



CHINA JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED

中国锦江环境控股有限公司

(Company Registration Number: 245144)

(Incorporated in the Cayman Islands on 8 September 2010)

China International Capital Corporation (Singapore) Pte. Limited was the sole issue manager, global coordinator, bookrunner and underwriter (the “**Sole Issue Manager, Global Coordinator, Bookrunner and Underwriter**”) for the initial public offering of shares in, and listing of, China Jinjiang Environment Holding Company Limited on the Mainboard of the Singapore Exchange Securities Trading Limited. The Sole Issue Manager, Global Coordinator, Bookrunner and Underwriter assumes no responsibility for the contents of this announcement.

INVESTMENT IN WTE PROJECT IN THE PEOPLE’S REPUBLIC OF CHINA

The Board of Directors (the “**Board**”) of China Jinjiang Environment Holding Company Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has agreed to invest in a new waste-to-energy (“**WTE**”) project in Yan’an, Shaanxi Province (the “**Yan’an Project**”) by subscribing for a 49.0% equity interest in Yan’an Guojin Environmental Protection Energy Co., Ltd. (延安国锦环保能源有限责任公司) (“**Yan’an Guojin**”). The Yan’an Project is currently in the planning stage.

Yan’an Guojin will build and operate the WTE facility under the build-operate-transfer model, and will have an exclusive right to provide waste treatment services in Yan’an for the concession period of 30 years from the commencement of construction in consideration of a waste treatment fee, sludge treatment fee and electricity tariff payable by the relevant local authorities for the waste and sludge treatment services provided and electricity generated by the Yan’an Project, respectively, following which ownership and possession of the Yan’an Project will be transferred back to the relevant local authorities at the end of the concession period. The Yan’an Project has a total designed waste treatment capacity of 1,300 tons/day and a sludge treatment capacity of 100 tons/day (with the first phase to feature a waste treatment capacity of 650 tons/day and a sludge treatment capacity of 50 tons/day), and the entire project is expected to commence operations in the first half of 2019.

The total estimated investment amount for the Yan’an Project is approximately RMB325.0 million. Under the agreed terms with the relevant local authorities, Yan’an Guojin will have a registered capital of RMB97.5 million and the Company’s contribution will be RMB47,750,000 (equivalent to approximately S\$9.6 million based on the closing exchange rate of S\$1.00 : RMB4.9609 as at 25 May 2017) (the “**Capital Commitment**”), pro rata to its 49.0% equity interest. The balance 51.0% equity interest in Yan’an Guojin will be held by Shaanxi National Energy Environmental Protection Development Co., Ltd. (陕西国源环保发展有限责任公司) (“**Shaanxi Environment**”). Shaanxi Environment is a wholly-owned subsidiary of Shaanxi Environmental Protection Industry Group Co., Ltd. (陕西环保产业集团有限责任公司), a state-owned enterprise which specialises in the incineration of municipal solid waste, industrial waste and sludge, and the recycling of waste materials, in the People’s Republic of China.

During the initial tender for the Yan’an Project, Shaanxi Environment had named the Company’s controlling shareholder, Hangzhou Jinjiang Group Co., Ltd. (杭州锦江集团有限公司) (“**Jinjiang**”

Group”), as its joint venture partner in the tender bid for the Yan’an Project. However, it was the intention of Jinjiang Group to involve the Company in the Yan’an Project in the event the tender was successful.

To effect the aforesaid understanding, the Company’s wholly-owned indirect subsidiary Lin’an Jiasheng Environment Co., Ltd. (临安嘉盛环保有限公司) (“**Lin’an Jiasheng**”) has entered into an entrustment agreement (the “**Entrustment Agreement**”) with Jinjiang Group, under which the 49.0% equity interest in Yan’an Guojin will be held on trust by Jinjiang Group for the benefit of the Group. Under the Entrustment Agreement, all the rights, interests and obligations relating to Jinjiang Group’s 49% interest in Yan’an Guojin will be held by Jinjiang Group on behalf of Lin’an Jiasheng, and no consideration is payable to Jinjiang Group by the Group in connection therewith. In addition, Jinjiang Group will transfer the aforesaid 49.0% equity interest in Yan’an Guojin upon the instructions of Lin’an Jiasheng.

The Entrustment Agreement constitutes an interested person transaction pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The Capital Commitment expressed as a percentage of the Group’s latest audited consolidated net tangible assets as at 31 December 2016 of RMB3,040.8 million is approximately 1.6%.

The Yan’an Project is not expected to have any material impact on the net tangible assets or earnings of the Group for the current financial year.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Yan’an Project, save as disclosed in this announcement and other than through their respective shareholding interests in the Company.

BY ORDER OF THE BOARD

Wang Yuanluo
Executive Chairman and Chief Executive Officer

26 May 2017

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