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ELL Environmental Holdings Limited

強泰環保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1395)

DISCLOSEABLE TRANSACTION SUPPLEMENTAL AGREEMENT TO THE MASTER PROCUREMENT AGREEMENT

THE SUPPLEMENTAL AGREEMENT

On 7 March 2022, PT SJP and Jinan Co entered into the Supplemental Agreement pursuant to which the total consideration payable by PT SJP to Jinan Co shall be adjusted in relation to the ancillary materials to be purchased by Jinan Co for the Bangka Project pursuant to the Agreement.

LISTING RULES IMPLICATIONS

The transaction contemplated under the Agreement constituted a discloseable transaction for the Company under the Listing Rules and was announced by the Company on 16 November 2021. The Supplemental Agreement constitutes a material variation to such discloseable transaction and this announcement is made in accordance with Rule 14.36 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the revised consideration under the Supplemental Agreement exceed 5% but are all below 25%, therefore, the entering into the Supplemental Agreement remains a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 16 November 2021 in relation to the Agreement entered into between PT SJP and Jinan Co, pursuant to which PT SJP has agreed to entrust Jinan Co to procure and handle cargo transportation and export customs clearance procedures for the machineries and materials for the Bangka Project.

On 7 March 2022, PT SJP and Jinan Co entered into the Supplemental Agreement pursuant to which the total consideration payable by PT SJP to Jinan Co shall be adjusted in relation to the ancillary materials to be purchased by Jinan Co for the Bangka Project pursuant to the Agreement.

THE SUPPLEMENTAL AGREEMENT

Pursuant to the Supplemental Agreement, the consideration of the Agreement shall be adjusted from a total of approximately RMB16,570,000 (exclusive of applicable tax) to a total of approximately RMB24,570,000 (exclusive of applicable tax).

As at the date of this announcement, PT SJP has paid a total of approximately RMB8,940,000 under the Agreement. Save as the above, there is no other change to the terms of the Agreement pursuant to the Supplemental Agreement.

REASONS AND BENEFITS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Board considers that ancillary materials are essential for the installation of the Equipment and the completion of the Bangka Project as a whole. Therefore, the Supplemental Agreement covers the costs of purchasing the required ancillary materials to facilitate the overall construction of the Bangka Project.

The terms of the Supplemental Agreement are determined after arm's length negotiations with Jinan Co. The Directors consider that the terms of the Supplemental Agreement are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The transaction contemplated under the Agreement constituted a discloseable transaction for the Company under the Listing Rules and was announced by the Company on 16 November 2021. The Supplemental Agreement constitutes a material variation to such discloseable transaction and this announcement is made in accordance with Rule 14.36 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the revised consideration under the Supplemental Agreement exceed 5% but are all below 25%, therefore, the entering into the Supplemental Agreement remains a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Agreement”	the master procurement agreement dated 16 November 2021 entered into between PT SJP and Jinan Co
“Bangka Project”	a new power plant to be developed by the Group in Bangka, Indonesia
“Board”	the board of Directors
“Company”	ELL Environmental Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code:1395)
“Director(s)”	director(s) of our Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Indonesia”	the Republic of Indonesia
“Jinan Co”	Jinan Boiler Group Company Limited* (濟南鍋爐集團有限公司), a company incorporated under the laws of the PRC, an independent third party of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong and the Macau Special Administrative Region
“PT SJP”	PT Sentosa Jaya Purnama, being a subsidiary which is indirectly held as to 95% by the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of par value HK\$0.0001 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Supplemental Agreement”	the supplemental agreement to the Agreement entered into between PT SJP and Jinan Co on 7 March 2022

For and on behalf of
ELL Environmental Holdings Limited
Chan Kwan
Executive Director and Chief Executive Officer

Hong Kong, 7 March 2022

As at the date of this announcement, the Board comprises Mr. Chau On Ta Yuen (Chairman), Mr. Chan Kwan (Chief Executive Officer), Mr. Radius Suhendra and Mr. Chau Chi Yan Benny as executive Directors, Mr. Chan Pak Lam Brian as non-executive Director, and Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Ms. Leung Bo Yee Nancy as independent non-executive Directors.

* *For identification purposes only*