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)

2017 ANNUAL RESULTS ANNOUNCEMENT

The board (the "**Board**") of directors (the "**Directors**") of IRICO Group New Energy Company Limited* (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2017. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in this announcement are consistent with the amounts set out in the audited consolidated financial statements of the Group for the same year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	**2017** **RMB'000**	2016 *RMB'000*
Revenue	3	**2,363,402**	1,809,333
Cost of sales		**(2,115,514)**	(1,599,201)
Gross profit		**247,888**	210,132
Other operating income	4	**207,182**	136,689
Gain on disposal of subsidiaries	14	**24,946**	18,779
Loss on derecognition of an associate	15	**(12,625)**	–
Selling and distribution costs		**(80,758)**	(87,382)
Administrative expenses		**(176,885)**	(129,491)
Other operating expenses		**(4,533)**	(4,579)
Finance costs	5	**(72,172)**	(39,847)
Share of (loss)/profit of associates		**(116)**	1,796
Share of loss of a joint venture		**(270)**	(209)
Profit before tax		**132,657**	105,888
Income tax credit/(expense)	6	**1,357**	(1,370)
Profit for the year	7	**134,014**	104,518
Profit for the year			
Profit for the year attributable to:			
– Owners of the Company		**123,704**	105,712
– Non-controlling interests		**10,310**	(1,194)
		134,014	104,518
Earnings per share			
– Basic and diluted	9	**0.06**	0.05

	Notes	**2017**	2016
		RMB'000	*RMB'000*
Profit for the year		**134,014**	104,518
Other comprehensive income/ (expense):			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of a foreign subsidiary		**526**	173
Available-for-sale financial assets:			
– Changes in fair value		**(56,602)**	(62,334)
Other comprehensive expense for the year		**(56,076)**	(62,161)
Total comprehensive income for the year		**77,938**	42,357
Total comprehensive income for the year attributable to:			
Owners of the company		**67,628**	43,551
Non-controlling interests		**10,310**	(1,194)
		77,938	42,357

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017 RMB'000	2016 RMB'000
Non-current assets			
Property, plant and equipment		**1,772,602**	1,297,645
Investment properties		**10,739**	16,904
Leasehold land and land use rights		**192,117**	109,186
Intangible assets		**19,430**	22,205
Interests in associates		**18,640**	33,517
Interest in a joint venture		**35,521**	35,791
Prepayment for construction in progress		**167,350**	–
Deferred tax assets		**589**	–
Goodwill		**41,533**	–
Available-for-sale financial assets	10	**364,442**	421,044
		2,622,963	1,936,292
Current assets			
Inventories		**191,166**	113,563
Trade and bills receivables	11	**942,954**	622,119
Other receivables, deposits and prepayments	12	**339,392**	411,733
Tax recoverable		**3,140**	3,140
Restricted bank balances		**222,108**	98,034
Bank balances and cash		**269,400**	428,178
		1,968,160	1,676,767
Non-current assets classified as held for sale		**–**	25,563
		1,968,160	1,702,330

	Notes	2017 *RMB'000*	2016 *RMB'000*
Current liabilities			
Trade and bills payables	13	**1,191,318**	695,308
Other payables and accruals		**530,689**	572,650
Tax payables		**15,651**	786
Bank and other borrowings – due within one year		**2,096,115**	1,552,684
Termination benefits		**6,223**	12,099
		3,839,996	2,833,527
Net current liabilities		**(1,871,836)**	(1,131,197)
Total assets less current liabilities		**751,127**	805,095
Capital and reserves			
Share capital		**2,232,349**	2,232,349
Other reserves		**817,341**	874,136
Accumulated losses		**(2,897,067)**	(3,020,771)
Equity attributable to owners of the Company		**152,623**	85,714
Non-controlling interests		**115,052**	66,785
Total equity		**267,675**	152,499
Non-current liabilities			
Bank and other borrowings – due after one year		**395,399**	516,610
Deferred income		**65,787**	98,797
Termination benefits		**21,707**	29,957
Deferred tax liabilities		**559**	7,232
		483,452	652,596
		751,127	805,095

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

IRICO Group New Energy Company Limited (the "**Company**") was established in the People's Republic of China (the "**PRC**") on 10 September 2004 as a joint stock company with limited liability under the Company Law of the PRC. The Company was listed on Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 20 December 2004. The addresses of its registered office and principal place of business are No. 1 Caihong Road, Xianyang, Shaanxi Province, the PRC.

The Company and its subsidiaries (collectively referred to as the "**Group**") are engaged in solar photovoltaic business, new materials business, trading business and others.

The directors of the Company consider that IRICO Group Corporation ("**IRICO Group**") is the Company's parent company and the ultimate holding company is China Electronics Corporation ("**CEC**"), a state-owned enterprise established in the PRC.

The consolidated financial statements are presented in Renminbi ("**RMB**") which is also the functional currency of the Company.

2. BASIS OF PREPARATION

(a) Compliance with Hong Kong Financial Reporting Standards ("HKFRS")

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

(b) Initial application of HKFRSs

In the current year, the Group initially applied the following HKFRSs:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to HKFRSs (2014–2016)	Amendments to HKFRS 12

The amendments to HKAS 12 and Annual Improvements to HKFRSs (2014–2016) have no impact on the preparation of the Group's financial statements.

