

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**ANNOUNCEMENT ON CONNECTED TRANSACTIONS
JIANGXI PHOTOVOLTAIC PURCHASE CONTRACT AND
HEFEI PHOTOVOLTAIC RENOVATION CONTRACTS**

The Board announced that on 18 May 2022, Jiangxi Photovoltaic, a wholly-owned subsidiary of the Company, entered into the Purchase Contract with CESE3. Pursuant to which, Jiangxi Photovoltaic proposed to purchase furnace auxiliary fans and supporting services from CESE3 at a consideration of RMB7,952,880.00.

The Board further announced that on 18 May 2022, Hefei Photovoltaic, a wholly-owned subsidiary of the Company, entered into: (i) the Office Building Design and Renovation Contract with Wuhan Lido, pursuant to which Wuhan Lido was entrusted to undertake the integrated project of design and construction of the technology center building; and (ii) entered into the Renovation Contract for the Office Area of Phase III Plant with Wuhan Lido, pursuant to which Wuhan Lido was entrusted to undertake the project design, decoration and renovation of Phase II of improvement and construction of the office area of Phase III plant.

As at the date of this announcement, CESE3 is a subsidiary of CEC, the controlling Shareholder of the Company. CESE3 is an associate of CEC and a connected person of the Company under the Listing Rules. Accordingly, the transaction contemplated under the Purchase Contract constitute connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the transaction contemplated under the Purchase Contract exceeds 0.1% but less than 5%, the transaction is subject to the notification and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As at the date of this announcement, Wuhan Lido is a subsidiary of a 30%-controlled company of CECIS, which is a subsidiary of CEC. Wuhan Lido is an associate of CEC and a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Renovation Contracts constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As Hefei Photovoltaic and Wuhan Lido entered into the Renovation Contracts on the same date and the nature of the transactions under the Renovation Contracts are similar, the Company has aggregated the transactions contemplated under the Renovation Contracts. As the highest applicable percentage ratio in respect of the Renovation Contracts (after aggregation) exceeds 0.1% but less than 5%, the Renovation Contracts are subject to the notification and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

I. INTRODUCTION

The Board announced that on 18 May 2022, Jiangxi Photovoltaic, a wholly-owned subsidiary of the Company, entered into the Purchase Contract with CESE3. Pursuant to which, Jiangxi Photovoltaic proposed to purchase furnace auxiliary fans and supporting services from CESE3 at a consideration of RMB7,952,880.00.

The Board further announced that on 18 May 2022, Hefei Photovoltaic, a wholly-owned subsidiary of the Company, entered into: (i) the Office Building Design and Renovation Contract with Wuhan Lido, pursuant to which Wuhan Lido was entrusted to undertake the integrated project of design and construction of the technology center building; and (ii) entered into the Renovation Contract for the Office Area of Phase III Plant with Wuhan Lido, pursuant to which Wuhan Lido was entrusted to undertake the project design, decoration and renovation of Phase II of improvement and construction of the office area of Phase III plant.

II. CONNECTED TRANSACTION CONTRACTS

1. Jiangxi Photovoltaic Purchase Contract

The main contents of the Purchase Contract are set out below:

Date:	18 May 2022
Parties:	(i) Jiangxi Photovoltaic (as purchaser); and (ii) CESE3 (as vendor)

Purchase subjects:	<p>Including but not limited to the following major tasks:</p> <ul style="list-style-type: none"> (i) being responsible for the design of procurement of furnace auxiliary fans and supporting equipment, procurement, manufacturing, completing into sets, factory assembly, in-plant testing and commissioning, packaging and transportation, insurance and on-site delivery of parts and materials; (ii) provision of spare parts and special tools for equipment operation and maintenance; (iii) provision of signed and sealed construction drawings and relevant documents (CAD 1 set); (iv) provision of technical guidance and supervision services such as design liaison meeting, ex-factory acceptance, technical training, testing, trial operation and acceptance.
Consideration:	<p>The total consideration for the procurement of furnace auxiliary fans and supporting services by Jiangxi Photovoltaic from CESE3 is RMB7,952,880.00, of which the tax exclusive is RMB7,037,946.90, the tax is RMB914,933.10 and the tax rate is 13%.</p> <p>If there is any adjustment to the national tax policy or change in the VAT rate, the tax-exclusive price will remain unchanged, and the total tax-inclusive price will be adjusted according to the change in tax.</p>
Payment:	By telegraphic transfer or bank acceptance bills.

The purchase subjects will be delivered in two equal batches at a consideration of RMB3,976,440.00 for each batch. Each tranche of consideration will be paid in installments, including prepayment, payment on arrival, acceptance payment and warranty.

