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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)

**(1) MAJOR TRANSACTION AND
CONTINUING CONNECTED TRANSACTIONS:
RENEWAL AND NEW CONTINUING CONNECTED
TRANSACTIONS; AND
(2) CONNECTED TRANSACTION:
PURCHASE OF WASTE HEAT POWER GENERATION AND
FLUE GAS TREATMENT SYSTEM**

INTRODUCTION

On 23 October 2024, the Company entered into (i) the IRICO Group Master Purchase Agreement; (ii) the Zhongdian IRICO Master Purchase Agreement; (iii) the Comprehensive Financial Cooperation Agreement; (iv) the IRICO Group Master Sales Agreement; and (v) the Master Transportation Services Agreement with the parties to renew and newly enter into the respective continuing connected transactions contemplated thereunder.

On 23 October 2024, Hefei Photovoltaic, a wholly-owned subsidiary of the Company entered into the Assets Transfer Agreement with Epilight Industry, pursuant to which, Epilight Industry has agreed to transfer and Hefei Photovoltaic has agreed to acquire the assets of phase I and II kiln flue gas waste heat power generation and flue gas desulfurization and dust removal system owned by Epilight Industry at a consideration of RMB21,225,800 (exclusive of tax).

LISTING RULES IMPLICATIONS

Continuing Connected Transactions

As at the date of this announcement, IRICO Group is the controlling Shareholder of the Company and thus is a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the IRICO Group Master Purchase Agreement and the IRICO Group Master Sales Agreement between the Company and IRICO Group constitute continuing connected transactions of the Company.

As at the date of this announcement, Zhongdian IRICO, which directly holds approximately 14.30% of the issued share capital of the Company, is a substantial Shareholder of the Company and thus a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Zhongdian IRICO Master Purchase Agreement between the Company and Zhongdian IRICO constitute continuing connected transactions of the Company.

As at the date of this announcement, CEC Finance is a subsidiary of CEC, and thus is an associate of CEC and a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Comprehensive Financial Cooperation Agreement between the Company and CEC Finance constitute continuing connected transactions of the Company.

As at the date of this announcement, CETIS is a subsidiary of CEC, and thus is an associate of CEC and a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Master Transportation Services Agreement between the Company and CETIS constitute continuing connected transactions of the Company.

Since each of the highest applicable percentage ratios for the proposed annual caps for each of the three years ending 31 December 2027 in respect of the continuing connected transactions contemplated under each of the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement; and the proposed annual caps for each of the three years from the Effective Date in respect of the daily maximum deposit balance of the fund settlement services provided by CEC Finance to the Group contemplated under the Comprehensive Financial Cooperation Agreement exceeds 5%, the continuing connected transactions contemplated under the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group (including the respective proposed annual caps) are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio for the proposed annual caps in respect of the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group exceeds 25%, the transactions thereunder constitute a major transaction and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since each of the highest applicable percentage ratio for the proposed annual caps for each of the three years ending 31 December 2027 in respect of the continuing connected transactions contemplated under each of the IRICO Group Master Sales Agreement and the Master Transportation Services Agreement exceeds 0.1% but is less than 5%, the continuing connected transactions thereunder are only subject to the reporting, announcement and annual review requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the general credit services to be provided by CEC Finance to the Group under the Comprehensive Financial Cooperation Agreement are conducted on normal commercial terms or better, which are similar to or more favourable than those offered by domestic commercial banks for the same type of loans during the same period, and the Group will not pledge any assets in connection with the general credit services, in accordance with Rule 14A.90 of the Listing Rules, such general credit services are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Since the highest applicable percentage ratio for the proposed annual caps for each of the three years from the Effective Date in respect of the continuing connected transactions on other services provided by CEC Finance to the Group contemplated under the Comprehensive Financial Cooperation Agreement is less than 0.1%, the continuing connected transactions, pursuant to Rule 14A.76(1) of the Listing Rules, are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Connected Transaction

As at the date of this announcement, Hefei Photovoltaic is a wholly-owned subsidiary of the Company, and Epilight Industry, directly and indirectly owned as to 46.56% by IRICO Group, is an associate of IRICO Group and thus a connected person of the Company under the Listing Rules. Therefore, the transaction contemplated under the Assets Transfer Agreement between Hefei Photovoltaic and Epilight Industry constitutes a connected transaction of the Company.

Since the highest applicable percentage ratio for the transaction contemplated under the Assets Transfer Agreement exceeds 0.1% but is less than 5%, the transaction contemplated thereunder is subject to the reporting and announcement requirements, but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, approve the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated thereunder, and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group. CEC and its associates (including IRICO Group and its subsidiaries, Rui Bou Electronics (HK) Limited, Zhongdian Financial Investment and Zhongdian IRICO) will abstain from voting on the relevant resolutions in respect of the above matters at the EGM.

The Independent Board Committee comprising of all independent non-executive Directors will be established to consider the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated thereunder, and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group, and provide advice to the Independent Shareholders. Octal Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the above matters.

Due to the need for additional time to prepare and implement certain information to be included in the circular, a circular containing, among other things: (i) details on the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated thereunder, and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group; (ii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) a letter from the Independent Board Committee to the Independent Shareholders; (iv) other information required under the Listing Rules; and (v) the notice of the EGM, is expected to be published on or before 30 November 2024.

I. INTRODUCTION

On 23 October 2024, the Company entered into (i) the IRICO Group Master Purchase Agreement; (ii) the Zhongdian IRICO Master Purchase Agreement; (iii) the Comprehensive Financial Cooperation Agreement; (iv) the IRICO Group Master Sales Agreement; and (v) the Master Transportation Services Agreement with the parties to renew and newly enter into the respective continuing connected transactions contemplated thereunder.

On 23 October 2024, Hefei Photovoltaic, a wholly-owned subsidiary of the Company entered into the Assets Transfer Agreement with Epilight Industry, pursuant to which, Epilight Industry has agreed to transfer and Hefei Photovoltaic has agreed to acquire the assets of phase I and II kiln flue gas waste heat power generation and flue gas desulfurization and dust removal system owned by Epilight Industry at a consideration of RMB21,225,800 (exclusive of tax).

II. THE CONTINUING CONNECTED TRANSACTION AGREEMENTS

1. IRICO Group Master Purchase Agreement

A. Background

On 23 October 2024, the Company entered into the IRICO Group Master Purchase Agreement with IRICO Group, to renew the Previous IRICO Group Master Purchase Agreement and regulate the purchase of raw materials, coating solution, ink and other materials of photovoltaic industry, and electricity, purchase of facilities and installation services, operation and maintenance services for photovoltaic production business by the Group from IRICO Group and its associates for the three years ending 31 December 2027. Details of the IRICO Group Master Purchase Agreement are set out below:

B. Major Terms of the IRICO Group Master Purchase Agreement

Date:	23 October 2024
Parties:	(i) the Company; and (ii) IRICO Group
Term:	1 January 2025 to 31 December 2027, subject to early termination by the Company by giving at least three months' prior written notice to IRICO Group. IRICO Group shall not unilaterally terminate the IRICO Group Master Purchase Agreement without written consent of the Company.
Conditions precedent:	The IRICO Group Master Purchase Agreement is conditional upon the resolution regarding the IRICO Group Master Purchase Agreement and the transactions contemplated thereunder (including the proposed annual caps) being approved by the Independent Shareholders at the EGM.
Nature of transactions:	The Group shall purchase raw materials, coating solution, ink and other materials of photovoltaic industry, electricity, purchase of facilities and installation services and maintenance services for photovoltaic production business from IRICO Group and its associates.

- Pricing policy:
- (i) The prices for raw materials, coating solution, ink and other materials of photovoltaic industry, purchase of facilities and installation services and maintenance services shall be determined in accordance with the Market Price (as defined below):

“Market Price” shall be determined in accordance with the following order: (a) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the selling or purchasing places or its nearby regions; or (b) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the PRC.

Upon receipt of quotations from IRICO Group, the designated persons of the Group (namely, the business planning executives, who are primarily responsible for the examination and approval of the procurement plans and the execution of purchase contracts) will ascertain the prices offered or charged by independent third parties, generally by way of obtaining quotations for a comparable volume of same or similar category of products from at least two independent third parties via emails, fax, phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers), and take the integrated consideration value of such quotations as the Market Price. The selling price of each category of products will be reviewed by the procurement department of the Group and submitted to the head of such department for approval.

- (ii) The prices for the electricity shall be negotiated based on arm's length negotiations between the relevant parties with reference to (a) the "Government-prescribed Price" (as defined below); and (b) reduction from the government incentives offered by Anhui Provincial Government to IRICO Group. After taking into account of the government incentives offered by Anhui Provincial Government to IRICO Group for the building and operation of the electrical transformer substation for the development of the new industrial area in Hefei City, Anhui Province, the overall unit price of electricity supplied by IRICO Group to the Company will be lower than the Government-prescribed Price.

