



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)

INTERESTED PERSON TRANSACTION – INCREASE OF CAPITAL IN JOINT VENTURE

1. INTRODUCTION

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 that a wholly-owned subsidiary of the Company, Lin'an Jiasheng Environment Co., Ltd. (临安嘉盛环保有限公司) (“**Lin'an Jiasheng**”), has on 18 December 2025 entered into a capital increase agreement with Zibo New Energy Co., Ltd. (淄博绿能新能源有限公司) (“**Zibo New Energy**”) and Hangzhou Jinjiang Group Co., Ltd. (杭州锦江集团有限公司) (“**Jinjiang Group**”), which is a controlling shareholder of the Company, pursuant to which the Group and Jinjiang Group agreed to make additional capital contributions in Zibo New Energy totalling RMB310 million (equivalent to approximately S\$56.9 million) in proportion to their existing shareholding proportions (the “**Zibo Capital Increase**”).

The equity interest in Zibo New Energy is held as to 30% by the Group and as to 70% by Jinjiang Group. As disclosed in the Company's announcement dated 28 February 2018, the Group had previously disposed of a 70% stake in Zibo New Energy to a strategic partner of the Group. Subsequently, the strategic partner had transferred its investment in Zibo New Energy to Jinjiang Group.

The Zibo Capital Increase is expected to be completed by the end of December 2025. Upon the completion of the Zibo Capital Increase, the registered capital of Zibo New Energy will be increased from RMB670,420,000 to RMB980,420,000, and the Group and Jinjiang Group will continue to hold 30% and 70% of the equity interest in Zibo New Energy, respectively.

2. INTERESTED PERSON TRANSACTION

As at the date of this announcement, each of Jinjiang Group and Mr. Dou Zhenggang (who, together with his spouse and daughter, controls Jinjiang Group) is deemed interested in 372,560,575 ordinary shares in the capital of the Company, representing approximately 25.959% of the total number of ordinary shares in the capital of the Company. Accordingly, each of Jinjiang Group and Mr. Dou Zhenggang is a “controlling shareholder” and an “interested person”, each as defined under the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”).

Lin'an Jiasheng, being a wholly-owned subsidiary of the Company, is an “entity at risk” under Chapter 9 of the Listing Manual. Accordingly, the Zibo Capital Increase is an interested person transaction subject to the requirements under Chapter 9 of the Listing Manual.

3. RATIONALE FOR THE ZIBO CAPITAL INCREASE

Zibo New Energy currently owns and operates a waste-to-energy facility (the “**Zibo New Energy WTE Facility**”) in Zibo, Shandong Province, the People’s Republic of China (the “**PRC**”). To meet the increasingly stringent environmental standards promulgated by the local authorities in Shandong province and to address the current operational challenges of the Zibo New Energy WTE Facility including issues arising from unstable boiler performance and high operation and maintenance costs, Zibo New Energy intends to seek to leverage policy opportunities presented by the PRC government, such as its ultra-long-term special government bonds or central budgetary funds for equipment upgrades and retrofits to implement a circulating fluidised bed-to-grate-fired boiler conversion project within the Zibo New Energy. Accordingly, in order to improve Zibo New Energy’s gearing ratio and for the purposes of upgrading and optimising the Zibo New Energy WTE Facility, the Group and Jinjiang Group agreed to carry out the Zibo Capital Increase.

4. TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS

As at the date of this announcement:

- (a) the total value of all interested person transactions (excluding transactions of a value less than S\$100,000 and all transactions conducted under the general mandate for interested person transactions which was last renewed by the shareholders at the annual general meeting of the Company held on 29 April 2025 (the “**IPT General Mandate**”), but including the Zibo Capital Increase) entered into between the Group and its interested persons in the current financial year ending 31 December (“**FY**”) 2025 amounts to approximately RMB329,417,000 (equivalent to approximately S\$60,448,000), representing approximately 10.21% of the Group’s latest audited consolidated net tangible assets (“**NTA**”) as at 31 December 2024 of RMB3,227.9 million (equivalent to approximately S\$592.3 million);
- (b) the total value of all interested person transactions (excluding transactions of a at value less than S\$100,000) conducted under the IPT General Mandate in FY2025 amounts to approximately RMB10,823,000 (equivalent to approximately S\$1,986,000);
- (c) the total value of all interested person transactions (excluding transactions of a value less than S\$100,000 and all transactions (if any) conducted under the IPT General Mandate, but including the Zibo Capital Increase) entered into between the Group and Mr. Dou Zhenggang and his associates in FY2025 amounts to approximately RMB318,065,000 (equivalent to approximately S\$58,365,000), representing approximately 9.85% of the Group’s latest audited consolidated NTA as at 31 December 2024 of RMB3,227.9 million (equivalent to approximately S\$592.3 million); and
- (d) there were no interested person transactions of a value of S\$100,000 or more entered between the Group and Mr. Dou Zhenggang and his associates in FY2025 which were conducted under the IPT General Mandate.

5. EXCEPTION TO THE REQUIREMENT FOR SHAREHOLDERS' APPROVAL

Pursuant to Rule 906 of the Listing Manual, an issuer must obtain shareholders' approval for any interested person transaction of a value equal to, or more than:

- (a) 5% of the group's latest audited net tangible assets; or
- (b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Notwithstanding the above, Rule 916(2) of the Listing Manual provides that shareholders' approval will not be required for an investment in a joint venture with an interested person, if the following conditions are met:

- (a) the risks and rewards are in proportion to the equity of each joint venture partner;
- (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
- (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.

The Audit and Risk Management Committee of the Company has reviewed the terms of the Zibo Capital Increase, and having considered that each of the Group and Jinjiang Group will be allotted additional capital in Zibo New Energy in their existing shareholding proportions at the same subscription price per share through the Zibo Capital Increase, is of the view that the risks and rewards of the Zibo Capital Increase are in proportion to the equity of each of the Group and Jinjiang Group and the terms of the Zibo Capital Increase are not prejudicial to the interests of the Company and its minority shareholders. Jinjiang Group did not have any equity interest in Zibo New Energy prior to the participation of the Group in Zibo New Energy.

Accordingly, notwithstanding that the total subscription amount pursuant to the Zibo Capital Increase is more than 5% of the latest audited consolidated net tangible assets of the Group, the Zibo Capital Increase fulfils the conditions required for the exception from shareholders' approval under Rule 916(2) of the Listing Manual. Accordingly, the approval of the shareholders of the Company is not required for the Zibo Capital Increase.

6. FINANCIAL EFFECTS OF THE ZIBO CAPITAL INCREASE

The Zibo Capital Increase is not expected to have a material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ending 31 December 2025.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement and 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 transactions and corporate actions which are the subject of this announcement.

BY ORDER OF THE BOARD

Wei Dongliang
Executive Chairman

18 December 2025

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