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彩 虹 集 團 電 子 股 份 有 限 公 司

IRICO GROUP ELECTRONICS COMPANY LIMITED*

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

(Stock Code: 0438)

REDUCTION OF SHAREHOLDING IN A SUBSIDIARY

The Board wishes to announce that, during the period from 19 August 2010 to 29 September 2010, the Company has sold on the market 7,310,970 of its Unrestricted Tradable Shares held in IRICO Display, a subsidiary of the Company, resulting in the decrease of its shareholding in IRICO Display by approximately 1%.

The Board wishes to announce that, during the period from 19 August 2010 to 29 September 2010, the Company has sold on the market 7,310,970 of its Unrestricted Tradable Shares held in IRICO Display, a subsidiary of the Company, resulting in the decrease of its shareholding in IRICO Display by approximately 1%.

Prior to the Reduction of Shareholding, a total of 172,080,970 shares of IRICO Display, all being Unrestricted Tradable Shares, were held by the Company, representing approximately 23.36% of the total issued share capital of IRICO Display.

Following the Reduction of Shareholding, the Company holds 164,770,000 shares in IRICO Display, all being Unrestricted Tradable Shares, representing approximately 22.36% of the total issued share capital of IRICO Display.

This announcement is made by the Company on voluntary basis.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of directors of the Company
“Company”	IRICO Group Electronics Company Limited
“IRICO Display”	IRICO Display Device Co., Ltd., a subsidiary of the Company whose A-shares are listed on the Shanghai Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Reduction of Shareholding”	the sale of the Company’s 7,310,970 shares held in IRICO Display as disclosed in this announcement
“Unrestricted Tradable Share(s)”	tradable shares held in IRICO Display by the Company with no sale restrictions attached to them

By order of the Board
IRICO Group Electronics Company Limited
Xing Daoqin
Chairman

Shaanxi Province, the PRC
29 September 2010

As at the date of this announcement, the Board of the Company consists of Mr. Xing Daoqin, Mr. Tao Kui and Mr. Zhang Junhua as executive Directors, Mr. Guo Mengquan, Mr. Niu Xinan, Mr. Fu Jiuquan and Mr. Zhang Weichuan as non-executive Directors, and Mr. Xu Xinzhong, Mr. Feng Bing, Mr. Wang Jialu, Mr. Lv Hua and Mr. Zhong Pengrong as independent non-executive Directors.

* *For identification purposes only*