If the actual delivery quantity is adjusted, the fee shall be calculated based on the actual delivery quantity and unit price.

Basis for the consideration: The consideration was determined after arm's length negotiations between Jiangxi Photovoltaic and CESE3 with reference to various factors such as the market price, service standard and the estimated cost of the relevant equipment.

Contract period: The Purchase Contract shall be effective upon signing and sealing by the legal representatives or authorized representatives of both parties, and shall be terminated after the obligations of both parties have been fulfilled.

2. Hefei Photovoltaic Renovation Contracts

The main contents of the Office Building Design and Renovation Contract are set out below:

Date: 18 May 2022

Parties: (i) Hefei Photovoltaic (as the entrusting party); and
(ii) Wuhan Lido (as the undertaking party)

Project address: The company site of Hefei Photovoltaic

Scope of work:	<p>The construction of laboratory, office premises and exhibition hall of the technology center building. The external facade area of the building is approximately 7,000 square meters and the internal floor area is approximately 3,600 square meters.</p> <p>The integrated project of design and construction of the technology center building: the work for the interior of the building includes design and construction of fire engineering, strong and weak current, central air conditioning, doors and windows, office furniture and soft decoration, external facade glass curtain wall of the building, and window replacement.</p>
Contracting method and project consideration:	The total project consideration (tax inclusive) is RMB2,876,000 for total fixed amount.
Payment:	<p>Pursuant to the Office Building Design and Decoration Contract, the project consideration will be paid in installments according to the construction progress.</p> <p>The volume of construction before each payment shall be subject to the review and confirmation by the entrusting party and the supervisor of the entrusting party.</p>
Basis for the consideration:	The project consideration was determined after arm's length negotiations between the parties with reference to the scope of work and the cost of project design, construction and other services provided by the undertaking party and the cost of construction materials.
Contract period:	Effective upon signing and sealing by both parties. As at the date of this announcement, the Office Building Design and Renovation Contract has become effective.

The main contents of the Renovation Contract for the Office Area of Phase III Plant are set out below:

Date:	18 May 2022
Parties:	(i) Hefei Photovoltaic (as the entrusting party); and (ii) Wuhan Lido (as the undertaking party)
Project address:	The company site of Hefei Photovoltaic
Scope of work:	The total gross floor area of Phase II of improvement and construction of the office area of Phase III plant is approximately 3,600 square meters, including ceiling, toilet construction, doors installation, ground leveling, floor laying, wall surface treatment, electrical installation, network laying, building ladder handwork, etc.
Contracting method and project consideration:	The design fee and decoration project fee (tax inclusive) paid by the entrusting party to undertaking party is RMB3,560,000 for total fixed amount.
Payment:	According to the Renovation Contract for the Office Area of Phase III Plant, the project consideration will be paid in installments according to the construction progress. Payment methods include but not limited to bank acceptance or letter of credit, commercial acceptance, etc.
Basis for the consideration:	The project consideration was determined after arm's length negotiations between the parties with reference to the scope of work and the cost of project design, construction and other services and the cost of construction materials provided by the undertaking party.
Contract period:	Effective upon signing and sealing by both parties. As at the date of this announcement, the Renovation Contract for the Office Area of Phase III Plant has become effective.

III. GENERAL INFORMATION

(i) The Company

The Company is principally engaged in the research and development, production and sales of solar photovoltaic glass.

(ii) Jiangxi Photovoltaic

Jiangxi Photovoltaic is a wholly-owned subsidiary of the Company and is principally engaged in glass manufacturing, solar power generation technology services and mechanical and electrical equipment manufacturing.

(iii) CESE3

CESE3 is a subsidiary of CEC, and CEC holds 71% of its shares through CECIS; Chengdu Hongxiang Jingye Engineering Management Consulting Center (Limited Partnership)* (成都虹祥景業工程管理諮詢中心(有限合夥)) holds 16.64% of its shares; Chengdu Hongrui Jingye Engineering Management Consulting Center (Limited Partnership)* (成都虹瑞景業工程管理諮詢中心(有限合夥)) holds 12.36% of its shares.

CESE3 is principally engaged in building intelligent system design; construction project design; civil defense design; renovation and repair of special equipment installation; general contracting of housing construction and municipal infrastructure projects; various project construction activities; intelligent building project construction; construction of fire-fighting facilities; construction labour subcontracting; installation, repair and testing of electricity facilities; electricity generation, transmission and supply business; import and export of goods; import and export of technology, etc.

(iv) Hefei Photovoltaic

Hefei Photovoltaic is a wholly-owned subsidiary of the Company and is principally engaged in the investment and development of new energy industries and solar power projects, the research and development, production and sales of solar photovoltaic glass, tempered glass and coated glass and technology development of related products, the construction and operation of solar power stations, etc..

