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IRICO

彩虹集團新能源股份有限公司

**IRICO GROUP NEW ENERGY COMPANY LIMITED\***

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

(Stock Code: 0438)

## SUPPLEMENTAL ANNOUNCEMENT

**Financial Adviser to the Company**



**國泰君安國際**  
GUOTAI JUNAN INTERNATIONAL

**Guotai Junan Capital Limited**

Reference is made to the announcement of IRICO Group New Energy Company Limited (the “**Company**”) dated 11 November 2020 (the “**Announcement**”) in relation to, among others, (i) the Proposed Share Consolidation and Capital Reduction, (ii) the Proposed Change in Board Lot Size and (iii) the proposed utilisation of surplus reserves to partially recover loss. Capitalised terms used herein have the same meanings as those defined in the Announcement unless the context otherwise requires.

As disclosed in the Announcement, the Board originally proposed to utilise the entire amount of the surplus reserves of the Company (RMB22,477,267.06 as at 30 June 2020) to partially recover the accumulated loss of the Company (RMB3,031,746,538.13 as at 30 June 2020).

The Company, having considered the arrangements further following consultations with relevant regulatory authorities, has decided to use the credit arising from the Proposed Share Consolidation and Capital Reduction to recover the accumulated loss of the Company. If the amount of such credit is greater than the amount of accumulated loss, it will first be utilised to recover the entire amount of the accumulated loss of the Company, with the remaining amount to be credited to the capital reserve account of the Company.

Given the above considerations, the Board is now of the view that it is no longer necessary for the Company to utilise its surplus reserves to partially recover its accumulated loss, and has therefore decided not to proceed with such utilisation. Accordingly, it will not be considered at the EGM.

Save as disclosed above, all other information contained in the Announcement remains unchanged. A circular containing, among others, further details of the Proposed Share Consolidation and Capital Reduction and the Proposed Change in Board Lot Size will be issued by the Company and despatched to the Shareholders no later than Thursday, 10 December 2020.

**Shareholders and potential investors should be aware that the Proposed Share Consolidation and Capital Reduction is subject to the conditions as set out in the section headed “Conditions of the Proposed Share Consolidation and Capital Reduction” in the Announcement. The Proposed Change in Board Lot Size is conditional upon the Proposed Share Consolidation and Capital Reduction becoming effective. Accordingly, the Proposed Share Consolidation and Capital Reduction and the Proposed Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional advisers.**

By order of the Board  
**IRICO Group New Energy Company Limited\***  
**Si Yuncong**  
*Chairman*

Shaanxi Province, the PRC  
3 December 2020

*As at the date of this announcement, the Board consists of Mr. Si Yuncong and Mr. Tong Xiaofei as executive Directors, Mr. Fan Laiying and Mr. Ni Huadong as non-executive Directors, and Mr. Feng Bing, Mr. Wang Jialu and Mr. Wang Zhicheng as independent non-executive Directors.*

\* For identification purpose only