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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors of the Company that, based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the financial information currently available, it is expected that the Group will record a loss of approximately RMB16 million for the six months ended 30 June 2024 as compared with a profit of approximately RMB33 million in the same corresponding period last year.

The loss are mainly due to the decrease in revenue by approximately RMB791 million due to slow-down of trading activities since second half of 2023 due to fierce price fluctuation of minerals, as well as temporary delay in processing orders received in first few months of 2024, which resulted in a drop in gross profit by approximately RMB63 million, and was partly offset by (1) gain of approximately RMB7 million on disposal of an exploration right on Gaozhuang Shangyu Ilmenite Mine; and (2) decrease in income tax expense by approximately RMB7 million due to decreasing profit from the trading segment.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Add New Energy Investment Holdings Group Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company hereby informs the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the financial information currently available, it is expected that the Group will record a loss of approximately RMB16 million for the six months ended 30 June 2024 as compared with a profit of approximately RMB33 million in the same corresponding period last year.

The loss are mainly due to the decrease in revenue by approximately RMB791 million due to slow-down of trading activities since second half of 2023 due to fierce price fluctuation of minerals, as well as temporary delay in processing orders received in first few months of 2024, which resulted in a drop in gross profit by approximately RMB63 million, and was partly offset by (1) gain of approximately RMB7 million on disposal of an exploration right on Gaozhuang Shangyu Ilmenite Mine; and (2) decrease in income tax expense by approximately RMB7 million due to decreasing profit from the trading segment.

Reference is made to the circular of the Company dated 26 July 2024 relating to the disposal of the mining right of Yangzhuang Iron Mine (including the ore processing plant), exploration right of Qinjiazhuang Ilmenite Mine, Yangzhuang Iron Mine production land (including leased and contracted land), buildings and production facilities (the “**Disposal**”). The Shareholders approved the Disposal at the extraordinary general meeting of the Company held on 16 August 2024 and the condition precedent to the Disposal has been fulfilled. It is expected that the Group will record a gain on Disposal of approximately RMB118.62 million in the second half of 2024 which is subject to further review and assessment.

The Company is in the process of finalising the consolidated interim results of the Group for the six months ended 30 June 2024. The information contained in this announcement is only based on the preliminary review of the information currently available, which has not been audited or reviewed by the auditor of the Company. The above information may be subject to further adjustments upon further review. Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Group for the six months ended 30 June 2024, which is expected to be published by the end of August 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 21 August 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, Mr. Li Xiaoyang and Ms. Cheng Shuk Teh Esther.