Amendments to HKAS 7 require the Group to provide disclosures that enable users of its financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

(c) Adoption of going concern basis

The Group had net current liabilities of approximately RMB1,872 million as at 31 December 2017. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors of the Company are of the opinion that the Group and the Company will have sufficient working capital to meet their financial obligations as and when they fall due for the next twelve months from the end of the reporting period given that:

(i) IRICO Group, the parent company of the Company, has sufficient financial capability and will actively provide financial support to the Group and the Company to meet the Group's and the Company's liabilities and commitments as and when they fall due;

(ii) the directors of the Company anticipate that the Group and the Company will maintain adequate cash flows for their operations and existing investments or financing needs;

(iii) the senior management aims to maintain flexibility in funding by keeping committed credit lines available; and

(iv) the Company will continue to implement measures to improve operational performance and raise funds through the issuance of new shares.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group and the Company be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the chief executive officer, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance with focuses on types of goods. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1. Solar photovoltaic business

2. New materials business – production and sales of luminous materials and lithium battery anode materials

3. Trading business – trading of solar modules and other related accessories

4. Others

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the year ended 31 December 2017

	Solar photovoltaic business *RMB'000*	New materials business *RMB'000*	Trading business *RMB'000*	Others *RMB'000*	Total *RMB'000*
REVENUE					
External sales	1,682,440	319,014	361,948	–	2,363,402
Segment profit	180,452	6,979	3,938	630	191,999
Unallocated income					207,182
Unallocated expenses					(206,287)
Finance costs					(72,172)
Gain on disposal of subsidiaries					24,946
Loss on derecognition of an associate					(12,625)
Share of loss of associates					(116)
Share of loss of a joint venture					(270)
Profit before tax					132,657

For the year ended 31 December 2016

	Solar photovoltaic business *RMB'000*	New materials business *RMB'000*	Trading business *RMB'000*	Others *RMB'000*	Total *RMB'000*
REVENUE					
External sales	1,027,631	257,155	524,321	226	1,809,333
Segment profit	66,453	1,024	14,806	1,790	84,073
Unallocated income					136,689
Unallocated expenses					(95,393)
Finance costs					(39,847)
Gain on disposal of a subsidiary					18,779
Share of profit of associates					1,796
Share of loss of a joint venture					(209)
Profit before tax					105,888

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, depreciation of investment properties, directors' salaries, share of profit/(loss) of associates, share of loss of a joint venture, other operating income, finance costs, gain on disposal of subsidiaries and loss on derecognition of an associate. This is the measure reported to the chief executive officer with respect to the resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

	2017	2016
	RMB'000	*RMB'000*
Solar photovoltaic business	**2,875,791**	1,930,681
New materials business	**348,477**	344,580
Trading business	**406,009**	229,857
Others	**38,766**	100,036
Total segment assets	**3,669,043**	2,605,154
Unallocated assets	**922,080**	1,033,468
Consolidated total assets	**4,591,123**	3,638,622

Segment liabilities

	2017	2016
Solar photovoltaic business	**1,240,911**	879,269
New materials business	**71,872**	83,852
Trading business	**290,344**	233,361
Others	**164,116**	126,574
Total segment liabilities	**1,767,243**	1,323,056
Unallocated liabilities	**2,556,205**	2,163,067
Consolidated total liabilities	**4,323,448**	3,486,123

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets other than interests in associates, interest in a joint venture, investment properties, available-for-sale financial assets, restricted bank balances, tax recoverable, deferred tax assets, goodwill, bank balances and cash and certain unallocated head office assets are allocated to operating segments. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual reportable segments; and

– all liabilities other than tax payables, deferred tax liabilities, bank and other borrowings and certain unallocated head office liabilities are allocated to operating segments. Liabilities for which operating segments are jointly liable are allocated in proportion to segment assets.

Geographical information

The Group's operation is located in the PRC (country of domicile).

Information about the Group's revenue from external customers is presented based on the location of the operations as below:

	2017	2016
	RMB'000	*RMB'000*
The PRC (excluding Hong Kong)	**2,084,906**	1,727,933
Hong Kong	**2,188**	–
Other countries	**276,308**	81,400
	2,363,402	1,809,333

An analysis of non-current assets, excluding financial instruments, deferred tax assets and goodwill, by geographical location in which the assets are located has not been presented as the Group's non-current assets are all located in the PRC.

Information about major customers

The Group has identified 2 customers (2016: nil) which individually represented over 10% of the Group's total external sales.

The sales to the major customers during the years are as follows:

	2017	2016
	RMB'000	*RMB'000*
Customer A[1]	**405,730**	–
Customer B[1]	**251,930**	–
	657,660	–

1 Revenue from production of photovoltaic business products.

4. OTHER OPERATING INCOME

	2017	2016
	RMB'000	*RMB'000*
Gain on disposal of property, plant and equipment *(Note a)*	**31,596**	5,334
Net foreign exchange gain	**3,236**	–
Interest income	**1,855**	2,879
Gain on sales of raw materials, scraps and packaging materials	**4,595**	6,471
Reversal of allowance for inventories	**5,960**	1,782
Rental income *(Note b)*	**7,865**	21,106
Reversal of provision related to legal case	**5,250**	–
Grants and amortisation of deferred income on government grants received	**119,887**	46,775
Overprovision of tax expenses for disposal of A Share company	**–**	30,391
Gain on deregistration of subsidiaries	**898**	9,620
Reversal of cash-settled share-based payments	**–**	8,622
Balances borne by the parent company to support the continued operations of a certain subsidiary of the Group	**25,631**	–
Others	**409**	3,709
	207,182	136,689

Notes:

(a) Gain on disposal of property, plant and equipment includes the gain of RMB28,940,000 arising from the sales of the 10 KV or more power supply and distribution equipment to Shaanxi IRICO Energy Services Corporation* ("**IRICO Energy Services**") (陝西彩虹能源服務有限公司), an associate of CEC and IRICO Group.

(b) The direct operating expenses from investment properties that generated rental income amounted to approximately RMB48,000 (2016: RMB230,000) for the year ended 31 December 2017.

