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IRICO

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)

MAJOR AND CONNECTED TRANSACTIONS

RESULTS OF THE IRICO FOSHAN TENDER

Reference is made to (i) the announcements of the Company dated 31 July 2013, 22 August 2013, 23 August 2013 and 24 December 2013 and the circular of the Company dated 26 September 2013 (the “**Circular**”) in relation to, among other things, the IRICO Foshan Tender; and (ii) the announcement of the Company dated 18 October 2013 regarding the poll results of the EGM.

Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Circular.

The Board hereby announces that, in order to focus on and strengthen its core businesses, revitalise existing assets and reduce operating loss, the A Share Company disposed of its 51% equity interests in IRICO Foshan (彩虹(佛山)平板顯示有限公司) (a non-wholly owned subsidiary of the A Share Company) through the process of open tender in accordance with the resolution passed at the 16th meeting of the seventh session of the Board of the A Share Company. Details and results of relevant disposal are announced as follows:

The disposal of 51% equity interests in IRICO Foshan was carried out through the process of open tender on China Beijing Equity Exchange on 26 August 2013. Such open tender was ceased upon the application made by the A Share Company as no intended transferee was identified during the tender period. The A Share Company made another application to the China Beijing Equity Exchange in March 2014 and restarted the open tender for the project of 51% equity interests in IRICO Foshan with a base price of RMB1. On 11 April 2014, the IRICO Group accepted the subject of transfer with a consideration of RMB1, and relevant consideration was transferred into the designated settlement account of the A Share Company. Relevant registration formality regarding to change of equity interests will be proceeded with by both the A Share Company and IRICO Group as agreed in the equity transfer contract.

Upon completion of the equity transfer, the A Share Company will cease to hold any equity interests in IRICO Foshan. The equity transfer was carried out through the process of open tender on equity exchange and the content of transaction contract thereof is in compliance with the principle of fair, impartial and equitable. The completion of equity transfer will enable the A Share Company to reduce operating loss and centralise the use of funds based on its business development needs, which is in the long-term interest of the A Share Company and the shareholders as a whole.

By order of the Board

IRICO Group Electronics Company Limited*

Chu Xiaohang

Company Secretary

Shaanxi Province, the People's Republic of China

17 April 2014

As at the date of this announcement, the Board consists of Mr. Guo Mengquan and Mr. Zhang Junhua as executive Directors, Mr. Si Yuncong, Mr. Huang Mingyan and Mr. Jiang Ahe as non-executive Directors, and Mr. Xu Xinzhong, Mr. Feng Bing, Mr. Wang Jialu and Mr. Wang Zhicheng as independent non-executive Directors.

* *For identification purpose only*