



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)

PROFIT WARNING ON THE GROUP'S UNAUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2019

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 based on the preliminary assessment of the latest unaudited consolidated management accounts, the Group expects to record:

- (a) a net loss in the fourth quarter ended 31 December 2019 (“**4Q2019**”), as compared to total comprehensive income of RMB168.2 million in the fourth quarter ended 31 December 2018; and
- (b) a significant decrease in total comprehensive income for the full year ended 31 December 2019 (“**FY2019**”), as compared to total comprehensive income of RMB560.2 million in the full year ended 31 December 2018 (“**FY2018**”).

Based on the preliminary assessment of the latest unaudited consolidated management accounts, the Group is expected to remain profitable for FY2019.

The Group's expected significant decrease in total comprehensive income for FY2019 is mainly attributable to:

- (i) impairment losses and write-offs of financial and non-financial assets and a decrease in other income in FY2019 as compared to FY2018 primarily due to:
 - (a) the absence of government compensation for the closure of a waste-to-energy facility of the Group in Hangzhou, Zhejiang Province, which amounted to a net gain of approximately RMB145.8 million in FY2018;
 - (b) loss on disposal of property, plant and equipment arising from the upgrading of the Group's facilities in FY2019; and
 - (c) allowance for impairment of receivables and property, plant and equipment in FY2019; and
- (ii) a decrease in revenue and profit contribution from its energy management contracting and project technical and management services business segment in FY2019 as compared to FY2018.

This profit warning is based on a preliminary assessment of the latest unaudited consolidated management accounts of the Group and is not based on any financial figures or information which have been audited or reviewed by the Company's auditors. The Company is still in the process of finalising its unaudited consolidated financial results for 4Q2019 and FY2019, which was delayed due to the extended closure of the Company's corporate headquarters in Hangzhou in the midst of the year-end reporting season as a result of the COVID-19 pandemic. The Company will provide further details of the Group's performance when it releases the unaudited financial results on or before 30 April 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. In the meantime, Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers, if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Wei Dongliang
Executive Chairman

21 April 2020

For further information, please contact:

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

Choo Beng Lor
Company Secretary and
Financial Controller
Tel: (65) 9745 3502
Email: zhuminglu@hzjj.cn