* *English name for identification purpose only*

5. FINANCE COSTS

	2017	2016
	RMB'000	*RMB'000*
Interest on:		
Bank and other borrowings	**45,851**	9,442
Discounted trade receivables to banks	**–**	625
Termination benefits	**1,129**	3,854
Amount due to parent company	**25,192**	25,926
Total borrowing costs	**72,172**	39,847

6. INCOME TAX (CREDIT)/EXPENSE

	2017	2016
	RMB'000	*RMB'000*
PRC Enterprise Income Tax		
Current tax	**4,410**	1,370
Deferred tax	**(5,767)**	–
Income tax (credit)/expense	**(1,357)**	1,370

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from Hong Kong for both years ended 31 December 2017 and 2016.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of certain subsidiaries of the Group in the PRC is 25%.

Companies are entitled to the Tax Preference Policies for the Western Development in the PRC ("**TPPWD Policy**") if they are engaged in the projects listed in the Catalogue for Industries, Products and Technologies Currently and Particularly Encouraged by the State for Development (as amended in year 2000) and Guiding Catalogue for Industrial Structure Adjustment (2011), and their principal business and the revenue from the principal operations account for over 70% of their total revenue. The applicable reduced preferential EIT rate under the TPPWD Policy is 15%. From 10 September 2004, date of incorporation of the Company, the operations of the Company have met the requirements under the TPPWD Policy, and accordingly, EIT has been paid at the reduced rate of 15%.

The operation of the subsidiary, Shaanxi IRICO New Material Co., Ltd* (陝西彩虹新材料有限公司) has met the requirements under the TPPWD Policy, and accordingly, EIT has also been provided at 15% for the year ended 31 December 2017 (2016: nil).

The subsidiary, Jiangsu IRICO Yongneng New Energy Company Limited* (江蘇彩虹永能新能源有限公司) (formerly known as Jiangsu Yongneng Photovoltaic Technology Company Limited, "**Jiangsu Yongneng**") is entitled to the preferential tax treatment for High and New Technology Enterprise ("**HNTE Policy**"). The applicable reduced preferential EIT rate under the HNTE Policy is 15%.

* *English name for identification purpose only*

7. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2017	2016
	RMB'000	*RMB'000*
Cost of inventories recognised as an expense	**2,103,396**	1,588,755
Depreciation for property, plant and equipment	**74,787**	55,419
Depreciation for investment properties	**1,597**	1,136
Amortisation of leasehold land and land use rights	**3,297**	2,967
Amortisation of intangible assets	**2,775**	2,776
Allowance for doubtful debts of trade and other receivables (included in administrative expenses)	**16,971**	11,636
Research and development costs recognised as an expense	**26,187**	3,603
Operating lease rentals in respect of property, plant and equipment	**8,382**	11,340
Net foreign exchange losses	**–**	1,004
Auditor's remuneration	**2,820**	2,520
Share of tax of associates (included in share of loss of associates)	**–**	1,103

8. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2017, nor has any dividend been proposed since the end of the reporting period (2016: nil).

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2017	2016
Profit for the year attributable to the owners of the Company *(RMB'000)*	**123,704**	105,712
Weighted average number of ordinary shares in issue *('000 shares)*	**2,232,349**	2,232,349

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2017	2016
	RMB'000	*RMB'000*
Equity securities listed outside Hong Kong *(Note a)*	**261,426**	318,028
Unlisted equity securities, at cost *(Note b)*	**103,016**	103,016
	364,442	421,044

Notes:

(a) As at 31 December 2017, the listed investments substantially comprise of the investment in equity interests in IRICO Display Devices Co., Ltd.* (彩虹顯示器件股份有限公司) ("**A Share Company**"), which is directly held as to approximately 0.99% (31 December 2016: 4.80%) by the Group. During the year, A Share Company issued additional 2.85 billion shares through a private placement, thereby diluting the Company's equity stake from 4.80% to 0.99%. A Share Company is a company listed on the Shanghai Stock Exchange. During the year, the Company recorded RMB56,602,000 as other comprehensive loss on fair value changes.

(b) As at 31 December 2017, the unlisted equity securities are 7.30% (31 December 2016: 7.30%) equity interest issued by an unlisted stated-owned enterprise, Shaanxi Caihong Electronics Glass Co., Ltd.* (陝西彩虹電子玻璃有限公司), incorporated in the PRC. They are measured at cost less impairment at the end of each reporting period because the range of reasonable fair value estimates is significantly wide that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

* *English name for identification purpose only*

11. TRADE AND BILLS RECEIVABLES

	2017	2016
	RMB'000	*RMB'000*
Trade receivables		
Third parties	**485,463**	469,549
Related parties	**61,419**	35,401
	546,882	504,950
Less: Allowance for doubtful debts	**(42,495)**	(29,626)
Trade receivables – net	**504,387**	475,324
Trade bills receivables		
Third parties	**434,967**	146,795
Related parties	**3,600**	–
Total trade and bills receivables	**942,954**	622,119

The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

The Group allows an average credit period of 90 days (2016: 90 days) to its trade customers. The following is an aged analysis of trade and bills receivables net of allowance for doubtful debts at the end of the reporting period, presented based on the invoice date which approximated the respective revenue recognition dates:

	2017	2016
	RMB'000	*RMB'000*
0 to 90 days	**595,622**	388,337
91 to 180 days	**218,699**	160,242
181 to 365 days	**97,862**	32,506
Over 365 days	**30,771**	41,034
	942,954	622,119

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2017	2016
	RMB'000	*RMB'000*
Other receivables	**56,531**	68,072
Less: Allowance for doubtful debts	**(1,609)**	(418)
	54,922	67,654
Leasehold land and land use rights	**3,297**	2,965
Deposits and prepayments	**205,502**	266,980
Value-added tax recoverables	**75,671**	74,134
	339,392	411,733

13. TRADE AND BILLS PAYABLES

	2017	2016
	RMB'000	*RMB'000*
Trade payables		
Third parties	**523,788**	318,908
Related parties	**101,030**	174,362
	624,818	493,270
Trade bills payables		
Third parties	**493,382**	202,038
Related parties	**73,118**	–
Total trade and bills payables	**1,191,318**	695,308

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	2017	2016
	RMB'000	*RMB'000*
0 to 90 days	**915,018**	450,171
91 to 180 days	**128,488**	126,919
181 to 365 days	**25,196**	33,607
Over 365 days	**122,616**	84,611
	1,191,318	695,308

The average credit period on purchases of goods is 90 days (2016: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within reasonable timeframe.

