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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO

- (I) THE CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE;
(II) THE SUPPLEMENTAL PLACING AGREEMENT; AND
(III) THE SUPPLEMENTAL OFFSET AGREEMENT**

References are made to the announcements of Add New Energy Investment Holdings Group Limited (the “**Company**”) dated 11 January 2023 and 1 February 2023 (together, the “**Announcements**”) in relation to, among other matters, the Share Consolidation, the Rights Issue, the Underwriting Agreement, the Offset, the Placing Agreement and the Whitewash Waiver. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

(I) THE CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

As disclosed in the Announcements, the estimated gross proceeds from the Rights Issue will be approximately HK\$99.8 million and the estimated net proceeds from the Rights Issue before the Offset and after deducting all necessary expenses of approximately HK\$2.4 million will be approximately HK\$97.4 million (the “**Net Proceeds**”). On 28 January 2023, there was loan from Hongfa made to the Group amounting to HK\$10.0 million for (i) settlement of the outstanding principal and accrued interest of Hong Kong Bonds amounting to approximately HK\$6.2 million; and (ii) as general working capital of the Group. As at the date of this announcement, the Shareholder’s Loans owed by the Company to Mr. Li and Hongfa was in the principal of approximately HK\$71.2 million in aggregate and the outstanding principal and accrued interest of Hong Kong Bonds was approximately HK\$3.1 million. After considering the above recent development of the Company, the Net Proceeds are intended to be used in the following matters:

- (i) approximately 73.1% (being approximately HK\$71.2 million) for Offset/Repayment of the outstanding Shareholder’s Loans of the Group;
- (ii) approximately 3.2% (being approximately HK\$3.1 million) for settlement of the outstanding Hong Kong Bonds 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.

The Board considers that the above use of proceeds (i) may alleviate the financial burden of the Group; and (ii) are necessary for business operation and development of the Group.

(II) THE SUPPLEMENTAL PLACING AGREEMENT

The Board announces that on 8 February 2023 (after trading hours), the Company and the Placing Agent entered into a supplemental agreement to the Placing Agreement (the “**Supplemental Placing Agreement**”), pursuant to which the Company and the Placing Agent agreed to amend the details of the placee(s). For the sake of completeness, details of the placee(s) of the Supplemental Placing Agreement are set out as below:

The Placing Agent shall ensure that the Placing Shares (a maximum number of 50,791,988 Unsubscribed Rights Shares) are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owner(s) shall be the Independent Third Parties; and (ii) such that the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing. The Placing Agent will ensure it will, and will procure the sub-placing agent(s) to, place the Unsubscribed Rights Shares to the placee(s) to the extent that upon completion of the Placing, at least 25% of the total issued Shares of the Company will be held by the public (within the meaning under the Listing Rules) such that the public float requirement under Rule 8.08 of the Listing Rules will be complied with by the Company. Save as expressly amended or modified above by the Supplemental Placing Agreement, all the terms and conditions of the Placing Agreement shall continue to be binding and remain in full force and effect.

(III) THE SUPPLEMENTAL OFFSET AGREEMENT

The Board announces that on 8 February 2023 (after trading hours), the Company, Mr. Li and the Underwriter entered into a supplemental agreement (the “**Supplemental Offset Agreement**”) to the offset agreement dated 11 January 2023 (the “**Offset Agreement**”) entered into between the Company, Mr. Li and the Underwriter in relation to the Offset, pursuant to which the Company, Mr. Li and the Underwriter agreed to update the balance of Shareholder’s Loans as below:

As at the date of the Supplemental Offset Agreement, the total outstanding principal amount of the Shareholder’s Loans owed by the Company to Mr. Li and the Underwriter was in the principal of approximately HK\$71.2 million in aggregate. Save as expressly amended or modified above by the Supplemental Offset Agreement, all the terms and conditions of the Offset Agreement shall continue to be binding and remain in full force and effect.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-section headed “Termination of the Underwriting Agreement” under the section headed “The Underwriting Agreement” in the Announcements). Accordingly, the Rights Issue may or may not proceed.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the existing Shares and/or the nil-paid Rights Shares. Any party (including Shareholders and potential investors of the Company) who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

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

Hong Kong, 8 February 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.