



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: 2623)

Executive Directors:

Mr. Li Yunde (*Chairman*)
Mr. Geng Guohua (*Chief Executive Officer*)
Mr. Lang Weiguo

Registered office:

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

Independent non-executive Directors:

Mr. Leung Nga Tat
Mr. Li Xiaoyang
Mr. Zhang Jingsheng
Ms. Cheng Shuk Teh Esther

Principal place of business in Hong Kong:

Suite 3105, 31/F
Tower 6, The Gateway
Harbour City
9 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong

Company Secretary:

Ms. Chan Yuen Ying, Stella

18 December 2025

To Offer Shareholders:

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY GENERAL CASH OFFER BY
SOMERLEY CAPITAL LIMITED
FOR AND ON BEHALF OF
PROMINENCE INVESTMENT HOLDING COMPANY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
PROMINENCE INVESTMENT HOLDING COMPANY LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

1. INTRODUCTION

Reference is made to the Joint Announcement.

The Board was informed by the Offeror that on 15 October 2025 (after trading hours of the Stock Exchange), the Vendors, as sellers, and the Offeror and Purchaser B, as Purchasers entered into the Sale and Purchase Agreement, pursuant to which the Vendors agreed to sell and the Purchasers agreed to purchase an aggregate of 194,959,831 Shares, being the Sale Shares (representing approximately 55.66% of the total issued share capital of the Company as at the date of the Joint Announcement and as at the Latest Practicable Date), for an aggregate cash consideration of HK\$80,000,000 (equivalent to approximately HK\$0.4103 per Sale Share. The Completion took place on 15 October 2025 immediately after the entering into of the Sale and Purchase Agreement.

Immediately before Completion, the Offeror, its ultimate beneficial owners and the parties acting in concert with any of them (including Purchaser B) did not hold, own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Immediately following Completion and as at the Latest Practicable Date, the Offeror, its ultimate beneficial owners and the parties acting in concert with any of them (including Purchaser B) are interested in an aggregate of 194,959,831 Shares, representing approximately 55.66% of the entire issued share capital of the Company.

Accordingly, pursuant to Rule 26.1 of the Takeovers Code, following Completion, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it).

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other matters, (i) information relating to the Group, the Offeror and the Offer; (ii) a letter from Somerley containing, among other things, details of the Offer; (iii) a letter of recommendation from the Independent Board Committee containing its recommendations to the Offer Shareholders in relation to the Offer; and (iv) a letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee on the Offer and as to their acceptance; and (v) the Form of Acceptance.

Unless the context otherwise requires, terms defined in this Composite Document shall have the same meanings when used in this letter.

2. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Leung Nga Tat, Mr. Li Xiaoyang, Mr. Zhang Jingsheng and Ms. Cheng Shuk Teh Esther, each of whom being an independent non-executive Director who has no direct and indirect interest in the Offer, has been established to make recommendation to the Offer Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer in accordance with Rules 2.1 and 2.8 of the Takeovers Code.

With the approval of the Independent Board Committee, and pursuant to Rule 2.1 of the Takeovers Code, Red Sun Capital Limited has been appointed by the Company to act as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

3. THE OFFER

As disclosed in the “Letter from Somerley” in this Composite Document, Somerley will, for and on behalf of the Offeror, make the Offer in compliance with the Takeovers Code on the following terms:

For each Offer Share HK\$0.4104 in cash

The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive all dividends and distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document. As at the Latest Practicable Date, no dividend and/or other distribution had been declared but not yet paid to the Shareholders, nor did the Board have any plan to declare any dividend or other distribution before the close of the Offer.

Further details of the Offer are set out under the section headed “Letter from Somerley” and Appendix I in this Composite Document and the accompanying Form of Acceptance, which together set out the terms and conditions of the Offer and certain related information.

4. OFFEROR’S INTENTION ON THE COMPANY

Your attention is drawn to the paragraphs headed “Intention of the Offeror in relation to the Group” in the “Letter from Somerley” in this Composite Document which sets out the intention of the Offeror regarding the Group.

The Board is pleased to note the intention of the Offeror in respect of the Group as disclosed. The Board is willing to cooperate with the Offeror for the best interests of the Company and its Shareholders as a whole.

5. INFORMATION OF THE OFFEROR

Your attention is drawn to the section headed “Information on the Purchasers” in the “Letter from Somerley” in this Composite Document for information relating to the Offeror.

6. INFORMATION OF THE GROUP

The Company, an investment holding company, is incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 2623). The Group is principally engaged in iron ore processing and sales of iron concentrates and other minerals in the PRC.

