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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)

MAJOR ACQUISITION TRANSACTION
IN RESPECT OF
LAND USE RIGHTS FOR CONSTRUCTION LAND

LAND USE RIGHTS CONTRACT I

The Board announces that on 7 July 2023, Shandong Ishine Mining, an indirect wholly-owned subsidiary of the Company, entered into the Land Use Rights Contract I with the Yishui Nanmenlou Village Cooperative. Pursuant to which, Yishui Nanmenlou Village Cooperative agreed to lease the Land I located in the south of Guanzhuang Village, Jiangjia, Yishui County, to the east of Bo Road, with parcel number Yishui County JT-2023-0601 to Shandong Ishine Mining, with the lease amount of RMB10,379,700 for a term of 40 years.

LAND USE RIGHTS CONTRACT II

The Board hereby announces that on 7 July 2023, Shandong Ishine Mining entered into the Land Use Rights Contract II with (i) Yishui Nanmenlou Village Cooperative and (ii) Yishui County Jiangjiuguanzhuang Village Cooperative. Pursuant to which, Yishui Nanmenlou Village Cooperative and Yishui County Jiangjiuguanzhuang Village Cooperative agree to lease the Land II located in the south of Jiangjiuguanzhuang Village and east of Yibo Road with parcel number Yishui County JT-2023-0602 to Shandong Ishine Mining, with the lease amount of RMB 45,104,100 for a term of 40 years.

LISTING RULES IMPLICATIONS

Since Land I and Land II are adjacent land parcels, Leasing of Land I and Leasing of Land II must be aggregated for calculation in accordance with Rule 14.22 of the Listing Rules. A percentage ratio of these leases exceeds 25% in accordance with Rule 14.07 of the Listing

Rules, and therefore the entering into of the Land Use Rights Contracts constituted a major acquisition of the Company and is subject to the reporting, announcement, circular and shareholder approval requirements under Chapter 14 of the Listing Rules.

REASONS FOR FAILURE TO COMPLY WITH LISTING RULES

After reviewing the percentage ratios for the above transactions, the Board admitted that the Company had inadvertently failed to comply with the applicable requirements under the Listing Rules for the reasons set out in the paragraph below. The Company should have complied with the relevant reporting, announcement and shareholder approval obligations in accordance with Chapter 14 of the Listing Rules in connection with the Land Use Rights Contracts when such obligations arose. Regrettably, the Company admitted that its delay in complying with the notification and announcement requirements under Chapter 14 of the Listing Rules in relation to these lease contracts was due to its inadvertent oversight.

LAND USE RIGHTS CONTRACT I

The Board announces that on 7 July 2023, Shandong Ishine Mining, an indirect wholly-owned subsidiary of the Company, entered into the Land Use Rights Contract I with the Nanmenlou Village Cooperative of Yishui County. Pursuant to which, the Nanmenlou Village Cooperative of Yishui County agreed to lease the Land I located in the south of Guanzhuang Village, Jiangjia, Yishui County, to the east of Bo Road, with parcel number Yishui County JT-2023-0601 to Shandong Ishine Mining, with the lease amount of RMB10,379,700 for a term of 40 years.

Date

7 July 2023

Parties

- (i) Shandong Ishine Mining as the lessee
- (ii) Yishui Nanmenlou Village Cooperative as the lessor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Yishui Nanmenlou Village Cooperative is a group of approximately 2,181 residents residing on Land I who are third parties independent of the Company and connected persons of the Company.

Lease Land

Pursuant to the Land Use Rights Contract I, Yishui Nanmenlou Village Cooperative agreed to lease the Land I located at south of Jiangjia Guanzhuang Village, east of Yibo Road, with parcel number Yishui County JT-2023-0601, to Shandong Ishine Mining for a term of 40 years from the delivery date on 30 July 2023.

Land I is located at south of Jiangjia Guanzhuang Village and east of Yibo Road, bounded by the dry land of Nanmenlou Village to the east, other woodlands of Nanmenlou Village to the south, and the dry land of Nanmenlou Village and the arbor woodland of Beinanmenlou Village to the west, with the land area of 37,404 square meters.

Lease Amount

The Lease Amount I of Land Use Rights I is RMB10,379,700.

The Lease Amount I is determined based on the lease price of adjacent land.

The Lease Amount I has been funded by the Group's internal resources.

LAND USE RIGHTS CONTRACT II

The Board announces that on 7 July 2023, Shandong Ishine Mining entered into the Land Use Rights Contract II with (i) Yishui Nanmenlou Village Cooperative and (ii) Yishui Jiangjiuguanzhuang Village Cooperative. Pursuant to which, Yishui Nanmenlou Village Cooperative and Yishui Jiangjiuguanzhuang Village Cooperative agree to lease the Land II located in the south of Jiangjiuguanzhuang Village and east of Yibo Road with parcel number Yishui County JT-2023-0602 to Shandong Ishine Mining, with the lease amount of RMB 45,104,100 for a term of 40 years.

Parties

- (i) Shandong Ishine Mining as the lessee
- (ii) Yishui Nanmenlou Village Cooperative; and
Yishui Jiangjiuguanzhuang Village Cooperative
as the lessor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Nanmenlou Village Cooperative in Yishui County is a group of approximately 2,181 residents residing on Land II and the Yishui County Jiangjiuguanzhuang Village Cooperative is a group approximately 1,216 residents residing on Land II who are third parties independent of the Company and connected persons of the Company.