14. GAIN ON DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2017

On 28 February 2017, the Company and Xianyang IRICO Electronics Shadow Mask Co., Ltd* (咸陽彩虹電子網版有限公司) ("**IRICO Shadow Mask**") entered into the equity transfer agreement with Xianyang Zhongdian IRICO Group Holdings Ltd.* (咸陽中電彩虹集團控股有限公司) ("**Zhongdian IRICO**"), a subsidiary of CEC, pursuant to which the Company and IRICO Shadow Mask agreed to sell, and Zhongdian IRICO agreed to acquire 90% equity interest in Kunshan IRICO Industry Co., Ltd.* (昆山彩虹實業有限公司) ("**Kunshan IRICO**") at a cash consideration of approximately RMB71,439,750. As a result of such disposal, the Company and IRICO Shadow Mask ceased to have any interest in Kunshan IRICO. On 8 September 2017, the Company has completed the relevant procedures for equity transfer and registration.

The assets and liabilities of Kunshan IRICO at the date of disposal as at 30 April 2017 were as follows:

	Total *RMB'000*
Analysis of assets and liabilities disposed of:	
Property, plant and equipment	**12,605**
Investment properties	**4,568**
Leasehold land and land use rights	**5,509**
Inventories	**1,001**
Trade and bills receivables	**2,406**
Other receivables, deposits and prepayments	**10,321**
Bank balances and cash	**38,439**
Trade and bills payables	**(215)**
Other payables and accruals	**(21,764)**
Tax payables	**(179)**
	52,691
Gain on disposal of a subsidiary:	
Consideration received	**71,440**
Net assets disposed of	**(52,691)**
Non-controlling interests	**5,269**
Gain on disposal	**24,018**
Net cash outflow arising on disposal:	
Cash consideration	**71,440**
Cash and cash equivalents disposed of	**(38,439)**
	33,001

During the period from 1 January 2017 to 30 April 2017, Kunshan IRICO contributed approximately a profit and net cash outflow of RMB194,000 and RMB398,000 to the Group's profit and cash flows respectively.

On 30 April 2017, Shaanxi IRICO Optoelectronic Materials Company* (陝西彩虹光電材料總公司), a fellow subsidiary of the Group, injected RMB3,779,100 to IRICO New Energy (Liquan) Co., Ltd.* (禮泉彩虹新能源有限公司) ("**IRICO Liquan**"), a wholly-owned subsidiary of the Group, and the Group injected capital of RMB780,900 to IRICO Liquan.

These injections resulted in a loss of control and dilution of the Group's equity interest in IRICO Liquan from 100% to 49% and constituted a disposal of the Group's equity interest in a subsidiary.

The assets and liabilities of IRICO Liquan were deconsolidated from the Group's consolidated statement of financial position and the resulting interest in IRICO Liquan has been accounted for as an associate using equity method.

The gain on disposal of RMB177,000 (detailed calculation is stated below) is recorded in profit or loss of the Group for the year ended 31 December 2017. The assets and liabilities of IRICO Liquan at the date of disposal were as follows:

	Total
	RMB'000
Analysis of assets and liabilities (before equity injections on 30 April 2017) disposed of:	
Property, plant and equipment	**9,871**
Trade and bills receivables	**114**
Other receivables, deposits and prepayments	**1,329**
Bank balances and cash	**335**
Trade and bills payables	**(1,343)**
Other payables and accruals	**(7,800)**
Tax payables	**(1)**
	2,505
Gain on disposal of a subsidiary:	
Capital injection by the Group	**(781)**
Net assets disposed of	**(2,505)**
Fair value of retained interest	**3,463**
Gain on disposal	**177**
Net cash outflow arising on disposal:	
Cash and cash equivalents disposed of	**(335)**

During the period from 1 January 2017 to 30 April 2017, IRICO Liquan contributed a loss and net cash outflow of approximately RMB14,000 and RMB417,000 to the Group's profit and cash flows respectively.

On 31 December 2017, Shaanxi IRICO Optoelectronic Materials Company* (陝西彩虹光電材料總公司) ("**IRICO Shaanxi**"), a fellow subsidiary of the Group, and IRICO New Energy (Wuhan) Co., Ltd.* (武漢彩虹新能源有限公司) ("**IRICO Wuhan**"), a wholly-owned subsidiary of the Group, entered into a debt-to-equity conversion agreement wherein loan payable by IRICO Wuhan to IRICO Shaanxi in the amount of RMB12,500,000 was fully converted to equity in IRICO Wuhan.

The equity interest arising from the conversion represents 50.81% of the enlarged paid in capital of IRICO Wuhan and resulted in a loss of control and dilution of the Group's equity interest in IRICO Wuhan from 100% to 49.19% and constituted a disposal of the Group's equity interest in a subsidiary.

The assets and liabilities of IRICO Wuhan were deconsolidated from the Group's consolidated statement of financial position and the resulting interest in IRICO Wuhan has been accounted for as an associate using equity method.