"Government-prescribed Price" means the prices of electricity in Anhui Province as prescribed by the State Grid Corporation of China as updated and amended from time to time. According to the "Notice of Anhui Province Development and Reform Commission on Matters Relating to the Adjustment of Price of Electricity Sales in the Province (Wan Fa Jia Ge [2020] No. 654)" (《安徽省發展改革委關於調整我省銷售電價有關事項的通知(皖發價格[2020]654)號》) which took effect since 1 January 2021, the current state-prescribed rate of electricity for industrial and commercial use is approximately RMB0.9706 per kWh for peak period for the months of July, August and September and approximately RMB0.9078 per kWh for other months; approximately RMB0.5996 per kWh for regular period; and approximately RMB0.3599 per kWh for low period.

Upon receipt of quotations from IRICO Group, the designated persons of the Group (namely, the business planning executives, who are primarily responsible for the examination and approval of the procurement plans and the execution of purchase contracts) will make comparison with relevant prices charged by independent third parties in the same region. In case there is an adjustment to the prices of electricity in Anhui Province as prescribed by the State Grid Corporation of China, the prices will be adjusted correspondingly based on arm's length negotiations between the relevant parties. The quotation of electricity will be reviewed by the procurement department of the Group and submitted to the head of such department for approval.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

Payment term: The actual settlement price and the method of payment (including payment by way of cash or such other manners as agreed by the parties) shall be determined based on the principles, instructions, conditions and terms of the IRICO Group Master Purchase Agreement and set out in the specific purchase agreements to be entered into by the parties.

The payment terms shall be entered into on market terms which are no less favourable than those offered by independent third parties.

- Other major terms:
- (i) IRICO Group agrees and guarantees that such products and services to be provided to the Company shall satisfy the quality standards as required by the Company from time to time. The transactions for such products and services shall be conducted on arm's length basis and charged on a reasonable manner. The terms and conditions of the provision of the same type of products and services shall be no less favourable than those offered by independent third parties to the Company.
 - (ii) The Group may enter into specific purchase agreements with IRICO Group and its associates in respect of the transactions contemplated under the IRICO Group Master Purchase Agreement. The specific purchase agreements shall set out the specific products, services, quantities, prices, term of validity, payment terms and other relevant terms, and comply with the principles, instructions, conditions and terms of the IRICO Group Master Purchase Agreement.
 - (iii) The parties shall procure their respective subsidiaries or associates to, and guarantee that they shall, perform the specific purchase agreements in compliance with the terms and conditions stipulated thereunder.
 - (iv) As the specific purchase agreements are simply further elaborations on the purchase of such materials and services contemplated under the IRICO Group Master Purchase Agreement, they do not constitute new categories of connected transactions.

C. Historical Figures

The historical amounts for the continuing connected transactions conducted under the Previous IRICO Group Master Purchase Agreement are set out in the table below:

	Historical Transaction Amounts		
	For the	For the	For the
	year ended	year ended	nine months
	31 December	31 December	ended
	2022	2023	30 September
	2024		
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Fees paid by the Group to IRICO Group and its associates under the Previous IRICO Group Master Purchase Agreement	<u>53,337</u>	<u>27,771</u>	<u>17,620</u>

D. Proposed Annual Caps and Basis for the Proposed Annual Caps

The Directors propose the annual caps for the three years ending 31 December 2027 in respect of the continuing connected transactions under the IRICO Group Master Purchase Agreement as set out in the table below:

	Proposed Annual Caps		
	For the year ending 31 December 2025 (RMB'000)	For the year ending 31 December 2026 (RMB'000)	For the year ending 31 December 2027 (RMB'000)
Maximum fees payable by the Group to IRICO Group and its associates under the IRICO Group Master Purchase Agreement	<u>117,180</u>	<u>144,240</u>	<u>149,220</u>

The proposed annual caps for the continuing connected transactions contemplated under the IRICO Group Master Purchase Agreement have been determined primarily based on the following factors:

- (i) the Company's estimate of its business needs for the three years ending 31 December 2027, including: (a) the Company focuses on the development of their solar photovoltaic glass as main business. In order to further enhance the competitive advantages of the four major photovoltaic glass industry bases in Hefei, Yan'an, Shangrao and Xianyang, the Group, relying on the research and development platform of its technology centre, focused on promoting the development of thin, all-steel and high-transmittance photovoltaic glass products, as well as differentiated photovoltaic glass and other products. New products such as 1.6mm ultra-thin, colourless double-layer coating and black glazed products have achieved mass production and sales, and the development of all-steel products advanced in an orderly manner as planned; (b) the estimated expenses to be incurred by the Group for the purchase of coating solution, ink and other raw materials; (c) the estimated expenses to be incurred for the purchase of the electricity required for the actual operation of the Group's Hefei base, the estimated expenses to be incurred for the purchase of the facilities and installation services,

and the estimated expenses to be incurred for the purchase of the operation and maintenance services for photovoltaic rooftop power plant; and (d) the estimated expenses to be incurred for the purchase of facilities, installation and operation and maintenance services for photovoltaic power generation of the Group's Shangrao base; and

- (ii) the Company's current estimation of the stable market prices of the relevant raw materials, materials such as coating fluids and inks, as well as electricity, purchase of facilities and installation services, and operation and maintenance services for photovoltaic production business or the Government-prescribed Price of the electricity.

2. Zhongdian IRICO Master Purchase Agreement

A. Background

On 23 October 2024, the Company entered into the Zhongdian IRICO Master Purchase Agreement with Zhongdian IRICO, to renew the Previous Zhongdian IRICO Master Purchase Agreement and regulate the purchase of production line facilities and installation services, and other utilities and ancillary services, operation and maintenance services, other services by the Company from Zhongdian IRICO and its associates for the three years ending 31 December 2027. Details of the Zhongdian IRICO Master Purchase Agreement are set out below:

B. Major Terms of the Zhongdian IRICO Master Purchase Agreement

Date: 23 October 2024

Parties: (i) The Company; and

(ii) Zhongdian IRICO

Term:	1 January 2025 to 31 December 2027, subject to early termination by either party by giving at least three months' prior written notice to the other party. Zhongdian IRICO shall not unilaterally terminate the Zhongdian IRICO Master Purchase Agreement without written consent of the Company.
Conditions precedent:	The Zhongdian IRICO Master Purchase Agreement is conditional upon the resolution regarding the Zhongdian IRICO Master Purchase Agreement and the transactions contemplated thereunder (including the proposed annual caps) being approved by the Independent Shareholders at the EGM.
Nature of transactions:	The Group shall purchase production line facilities and installation services, other utilities and ancillary services, operation and maintenance services and other services from Zhongdian IRICO and its associates.
Pricing policy:	The prices for production line facilities and installation services, other utilities and ancillary services, operation and maintenance services and other services shall be determined in accordance with the following policies: (a) where there is "Government-prescribed Price" (as defined below), in respect of the procurement of the production line facilities and installation services, other utility and ancillary services, operation and maintenance services and other services, the prices shall be determined based on arm's length negotiations between the relevant parties with reference to the Government-prescribed Price; or (b) (in the case of Government-prescribed Price) in respect of the utilities required for production, the prices shall be determined by the relevant parties with reference to the Government-prescribed Price; or

- (c) where there is no Government-prescribed Price, the prices shall be determined based on arm's length negotiations between the relevant parties with reference to reasonable costs incurred plus reasonable profit. The reasonable costs primarily include raw materials, labour, taxation, management fee, etc.

“Government-prescribed Price” means the guidelines for prices applicable to facilities installation under the Zhongdian IRICO Master Purchase Agreement as prescribed in the notices published by Shaanxi Provincial Price Bureau, Shaanxi Provincial Development and Reform Commission and other relevant regulatory authorities from time to time.

The pricing policies of cost plus reasonable profit are applicable to other utilities and ancillary services under the Zhongdian IRICO Master Purchase Agreement where there is no Government-prescribed Price, including softened water, chilled water, high pressure air, nitrogen, purified air, etc.

To ensure that prices to be charged by Zhongdian IRICO are not higher than those available from independent third parties, the designated persons of the Group will make comparison with relevant prices charged by independent third parties in the same or nearby region or the actual costs incurred. In case there is an adjustment to the prices of utilities as prescribed in the notices published by Shaanxi Provincial Price Bureau, Shaanxi Provincial Development and Reform Commission and other relevant regulatory authorities, the prices will be adjusted correspondingly based on arm's length negotiations between Zhongdian IRICO and the Company. The quotation of each category of utilities will be reviewed by the Group and submitted to the head of such department for approval.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

Payment term: The actual settlement price and the method of payment (including payment by way of cash or such other manners as agreed by the parties) shall be determined based on the principles, instructions, conditions and terms of the Zhongdian IRICO Master Purchase Agreement and set out in the specific purchase agreements to be entered into by the parties.

The payment terms shall be entered into on market terms which are no less favourable than those offered by independent third parties.

Other major terms:

- (i) Zhongdian IRICO undertakes to the Company that it will supply, or procure a third party with the consent of the Company to supply the products and services required by the Company in accordance with the Company's requirements, and Zhongdian IRICO is not the only supplier of such products and services to the Company.
- (ii) Zhongdian IRICO agrees and guarantees that such products and services to be provided to the Company shall satisfy the quality standards as required by the Company from time to time. The prices at which such products and services will be provided must be fair and reasonable. The conditions of the provision of the same type of products and services shall be no less favourable than those offered by independent third parties to the Group.

