



ZHENENG JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED

浙能锦江环境控股有限公司

(Company Registration Number: 245144)

(Incorporated in the Cayman Islands on 8 September 2010)

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

Pursuant to Rule 706A of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors (the **"Board"**) of Zheneng Jinjiang Environment Holding Company Limited (the **"Company"**), and together with its subsidiaries, the **"Group"**) wishes to announce the following corporate actions that occurred during the six-month period ended 31 December 2024:

1. DISPOSAL OF MINORITY EQUITY INTEREST IN PRC PROJECT COMPANY

The Board wishes to announce that the Company's indirect wholly-owned subsidiary in the People's Republic of China (**"PRC"**), Lin'an Jiasheng Environment Co., Ltd. (临安嘉盛环保有限公司) (**"Lin'an Jiasheng"**), has transferred its entire 6.8% equity interest in Yulin Green New Energy Co., Ltd. (榆林绿能新能源有限公司) (**"Yulin Green Energy"**) to Shaanxi Guoyuan Environment Protection Development Co., Ltd (陕西国源环保发展有限公司) (**"Shaanxi Environment"**), an unrelated third party which is the Group's local partner, for a total consideration of RMB9.74 million fully paid in cash, which was determined based on a valuation of Yulin Green Energy conducted by an independent third party valuer (the **"Equity Transfer"**). Yulin Green Energy owns and operates an operational waste-to-energy (**"WTE"**) facility located in Yulin City, Shaanxi Province.

As disclosed in the Company's announcement dated 3 April 2017, Shaanxi Environment, Yulin Gaoxin Holding Group Co., Ltd. (榆林高新控股集团有限公司) (formerly known as Yulin Yuheng Industry Group Co., Ltd. (榆林榆横实业集团有限责任公司)) (**"Yulin Gaoxin"**) and Yulin Energy Chemical Engineering Investment Co., Ltd. (榆林能源化工投资有限公司) (**"Yulin Energy"**), which are state-owned enterprises which invest in energy and environmental projects in the PRC, had agreed to invest in Yulin Green Energy as strategic investors via an increase in its registered capital.

As disclosed in the Company's announcement dated 11 August 2020, the Group had previously transferred an 8.2% and 19.0% equity interest in Yulin Green Energy to Shaanxi Environment and Yulin Gaoxin respectively, following which the equity interest in Yulin Green Energy was held as to 44.2% by Shaanxi Environment, as to 34.0% by Yulin Gaoxin, as to 15.0% by Yulin Energy and as to 6.8% by the Group (prior to the Equity Transfer). The parties had agreed at such time that the 6.8% equity interest in Yulin Green Energy retained by the Group would be transferred to Shaanxi Environment for the aforesaid consideration upon the occurrence of certain events, which have since occurred and resulted in the parties proceeding to complete the Equity Transfer.

Following the Equity Transfer, the Group ceases to hold any equity interest in Yulin Green Energy, and the equity interest in Yulin Green Energy is held as to 51.0% by Shaanxi Environment, as to 34.0% by Yulin Gaoxin and as to 15.0% by Yulin Energy.

As at 31 December 2022 (being the latest financial statements available to the Group prior to the completion of the Equity Transfer), the unaudited net asset value represented by the 6.8% equity interest in Yulin Green Energy is approximately RMB5.94 million. Yulin Green Energy has a registered capital of RMB110 million.

In view of the high capital commitment for construction of new WTE projects and the considerable period of time required for newly completed WTE facilities to begin generating profits, the Group had agreed to the Equity Transfer at the material time to rationalise its financial and capital resources and manage its balance sheet and capital expenditure requirements.

2. INTERNAL RESTRUCTURING OF PRC SUBSIDIARY

Pursuant to an internal restructuring exercise, the Group has transferred the entire equity interest in its indirect, wholly-owned PRC subsidiary Luannan Jinhuan New Energy Co., Ltd. (滦南锦环新能源有限公司) (“**Luannan Jinhuan**”) from its indirect, wholly-owned PRC subsidiary Tangshan Jinhuan New Energy Co., Ltd. (唐山市锦环新能源有限公司) to its indirect, wholly-owned PRC subsidiary Leting Jinhuan New Energy Co., Ltd. 乐亭县锦环新能源有限公司) (“**Leting Jinhuan**”), for a consideration of RMB 1 payable in cash, as Luannan Jinhuan had net liabilities based on a valuation of Luannan Jinhuan conducted by an independent third party valuer (the “**Internal Transfer**”).

Luannan Jinhuan is a project company which operates a waste resource recycling facility in Luannan County, Tangshan City, Hebei Province. Leting Jinhuan owns and operates a WTE facility located in Leting County, Hebei Province.

The Internal Transfer was undertaken with a view to streamlining operations given that Luannan Jinhuan and Leting Jinhuan are vertically integrated, as household waste from Luannan County is first centrally processed at the waste resource recycling facility operated by Luannan Jinhuan before being transported to the WTE facility operated by Leting Jinhuan for incineration.

The registered capital of Luannan Jinhuan is RMB5.0 million. As at 31 August 2024, the net liabilities of Luannan Jinhuan was approximately RMB19.64 million as reflected in the aforesaid independent valuation.

Following the Internal Transfer, the entire equity interest in Luannan Jinhuan is held by Leting Jinhuan. For the avoidance of doubt, the Company’s 100% effective interest in Luannan Jinhuan remains unchanged.

3. VOLUNTARY WINDING UP OF DORMANT WHOLLY-OWNED SUBSIDIARY

A dormant wholly-owned subsidiary of the Company incorporated in the PRC, namely, Hangzhou Kesheng Energy Technology Co., Ltd., Xiaoyi Branch Office (杭州科晟能源技术有限公司孝义分公司) (“**Kesheng Energy Xiaoyi Branch**”), had been wound up by way of a members’ voluntary winding up.

Kesheng Energy Xiaoyi Branch was incorporated in the PRC on 22 December 2017 with a view to securing energy management contracting and related projects in the surrounding region, but there have been no such projects in recent years.

In view of the compliance requirements and costs of maintaining a dormant subsidiary in the PRC, Kesheng Energy Xiaoyi Branch was voluntarily wound up as part of the Group’s efforts to rationalise its structure.

4. FINANCIAL EFFECTS

The corporate actions which are the subject of this announcement are not expected to have any material impact on the earnings per share or net tangible assets of the Group for the current financial year ending 31 December 2025.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Other than through their respective shareholding interests in the Company, none of the directors and controlling shareholders of the Company and their associates have any interests in the corporate actions which are the subject of this announcement.

BY ORDER OF THE BOARD

Wei Dongliang
Executive Chairman

28 February 2025

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