The gain on disposal of RMB751,000 (detailed calculation is stated below) is recorded in profit or loss of the Group for the year ended 31 December 2017. The assets and liabilities of IRICO Wuhan at the date of disposal were as follows:

	Total ***RMB'000***
Analysis of assets and liabilities (before transfer of shares on 31 December 2017) disposed of:	
Property, plant and equipment	**13,058**
Other receivables, deposits and prepayments	**10,408**
Bank balances and cash	**780**
Trade and bills payables	**(731)**
Other payables and accruals	**(386)**
Tax payables	**(6)**
	23,123
Gain on disposal of a subsidiary:	
Loan from IRICO Shaanxi	**12,500**
Net assets disposed of	**(23,123)**
Fair value of retained interest	**11,374**
Gain on disposal	**751**
Net cash outflow arising on disposal:	
Cash and cash equivalents disposed of	**(780)**

During the year ended 31 December 2017, IRICO Wuhan contributed a loss and net cash outflow of approximately RMB55,000 and RMB1,502,000 to the Group's profit and cash flows respectively.

For the year ended 31 December 2016

On 9 May 2016, the Company and Xianyang Zhongdian IRICO Group Holdings Ltd.* (咸陽中電彩虹集團控股有限公司) ("**Zhongdian IRICO**"), a subsidiary of CEC, entered into the agreement, pursuant to which the Company agreed to sell, and Zhongdian IRICO agreed to acquire 60% of equity interests in Xianyang IRICO Electronic Accessories Co., Ltd.* (咸陽彩虹電子配件有限公司) ("**IRICO Accessories**") at a cash consideration of approximately RMB45,945,900. As a result of such disposal, the Company ceased to have any interest in IRICO Accessories. The relevant procedures for equity transfer and registration was completed on 7 December 2016.

The assets and liabilities of IRICO Accessories at the date of disposal as at 30 April 2016 were as follows:

	Total ***RMB'000***
Analysis of assets and liabilities disposed of:	
Property, plant and equipment	**11,797**
Leasehold land and land use rights	**2,123**
Trade and bills receivables	**26,667**
Other receivables	**3**
Bank balances and cash	**10,193**
Trade and bills payables	**(456)**
Other payables	**(2,927)**
Termination benefits	**(2,122)**
	45,278
Gain on disposal of a subsidiary:	
Consideration received	**45,946**
Net assets disposed of	**(45,278)**
Non-controlling interests	**18,111**
Gain on disposal	**18,779**

	Total
	RMB'000
Net cash outflow arising on disposal:	
Cash consideration	**45,946**
Settlement through current account included in other payables and accruals	**(45,946)**
Cash and cash equivalents disposed of	**(10,193)**
	(10,193)

During the period from 1 January 2016 to 30 April 2016, IRICO Accessories contributed a loss and net cash outflow of approximately RMB16,000 and RMB23,000 to the Group's profit and cash flows respectively.

* *English name for identification purpose only*

15. ACQUISITION OF A SUBSIDIARY

On 22 March 2017, the Group acquired 30% equity interest in Jiangsu IRICO Yongneng New Energy Company Ltd.* (江蘇彩虹永能新能源有限公司) ("**Jiangsu Yongneng**") from certain existing shareholders of Jiangsu Yongneng at a cash consideration of RMB68,000,000. Jiangsu Yongneng was the Group's associate as at 31 December 2016. Upon completion of the acquisition, the equity interest in Jiangsu Yongneng held by the Group increased from 21% of the issued share capital of Jiangsu Yongneng to 51% as enlarged by the acquisition.

The fair value of the identifiable assets and liabilities of Yongneng as at the date of acquisition is as follows:

	Total
	RMB'000
Property, plant and equipment	**116,778**
Leasehold land and land use rights	**16,874**
Deferred tax asset	**1,494**
Inventories	**120,413**
Trade and bills receivables	**560,515**
Other receivables, deposits and prepayments	**63,539**
Bank balances and cash	**48,347**
Trade and bills payables	**(684,252)**
Other payables and accruals	**(64,546)**
Bank borrowings	**(88,000)**
Tax payables	**(2,939)**
	88,223

	Total
	RMB'000
Goodwill arising on acquisition:	
Consideration for acquisition	**68,000**
Less: Fair value of identifiable net assets acquired	**(26,467)**
Goodwill	**41,533**
Net cash outflow on acquisition:	
Cash consideration	**68,000**
Cash and cash equivalents acquired	**(48,347)**
	19,653

Jiangsu Yongneng became a non-wholly owned subsidiary of the Group after the acquisition. Its financial results were consolidated into the financial statements of the Company since then and a loss arose from the derecognition of the Group's interest in an associate.

	Total
	RMB'000
Carrying amount of the Group's interest in Jiangsu Yongneng	**31,152**
Fair value of the Group's interest in Jiangsu Yongneng as at the acquisition date	**(18,527)**
Loss on derecognition of an associate	**12,625**

* *English name for identification purpose only*

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT PREPARED BY THE INDEPENDENT AUDITOR

The Group would like to provide an extract from the independent auditor's report prepared by PKF Hong Kong Limited (the independent auditor) on the Group's annual financial statements for the year ended 31 December 2017 as set out below:

"Material uncertainty related to going concern

We draw attention to note 2(c) to the consolidated financial statements which indicates that the Group had net current liabilities of approximately RMB1,872,000,000 as at 31 December 2017. This condition, together with other matters as set out in note 2(c) to the consolidated financial statements, indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

RESULTS AND DIVIDEND

In 2017, the sales of the Group were RMB2,363,402,000 with a year-on-year growth of RMB554,069,000; the gross profit was RMB247,888,000 with a year-on-year growth of RMB37,756,000 and at a growth rate of 17.97%; the gross profit rate was 10.49% with a year-on-year decrease of 1.12% (gross profit rate in 2016: 11.61%); the profit for the year was RMB134,014,000, of which profit attributable to owners of the Company for the year was RMB123,704,000 (the same period of last year: RMB105,712,000). The increase was mainly due to the combining effect of the enhancement of proficiency by controlling production costs, the improvement in the production capacity of photovoltaic glass and the significant decrease in its cost, the consolidation of Jiangsu Yongneng and the increase of government grants.