- (iii) The Group may enter into specific purchase agreements with Zhongdian IRICO and its associates in respect of the specific transactions contemplated under the Zhongdian IRICO Master Purchase Agreement to specify the name, model specification, measurement unit, quantity, price, tax rate and amount of the purchased goods and services. The specific purchase agreements shall set out the term of validity, quality requirements, standards, payment terms, liability for breach of agreement, dispute resolutions, etc. and comply with the principles, instructions, conditions and terms of the Zhongdian IRICO Master Purchase Agreement.
- (iv) The parties shall procure their respective subsidiaries or associates to, and guarantee that they shall, perform the specific purchase agreements in compliance with the terms and conditions stipulated thereunder.
- (v) As the specific purchase agreements are simply further elaborations on the purchase of products and services contemplated under the Zhongdian IRICO Master Purchase Agreement, they do not constitute new categories of connected transactions.

C. Historical Figures

The historical amounts for the continuing connected transactions conducted under the Previous Zhongdian IRICO Master Purchase Agreement are set out in the table below:

	Historical Transaction Amounts		
	For the year ended 31 December 2022 (RMB'000)	For the year ended 31 December 2023 (RMB'000)	For the nine months ended 30 September 2024 (RMB'000)
Fees payable by the Group to Zhongdian IRICO and its associates under the Previous Zhongdian IRICO Master Purchase Agreement	<u>45,591</u>	<u>175,426</u>	<u>35,355</u>

D. Proposed Annual Caps and Basis for the Proposed Annual Caps

The Directors propose the annual caps for the three years ending 31 December 2027 in respect of the continuing connected transactions under the Zhongdian IRICO Master Purchase Agreement as set out in the table below:

	Proposed Annual Caps		
	For the	For the	For the
	year ending	year ending	year ending
	31 December	31 December	31 December
	2025	2026	2027
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Maximum fees payable by the Company to Zhongdian IRICO and its associates under the Zhongdian IRICO Master Purchase Agreement	140,514	140,184	146,709

The proposed annual caps for the continuing connected transactions contemplated under the Zhongdian IRICO Master Purchase Agreement have been determined primarily based on the following factors:

- (i) the Company's estimate of its business needs for the three years ending 31 December 2027, including: (a) the purchase of production line facilities, installation, operation and maintenance services to ensure normal operation of the four major photovoltaic glass industry bases in Hefei, Yan'an, Shangrao and Xianyang; and (b) the estimated costs of utilities required for the production of the Group's bases in Yan'an and Hefei; and
- (ii) the Company's current estimation of the stable market prices or the Government-prescribed Price of the relevant products and services.

3. Comprehensive Financial Cooperation Agreement

A. *Background*

The Company entered into the Comprehensive Financial Cooperation Agreement with CEC Finance on 23 October 2024 to regulate the provision of general credit, fund settlement and other services by CEC Finance to the Group from the Effective Date. Details of the Comprehensive Financial Cooperation Agreement are set out below:

B. *Major Terms of the Comprehensive Financial Cooperation Agreement*

Date: 23 October 2024

Parties: (i) The Company; and
(ii) CEC Finance

Term: Three years from the Effective Date

Conditions precedent: The Comprehensive Financial Cooperation Agreement is conditional upon the resolution regarding the transactions contemplated under the Comprehensive Financial Cooperation Agreement in respect of the provision of fund settlement services by CEC Finance to the Group (including the proposed annual caps) being approved by the Independent Shareholders at the EGM.

The Comprehensive Financial Cooperation Agreement shall become effective upon the date of its approval at the EGM (the “**Effective Date**”).

Scope of services: CEC Finance shall provide the Group with general credit, fund settlement and other services. The details are as follows:

- (i) Fund settlement services: CEC Finance shall provide fund settlement business services for the Group to assist the Group in realising the smooth receipt and payment of transaction funds, including but not limited to the following settlement business lines: receipt and payment of transaction amount, settlement and sale of foreign exchange, deposits taking, and handling term deposits, call deposits, agreement deposit, etc.. CEC Finance shall install online banking systems for relevant enterprises, provide statements on a regular basis, and provide special computers for fund settlement to relevant enterprises whose fund settlement flows and balances have reached a certain scale.
- (ii) General credit services: CEC Finance shall provide credit facilities to the Group in accordance with the credit rules to promote the stable development of the Group's production and operation. The scope of use of the credit limit under the Comprehensive Financial Cooperation Agreement includes, but is not limited to, the following types of credit facilities: domestic and foreign currency loans, acceptance and discounting of commercial promissory notes, factoring of accounts receivable, non-financing letters of guarantee, etc..
- (iii) Other services: CEC Finance shall provide the Group with other financial services such as fund management, discounting of bankers' acceptances, commission agencies, issuance of proof of funds, loan commitments, general planning and consultancy as well as specialised financial consultancy.

Pricing policy and payment term: The service charges for deposit rates, loan rates and other financial services under the Comprehensive Financial Cooperation Agreement shall be determined with reference to the level of service charges for the provision of similar deposit rates, loan rates and other financial services offered/charged by commercial banks in the PRC during the same period. The payment terms shall be entered into on market terms which are no less favourable than those available from independent third parties. The pricing policy and payment terms are as follows:

- (i) Fund settlement services: For the Group's fund balances with CEC Finance, CEC Finance shall guarantee to release the full amount in a timely manner in accordance with the Group's instructions and to pay interest on the deposits at a rate not lower than the deposit rates of domestic commercial banks for the same period. Interest shall be accrued by CEC Finance in accordance with the daily cumulative calculation method and settled on a quarterly basis;
- (ii) General credit services: For the financing obtained by the Group from CEC Finance, interest on loans shall be charged by CEC Finance at an overall rate not higher than the interest rates for the same type of loans from domestic commercial banks for the same period. Interest shall be accrued by CEC Finance in accordance with the daily cumulative calculation method and settled on a quarterly basis;

- (iii) Other services: (a) CEC Finance shall provide the Group with other financial services such as fund management, commission agencies, non-financial letters of guarantee, proof of funds and loan commitments, at a fee rate not higher than that of similar fees charged by domestic commercial banks during the same period; (b) CEC Finance shall make full use of its advantages in financial resources and expertise to provide specialised services of financial consultancy and organisational underwriting for the Group's successful issuance of corporate bonds and issuance of special financing for medium-term notes, and the standard of fees charged by CEC Finance in respect of such specialised financial consultancy services shall not be higher than that charged by domestic financial institutions during the same period; and (c) CEC Finance shall exempt the Group from the fund remittance fee for the Group's fund settlement with CEC Finance, the fee for the issuance of letter of inquiry by CEC Finance for the Group, and the fee for the general planning and consultancy services provided by CEC Finance for the Group, except for the aforesaid specialised financial consultancy services. The pricing of the transactions will follow the market-based principle, i.e. the Group and CEC Finance will further negotiate on an arm's length basis to determine the relevant fees payable in respect of other services prior to entering into any of the transactions with reference to the level of prices quoted by financial institutions in the market that meet the Group's internal control requirements for similar services in respect of the relevant types and content of the relevant services, so as to ensure that the terms and conditions thereof are fair and reasonable and are no less favourable than those offered by independent third parties.

The Directors are of the view that such pricing policy and payment terms are fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

Other major terms:

- (i) The Group agrees to give maximum priority to the use of financial services provided by CEC Finance within the set caps. Before using the financial services provided by CEC Finance, the Group shall have the right to confirm whether the cooperation terms provided by CEC Finance are better or no less favourable than those provided by independent third parties through acquainting with the market conditions.
- (ii) Pursuant to Article 20 of the articles of association of CEC Finance, CEC, the substantial shareholder of CEC Finance, undertakes to increase the capital accordingly in accordance with the actual needs for resolving the payment difficulties in case of an emergency situation where CEC Finance has difficulties in making payments.

Historical amounts:

There are no historical amounts for the transactions contemplated under the Comprehensive Financial Cooperation Agreement.