Shareholding structure of the Company

The table below sets out the shareholding structure of the Company immediately (i) before the Completion and (ii) after the Completion and as at the Latest Practicable Date:

	Immediately before Completion		Immediately after Completion and as at the Latest Practicable Date	
	<i>No. of Shares Approximate%</i>		<i>No. of Shares Approximate%</i>	
Vendors				
Vendor A (<i>Note 1</i>)	186,822,631	53.34	—	—
Vendor B (<i>Note 4</i>)	8,137,200	2.32	—	—
<i>Subtotal</i>	<u>194,959,831</u>	<u>55.66</u>	<u>—</u>	<u>—</u>
Offeror and parties acting in concert with it				
Offeror	—	—	175,493,551	50.10
Purchaser B	—	—	19,466,280	5.56
<i>Subtotal</i>	<u>—</u>	<u>—</u>	<u>194,959,831</u>	<u>55.66</u>
Directors (other than Vendor B)				
Mr. Geng Guohua (<i>Notes 2 and 4</i>)	1,258,933	0.36	1,258,933	0.36
Mr. Lang Weiguo (<i>Notes 3 and 4</i>)	1,246,666	0.35	1,246,666	0.35
<i>Subtotal</i>	<u>2,505,599</u>	<u>0.71</u>	<u>2,505,599</u>	<u>0.71</u>
Public Shareholders	<u>152,821,098</u>	<u>43.63</u>	<u>152,821,098</u>	<u>43.63</u>
Total	<u><u>350,286,528</u></u>	<u><u>100.00</u></u>	<u><u>350,286,528</u></u>	<u><u>100.00</u></u>

Notes:

1. Vendor A is a company wholly owned by Vendor B.
2. Mr. Geng Guohua is an executive Director.
3. Such Shares include 1,203,333 Shares held by All Five Capital Ltd and 43,333 Shares held by Novi Holdings Limited, each being a company wholly owned by Mr. Lang Weiguo, an executive Director.
4. Other than Vendor B, Mr. Geng Guohua and Mr. Lang Weiguo, no Director held/holds any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the Latest Practicable Date.
5. Figures presented in the table above are subject to rounding adjustments.

Your attention is also drawn to Appendices II and IV to this Composite Document which contain the financial information and the general information of the Group, respectively.

7. PROPOSED CHANGE OF THE BOARD COMPOSITION

Your attention is drawn to the paragraphs headed “Proposed Change of the Board Composition” in the “Letter from Somerley” in this Composite Document.

As at the Latest Practicable Date, the Board comprised three executive Directors, namely Mr. Li Yunde (Chairman), Mr. Geng Guohua (Chief Executive Officer) and Mr. Lang Weiguo, and four independent non-executive Directors, namely Mr. Leung Nga Tat, Mr. Zhang Jingsheng, Mr. Li Xiaoyang and Ms. Cheng Shuk Teh Esther.

The Board is aware that pursuant to the Sale and Purchase Agreement, Mr. Li Yunde (as Vendor B) has tendered his resignation, and the Vendors shall procure such other existing Directors (other than Mr. Geng Guohua for reasons as stipulated in the paragraphs headed “Proposed Change of the Board Composition” in the “Letter from Somerley” in this Composite Document) as may be specified by the Purchasers to resign, as Directors with effect from the earliest time permitted under the Takeovers Code, the Listing Rules and other laws, regulations and rules applicable to the Company. The Board is aware that the Offeror intends to nominate new Directors to the Board and will request the resignation of the existing executive Directors (save for Mr. Geng Guohua) and two independent non-executive Directors in accordance with relevant requirements of the Takeovers Code, the Listing Rules or other applicable regulations. As at the Latest Practicable Date, the Offeror intends to nominate five executive Directors, two non-executive Directors and two independent non-executive Directors to the Board with effect from after the Composite Document is posted on the date of dispatch of this Composite Document (being the earliest date as permitted under the Takeovers Code). Please refer to the paragraph headed “Proposed Change of the Board Composition” in the “Letter from Somerley” in this Composite Document for the biographical information of the proposed Directors nominated by the Offeror.

The above appointments and resignations will be made as and when appropriate in accordance with the Takeovers Code and the Listing Rules. Further announcement(s) and/or disclosure(s) will be made upon any changes to the composition to the Board in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

8. PUBLIC FLOAT AND LISTING STATUS OF THE COMPANY

Your attention is drawn to the section headed “Maintaining the Listing Status of the Company” in the “Letter from Somerley” in this Composite Document.

9. FURTHER INFORMATION

You are advised to read the “Letter from Somerley” in this Composite Document and the accompanying Form of Acceptance for information relating to the Offer and the acceptance and settlement procedures of the Offer. Your attention is also drawn to the additional information contained in the appendices to this Composite Document.

10. RECOMMENDATION

Your attention is drawn to (i) “Letter from the Independent Board Committee” as set out on pages 30 to 31 of this Composite Document, which contains the recommendation of the Independent Board Committee to the Offer Shareholders in relation to the Offer; and (ii) “Letter from the Independent Financial Adviser” as set out on pages 32 to 62 of this Composite Document, which sets out the advice and recommendation of the Independent Financial Adviser to the Independent Board Committee in relation to the Offer and the principal factors considered by it before arriving at its recommendation. You are urged to read both letters and the other information contained in this Composite Document carefully before taking any action in respect of the Offer.

In considering what action to take in response to the Offer, you should also consider your own tax positions, if any, and in case of doubt, consult your professional advisers.

By Order of the Board
Add New Energy Investment Holdings Group Limited

Li Yunde
Chairman

A stylized handwritten signature in black ink, consisting of several fluid, connected strokes, positioned to the right of the printed name and title.