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Add New Energy Investment Holdings Group Limited

愛德新能源投資控股集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 02623)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY THREE (3) SHARES HELD ON RECORD DATE

References are made to the prospectus (the “**Prospectus**”) of Add New Energy Investment Holdings Group Limited (the “**Company**”) dated 19 May 2023 in relation to the Rights Issue on the basis of one (1) Rights Share for every three (3) Shares held on the Record Date and the announcement of the Company dated 7 June 2023 in relation to the applications for the Rights Shares and number of Unsubscribed Rights Shares subject to the Compensatory Arrangements (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE, THE COMPENSATORY ARRANGEMENTS AND THE UNDERWRITING AGREEMENT

The Board is pleased to announce that as all the conditions with respect to the Rights Issue, the Placing Agreement and the Underwriting Agreement had been fulfilled and the Placing Agreement and the Underwriting Agreement were not terminated by the Placing Agent and the Underwriter respectively, the Rights Issue became unconditional on Tuesday, 13 June 2023.

As disclosed in the Announcement, as at 4:00 p.m. on Monday, 5 June 2023, being the Latest Time for Acceptance, a total of four valid applications had been received for a total of 37,308,277 Rights Shares, representing approximately 42.6% of the total number of Rights Shares offered under the Rights Issue. Pursuant to the Irrevocable Undertakings, Mr. Li, Hongfa, Mr. Geng and Mr. Lang have respectively subscribed for 2,034,300 Rights Shares, 34,135,643 Rights Shares, 314,733 Rights Shares and 311,666 Rights Shares (which Hongfa and Mr. Lang subscribed one Rights Share less compared with their Irrevocable Undertakings due to the fractional entitlements attributable from their direct or indirect shareholding in relevant brokerage firms) provisionally allotted to them respectively. The remaining 50,280,055 Unsubscribed Rights Shares, representing approximately 57.4% of the total number of Rights Shares offered under the Rights Issue, will be subject to the Compensatory Arrangements.

As at 4:00 p.m. on Monday, 12 June 2023, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, no Unsubscribed Rights Shares had been successfully placed. Therefore, there is no Net Gain available to be distributed to the No Action Shareholders under the Compensatory Arrangements.

As a result of the under-subscription of the Rights Shares and the Placing, Hongfa had performed its underwriting obligations to subscribe for a total of 50,280,055 Rights Shares, pursuant to the terms of the Underwriting Agreement, representing approximately 57.4% of the total number of Rights Shares available for subscription under the Rights Issue. Based on the 50,280,055 Rights Shares underwritten by Hongfa, together with the 2,034,300 Rights Shares, 34,135,643 Rights Shares, 314,733 Rights Shares and 311,666 Rights Shares provisionally allotted to Mr. Li, Hongfa, Mr. Geng and Mr. Lang under their entitlement and subscribed by them respectively pursuant to the Irrevocable Undertakings (which Hongfa and Mr. Lang subscribed one Rights Share less compared with their Irrevocable Undertakings due to the fractional entitlements attributable from their direct or indirect shareholding in relevant brokerage firms), the aggregate number of Shares held by Mr. Li, the Underwriter and parties acting in concert with any of them (including Mr. Geng and Mr. Lang) represent approximately 56.4% of the enlarged issued share capital of the Company upon completion of the Rights Issue.

The gross proceeds from the Rights Issue (before the Offset and expenses) were approximately HK\$99.9 million and the net proceeds from the Rights Issue (before the Offset and after deducting the estimated expenses) were approximately HK\$97.4 million. As disclosed in the Prospectus, the Company intends to apply the net proceeds from the Rights Issue as to (i) approximately 73.1% (being approximately HK\$71.2 million) for Offset/Repayment of the outstanding Shareholder's Loan of the Group; (ii) approximately 3.2% (being approximately HK\$3.1 million) for settlement of the outstanding Borrowings and accrued interest of the Group; (iii) approximately 10.4% (being approximately HK\$10.1 million) for developing low-carbon project(s); and (iv) approximately 13.3% (being approximately HK\$13.0 million) as general working capital of the Group, including but not limited to daily operational expenses and staff cost of the Group.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company immediately before and after completion of the Rights Issue, assuming no new issue or repurchase of Shares up to completion of the Rights Issue save for the Rights Issue:

Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Hongfa (Note 1)	102,406,933	39.0	186,822,631	53.3
Mr. Li	6,102,900	2.3	8,137,200	2.3
Mr. Geng (Note 2)	944,200	0.4	1,258,933	0.4
Mr. Lang (Note 3)	935,000	0.4	1,246,666	0.4
Sub-total of Mr. Li, the Underwriter and parties acting in concert with any of them	110,389,033	42.1	197,465,430	56.4
Other public Shareholders	152,375,963	57.9	152,887,898	43.6
Total	<u>262,764,996</u>	<u>100.0</u>	<u>350,353,328</u>	<u>100.0</u>

Note 1: Mr. Li beneficially holds the entire issued share capital of Hongfa, a company incorporated in the BVI with limited liability. For the purposes of the SFO, Mr. Li is deemed or taken to be interested in all the Shares held by Hongfa.

Note 2: Mr. Geng is a Director of the Company. Mr. Geng is a party acting in concert with Mr. Li by virtue of his capacity as a director of Hongfa and a Director, pursuant to class 2 and class 6 of the definition of acting in concert under the Takeovers Code.

Note 3: Mr. Lang is a Director of the Company and Mr. Lang beneficially holds the entire issued share capital of Novi and All Five Capital. For the purposes of the SFO, Mr. Lang is deemed or taken to be interested in all the Shares held by Novi and All Five Capital. Mr. Lang is a party acting in concert with Mr. Li by virtue of his capacity as a Director, pursuant to class 6 of the definition of acting in concert under the Takeovers Code.

DESPATCH OF SHARE CERTIFICATES

The share certificates for the fully-paid Rights Shares are expected to be posted on Tuesday, 20 June 2023 to those entitled thereto by ordinary post, at their own risks, to their registered addresses.

COMMENCEMENT OF DEALINGS IN THE RIGHTS SHARES

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Wednesday, 21 June 2023.

By order of the Board
Add New Energy Investment Holdings Group Limited
Li Yunde
Chairman

Hong Kong, 19 June 2023

As at the date of this announcement, the executive Directors are Mr. Li Yunde (Chairman), Mr. Geng Guohua (Chief Executive Officer) and Mr. Lang Weiguo; the independent non-executive Directors are Mr. Leung Nga Tat, Mr. Zhang Jingsheng and Mr. Li Xiaoyang.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.