C. Proposed Annual Caps and Basis for the Proposed Annual Caps

The Directors propose the annual caps for the three years from the Effective Date in respect of the continuing connected transactions under the Comprehensive Financial Cooperation Agreement as set out in the table below:

	Proposed Caps		
	For the first year from the Effective Date (RMB'000)	For the second year from the Effective Date (RMB'000)	For the third year from the Effective Date (RMB'000)
General credit limit granted by CEC Finance to the Group	1,000,000	1,000,000	1,000,000
Proposed maximum daily balance of the Group's deposits with CEC Finance (including any accrued interest thereon)	1,000,000	1,000,000	1,000,000
Maximum annual transaction amounts payable by the Group to CEC Finance in respect of other services provided by CEC Finance	<u>300</u>	<u>300</u>	<u>300</u>

The general credit limit shall be revolving during the term, provided that the aggregate balance of the various types of credit within the line of credit shall not exceed the caps for the general credit limit. Given that the general credit services to be provided by CEC Finance to the Group under the Comprehensive Financial Cooperation Agreement are on normal commercial terms or better, which are similar to or more favourable than those offered by domestic commercial banks for the same type of loans during the same period, and the Group will not pledge any assets in connection with the general credit services, in accordance with Rule 14A.90 of the Listing Rules, such general credit services are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratios for the proposed annual caps for each of the three years from the Effective Date in respect of the continuing connected transactions on other services provided by CEC Finance to the Group contemplated under the Comprehensive Financial Cooperation Agreement are less than 0.1%, the continuing connected transactions, pursuant to Rule 14A.76(1) of the Listing Rules, are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The maximum daily balance of the Group's deposits under the Comprehensive Financial Cooperation Agreement was determined after taking into account the following principal factors:

- (i) the proposed annual caps for the general credit limit granted to the Group by CEC Finance for each of the three years from the Effective Date;
- (ii) the expected deposit requirements of the Group for each of the three years from the Effective Date, including the Group is principally engaged in photovoltaic glass, the market demand for photovoltaic glass will increase in the future in line with the increase in environmental protection policies and the development of the new energy industry in China, the Group, as a leading enterprise in the industry, the volume of orders is expected to continue to increase, and the monetary funds of the Group will increase accordingly; and

- (iii) taking into account the amount of interest income expected to be earned from CEC Finance and with reference to the interest income earned from placing similar amount of deposits with other major commercial banks in the PRC, the return on the deposits with CEC Finance is expected to be higher than the market level.

In view of the above, the Directors are of the view that the aforesaid proposed maximum daily balance of the Group's deposits in respect of the fund settlement services provided by CEC Finance under the Comprehensive Financial Cooperation Agreement is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

4. IRICO Group Master Sales Agreement

A. Background

On 23 October 2024, the Company entered into the IRICO Group Master Sales Agreement with IRICO Group to renew the Previous IRICO Group Master Sales Agreement and regulate the sales of utilities by the Group to IRICO Group and its associates for three years ending 31 December 2027. Details of the IRICO Group Master Sales Agreement are set out below:

B. Major terms of the IRICO Group Master Sales Agreement

Date:	23 October 2024
Parties:	(i) The Company; and (ii) IRICO Group
Term:	1 January 2025 to 31 December 2027, subject to early termination by either party by giving at least one month prior written notice to the other party.
Nature of transactions:	The Group shall sell utilities to IRICO Group and its associates.
Pricing policy:	The prices for utilities shall be determined in accordance with the "Market Price" (as defined below).

“Market Price” shall be determined in accordance with the following order: (a) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the selling or purchasing places or its nearby regions; or (b) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the PRC.

Upon receipt of product orders, the marketing department of the Company and its designated persons (namely, the business planning executives, who are primarily responsible for the examination and approval of the sales plans and the execution of sales contracts) will ascertain the prices offered or charged by independent third parties, generally by way of obtaining quotations for a comparable volume of same or similar category of products from at least two independent third parties via emails, fax, phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers), and take average of such quotation as the Market Price. The selling price of each category of products will be submitted to the marketing department of the Company for approval.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

Payment term: The actual settlement price and the method of payment (including payment by way of cash or such other manners as agreed by the parties) shall be determined based on the principles, instructions, conditions and terms of the IRICO Group Master Sales Agreement and set out in the specific sales agreements to be entered into by the parties.

The payment terms shall be entered into on market terms which are no less favourable than those available from independent third parties.

Other major terms:

- (i) The Group may enter into specific sales agreements with IRICO Group and its associates in respect of the transactions contemplated under the IRICO Group Master Sales Agreement. Such specific sales agreements shall set out the names, model specifications, units of measurement, quantities, prices, tax rates and amounts of the products to be sold. The specific sales agreements shall set out the term of validity, quality requirements, acceptance standards, payment terms, liability for breach of agreement and contract dispute resolutions, and comply with the principles, instructions, conditions and terms of the IRICO Group Master Sales Agreement in respect of such products.
- (ii) The parties shall procure their respective subsidiaries or associates to, and guarantee that they shall, perform the specific sales agreements in compliance with the terms and conditions stipulated thereunder.
- (iii) As the specific sales agreements are simply further elaborations on the sales of products under the IRICO Group Master Sales Agreement, they do not constitute new categories of connected transactions.

C. Historical Figures

The historical amount for the continuing connected transactions conducted under the Previous IRICO Group Master Sales Agreement are set out in the table below:

	Historical Transaction Amounts		
	For the	For the	For the
	year ended	year ended	nine months
	31 December	31 December	ended
	2022	2023	30 September
	(RMB'000)	(RMB'000)	2024
			(RMB'000)
Fees payable by IRICO Group and its associates to the Group under the Previous IRICO Group Master Sales Agreement	<u>957</u>	<u>2,084</u>	<u>3,013</u>

D. Proposed Annual Caps and Basis for the Proposed Annual Caps

The Directors propose the annual caps for the three years ending 31 December 2027 in respect of the continuing connected transactions under the IRICO Group Master Sales Agreement as set out in the table below:

	Proposed Annual Caps		
	For the	For the	For the
	year ending	year ending	year ending
	31 December	31 December	31 December
	2025	2026	2027
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Maximum fees payable to the Group by IRICO Group and its associates under the IRICO Group Master Sales Agreement	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>

The proposed annual caps for the continuing connected transactions contemplated under the IRICO Group Master Sales Agreement have been determined primarily based on the following factors:

- (i) the Company's estimate of its business needs for the three years ending 31 December 2027, including the development plan of IRICO Group and its subsidiaries and their demand for utilities from 2025 to 2027; and
- (ii) the Company's current estimation of the stable market prices of the relevant product.

5. Master Transportation Services Agreement

A. Background

On 23 October 2024, the Company entered into the Master Transportation Services Agreement with CETIS to renew the Previous Master Transportation Services Agreement and regulate the purchase of transportation services by the Group from CETIS and its associates for the three years ending 31 December 2027. Details of the Master Transportation Services Agreement are set out below:

B. Major Terms of the Master Transportation Services Agreement

Date: 23 October 2024

Parties: (i) The Company; and

(ii) CETIS

Term: 1 January 2025 to 31 December 2027, subject to early termination by either party by giving at least three months' prior written notice to the other party. CETIS shall not unilaterally terminate the Master Transportation Services Agreement without written consent of the Company.

Nature of transactions: The Group shall purchase transportation services from CETIS and its associates.

Pricing policy: The prices for the transportation services shall be determined in accordance with the "Market Price" (as defined below).

Upon receipt of quotations from CETIS, the designated persons of the Group will ascertain the prices offered or charged by independent third parties, generally by way of, obtaining quotations for a comparable volume of same or similar type of transportation services from at least two independent third parties via emails, fax, phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers), and take average of such quotations as the market price.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

Payment term: The actual settlement price and the method of payment (including payment by way of cash or such other manners as agreed by the parties) shall be determined based on the principles, instructions, conditions and terms of the Master Transportation Services Agreement and set out in the specific agreements to be entered into by the parties.

The payment terms shall be entered into on market terms which are no less favourable than those available from independent third parties.

Other major terms:

- (i) CETIS undertakes to the Company that it will provide transportation services in accordance with the Company's requirements.
- (ii) CETIS agrees and guarantees that such services to be provided shall satisfy the standards as required by the Company from time to time and at fair and reasonable prices, and that in the event that an independent third party also provides the same type of services to the Company, the terms and conditions shall be no less favourable than those offered by such independent third party in respect of such services.

- (iii) The Group may enter into specific transportation agreements with CETIS and its associates in respect of the specific transactions contemplated under the Master Transportation Services Agreement, and such specific agreements (if applicable) shall specify the transportation route, price, tax rate, etc.. CETIS and its associates shall also obtain legal qualification for road transportation operation business as stipulated in the Master Transportation Services Agreement in accordance with the approved scope of business. The specific agreements shall set out the validity period, product transportation requirements, payment terms, liability for breach of agreement, contract dispute resolutions, etc. and comply with the principles, instructions, conditions and terms of the Master Transportation Services Agreement in respect of such services.
- (iv) The parties shall procure their respective subsidiaries or associates to, and guarantee that they will, perform the specific agreements in compliance with the terms and conditions stipulated thereunder.
- (v) As the specific agreements are simply further elaborations on the purchase of services under the Master Transportation Services Agreement, they do not constitute new categories of connected transactions.

C. Historical Figures

The historical amounts for the continuing connected transactions conducted under the Previous Master Transportation Services Agreement are set out in the table below:

	Historical Transaction Amounts		
	For the	For the	For the
	year ended	year ended	nine months
	31 December	31 December	30 September
	2022	2023	2024
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Fees payable by the Group to CETIS and its associates under the Previous Master Transportation Services Agreement	<u>5,289</u>	<u>6,070</u>	<u>305</u>

D. Proposed Annual Caps and Basis for the Proposed Annual Caps

The Directors propose the annual caps for the three years ending 31 December 2027 in respect of the continuing connected transactions under the Master Transportation Services Agreement as set out in the table below:

	Proposed Annual Caps		
	For the	For the	For the
	year ending	year ending	year ending
	31 December	31 December	31 December
	2025	2026	2027
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Maximum fees payable by the Group to CETIS and its associates under the Master Transportation Services Agreement	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>

The proposed annual caps for the continuing connected transactions contemplated under the Master Transportation Services Agreement have been determined primarily based on the following factors:

The Company's estimate of its business needs for the three years ending 31 December 2027, including the expected demands in transportation services for the production capacity of photovoltaic glass industry bases in Yan'an and Xianyang of the Group for the three years ending 31 December 2027.