Lease Land

Pursuant to which, Yishui Nanmenlou Village Cooperative and Yishui Jiangjiaguanzhuang Village Cooperative agree to lease the Land II located in the south of Jiangjiaguanzhuang Village and east of Yibo Road with parcel number Yishui County JT-2023-0602 to Shandong Ishine Mining for a term of 40 years from the delivery date on 30 July 2023.

Land II is located at south of Jiangjia Guanzhuang Village, east of Yibo Road, to other forest lands in Nanmenlou Village to the east, to rural roads to the south, to rural roads to the west, and to Jiangjia Guanzhuang Village facility land to the north, with land area of 162,537 square meters.

Lease Amount

The Lease Amount II of Land Use Rights I is RMB45,104,100.

The Lease Amount II is determined based on the lease price of adjacent land.

The Lease Amount II has been funded by the Group's internal resources.

REASONS AND BENEFITS OF THE LAND USE RIGHTS CONTRACTS

Shandong Ishine Mining leases the land to build a comprehensive utilization of green low-carbon ferrotitanium resources and a deep processing research and development center for titanium materials that integrates the entire titanium industry chain, and establishes a high-standard intelligent production line, including a raw ore workshop, a grinding and dressing workshop, and a fine powder workshop. Build a sedimentation return tank to effectively solve the zero-discharge water recycling process in the workshop and achieve low-carbon and efficient reuse. Make full use of the Group's titanium resource reserve advantages and mature titanium separation technology.

The Board believes that the Land Use Rights Contracts meet the long-term development needs of the Group and are in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

The Company is an exempted company with limited liability incorporated under the laws of the Cayman Islands and its shares are listed on the Stock Exchange. The principal activities of the Group are the exploration, mining and processing of iron ore and ilmenite and the trading of iron concentrates and other minerals in Shandong Province, the PRC.

Shandong Ishine Mining is a limited company incorporated in China and is mainly engaged in the processing minerals in China.

Information of the Lessors

Yishui Nanmenlou Village Cooperative is a group of approximately 2,181 residents living on Land I and Land II and Yishui Jiangjia Guanzhuang Village Cooperative is a group of approximately 1,216 residents living on Land II.

LISTING RULES IMPLICATIONS

Since Land I and Land II are adjacent land parcels, Leasing of Land I and Leasing of Land II must be aggregated for calculation in accordance with Rule 14.22 of the Listing Rules. A percentage ratio of these leases exceeds 25% in accordance with Rule 14.07 of the Listing Rules, and therefore the entering into of the Land Use Rights Contracts constituted a major acquisition of the Company and is subject to the reporting, announcement, circular and shareholder approval requirements under Chapter 14 of the Listing Rules.

REASONS FOR FAILURE TO COMPLY WITH LISTING RULES

After reviewing the percentage ratios for the above transactions, the Board admitted that the Company had inadvertently failed to comply with the applicable requirements under the Listing Rules for the reasons set out in the paragraph below. The Company should have complied with the relevant reporting, announcement and shareholder approval obligations in accordance with Chapter 14 of the Listing Rules in connection with the Land Use Rights Contracts when such obligations arose. Regrettably, the Company admitted that its delay in complying with the notification and announcement requirements under Chapter 14 of the Listing Rules in relation to these lease contracts was due to its inadvertent oversight.

REMEDIAL MEASURES

Given that the Land Use Rights Contracts have been completed and all material information regarding the transactions is set out in this announcement, no circular is expected to be sent to the shareholders of the Company.

The Company will comply with the applicable requirements of Chapter 14 of the Listing Rules for future notifiable transactions, including transactions to be carried out on leasing of land or transactions of a similar nature.

In order to prevent similar incidents from happening again and ensure timely compliance with the relevant provisions of the Listing Rules in the future, the Company will take the following remedial measures:

- (a) The Company will arrange (i) regular department meetings to monitor notifiable transactions; (ii) strengthen the reporting system between departments and directors; and (iii) provide information to directors, senior management and financial personnel of the Group Provide more guidance materials and training on compliance matters on a regular basis to enhance their awareness and understanding of the Listing Rules; and

(b) Strengthen the internal control system through, among others, all management (at the Company and subsidiary levels) are required to submit to the Finance Department for review before entering into any agreement whether it will constitute any notifiable transaction.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used herein shall have the following meanings:

“Board”	the board of Directors
“Company”	Add New Energy Investment Holdings Group Limited, a limited liability company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange (stock code: 2623)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Hong Kong”	the Hong Kong special administrative region of the People’s Republic of China
“Land I”	the land located at the south of Guanzhuang Village in Jiangjia, east of Yibo Road, with parcel number Yishui County JT-2023-0601
“Land II”	Located in the south of Guanzhuang Village in Jiangjia, east of Yibo Road, land with parcel number Yishui County JT-2023-0602
“Land Use Rights Contract I”	the land use rights contact entered into between Shandong Ishine Mining and Yishui Nanmenlou Village Cooperative* (沂水縣南門樓村合作社) on 7 July 2023 for the leasing of Land I
“Land Use Rights Contract II”	the land use rights contact entered into between Shandong Ishine Mining and (i) Yishui Nanmenlou Village Cooperative* (沂水縣南門樓村合作社) and (ii) Yishui Jiangjiuguanzhuang Village Cooperative* (沂水縣江家官莊村合作社) on 7 July 2023 for the leasing of Land II
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	The People’s Republic of China (for the purpose of this announcement, exclude Hong Kong, Macau special administrative region of the PRC and Taiwan)
“Shandong Ishine Mining”	山東盛泰礦業科技有限公司 (Shandong Ishine Mining Industry Co., Ltd.*), is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of par value of HK\$0.04 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	the percentage

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

Hong Kong, 30 April 2024

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.

**translation for identification purpose only*