(v) Wuhan Lido

Wuhan Lido is an associate of CEC and is principally engaged in construction labour subcontracting business.

IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE PURCHASE CONTRACT AND THE RENOVATION CONTRACTS

The Board is of the view that entering into the Purchase Contract is necessary and of significant importance for the normal operation of Jiangxi Photovoltaic.

The Board is of the view that entering into the Renovation Contracts is aimed to improve and optimize the infrastructure construction and ensure the safety of the production environment, which is necessary and of significant importance for the normal operation of Hefei Photovoltaic.

The Board (including the independent non-executive Directors) considers that the terms and conditions of the Purchase Contract and the Renovation Contracts are fair and reasonable, and the transactions under the Purchase Contract and the Renovation Contracts are conducted on normal or better commercial terms in the ordinary and usual course of business of Jiangxi Photovoltaic and Hefei Photovoltaic, respectively, and in the interests of the companies, the Company and the Shareholders as a whole.

V. LISTING RULES IMPLICATIONS

As at the date of this announcement, CESE3 is a subsidiary of CEC, the controlling Shareholder of the Company. CESE3 is an associate of CEC and a connected person of the Company under the Listing Rules. Accordingly, the transaction contemplated under the Purchase Contract constitute connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the transaction contemplated under the Purchase Contract exceeds 0.1% but less than 5%, the transaction is subject to the notification and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As at the date of this announcement, Wuhan Lido is a subsidiary of a 30%-controlled company of CECIS, which is a subsidiary of CEC. Wuhan Lido is an associate of CEC and a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Renovation Contracts constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As Hefei Photovoltaic and Wuhan Lido entered into the Renovation Contracts on the same date and the nature of the transactions under the Renovation Contracts are similar, the Company has aggregated the transactions contemplated under the Renovation Contracts. As the highest applicable percentage ratio in respect of the Renovation Contracts (after aggregation) exceeds 0.1% but less than 5%, the Renovation Contracts are subject to the notification and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As at the date of this announcement, none of the Directors has a material interest in the transactions under the Purchase Contract or the Renovation Contracts. As such, none of the Directors abstained from voting on these two Board resolutions.

VI. DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“associate (s)”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“CEC”	China Electronics Corporation*(中國電子信息產業集團有限公司), a wholly state-owned company incorporated in the PRC and the controlling Shareholder of the Company;
“CECIS”	China Electronics International Information Service Co., Ltd.*(中國中電國際信息服務有限公司), a company incorporated in the PRC with limited liability and a subsidiary of CEC;
“CESE3”	China Electronics System Engineering No. 3 Construction Co., Ltd., a subsidiary of CEC and a connected person of the Company;
“Company”	IRICO Group New Energy Company Limited*(彩虹集團新能源股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the Main Board of the Stock Exchange (Stock Code: 00438);
“connected person (s)”	has the same meaning ascribed to it under the Listing Rules;
“Directors(s)”	the director(s) of the Company;
“Hefei Photovoltaic”	IRICO (Hefei) Photovoltaic Co., Ltd.*(彩虹(合肥)光伏有限公司), a wholly-owned subsidiary of the Company;

“Jiangxi Photovoltaic”	Jiangxi IRICO Photovoltaic Co., Ltd.*(江西彩虹光伏有限公司), a wholly-owned subsidiary of the Company;
“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 the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;
“Purchase Contract”	the Furnace Auxiliary Fans Procurement Contract dated 18 May 2022 entered into between Jiangxi Photovoltaic and CESE3 in relation to the proposed procurement of furnace auxiliary fans and supporting services by Jiangxi Photovoltaic from CESE3;
“Renovation Contracts”	On 18 May 2022, Hefei Photovoltaic entered into the Office Building Design and Renovation Contract with Wuhan Lido in relation to the integrated project design and construction of the technology center building and the Renovation Contract of the Office Area of the Phase III Plant in relation to the project design, decoration and renovation of Phase II of improvement and construction of the office area of Phase III plant;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder (s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Wuhan Lido”

Wuhan Lido Technology Company Limited*
(武漢麗島科技有限公司), a subsidiary of a
30%-controlled company of CECIS, a connected
person of the Company;

“%”

Percent.

By Order of the Board
IRICO Group New Energy Company Limited
Tong Xiaofei
Chairman

Shaanxi Province, the PRC
18 May 2022

As at the date of this announcement, the Board consists of Mr. Tong Xiaofei and Mr. Jiang Lei as executive Directors, Mr. Ni Huadong and Mr. Huang Weihong as non-executive Directors, and Mr. Su Kun, Mr. Li Yong and Ms. Hao Meiping as independent non-executive Directors.

* *For identification purpose only*