III. THE CONNECTED TRANSACTION AGREEMENT

A. Background

On 23 October 2024, Hefei Photovoltaic, a wholly-owned subsidiary of the Company, entered into the Assets Transfer Agreement with Epilight Industry, pursuant to which, Epilight Industry has agreed to transfer and Hefei Photovoltaic has agreed to acquire all assets of phase I and II kiln flue gas waste heat power generation and flue gas desulfurization and dust removal system (“**Waste Heat Power Generation and Flue Gas Treatment System**”) owned by it at a consideration of RMB21,225,800 (exclusive of tax) (“**Transfer Consideration**”). Details of the Assets Transfer Agreement are set out below:

B. Major Terms of the Assets Transfer Agreement

Date: 23 October 2024

Parties: (i) Epilight Industry (as transferor); and
(ii) Hefei Photovoltaic (as transferee)

Assets to be transferred: The Waste Heat Power Generation and Flue Gas Treatment System was constructed in the plant of Hefei Photovoltaic, the specific operation and maintenance of the equipment was undertaken by Epilight Industry, and the power generated was sold to Hefei Photovoltaic for use at a certain price. The Waste Heat Power Generation and Flue Gas Treatment System is attributable to Epilight Industry, with book value of RMB17,466,300.

The aggregate original acquisition cost of the above mentioned assets by Epilight Industry was approximately RMB44,125,400.

Transfer Consideration and payment term:	The Transfer Consideration was RMB21,225,800 (exclusive of tax), and the tax-inclusive amount was RMB23,985,200 (including 13% value-added tax). Hefei Photovoltaic will pay the Transfer Consideration and the corresponding value-added tax in one lump sum by bank transfer to the designated bank account of Epilight Industry after the signing of the Assets Transfer Agreement and receiving the value-added tax invoice.
Basis for determining the consideration:	The Transfer Consideration was determined after arm's length negotiations between the transferor and transferee with reference to the tax-exclusive appraised value of the Waste Heat Power Generation and Flue Gas Treatment System of RMB21,225,800 as at 31 March 2024 (the "Valuation Benchmark Date"), which was valued by Beijing Zhongtianhe Assets Appraisal Co., Ltd. (an independent and qualified appraiser appointed by Epilight Industry (the "Independent Appraiser")) by adopting the cost approach. The appraised value represents an increase of RMB3,759,500 or 21.52% over the book value of RMB17,466,300, which was mainly due to the fact that the machinery and equipment was affected by technological advancement, resulting in faster replacement and the decrease in the price, and the replacement value determined on the basis of the industrial producer index and the contract price at the time of the purchase and construction of the equipment of the enterprise was lower than the original book value, which caused an impairment in the original appraised value; the useful life of the machinery and equipment on which the net appraisal value is based was longer than the depreciable life for corporate accounting purposes, and the state of reconditioning determined in conjunction with the actual use conditions of the machinery and equipment was higher than the net book value rate; interaction between the two reasons causes an increase in the net appraised value of machinery and equipment. The use of the above appraisal conclusion is valid for one year from the Valuation Benchmark Date. There are no restrictions on the scope of work of the Independent Appraiser that may adversely affect the above appraisal conclusion.

The above appraisal conclusion is established in reliance on the following appraisal assumptions (the above appraisal conclusion is not valid in the event of the change in the following appraisal assumptions):

(i) General assumptions

Transaction assumption: It is assumed that all assets to be appraised are already in the process of transaction, and the appraisal is conducted based on trading conditions etc. of the assets to be appraised in a simulated market.

Open market assumption: It is assumed that the assets to be appraised are traded in an open market to realize their market value. The market value of the assets is subject to the market mechanism and determined by the market conditions instead of individual transactions. An open market is a fully developed and comprehensive market condition, a competitive market with willing buyers and sellers, where buyers and sellers are on equal footing and have opportunity and time to access adequate market information, and where transactions between buyers and sellers are conducted under voluntary, rational, non-binding or unrestricted conditions.

Asset continuous use assumption: Continuous use assumption is an assumption made on the conditions of the market where the assets are proposed to enter and the status of the assets under such market conditions. Firstly, the assets to be appraised are in use; and secondly, it is assumed that the assets in use will be continuously used in the same place and for the same purpose. Under the conditions of continuous use assumption, no consideration is given to the change of use or the best utilisation conditions of the assets. The scope of applicability of the appraisal conclusion is subject to limitations.

(ii) Special assumptions

There are no significant changes in the relevant prevailing laws, regulations and policies of the PRC and the macro-economic conditions of the PRC; there are no significant changes in the political, economic and social environment in the regions where the parties to the transaction are located; it is assumed that the operators of the assets are responsible;

Unless otherwise stated, it is assumed that the enterprise fully complies with all relevant laws and regulations; it is assumed that the accounting policies to be adopted in the future by the assets are in material aspects generally consistent with the accounting policies adopted in the compilation of this report; it is assumed that the business scope and mode of the assets are consistent with the current direction on the basis of its existing management mode and management level; there are no material changes in interest rates, exchanges rates, tax bases and tax rates, policy-based levies, etc.; there are no other force majeure and unforeseeable factors that may give rise to material adverse impact on the enterprise; the core management personnel, technical personnel and sales personnel of the enterprise are stable, and the Company is able to maintain its current management standard, research and development standard, sales channels as well as progressively expanding market share in its future operations.

Asset valuation approaches primarily include the cost approach, discounted cash flow approach and market approach. The Independent Appraiser adopted the cost approach to assess the value of the Waste Heat Power Generation and Flue Gas Treatment System as at the Valuation Benchmark Date. Due to the instability of future revenues generated by the Waste Heat Power Generation and Flue Gas Treatment System, cash flow calculations were deemed unreliable; therefore, the Independent Appraiser did not adopt the discounted cash flow approach for the valuation; as it is difficult to obtain the selling price for second-hand equipment of the Waste Heat Power Generation and Flue Gas Treatment System in the market, the Independent Appraiser also did not adopt the market approach for the valuation; given that the Waste Heat Power Generation and Flue Gas Treatment System is under continuous use, and the expected return can support its replacement and contributed capital, the Independent Appraiser ultimately adopted the cost approach for the valuation.

In summary, the Directors are of the view that the basis of determination for the consideration is fair and reasonable, on normal commercial terms and not detrimental to the interests of the Shareholders.

Completion: The transferor and the transferee confirm that upon the signing of the Asset Transfer Agreement and the completion of payment of all Transfer Consideration and corresponding value-added tax by the transferee, the property rights of the Waste Heat Power Generation and Flue Gas Treatment System shall be transferred to Hefei Photovoltaic.

Other major terms: The transferor shall settle all costs incurred from the Waste Heat Power Generation and Flue Gas Treatment System project during the construction, operation and maintenance period.

IV. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTION

The Board is of the view that the entering into of the aforesaid Continuing Connected Transaction Agreements and Connected Transaction Agreement is essential to the normal operations of and beneficial to the Company. In forming such view, the Board has taken into account the following factors:

- (i) the Company and each of IRICO Group and Zhongdian IRICO have established a long-term relationship, and understand their respective planning of business operations, quality control as well as certain specific requirements of both parties;
- (ii) the purchase of products by the Company from IRICO Group or Zhongdian IRICO (as the case may be) will assist in decreasing the management and operational costs of the Company due to the close proximity between the Company and IRICO Group or Zhongdian IRICO. The bulk purchase and sales of products/services is also economically beneficial to both the Company and IRICO Group or Zhongdian IRICO (as the case may be);
- (iii) meanwhile, IRICO Group or Zhongdian IRICO (as the case may be) possesses a number of national patents and has a professional team for the complete supply chain of electronic glass and smart manufacturing in the PRC and has the capacity to undertake large-scale construction projects such as the overall design and construction of electronic glass production lines and the integration of automated equipment systems for photovoltaic production lines, and can provide services to the Company for a series of construction projects proposed to be launched by the Company;