The Company's dividend policy remains unchanged. In light of the absence of accumulated surplus in 2017, the Board has resolved not to distribute any final dividend for the year ended 31 December 2017, which is subject to the approval by the shareholders of the Company at the 2017 annual general meeting to be held in 2018. Further details in relation to the closure of register of member for H shares will be announced by the Company after confirming the arrangement of such general meeting.

REVIEW OF PRINCIPAL BUSINESSES

During the reporting period, the photovoltaic industry has shown vigorous development in new business format, and the Group has successfully realized the vertical integration of the industry chains. The Group made impressive achievements in respect of project construction, structure adjustment, lean production and technological innovation. With all pre-determined objectives being attained, the corporate value of the Group was enhanced on an on-going basis.

(1) Solar photovoltaic business

- ***Solar photovoltaic glass***

  During the reporting period, Hefei photovoltaic glass project phase I of the Group experienced a rapid growth in production and sales; the production line of Hefei photovoltaic glass project phase II smoothly commenced operation; the construction of Yan'an photovoltaic glass project was substantially completed; and Xianyang photovoltaic glass project was in the positive progress with various preliminary works being completed.

  The sales of photovoltaic glass demonstrated a favourable momentum, which was in line with the growth of the industry. The inventories in the plants were controlled at a satisfactory level, decreasing by 31% as compared with the end of 2016. Meanwhile, the export of photovoltaic glass experienced a robust growth.

- ***Solar photovoltaic power station***

  During the reporting period, the Group proactively looked into the markets in 23 cities in China including Hefei, Nanjing, Jian'ou, Leizhou, Shuyang, Shaoguan, Jiayuguan, Shaoxing, Changwu and Changzhou as well as foreign markets to vigorously press ahead with the construction of distributed power stations. The Group has entered into contracts with a total capacity of 87MW in Nanjing, Hefei, Yangjiang and Changwu.

- ***Photovoltaic modules and cells***

  During the reporting period, the Group acquired 30% equity interest in Jiangsu Yongneng, and obtained control over its operation. The acquisition has extended the Group's photovoltaic business chain and enabled the Group to leverage on the platform of Jiangsu Yongneng for preparing the construction of a high-efficiency photovoltaic module project with an annual output of 2GW, thereby further enhancing the comprehensive strengths of the Group.

- ***Quartz sand processing***

  During the reporting period, the Group's Hanzhong Quartz Sand Mine Processing Plant achieved the scale of mass production and bulk supply, which effectively lowered the production cost of photovoltaic glass within the Group.

(2) New materials business

During the reporting period, the Group introduced advanced technology in positive photoresist from Merck KGaA in Germany and jointly establish a production line of photoresists with an annual production capacity of 1,800 tonnes. The Group has commenced supply of such products to the Nanjing G8.5 and G8.6 liquid crystal panel production lines, recording agency sales of over RMB30,000,000. The Group also expanded the business of lithium battery materials processing. In addition, the development and expansion of other businesses of wet electronic chemicals and electronic materials proceeded smoothly.

(3) Trading and other businesses

During the reporting period, the operations of the Group's trading and other businesses were steady.

FUTURE PROSPECTS

In the forthcoming three years, the Group will focus on the development of its two major businesses, namely, new energy and new materials. The Group strives to achieve melting quantity of photovoltaic glass of 6,000 tonnes per day by the end of 2020, the respective production scale of photovoltaic module and cell of 2GW or above, and the installed capacity of photovoltaic power station of approximately 540MW. There will be great breakthroughs in respect of the major products under new materials business, which will bring in revenue of RMB1,000,000,000 or above. The Group aims to rank top three in the photovoltaic glass industry in respect of production scale by 2020 and is committed to becoming a well-known green new energy service provider in the world.

FINANCIAL REVIEW

(1) Overall performance

- ***Turnover and gross profit margin***

In 2017, the Group recorded a sales of RMB2,363,402,000, representing an increase of RMB554,069,000 or 30.62% as compared with the same period in 2016. In particular, sales of solar photovoltaic business amounted to RMB1,682,440,000, representing an increase of RMB654,809,000 or 63.72% as compared with the same period in 2016; sales of new materials business amounted to RMB319,014,000, representing an increase of RMB61,859,000 or 24.06% as compared with the same period in 2016; sales of trading business amounted to RMB361,948,000, representing a decrease of RMB162,373,000 or 30.97% as compared with the same period in 2016; other sales amounted to nil, representing a decrease of RMB226,000 or 100% as compared with the same period in 2016. The overall gross profit margin of the Group decreased from 11.61% in 2016 to 10.49% in 2017, which was mainly attributable to the fact that although the Group improved the yield rate and production capacity of photovoltaic glass by means of quality and efficiency enhancement and there was a noticeable decline in the production cost of photovoltaic glass, the overall gross profit margin of the Group decreased due to the declined price of the photovoltaic glass and the lower gross profit margin of Jiangsu Yongneng (which was consolidated into the consolidated financial statements of 2017) than that of the photovoltaic glass.

- ***Administrative expenses***

The Group's administrative expenses for 2017 amounted to RMB176,885,000, representing an increase of RMB47,394,000 or 36.6% as compared with RMB129,491,000 for the same period in 2016. The increase in administrative expenses was mainly due to (i) the effect of consolidation of Jiangsu Yongneng; (ii) the increase in loss as a result of the production suspension of the furnace of Xianyang photovoltaic project phase I and II; and (iii) the increase in the research and development expenses of Hefei photovoltaic project.

