



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 30 June 2024:

1. INCREASE IN SHAREHOLDING IN SUBSIDIARY

The Board wishes to announce that the Group’s wholly-owned holding company in the People’s Republic of China (“**PRC**”), Hangzhou Jinjiang Environment Investment Co., Ltd. (杭州锦环投资有限公司) (“**Jinhuan Investment**”), has acquired 30.0% of the equity interest in Tangshan Jinhuan New Energy Co., Ltd. (唐山市锦环新能源有限公司) (“**Tangshan Jinhuan**”) from Hebei Lanchi Environmental Protection Equipment Co., Ltd. (河北兰池环保设备有限公司) (“**Hebei Lanchi**”), an unrelated third party which is the Group’s local partner (the “**Equity Transfer**”). Tangshan Jinhuan was incorporated as a project company with a view to securing concessions for waste-to-energy, sludge treatment and other related projects in Tangshan City, Hebei Province, PRC. While Tangshan Jinhuan is not currently engaged in a project, Tangshan Jinhuan holds 100% of the equity interest in Luannan Jinhuan New Energy Co., Ltd. (滦南锦环新能源有限公司) (“**Luannan Jinhuan**”), which has secured a concession for a waste resource recycling facility in Lunan County, Tangshan City, Hebei Province. Therefore, Jinhuan Investment, which previously indirectly held 70% of the equity interest in Luannan Jinhuan, now holds the entire equity interest in Luannan Jinhuan.

The Equity Transfer had taken place pursuant to a judicial auction of the 30.0% equity interest in Tangshan Jinhuan held by Hebei Lanchi which was ordered by the court as part of enforcement proceedings against Hebei Lanchi for its failure to pay a judgment debt. Jinhuan Investment’s bid to acquire the 30.0% equity interest in Tangshan Jinhuan held by Hebei Lanchi for a consideration of RMB259,393 (equivalent to approximately S\$48,015) was successful, and the aforesaid consideration has been paid by the Group.

Prior to the Equity Transfer, the equity interest in Tangshan Jinhuan and its wholly owned subsidiary Luannan Jinhuan were directly and indirectly held as to 70.0% by Jinhuan Investment and as to 30.0% by Hebei Lanchi. Following the Equity Transfer, the Group’s equity interest in Tangshan Jinhuan and Luannan Jinhuan have increased from 70.0% to 100.0%.

Based on the unaudited financial statements of Tangshan Jinhuan for the six months ended 30 June 2024, Tangshan Jinhuan had net assets and net tangible assets of approximately RMB6.1 million (equivalent to approximately S\$1.1 million).

The Equity Transfer was funded by the Group's internal resources.

2. DISPOSAL OF ENTIRE EQUITY INTEREST IN SUBSIDIARY

As disclosed in the announcement of the Company dated 1 June 2024, a wholly-owned subsidiary of the Company, Lamoon Holdings Limited, had on 1 June 2024 entered into a share transfer agreement (the “**Share Transfer Agreement**”) with an unrelated third party, Cube Bio-Energy Private Limited (the “**Purchaser**”), for the disposal by the Group of the entire equity interest in Ecogreen Energy Private Limited (“**Ecogreen Energy**”), which is the holding company for the Group’s waste collection and WTE projects in India, to the Purchaser for a total consideration of INR10,000,000 (equivalent to approximately S\$158,281) (the “**Disposal**”), which was arrived at after arm’s length negotiations between the Group and the Purchaser on a willing- buyer and willing-seller basis with reference to a valuation of Ecogreen Energy conducted by an independent third party valuer commissioned by the Group, which assigned a nil fair value to the shares in Ecogreen Energy as at 31 March 2024 on account of Ecogreen Energy having consolidated net liabilities as at 31 March 2024, the financial stress faced by Ecogreen Energy, the impairments recorded to date and the uncertain business outlook.

The Board wishes to announce that the Disposal has been completed and the consideration for the Disposal has been received by the Group from the Purchaser. In accordance with the terms of the Share Transfer Agreement, if required to do so by the relevant local government, the Purchaser has undertaken to replace a performance bond amounting to INR75,000,000 (equivalent to approximately S\$1,187,105) which was provided as security for the performance of the relevant obligations under the power purchase agreement for the WTE project in Gurgaon, India.

Based on the consolidated financial statements of Ecogreen Energy, as at 31 December 2023, Ecogreen Energy had consolidated net assets of INR216,291 (equivalent to approximately S\$3,423).

As at 31 December 2023, most of the assets directly relating to the projects held under Ecogreen Energy had been fully impaired. Furthermore, Ecogreen Energy has consolidated net liabilities after taking into account the expenses relating to the cessation of projects in the financial year ending 31 December 2024. While the Disposal resulted in a net loss on disposal of RMB31,317,000, this was attributable to the cumulative currency translation differences for the six-month period ended 30 June 2024 amounting to RMB44,964,000 which were reclassified from other reserves to profit or loss in accordance with the applicable accounting standards, without which the Group would have recorded a gain on disposal of RMB13,647,000 which would have partially offset the impairment losses recorded by the Group in past periods. The reclassification of cumulative currency translation differences does not affect the equity attributable to owners of the Company as at the end of the period and the total comprehensive income for the period.

3. FINANCIAL EFFECTS

Save as set out above in Section 2 of this announcement, 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 2024.

4. 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

14 August 2024

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