



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)

US\$270,000,000 TERM LOAN FACILITY AND DISCLOSURE PURSUANT TO RULE 704(31) OF THE LISTING MANUAL

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, as borrower, had on 14 July 2020 entered into a facility agreement (the “**Agreement**”) with Standard Chartered Bank (Hong Kong) Limited as original mandated lead arranger and bookrunner and agent of the finance parties (“**Agent**”) in relation to a US dollar syndicated term loan facility of up to US\$270,000,000 (the “**Facility**”).

2. SALIENT TERMS OF THE FACILITY

2.1 Amount

The availability limit of the Facility at the date of the Agreement is US\$207,900,000, which the Company may by giving not less than five (5) business days’ notice to the Agent increase to not more than US\$270,000,000 (“**Increased Limit**”), subject to the terms of the Facility.

2.2 Availability Period and Term

Subject to the fulfilment or waiver of certain conditions precedent including, among others, the filing of the Facility with the National Development and Reform Commission, the Facility may be utilised from the date of the Agreement up to and including the date falling seven months from the date of the Agreement. All outstanding loans under the Facility are to be repaid in full by the date falling 36 months from the date of initial utilisation (“**First Utilisation Date**”) 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 the aggregate of (a) 1.92% per annum and (b) the London interbank offered rate (“**LIBOR**”). If LIBOR is below zero, it will be deemed to be zero.

2.4 Guarantees

Certain wholly-owned subsidiaries of the Company, namely Outstanding Mode Developments Limited, Prime Gain Investments Limited, Lamoon Holdings Limited and Gevin Limited (collectively, the “**Guarantors**”), have irrevocably and unconditionally jointly and severally guaranteed the punctual performance by the Company of all its obligations under the Facility.

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 general corporate purposes of the Group, including, among others, refinancing of the US\$200 million in aggregate principal amount of 6.0% senior unsecured notes which are due and payable on 27 July 2020 and any existing indebtedness of the Group.

2.6 Repayment

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

- (a) 5% on the date falling 18 months from the First Utilisation Date;
- (b) 10% on the date falling 24 months from the First Utilisation Date;
- (c) 15% on the date falling 30 months from the First Utilisation Date; and
- (d) 70% on the date falling 36 months from the First Utilisation Date.

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, breach of financial covenants, cross default, insolvency, cessation of business and material adverse change.

The Agreement also sets out certain other events which entitle a lender to demand mandatory repayment upon notice to the Agent, including, among others, a Change of Control (as defined in Appendix 1 hereto) and change to the listing status of the Company, details of which are set out in Appendix 1 and Appendix 2 to this announcement, respectively. In view of the aforesaid, the Company has obtained an undertaking from the relevant shareholder as required under Rule 728 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**"), as further set out in paragraph 3 below.

3. RULES 704(31) AND 728 OF THE LISTING MANUAL

Pursuant to Rule 704(31) of the Listing Manual, the Board wishes to announce that the Agreement contains conditions that make reference to the shareholding interests of the largest controlling shareholder of the Company, Zhejiang Provincial Energy Group Co., Ltd. (浙江省能源集团有限公司) ("**Zheneng Group**"), and place restrictions on any change in control of the Company, the details of which are set out in Appendix 1.

In the event that any of the conditions described in Appendix 1 occurs, the Company shall promptly notify the Agent upon becoming aware of that event, and irrespective of whether the Company has given the aforesaid notification:

- (a) a lender shall not be obliged to fund any further utilisation of the Facility; and
- (b) if a lender so requires and notifies the Agent, the Agent shall, by not less than 10 days' notice to the Company, cancel the commitment(s) of that lender under the Facility and

declare that the participation of that lender in all outstanding loans under the Facility, together with accrued interest, and all other amounts accrued under the Agreement and related documents in relation to that lender's participation(s) be immediately due and payable, whereupon the commitments of such lender under the Facility will be immediately cancelled and all such outstanding loans and amounts in relation to that lender's participation(s) will become immediately due and payable.

The amount of the Facility as at the date of this announcement that may be affected by a breach of such conditions is approximately US\$207,900,000 (assuming that the Facility is fully utilised). If an Increased Limit is subsequently put in place, the amount of the Facility that may be affected by a breach of such conditions will be equivalent to such Increased Limit.

In compliance with Rule 728 of the Listing Manual, the Company has obtained an undertaking from Zheneng Group to notify the Company, as soon as it becomes aware, of any share pledging arrangements, financial instruments or other similar security arrangements relating to the shares in the Company that are beneficially owned, directly or indirectly, by Zheneng Group, or which it is entitled to control the exercise of the rights, and of any event which will be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the principal amount of the Facility under the Agreement and/or any other documentation governing the Facility.