- ***Finance costs***

  The Group's finance costs recognised in profit and loss for 2017 was RMB72,172,000 (net of interest expense capitalized amounting to RMB12,842,000), representing an increase of RM32,325,000 or 81.12% as compared with RMB39,847,000 for the same period in 2016. The increase in finance costs included in profit and loss was mainly attributable to the impacts of the increase in borrowings and the decrease in interest capitalization.

(2) Current assets and financial resources

As at 31 December 2017, the Group's cash and bank balances amounted to RMB269,400,000, representing a decrease of 37.08% from RMB428,178,000 as at 31 December 2016. As at 31 December 2017, the Group's total borrowings were RMB2,491,514,000, of which borrowings due within one year amounted to RMB2,096,115,000 and borrowings due beyond one year amounted to RMB395,399,000. As at 31 December 2016, the total borrowings of the Group were RMB2,069,294,000, of which borrowings due within one year amounted to RMB1,552,684,000 and borrowings due beyond one year amounted to RMB516,610,000.

As at 31 December 2017, the Group's bank loans amounting to approximately RMB278,299,000 (31 December 2016: RMB137,500,000) were secured by certain properties, plant and equipment, land use rights, available-for-sale financial assets and bank balances of the Group with an aggregate net carrying amount of approximately RMB409,403,000 (31 December 2016: RMB306,503,000). As at 31 December 2017, the bank loans guaranteed by the Company's ultimate holding company amounted to approximately RMB200,000,000 (31 December 2016: RMB120,000,000).

For the year ended 31 December 2017, the turnover days for trade receivables of the Group were 145 days, representing an increase of 20 days as compared with 125 days for the year ended 31 December 2016. The change of turnover days for trade receivables was mainly attributable to the increase in the turnover days of accounts receivables resulting from the consolidation of Jiangsu Yongneng in 2017 despite the Group's strengthened monitoring over accounts receivables. For the year ended 31 December 2017, the inventory turnover days of the Group were 32 days, representing an increase of 7 days as compared with 25 days for the year ended 31 December 2016. The increase in inventory turnover days was mainly attributable to the fact that the inventory of the Group increased significantly resulting from the consolidation of Jiangsu Yongneng in 2017 even though the Group has strengthened the management and control of inventory and exerted great effort to reduce inventory.

(3) Capital structure

As at 31 December 2017, the Group's borrowings were mainly denominated in Renminbi and US dollars, while the Group's cash and bank balances were mainly denominated in Renminbi, Hong Kong dollars and US dollars. The Group intends to maintain a suitable ratio of share capital to liabilities to ensure an effective capital structure. As at 31 December 2017, the liabilities (including bank borrowings and other borrowings) of the Group totalled RMB2,491,514,000 (31 December 2016: RMB2,069,294,000); the cash and bank balances were RMB269,400,000 (31 December 2016: RMB428,178,000); and the gearing ratio was 94% (31 December 2016: 96%).

(4) Foreign exchange risk

The Group's income and most of its expenses were denominated in Renminbi and US dollars. For the year ended 31 December 2017, the Group's net foreign exchange gain was RMB3,236,000 (2016: exchange loss of RMB1,004,000) as a result of exchange rate fluctuations.

(5) Commitments

As at 31 December 2017, the capital expenditure commitments of the Group amounted to RMB1,152,583,000 (31 December 2016: RMB214,384,000), which will be mainly financed by the Group's working capital.

(6) Contingent liabilities

As at 31 December 2017, the Group had no material contingent liability.

(7) Pledged assets

As at 31 December 2017, the bank loans of the Group amounted to approximately RMB278,299,000 (31 December 2016: RMB137,500,000), which were secured by certain properties, plant, equipment, land use rights, available-for-sale financial assets and bank balances of the Group with a net carrying amount of approximately RMB409,403,000 (31 December 2016: RMB306,503,000).

PURCHASE, REDEMPTION AND SALE OF SHARES OF THE COMPANY

Neither has the Company nor any of its subsidiaries purchased, redeemed or sold any shares of the Company during the reporting period.

DESIGNATED DEPOSIT AND OVERDUE TIME DEPOSIT

As at 31 December 2017, the Group had no designated deposits in any financial institutions in China. All of the Group's cash deposits are placed with commercial banks in China, and are in compliance with the relevant laws and regulations. There were also no instances where the Group had failed to collect any of the time deposits upon maturity.

CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions (the "**Code Provisions**") set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). During the year ended 31 December 2017, the Company has complied with the Code Provisions of the CG Code.

AUDIT COMMITTEE

The Company established an audit committee under the Board (the "**Audit Committee**"). The Board adopted all contents set out in code provision C.3.3 of the CG Code as the terms of reference of the Audit Committee. The Audit Committee has considered and reviewed the accounting standards and methods adopted by the Company and other matters relating to auditing, risk management and internal controls as well as financial reporting, including the audited consolidated financial statements for the year ended 31 December 2017.

MATERIAL ACQUISITION AND DISPOSAL

1. Further acquisition of 30% equity interest in Jiangsu IRICO Yongneng New Energy Company Limited

On 29 September 2011, the Company, Sunlink Power Holdings Co., Ltd. ("**Sunlink Power**"), Suzhou Huilian Solar Energy Technology Co., Ltd.* (蘇州惠利安太陽能科技有限公司) ("**Suzhou Huilian**"), Suzhou Yongjin Investment Co., Ltd.* (蘇州永金投資有限公司) ("**Suzhou Yongjin**") and the then other shareholders of Jiangsu Yongneng entered into the share purchase agreement, pursuant to which the Company has conditionally agreed to acquire an aggregate of 30% equity interest in Jiangsu Yongneng.