- (iv) the interest rates on deposits and loans to be offered by CEC Finance to the Group will be equal to or more favorable than those offered by other major commercial banks in the PRC for similar deposits and loans. CEC Finance is a non-banking financial institution regulated by the People's Bank of China and the National Financial Regulatory Administration and provides services in accordance with the rules and operating requirements of such regulatory authorities. The Group is expected to benefit from CEC Finance's better knowledge of the Group's operations and its ability to provide more convenient and efficient services as compared to other commercial banks in the PRC. For example, if the Group considers that obtaining the loans and guarantees from CEC Finance is necessary for its business and financial needs, it is expected that the approval time for the loans and guarantees to be provided by CEC Finance will be shorter than that of other commercial banks. By entering into the Comprehensive Financial Cooperation Agreement with CEC Finance, the Group will be able to centralize the control and management of the Group's financial resources, thereby improving the utilization and efficiency of the use of funds and reducing its operational risks. This will also accelerate capital turnover, thereby reducing transaction costs and expenses, and further enhancing the level and effectiveness of the use of funds. At the same time, the financial services to be provided under the Comprehensive Financial Cooperation Agreement are diversified to meet the Group's business needs;
- (v) CETIS has engaged in the transportation of glass products for a long time and enjoys a good reputation in the industry with sufficient vehicle resources, extensive management experience and strong safety awareness, which enable the timely delivery of products to designated customers. Furthermore, the prices and terms for the services purchased by the Company from CETIS would be no less favourable than those offered to the Company from independent third parties; and
- (vi) after purchasing the Waste Heat Power Generation and Flue Gas Treatment System and transitioning to self-operation, (a) Hefei Photovoltaic can integrate operation resources to better serve current production; (b) the steam pipeline can be operated in parallel with the grid, which will effectively enhance the power generation efficiency of the steam boiler generating units; (c) spare parts, raw materials and others can be procured uniformly, thereby reducing procurement costs and further lowering operating expenses; (d) the management team will be unified, reducing external coordination and communication costs, thereby reducing expenditure; and (e) it can save approximately RMB18,775,000 in external electricity costs each year, potentially increasing Hefei Photovoltaic's total profits by approximately RMB9,465,300.

The Board (excluding the independent non-executive Directors, whose opinion on the matters will be set forth in the circular by reference to the advice of the independent financial adviser in this regard) considers that the transactions contemplated under each of the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement, and the transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group are conducted on normal commercial terms or on terms no less favourable to the Company than those available to or from independent third parties, and are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and Shareholders as a whole.

The Board (including the independent non-executive Directors) considers that the transactions contemplated under each of the IRICO Group Master Sales Agreement and the Master Transportation Services Agreement are conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties, and are entered into in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and Shareholders as a whole.

The Board (including the independent non-executive Directors) considers that although the transaction contemplated under the Assets Transfer Agreement is not conducted in the ordinary and usual course of business of the Company, it is entered into and carried out on normal commercial terms or on terms no less favorable to the Company than those available to or from independent third parties and is fair and reasonable and in the interests of the Company and Shareholders as a whole.

As at the date of this announcement, certain Directors, namely Ms. Yang Hua, Mr. Fang Zhongxi and Mr. Wang Dong, by virtue of their respective senior positions in IRICO Group, may be deemed to have material interests in the transactions contemplated under the IRICO Group Master Purchase Agreement, Zhongdian IRICO Master Purchase Agreement, the IRICO Group Master Sales Agreement and the Assets Transfer Agreement. As such, each of them has abstained from voting on the Board resolutions approving the relevant agreements and the transactions contemplated thereunder (including the respective proposed annual caps). Save as mentioned above, none of the other Directors has a material interest in the transactions contemplated under the IRICO Group Master Purchase Agreement, the Zhongdian IRICO Master Purchase Agreement, the IRICO Group Master Sales Agreement and the Assets Transfer Agreement.

In addition, none of the Directors has a material interest in the transactions contemplated under the Comprehensive Financial Cooperation Agreement and the Master Transportation Services Agreement and therefore, no Director has abstained from voting on approval of the relevant resolutions.

V. INTERNAL CONTROL MEASURES ON CONTINUING CONNECTED TRANSACTIONS

To safeguard the interests of the Shareholders as a whole, including the minority Shareholders, the Company has put in place internal approval and monitoring procedures relating to the continuing connected transactions, which include the following:

1. The business planning executives will be responsible for the pricing management and will guide various departments and units to establish the procedures and mechanism of professional price management, so as to ensure that the pricing standard is fair and reasonable, and conform with the market principle. Market prices will be obtained through, among other things, open tenders/quotations from independent third-party suppliers and service providers, recent transaction prices of the Company with independent third parties, pricing information obtained through subscription service and researches on industry websites. The market price information will be circulated by the procurement department to other departments of the Company to enable them to determine the prices for the continuing connected transactions.
2. The Company will regularly review the transactions to be entered into with each of IRICO Group, Zhongdian IRICO, CEC Finance and CETIS to identify any transactions that may be at risk of exceeding the annual caps and any measures to be introduced in response to such transactions. The finance department of the Company is responsible for the counting and monitoring of the actual amount of continuing connected transactions at the end of each month, reporting to the Board regarding, among other things, implementation of the continuing connected transactions and the actual monetary amount of the continuing connected transactions conducted during each quarter from January to September and at the end of each month from October to December (or more frequently if necessary). In the event that the transaction amount reaches 80% of the annual cap at any point of the year, the management would seek advice from the audit committee of the Company and the Board would consider follow-up measures, including making announcements and seeking Independent Shareholders' approval for the increase in the annual cap (where applicable).
3. The Company has formulated a series of internal measures and policies to ensure that the continuing connected transactions will be carried out in accordance with the terms of each of the IRICO Group Master Purchase Agreement, the Zhongdian IRICO Master Purchase Agreement, the Comprehensive Financial Cooperation Agreement, the IRICO Group Master Sales Agreement and the Master Transportation Services Agreement and the relevant pricing principles.

4. The independent non-executive Directors shall, and the Company shall engage its external auditors to, conduct annual review of the continuing connected transactions every year in accordance with the requirements of the Listing Rules.

In addition, the Company has strict internal control policies over financial services transactions, including the following:

- (i) Before each new deposit, the relevant personnel of the finance department of the Company will, based on the Group's demand for deposits, compare the deposit interest rates quoted from other independent third parties (including at least three financial institutions and commercial banks in the PRC) and from the PBOC, and such research and comparison results will be reported by the relevant personnel of the finance department to the head of the finance department of the Company. Based on the aforementioned research and comparison results, the head of the finance department of the Company will make sure the interest rates receivable by the Company for the Company's deposits with CEC Finance shall not be lower than the interest rates receivable from those offered by other independent commercial banks for comparable deposits during the same period. Moreover, pursuant to the Comprehensive Financial Cooperation Agreement, CEC, the substantial shareholder of CEC Finance, undertakes to increase the capital accordingly in accordance with the actual needs for resolving the payment difficulties in case of an emergency situation where CEC Finance has difficulties in making payments, and the Group's deposits under the Comprehensive Financial Cooperation Agreement are guaranteed to a certain extent;
- (ii) The Group will adopt similar internal control measures for general credit services. Prior to entering into any loan transactions under the Comprehensive Financial Cooperation Agreement, the relevant personnel of the finance department of the Company will compare the interest rates quoted from other independent third parties (including at least three financial institutions and commercial banks in the PRC) and from the PBOC, and such research and comparison results will be reported by the relevant personnel of the finance department to the head of the finance department of the Company. Based on the aforementioned research and comparison results, the head of the finance department of the Company will ensure that the terms and conditions of each of the loan transactions under the Comprehensive Financial Cooperation Agreement are on normal commercial terms, which are no less favorable than those offered by other independent commercial banks in respect of comparable loans during the same period; and

- (iii) For other services, the Group will also adopt similar internal control measures. Prior to entering into any other services transactions under the Comprehensive Financial Cooperation Agreement, the relevant personnel of the finance department of the Company will compare the quotations and market quotation levels from other independent third parties (including at least three financial institutions and commercial banks in the PRC), and such research and comparison results will be reported by the relevant personnel of the finance department to the head of the finance department of the Company. Based on the aforementioned research and comparison results, the head of the finance department of the Company will ensure that the terms and conditions of each of the transactions under the Comprehensive Financial Cooperation Agreement in respect of the other services are on normal commercial terms, which are no less favorable than those offered by other independent commercial banks in respect of comparable transactions during the same period.

By adopting the policies set out above, the Company can ensure that (i) the interest rates receivable by the Group for its deposits shall not be lower than the interest rates offered by other independent commercial banks for comparable deposits in the PRC during the same period in order to ensure the safety and yield on the deposited funds; and (ii) the loan interest rates and service fees charged by CEC Finance shall not be higher than that charged by other independent commercial banks for providing comparable loans and services in the PRC during the same period.

The Directors consider that the above internal control measures over continuing connected transactions adopted by the Company are appropriate and that the above procedures and measures provide sufficient assurance to the Shareholders that such continuing connected transactions will be properly overseen by the Company.

VI. LISTING RULES IMPLICATIONS

Continuing Connected Transactions

As at the date of this announcement, IRICO Group is the controlling Shareholder of the Company and thus is a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the IRICO Group Master Purchase Agreement and the IRICO Group Master Sales Agreement between the Company and IRICO Group constitute continuing connected transactions of the Company.

As at the date of this announcement, Zhongdian IRICO, which directly holds approximately 14.30% of the issued share capital of the Company, is a substantial Shareholder of the Company and thus a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Zhongdian IRICO Master Purchase Agreement between the Company and Zhongdian IRICO constitute continuing connected transactions of the Company.

