGG

## 福莱特玻璃集团股份有限公司

### F&G Glass Group Co., Ltd.

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

(Stock Code: 6865)

### INSIDE INFORMATION

### SUPPLEMENTAL AGREEMENT TO THE 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).

Reference is made to the announcement of the Company dated 15 May 2019 in relation to its inside information with respect to a PV Glass sales contract entered into between the Company and certain of its wholly-owned subsidiaries as the Sellers and certain wholly-owned subsidiaries of LONGi Group as the Purchasers (the "Announcement"). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that the Board has approved that, a supplemental agreement to the Sales Contract was entered into between the Company and certain of its wholly-owned subsidiaries as the Sellers and certain subsidiaries and associated companies of LONGi Group as the Purchasers on 8 February 2021, with a term from 1 January 2021 to 31 December 2023.

As the Sales Contract, the Supplemental Agreement and the transactions contemplated thereunder 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, they do not constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should be aware that the Sales Contract, as approved by the Supplemental Agreement, is subject to certain conditions precedent. Furthermore, the effect of the performance of the Company depends, among other things, the actual date of delivery, the actual price of the PV Glass under the specific purchase order and

# INTRODUCTION

- Duration :** 1 January 2021 to 31 December 2023
- Total area :** An additional of 27,860,000 square meters of PV Glass (for using in solar modules) is added to sales volume for 2021 as agreed in the Sales Contract.
- The total sales volume of PV Glass (for using in solar modules) for 2022 and 2023 is 46GW (approximately 287,140,000 square meters).
- Estimated cost :** 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. Taking into consideration the market penetration rate of the double-glass modules, and based on the average price of 3.2 PV Glass as RMB42 per square meter (including tax) and the average price of 2.0 PV Glass as RMB34 per square meter (including tax) as published by Sublime China Information Co., Ltd.\* (卓創週報) dated 4 February 2021 in its weekly report, the Board estimated that the total contract sum under the Sales Contract, as supplemented by the Supplemental Agreement, would be approximately RMB11.7 billion (including tax).
- Payment :** The Purchasers shall pay certain prepayment(s) to the Sellers, 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 in accordance with such time and terms as agreed between both parties.
- Breach of contract :** If either party fails to perform in accordance with the terms agreed in the agreement, the defaulting party shall pay the corresponding liquidated damages as agreed in the agreement.
- Condition precedent :** The Supplemental Agreement, after signed and sealed by both parties shall be effective.

## **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 promote its PV Glass products and further improve its business performance. The Sales Contract, as supplemented by the Supplemental Agreement, will benefit the marketing of the Company's large-sized and thin PV Glass products, increase the sales of its PV Glass products, and further improve the Company's 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**

The Purchasers are wholly-owned subsidiaries of LONGi Group, a company listed on the Shanghai Stock Exchange (Stock code: 601012). LONGi Group has four main business units, including LONGi Solar, LONGi Wafer, LONGi New Energy and LONGi Clean Energy. LONGi Solar is primarily engaged in, among others, the research and development, production, sale and marketing of mono-crystalline solar cells and modules.

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, the Supplemental Agreement, and the transactions contemplated thereunder 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, they do not constitute as notifiable transactions for the Company under Chapter 14 of the Listing Rules.

Shareholders of the Company and the Share Certificate, as defined by the Securities Agreement, in the event of a conflict, the effect of the provisions of the Company shall prevail, and the provisions of the PVGA shall prevail over the specific provisions of the articles of association of the Company. The Share Certificate, as defined by the Securities Agreement, shall be deemed to be a document of title to the shares. According to the provisions of the Company, the exercise of the rights of the Shareholders of the Company shall be subject to the provisions of the Company.

## DEFINITIONS

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

- “A Share(s)” RMB-denominated ordinary share(s) of the Company which are issued and subscribed for in RMB in the PRC and are listed on the Shanghai Stock Exchange
- “Purchasers” 隆基樂葉光伏科技有限公司\* (LONGi Solar Technology Co., Ltd.), 浙江隆基樂葉光伏科技有限公司\* (Zhejiang LONGi Solar Technology Co., Ltd.), 泰州隆基樂葉光伏科技有限公司\* (Taizhou LONGi Solar Technology Co., Ltd.), 江蘇隆基樂葉光伏科技有限公司\* (Jiangsu LONGi Solar Technology Co., Ltd.), 滁州隆基樂葉光伏科技有限公司\* (Chuzhou LONGi Solar Technology Co., Ltd.), 咸陽隆基樂葉光伏科技有限公司\* (Xi'an LONGi Solar Technology Co., Ltd.), 嘉興隆基樂葉光伏科技有限公司\* (Jiaxing LONGi Solar Technology Co., Ltd.), 銀川隆基樂葉光伏科技有限公司\* (Yinchuan LONGi Solar Technology Co., Ltd.), 大同隆基樂葉光伏科技有限公司\* (Datong LONGi Solar Technology Co., Ltd.), 西安隆基綠能建築科技有限公司\* (Xi'an LONGi Green Energy Building Technology Co., Ltd.), LONGi (H.K.) Trading Limited (隆基(香港)貿易有限公司), LONGi (Kuching) Sdn. Bhd. (隆基(古晉)私人有限公司) and Viva Solar Technology Co., Ltd. (越南光伏科技有限公司)
- “Supplemental Agreement” the supplemental agreement to the Sales Contract entered into between the Sellers and the Purchasers dated 8 February 2021

“Sellers” the Company, A hui Flat Glass, Zhejiang Jiafu, Flat (Vietnam) Company Limited and Flat (Hong Kong) Limited, each a wholly-owned subsidiary of the Company

“RMB” Renminbi, the lawful currency of the PRC

By order of the Board  
**F a t G a G r , C ., L d.**  
**R a H g i a g**  
Chairman

Jiaxing, Zhejiang Province, the People's Republic of China

8 February 2021

*As at the date of this announcement, the executive Directors are Mr. Ruohong, Ms. Jiaguihua, Mr. Weiyezhong and Mr. Sheqifu, and the independent non-executive Directors are Mr. Cui Xiaozhong, Ms. Hua Fulan and Mr. Ng King.*

\* *If there is a discrepancy between the English and the Chinese, the Chinese shall prevail.*