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 three-month period ended 31 December 2022:

1. RESTRUCTURING OF PRC SUBSIDIARIES UNDER ONSHORE HOLDING STRUCTURE

The Group has undertaken an internal restructuring exercise (the "**Restructuring Exercise**") to streamline the Group's operations in the People's Republic of China ("**PRC**") and its corporate structure by grouping its wholly-owned PRC subsidiaries Hangzhou Kesheng Energy Technology Co., Ltd. (杭州科晟能源技术有限公司) ("**Hangzhou Kesheng**") and Lianyungang Sunrise Environmental Protection Industry Co., Ltd. (连云港晨兴环保产业有限公司) ("**Lianyungang Sunrise**") under its wholly-owned PRC holding company Hangzhou Jinjiang Environment Investment Co., Ltd. (杭州锦环投资有限公司) ("**Jinhuan Investment**").

Hangzhou Kesheng operates the Group's energy management contracting business, and Lianyungang Sunrise owns and operates a waste-to-energy facility currently in operation located in Lianyungang, Jiangsu Province.

Prior to the Restructuring Exercise:

(a) the entire equity interest in Hangzhou Kesheng was held by the Group's wholly-owned subsidiary Prime Gain Investments Limited ("**Prime Gain**") which is incorporated in Hong Kong; and

(b) the equity interest in Lianyungang Sunrise was held as to 66% by the Group's wholly-owned subsidiary Sunrise Development Group Limited ("**Sunrise Development**") which is incorporated in Samoa and as to 34% by the Group's wholly-owned subsidiary Shanghai Sunrise Management Co. Ltd. (上海晨兴企业管理有限公司) ("**Shanghai Sunrise**") which is incorporated in the PRC.

Pursuant to the Restructuring Exercise:

(a) Prime Gain transferred the entire equity interest in Hangzhou Kesheng to Jinhuan Investment on 30 December 2022, for a consideration of RMB1,194,210,000; and

(b) Sunrise Development and Shanghai Sunrise transferred their respective 66% and 34% equity interests in Lianyungang Sunrise to Jinhuan Investment on 27 December 2022 for a consideration of RMB69,168,000 and RMB35,632,000 respectively. On the same day, Jinhuan Investment made a cash contribution of RMB140,000,000 to increase the registered capital of Lianyungang Sunrise to RMB276,336,500 (the "**Capital Increase**"). The purpose of the Capital Increase was to bolster working capital and facilitate the refinancing of credit facilities. The Capital Increase was funded through internal resources and the cash contribution for the Capital Increase has been fully paid up by Jinhuan Investment.

The aforesaid consideration amounts were determined based on a valuation of the fair value of Hangzhou Kesheng and Lianyungang Sunrise (prior to the Capital Increase) conducted by an independent third party valuer, Wide World Assets Appraisal Co., Ltd. (万邦资产评估有限公司), and are payable in cash. The payment of the consideration will be wholly funded by way of a combination of acquisition financing obtained by Jinhuan Investment from financial institutions in the PRC and internal resources. The Group intends to apply the cash consideration received towards strengthening its working position to meet its operational needs as well as to service its debt obligations.

The registered capital of Hangzhou Kesheng and Lianyungang Sunrise (following the Capital Increase) are RMB30,000,000 and RMB276,336,500 respectively. As at 31 December 2022, the unaudited net asset value of Hangzhou Kesheng and Lianyungang Sunrise (following the Capital Increase) was approximately RMB1,077,174,729 and RMB243,732,775 respectively.

Following the completion of the Restructuring Exercise, the entire equity interests in Hangzhou Kesheng and Lianyungang Sunrise are held by Jinhuan Investment. For the avoidance of doubt, the Company's 100% effective interest in Hangzhou Kesheng and Lianyungang Sunrise remains unchanged.

2. FINANCIAL EFFECTS

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 2023.

3. 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

27 February 2023

For further information, please contact:

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