As at the date of this announcement, CEC Finance is a subsidiary of CEC, and thus is an associate of CEC and a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Comprehensive Financial Cooperation Agreement between the Company and CEC Finance constitute continuing connected transactions of the Company.

As at the date of this announcement, CETIS is a subsidiary of CEC, and thus is an associate of CEC and a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Master Transportation Services Agreement between the Company and CETIS constitute continuing connected transactions of the Company.

Since each of the highest applicable percentage ratios for the proposed annual caps for each of the three years ending 31 December 2027 in respect of the continuing connected transactions contemplated under each of the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement; and the proposed annual caps for each of the three years from the Effective Date in respect of the daily maximum deposit balance of the fund settlement services provided by CEC Finance to the Group contemplated under the Comprehensive Financial Cooperation Agreement exceeds 5%, the continuing connected transactions contemplated under the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group (including the respective proposed annual caps) are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio for the proposed annual caps in respect of the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group exceeds 25%, the transactions thereunder constitute a major transaction and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since each of the highest applicable percentage ratio for the proposed annual caps for each of the three years ending 31 December 2027 in respect of the continuing connected transactions contemplated under each of the IRICO Group Master Sales Agreement and the Master Transportation Services Agreement exceeds 0.1% but is less than 5%, the continuing connected transactions thereunder are only subject to the reporting, announcement and annual review requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the general credit services to be provided by CEC Finance to the Group under the Comprehensive Financial Cooperation Agreement are conducted on normal commercial terms or better, which are similar to or more favourable than those offered by domestic commercial banks for the same type of loans during the same period, and the Group will not pledge any assets in connection with the general credit services, in accordance with Rule 14A.90 of the Listing Rules, such general credit services are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Since the highest applicable percentage ratio for the proposed annual caps for each of the three years from the Effective Date in respect of the continuing connected transactions on other services provided by CEC Finance to the Group contemplated under the Comprehensive Financial Cooperation Agreement is less than 0.1%, the continuing connected transactions, pursuant to Rule 14A.76(1) of the Listing Rules, are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Connected Transaction

As at the date of this announcement, Hefei Photovoltaic is a wholly-owned subsidiary of the Company, and Epilight Industry, directly and indirectly owned as to 46.56% by IRICO Group, is an associate of IRICO Group and thus a connected person of the Company under the Listing Rules. Therefore, the transaction contemplated under the Assets Transfer Agreement between Hefei Photovoltaic and Epilight Industry constitutes a connected transaction of the Company.

Since the highest applicable percentage ratio for the transaction contemplated under the Assets Transfer Agreement exceeds 0.1% but is less than 5%, the transaction contemplated thereunder is subject to the reporting and announcement requirements, but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

VII. GENERAL INFORMATION ON THE PARTIES

The Company

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

IRICO Group

IRICO Group is a wholly state-owned enterprise established in 1982 under the laws of the PRC and is wholly-owned by China Electronics Corporation Limited (which is a non-wholly owned subsidiary of CEC and is directly held as to approximately 81.66% by CEC, and as at the date of this announcement, there is no other shareholder who holds more than 10% of the equity interest in China Electronics Corporation Limited). IRICO Group is principally engaged in the research, development, manufacture and sale of colour display devices, colour television sets, monitors and their auxiliary products, electronic devices, electronic vacuum devices, electronic products, opto-electronic information materials, microelectronic materials, devices and components, solar photovoltaic cells and their components; solar photovoltaic system integration; and import and export business, etc..

CEC

CEC is a wholly state-owned enterprise established in 1989 under the laws of the PRC, and is principally engaged in the scientific research, development, design, manufacture and product ancillary sales of electronic raw materials, electronic devices and components, electronic instruments and meters, complete sets of electronic products, electronic application products and systems, special electronic equipment, auxiliary products and software; general contracting and organization and management of electronic application system projects, construction projects, communication projects and water treatment projects. CEC is the ultimate controlling shareholder of the Company and indirectly holds approximately 74.90% of the issued share capital of the Company through IRICO Group and its subsidiaries, Rui Bou Electronics (HK) Limited, Zhongdian Financial Investment and Zhongdian IRICO.

Zhongdian IRICO

Zhongdian IRICO is a state-controlled enterprise established in 2013 under the laws of the PRC and is directly held as to 72.08% and 27.92% by China Electronics Corporation Limited and IRICO Group, respectively, and is principally engaged in the research and development, service, transfer of electronic information technology; investment in information industry, real estate industry, commerce and trade business with self-owned capital and assets operation (non-monetary assets) and management services; purchase and sales of LCD glass substrate, glass products and raw materials, photovoltaic products, components and raw materials, electronic products and raw materials; and integration, research and development, manufacture of automation equipment and intelligent control systems, etc..

CEC Finance

CEC Finance is a non-wholly owned subsidiary of CEC and was, as at the date of this announcement, insofar as the Board is aware, held:

- (i) as to approximately 57.66% by CEC;
- (ii) as to approximately 23.61% by 南京中電熊貓信息產業集團有限公司 (Nanjing Panda Information Industry Group Co., Ltd.*), which is in turn ultimately owned by CEC as to approximately 79.24%, the State-owned Assets Supervision and Administration Commission of Nanjing Municipal Government as to approximately 17.68%, and the Jiangsu Provincial People's Government as to approximately 3.08%;
- (iii) as to approximately 5.37% by 武漢中原電子集團有限公司 (Wuhan Zhongyuan Electronics Group Co., Ltd.*), which is indirectly wholly-owned by 中國長城科技集團股份有限公司 (China Greatwall Technology Group Co., Ltd.*), a company listed in the Shenzhen Stock Exchange (Stock Code: 000066), which is in turn controlled by CEC;
- (iv) as to approximately 4.66% by 中國電子進出口有限公司 (China Electronics Import and Export Company Limited*), which is indirectly wholly-owned by CEC;

- (v) as to approximately 3.93% by 中國振華電子集團有限公司(China Zhenhua Electronics Group Co., Ltd.*) (“**Zhenhua Electronics**”), which is in turn ultimately owned as to approximately 54.28% by CEC, as to approximately 31.30% by 貴州省黔晟國有資產經營有限責任公司(Guizhou Qiansheng State-owned Assets Management Co., Ltd.*), as to approximately 10.61% by China CITIC Financial Asset Management Co., Ltd., a company listed in the Stock Exchange (Stock Code: 2799), as to approximately 3.57% by 中國長城資產管理股份有限公司(China Great Wall Asset Management Co., Ltd.*) and as to approximately 0.25% by 中國東方資產管理股份有限公司(China Orient Asset Management Co., Ltd.*);
- (vi) as to approximately 2.12% by 中國振華(集團)科技股份有限公司(China Zhenhua (Group) Science & Technology Co., Ltd.*), a company listed in the Shenzhen Stock Exchange (Stock Code: 000733), which is in turn controlled by Zhenhua Electronics;
- (vii) as to approximately 2.02% by 中電智能卡有限責任公司(China Electronics Smart Card Co., Ltd.*), which is in turn ultimately owned by CEC as to approximately 60.47%, 公安部第一研究所(First Research Institute of the Ministry of Public Security of the People’s Republic of China*) as to approximately 37.21%, and Chongqing State-owned Assets Supervision and Administration Commission as to approximately 2.33%; and
- (viii) as to approximately 0.63% by 中國中電國際信息服務有限公司(China Electronics International Information Service Company Limited*), which is indirectly wholly-owned by CEC.

CEC Finance is principally engaged in absorbing deposits from member units; handling borrowing of member units; handling discounted notes of member units; handling fund settlement and payment of member units; providing the businesses of entrusted borrowings, bond underwriting, non-financing letters of guarantee, financial advisory, credit verification and consulting agency to member units; interbank lending; handling bill acceptance of member units; investments in fixed-income marketable securities.

CETIS

CETIS is wholly-owned by Shenzhen SZST Industry Co., Ltd.* (深圳市桑達實業股份有限公司) (a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000032) and is, as at the date of this announcement, held directly and indirectly as to approximately 47.23% by CEC and is a subsidiary of CEC), is an indirect subsidiary of CEC and is principally engaged in transportation of valuable goods; non-vessel shipping business; customs declaration; insurance; road cargo transportation; general freight transportation; special cargo transportation (containers, refrigerated storage); transportation of large objects; undertaking of international transportation agency business for imported and exported goods by sea and air transportation, including: cargo collection, booking, transshipment, container packing and unpacking, transportation of international exhibits, settlement of transportation charges, inspection, related short-distance transportation services and consulting services, etc..

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..

