



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)

RMB540,000,000 LOAN FACILITY

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 the Company's wholly-owned subsidiary Hangzhou Jinhuan Investment Co., Ltd. (杭州锦环投资有限公司) ("**Hangzhou Jinhuan**") had on 24 May 2021 entered into a facility agreement (the "**Agreement**") with Zhejiang Provincial Energy Group Finance Co., Ltd. (浙江省能源集团财务有限责任公司) ("**Zheneng Finance**"), a subsidiary of the single largest shareholder of the Company, Zhejiang Provincial Energy Group Co., Ltd. (浙江省能源集团有限公司) ("**Zheneng Group**"), in relation to a loan facility of RMB540,000,000 (the "**Facility**") extended by Zheneng Finance as the lender to Hangzhou Jinhuan as the borrower.

It had been stated on page 98 of the Company's annual report in respect of the financial year ended 31 December 2020 that management was actively pursuing various proposals including obtaining working capital loans amounting to RMB900 million from Zheneng Finance. We have obtained credit line of RMB900 million from the Zheneng Finance. However, the Company will only draw down RMB540 million from this credit line because the Company has obtained working capital loans of more than RMB400 million from third-party banks, and is in the process of arranging for loan draw down.

2. SALIENT TERMS OF THE FACILITY

2.1 Amount

The availability limit of the Facility is RMB540,000,000.

2.2 Availability Period and Term

The Facility may be drawn down as follows:

- (a) RMB200,000,000 on or about 24 May 2021;
- (b) RMB200,000,000 on or about 26 May 2021; and
- (c) RMB140,000,000 on or about 28 May 2021.

All outstanding loans under the Facility are to be repaid in full by the date falling 12 months from the date of drawdown in accordance with the repayment schedule set out in paragraph 2.6 below.

2.3 Interest Rate

The annual rate of interest under the Facility is 4.50%.

2.4 Security

The Facility will be secured by:

- (a) a liquidity support undertaking by the Company;
- (b) a corporate guarantee by the Company's wholly-owned subsidiary Lin'an Jiasheng Environment Co., Ltd. (临安嘉盛环保有限公司); and
- (c) share charges over the entire equity interest in the Company's wholly-owned subsidiaries Hangzhou Zhenghui Construction Engineering Co., Ltd. (杭州正晖建设工程有限公司) and Hangzhou Kesheng Energy Technology Co., Ltd. (杭州科晟能源技术有限公司),

each in favour of Zheneng Finance.

Save as aforesaid, no other security has been provided by the Group in connection with the Facility.

2.5 Purpose

Under the terms of the Facility, the Company shall apply all amounts borrowed by it under the Facility for the working capital purposes of the Group.

2.6 Repayment

The outstanding amounts under the Facility are to be repaid in instalments as follows:

- (a) RMB200,000,000 in principal and in addition thereto, all accrued interest in respect thereof, on or about 23 May 2022;
- (b) RMB200,000,000 in principal and in addition thereto, all accrued interest in respect thereof, on or about 25 May 2022; and
- (c) RMB140,000,000 in principal and in addition thereto, all accrued interest in respect thereof, on or about 27 May 2022.

2.7 Events of Default and Mandatory Prepayment

The Agreement contains certain customary events of default including, among others, non-payment of any amounts payable, cessation of business, revocation of business license and winding up.

3. INTERESTED PERSON TRANSACTION

In respect of the Facility:

- (a) Hangzhou Jinhuan, being a subsidiary of the Company which is not listed on any stock exchange, is an entity at risk for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"); and
- (b) Zheneng Finance is a subsidiary of Zheneng Group, which is a controlling shareholder (as defined in the Listing Manual) of the Company. Accordingly, Zheneng Finance is an associate (as defined in the Listing Manual) of Zheneng Group and an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

Accordingly, the entry into the Agreement in relation to the Facility constitutes an interested person transaction under Chapter 9 of the Listing Manual. Under Rule 909(3) of the Listing Manual, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. Assuming the Facility is fully drawn down, the

aggregate interest payable by the Group to Zheneng Finance under the Facility is RMB24.3 million and, expressed as a percentage of the Group's latest audited consolidated net tangible assets as at 31 December 2020 of RMB 2,220.0 million, is approximately 1.09%.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Mr. Wei Dongliang was nominated by Zhejiang Energy Hong Kong Holding Limited (浙江能源香港 控股有限公司) (which is a wholly-owned subsidiary of Zheneng Group) to be appointed on the Board. Save as disclosed in this announcement and save for their respective shareholding interests in the Company, none of the Directors or substantial shareholders or their respective associates have any interest, direct or indirect, in the Facility.

BY ORDER OF THE BOARD

Wei Dongliang
Executive Chairman

24 May 2021

For further information, please contact:

Wang Ruihong
Executive Director and
Deputy General Manager
Tel: (86) 153 5618 3219
Email: wrh@hzjj.cn