BY ORDER OF THE BOARD

Wei Dongliang
Executive Chairman

15 July 2020

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APPENDIX 1

Shareholder means Zhejiang Provincial Energy Group Co Ltd (浙江省能源集团有限公司), a company incorporated under the laws of the PRC with unified social number 913300007276037692.

Change of control

- (a) A **Change of Control** occurs if, at any time:
- (i) the Shareholder does not or ceases to:
 - (A) beneficially own, directly or indirectly, more than 25% of the issued share capital of the Borrower; or
 - (B) control the Borrower;
 - (ii) any person or group of persons acting in concert having the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of the votes that might be cast at a general meeting of the Borrower such that the number of votes cast or controlled by such person or group of persons acting in concert is greater than the number of votes cast or controlled by the Shareholder;
 - (iii) the Borrower does not or ceases to beneficially own, directly or indirectly, more than 50% of the issued share capital of each Guarantor.
- (b) If a Change of Control occurs:
- (i) the Borrower shall promptly notify the Agent upon becoming aware of that event;
 - (ii) irrespective of whether the Borrower has given notification pursuant to paragraph (i):
 - (A) a Lender shall not be obliged to fund a Utilisation; and
 - (B) if a Lender so requires and notifies the Agent, the Agent shall, by not less than ten (10) days' notice to the Borrower:
 - I. cancel the Commitment(s) of that Lender whereupon it shall immediately be cancelled; and
 - II. declare that the participation of that Lender in all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents in relation to that Lender's participation(s) be immediately due and payable, whereupon it shall become immediately due and payable.
- (c) For the purpose of paragraph 0 above, **control** of any person means having the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to appoint or remove all, or the majority, of the directors or other equivalent officers of that person or give directions with respect to the operating and financial policies of that person with which the directors or other equivalent officers of that person are obliged to comply.

- (d) For the purpose of paragraph (a) above, **acting in concert** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through acquisition directly or indirectly of shares in the Borrower by any of them, either directly or indirectly, to obtain or consolidate control of the Borrower.

APPENDIX 2

Shareholder means Zhejiang Provincial Energy Group Co Ltd (浙江省能源集团有限公司), a company incorporated under the laws of the PRC with unified social number 913300007276037692.

Mandatory prepayment – Listing Event

- (a) If a Listing Event occurs:
- (i) the Borrower shall promptly notify the Agent upon becoming aware of that event;
 - (ii) irrespective of whether the Borrower has given notification pursuant to paragraph (i):
 - (A) no Lender shall be obliged to participate in the making of any Loan; and
 - (B) if a Lender so requires and notifies the Agent, the Agent shall, by not less than ten (10) days' notice to the Borrower,
 - I. cancel the Commitments of that Lender whereupon the Commitments of that Lender shall immediately be cancelled; and
 - II. declare all the participation of that Lender in all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents in relation to that Lender's participation be immediately due and payable, whereupon it shall become immediately due and payable.
- (b) For the purpose of paragraph (a) above, a Listing Event means:
- (i) trading of the shares of the Borrower on Singapore Exchange Securities Trading Limited is suspended for twenty (20) or more consecutive Trading Days other than:
 - (A) for technical reasons affecting the Borrower which are not related to any breach (or alleged breach) of any listing rules, laws or regulations; or
 - (B) any voluntary suspension of trading requested by the Borrower in connection with any corporate activity (or proposed corporate activity) of the Borrower or any of its Subsidiaries not related to any breach (or alleged breach) of any listing rules, laws or regulations;in each case where the event or circumstances causing the suspension do not have or would reasonably be expected to have a Material Adverse Effect; or
 - (ii) the shares of the Borrower cease to be listed on the official list of Singapore Exchange Securities Trading Limited other than as a result of delisting and privatisation of the Borrower by the Qualified Sponsors provided that:
 - (A) the Shareholder continues to beneficially own, directly or indirectly, 29% or more of the issued share capital of the Borrower; and
 - (B) no person or group of persons acting in concert having the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of the votes that might be cast at such general meeting of the Borrower such that the number of the cast voted or controlled by such person or group of persons acting in concert is greater than the number of cast voted or controlled by the Shareholder,

immediately after giving effect of such delisting and privatisation.

(c) For the purpose of paragraph (b) above:

Trading Day means any day on which Singapore Exchange Securities Trading Limited is generally open for trading in shares; and

Qualified Sponsors means any Subsidiary of, or any persons directly or indirectly controlled by the Shareholder.