On 22 March 2017, since all of the parties intended to complete the acquisition of 30% equity interest in Jiangsu Yongneng as soon as practicable through friendly negotiation, the Company, Sunlink Power, Suzhou Huilian, Suzhou Yongjin and Jiangsu Tiancheng Energy Development Co., Ltd.* (江蘇天成能源發展有限公司) ("**Tiancheng Energy**") entered into the equity acquisition variation agreement, pursuant to which the Company conditionally agreed to acquire, and Sunlink Power, Suzhou Huilian and Tiancheng Energy conditionally agreed to sell, an aggregate of 30% equity interest in Jiangsu Yongneng for a total cash consideration of RMB68,000,000. Upon completion of the acquisition, the Company holds 51% equity interest in Jiangsu Yongneng in aggregate. Jiangsu Yongneng has become a subsidiary of the Company and its financial results have been consolidated into the financial statements of the Group.

For details, please refer to the announcements of the Company dated 29 September 2011 and 22 March 2017 and the circular of the Company dated 31 May 2017.

2. Disposal of 90% equity interest in Kunshan IRICO Industry Co., Ltd.

On 28 February 2017, the Company and Xianyang IRICO Electronics Shadow Mask Co., Ltd.* (咸陽彩虹電子網版有限公司) ("**IRICO Shadow Mask**") entered into the equity transfer agreement with Xianyang Zhongdian IRICO Group Holdings Ltd.* (咸陽中電彩虹集團控股有限公司) ("**Zhongdian IRICO**"), pursuant to which the Company and IRICO Shadow Mask agreed to sell, and Zhongdian IRICO agreed to acquire 90% equity interest in Kunshan IRICO Industry Co., Ltd.* (昆山彩虹實業有限公司) ("**Kunshan IRICO**") at a cash consideration of approximately RMB71,439,750. Upon completion of the disposal, the Company ceased to have any interest in Kunshan IRICO. As such, Kunshan IRICO ceased to be a subsidiary of the Company and its financial results were not consolidated into the financial statements of the Company thereafter. The update of registration record for the disposal in the industry and commerce administration authority was completed on 8 September 2017.

For details, please refer to the announcement of the Company dated 28 February 2017 and the circular of the Company dated 3 April 2017.

During the reporting period, save as disclosed in this announcement, the Company has no other material acquisition or disposal of subsidiaries and associates.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

On 24 July 2017, the Board has approved the proposed H share issue (including the proposed subscription by each of Zhongdian IRICO and Yan'an Dingyuan Investment Co., Ltd.* (延安市鼎源投資有限責任公司) ("**Yan'an Dingyuan**")) under a specific mandate, pursuant to which the Company shall issue not more than 2 billion new H shares to not more than 10 target subscribers (including Zhongdian IRICO and Yan'an Dingyuan) and therefore the aggregate nominal value of the H shares to be issued shall not exceed RMB2,000,000,000. The gross proceeds to be raised from the proposed H share issue shall not exceed RMB2,000,000,000.

As part of the proposed H share issue, the Company entered into the subscription agreements with each of Zhongdian IRICO and Yan'an Dingyuan on 24 July 2017. Pursuant to these subscription agreements, each of Zhongdian IRICO and Yan'an Dingyuan has conditionally agreed to subscribe in cash for, and the Company has conditionally agreed to allot and issue, not more than 900 million and 300 million new H shares at a consideration of RMB900,000,000 and RMB300,000,000, respectively. The proposed subscription by Zhongdian IRICO constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On 16 October 2017, the Company entered into the subscription agreement with Zhangjiagang Yuefeng Jinchuang Investment Co., Ltd.* (張家港市悅豐金創投資有限公司) ("**Zhangjiagang Investment**"). Pursuant to such agreement, Zhangjiagang Investment has conditionally agreed to subscribe in cash for, and the Company has conditionally agreed to allot and issue, not more than 500 million new H shares at a consideration of RMB500,000,000.

On 1 February 2018, the Board approved the resolution regarding the adjustments to the proposed H share issue. The number of new H shares to be issued by the Company under the proposed H share issue will be adjusted to not more than 2.3 billion new H shares as compared to the previous number of not more than 2 billion new H shares. The amount of gross proceeds to be raised from the proposed H share issue after adjustments is expected to be not more than RMB2,300,000,000. Taking into account the fact that the reporting work in respect of the proposed H share issue has been affected by the original power station projects due to their complex examination and approval procedures, the proceeds to be raised from the proposed H share issue will no longer be used in Shenmu-Caijing 50MWp Grid-connected Photovoltaic Power Station Project and Yangjiang 50MWp Surface Power Station Project as disclosed in the announcement of the Company dated 24 July 2017, but will be used in IRICO Yongneng 2GW Photovoltaic Modules Project instead.

The resolution in relation to the proposed H share issue under a specific mandate will be put forward at the extraordinary general meeting and the H share class meeting, respectively, for the consideration and approval of the shareholders or the holders of H shares (as the case may be). The resolution in relation to the proposed subscription by Zhongdian IRICO will be put forward at the extraordinary general meeting for the consideration and approval of the independent shareholders.

For details, please refer to the announcements of the Company dated 24 July 2017, 16 October 2017 and 1 February 2018.

PUBLICATION OF THE ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The 2017 annual report of the Company will be published on the Company's website at http://www.irico.com.cn and the website of the Stock Exchange in due course.

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

Shaanxi Province, the PRC
20 March 2018

As at the date of this announcement, the Board consists of Mr. Si Yuncong and Mr. Zou Changfu as executive Directors, Mr. Huang Mingyan and Mr. Chen Changqing as non-executive Directors, and Mr. Feng Bing, Mr. Wang Jialu and Mr. Wang Zhicheng as independent non-executive Directors.

* *For identification purpose only*