Epilight Industry

Epilight Industry is a wholly-owned subsidiary of Hefei IRICO Epilight Technology Co., Ltd. (“**Epilight Technology**”), as at the date of this announcement, insofar as the Board is aware, Epilight Technology is directly held:

- (i) as to approximately 45.45% by Hefei Haofang Asset Operation Company Limited* (合肥昊方資產經營有限公司), which is wholly-owned by Anhui Hefei Xinzhan High-tech Industrial Development Zone Finance Bureau* (安徽合肥新站高新技術產業開發區財政局);
- (ii) as to approximately 35.95% by IRICO Group; and

(iii) as to approximately 18.60% by Shanghai Epilight Technology Co., Ltd.* (上海藍光科技有限公司), which is a non-wholly owned subsidiary of IRICO Group and directly held as to approximately 57.08% by IRICO Group; as to approximately 9.21% by Hefei Xincheng Holding Group Co., Ltd.* (合肥鑫城控股集團有限公司), a company wholly-owned by Anhui Hefei Xinzhan High-tech Industrial Development Zone Finance Bureau* (安徽合肥新站高新技術產業開發區財政局); as to approximately 7.57% by Harbin Dazheng Property Management Limited Liability Company* (哈爾濱大正產權經營有限責任公司), which is held as to 99% by Heilongjiang Provincial Department of Finance Service Center and as to 1.00% by Heilongjiang Provincial Finance Cadre Training Center, and as to approximately 6.00% by Heilongjiang Dazheng Investment Group Limited Liability Company* (黑龍江省大正投資集團有限責任公司), which is wholly-owned by Heilongjiang Provincial Department of Finance. As at the date of this announcement, there are no other shareholders holding more than 5% equity interest in Shanghai Epilight Technology Co.,Ltd.* (上海藍光科技有限公司).

Epilight Industry is principally engaged in the research and development of key technologies for waste heat power generation, research and development of waste heat, waste pressure and waste gas utilization technologies, thermal production and supply, contract energy management, energy-saving management services, landscaping engineering construction, municipal facility management, manufacturing of photovoltaic equipment and components, sales of photovoltaic equipment and components, manufacturing of lighting apparatus, sales of lighting apparatus, manufacturing of semiconductor lighting devices, sales of semiconductor lighting devices, sales of display devices, manufacturing of power electronic components, sales of power electronic components, manufacturing of other electronic devices, wastewater treatment and its recycling, etc..

VIII. GENERAL

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, approve the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated thereunder, and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group. CEC and its associates (including IRICO Group and its subsidiaries, Rui Bou Electronics (HK) Limited, Zhongdian Financial Investment and Zhongdian IRICO) will abstain from voting on the relevant resolutions in respect of the above matters at the EGM.

The Independent Board Committee comprising of all independent non-executive Directors will be established to consider the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated thereunder, and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group, and provide advice to the Independent Shareholders. Octal Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the above matters.

Due to the need for additional time to prepare and implement certain information to be included in the circular, a circular containing, among other things: (i) details on the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated thereunder, and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group; (ii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) a letter from the Independent Board Committee to the Independent Shareholders; (iv) other information required under the Listing Rules; and (v) the notice of the EGM, is expected to be published on or before 30 November 2024.

IX. DEFINITIONS

“Assets Transfer Agreement”	the assets transfer agreement dated 23 October 2024 entered into between Hefei Photovoltaic, a wholly-owned subsidiary of the Company, and Epilight Industry, pursuant to which, Epilight Industry has agreed to transfer and Hefei Photovoltaic has agreed to acquire all assets of phase I and II kiln flue gas waste heat power generation and flue gas desulfurization and dust removal system owned by it at a consideration of RMB21,225,800 (exclusive of tax)
“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 with limited liability and the ultimate controlling Shareholder of the Company holding approximately 74.90% of the issued share capital of the Company through IRICO Group and its subsidiary, Rui Bou Electronics (HK) Limited, Zhongdian Financial Investment and Zhongdian IRICO, as at the date of this announcement
“CEC Finance”	China Electronics Financial Co., Ltd.* (中國電子財務有限責任公司), a company established in the PRC with limited liability, is a non-wholly owned subsidiary of CEC as at the date of this announcement and a connected person of the Company
“CETIS”	China Elec-Trans Int’l Service Co., Ltd.* (捷達國際運輸有限公司), a subsidiary of CEC as at the date of this announcement 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: 0438)

“Comprehensive Financial Cooperation Agreement”	the comprehensive financial cooperation agreement dated 23 October 2024 entered into between the Company and CEC Finance in respect of the provision of general credit, fund settlement and other services by CEC Finance to the Group
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened by the Company to consider and, if thought fit, to approve the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated thereunder, and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group
“Epilight Industry”	Hefei IRICO Epilight Industry Co., Ltd.* (合肥彩虹藍光實業有限公司), a company established in the PRC with limited liability, directly and indirectly owned as to 46.56% by IRICO Group on the date of this announcement and a connected person of the Company
“Group”	the Company and its subsidiaries
“Hefei Photovoltaic”	IRICO (Hefei) Photovoltaic Co., Ltd.* (彩虹(合肥)光伏有限公司), a company incorporated in the PRC with limited liability, is a wholly-owned subsidiary of the Company as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the committee of Directors consisting of Mr. Su Kun, Mr. Li Yong and Ms. Hao Meiping, who are independent non-executive Directors, which will be formed by the Company to advise the Independent Shareholders in respect of the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated thereunder, and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated thereunder, and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group
“Independent Shareholders”	the Shareholders other than CEC and its associates (including IRICO Group and its subsidiary, Rui Bou Electronics (HK) Limited, Zhongdian Financial Investment and Zhongdian IRICO) who will abstain from voting on the resolution with respect to the IRICO Group Master Purchase Agreement and the Zhongdian IRICO Master Purchase Agreement and the continuing connected transactions contemplated thereunder, and the continuing connected transactions contemplated under the Comprehensive Financial Cooperation Agreement in relation to the fund settlement services provided by CEC Finance to the Group

“IRICO Group”	IRICO Group Company Limited* (彩虹集團有限公司), a company incorporated in the PRC with limited liability and the controlling Shareholder of the Company holding, directly and indirectly, approximately 34.43% of the issued share capital of the Company as at the date of this announcement and a connected person of the Company
“IRICO Group Master Purchase Agreement”	the master purchase agreement dated 23 October 2024 entered into between the Company and IRICO Group in respect of the purchase of raw materials, coating solution, ink and other materials of photovoltaic industry, electricity, purchase of facilities and installation services and maintenance services for photovoltaic production business by the Group from IRICO Group and its associates
“IRICO Group Master Sales Agreement”	the master sales agreement dated 23 October 2024 entered into between the Company and IRICO Group in respect of the sales of utilities by the Group to IRICO Group and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Transportation Services Agreement”	the master services agreement dated 23 October 2024 entered into between the Company and CETIS in respect of the purchase of transportation services by the Group from CETIS and its associates
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding the Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous IRICO Group Master Purchase Agreement”	the master purchase agreement dated 26 October 2021 entered into between the Company and IRICO Group in respect of the purchase of packaging materials and raw materials, electricity, facilities and ancillary services for photovoltaic production business by the Group from IRICO Group and its associates

“Previous IRICO Group Master Sales Agreement”	the master sales agreement dated 26 October 2021 entered into between the Company and IRICO Group in respect of the sales of coated and tempered glass and power generation by steam device by the Group to IRICO Group and its associates
“Previous Master Transportation Services Agreement”	the master transportation services agreement dated 26 October 2021 entered into between the Company and CETIS in respect of the provision of transportation services by CETIS and its associates to the Group
“Previous Zhongdian IRICO Master Purchase Agreement”	the master purchase agreement dated 26 October 2021 entered into between the Company and Zhongdian IRICO in respect of the purchase of raw materials for solar photovoltaic business, production line facilities and installation services, utility operation and maintenance services, medical examination services and other services by the Group from Zhongdian IRICO and its associates
“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
“Zhongdian Financial Investment”	Zhongdian Financial Investment Holdings Co., Ltd.* (中電金投控股有限公司), a company established in the PRC with limited liability and a substantial shareholder of the Company, directly holding approximately 26.17% of the issued share capital of the Company, which is wholly owned by CEC as at the date of this announcement and a connected person of the Company
“Zhongdian IRICO”	Xianyang Zhongdian IRICO Group Holdings Ltd.* (咸陽中電彩虹集團控股有限公司), a company established in the PRC with limited liability and a substantial shareholder of the Company, directly holding approximately 14.30% of the issued share capital of the Company as at the date of this announcement and a connected person of the Company

“Zhongdian IRICO Master Purchase Agreement” the master purchase agreement dated 23 October 2024 entered into between the Company and Zhongdian IRICO in respect of the purchase of production line facilities and installation services, other utilities and ancillary services, operation and maintenance services and other services by the Group from Zhongdian IRICO and its associates

“%” Percent

The English names of the PRC entities adopted in this announcement marked “*” are translations from their Chinese names for identification purpose only.

By order of the Board
IRICO Group New Energy Company Limited*
Yang Hua
Chairlady

Shaanxi Province, the PRC
23 October 2024

As at the date of this announcement, the Board consists of Ms. Yang Hua and Mr. Ma Zhibin as executive directors, Mr. Fang Zhongxi and Mr. Wang Dong as non-executive directors, and Mr. Su Kun, Mr. Li Yong and Ms. Hao Meiping as independent non-executive directors.

* *For identification purpose only*