



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.

ACQUISITION OF HANGZHOU ZHENGHUI CONSTRUCTION ENGINEERING CO., LTD.

1. INTRODUCTION

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 its wholly-owned subsidiary, Hangzhou Jinhuan Investment Co., Ltd. (杭州锦环投资有限公司) (“**Jinhuan Investment**”), has entered into a sale and purchase agreement (“**SPA**”) with Shanghai Zhengshen Construction Engineering Co., Ltd. (上海正申建设工程有限公司) (the “**Vendor**”), in relation to the acquisition by Jinhuan Investment of the entire equity interest in Hangzhou Zhenghui Construction Engineering Co., Ltd. (杭州正晖建设工程有限公司) (“**Hangzhou Zhenghui**”) from the Vendor for a total consideration of RMB15,976,700 (equivalent to approximately S\$3,336,500) (the “**Consideration**”) (the “**Acquisition**”).

Following the completion of the Acquisition, Jinhuan Investment will hold the entire equity interest in Hangzhou Zhenghui, and Hangzhou Zhenghui will become a wholly-owned, indirectly-held subsidiary of the Company.

Unless otherwise indicated, Renminbi (“**RMB**”) amounts in this Announcement have been translated into Singapore dollars, based on the exchange rate of S\$1.00 : RMB4.7884 quoted by Bloomberg L.P. on the market day preceding the date of this Announcement.

2. DETAILS OF THE ACQUISITION

2.1 Information on Hangzhou Zhenghui

Hangzhou Zhenghui is a company incorporated under the laws of the PRC on 23 March 2017 with limited liability, and is engaged in the provision of engineering, design, construction, project management, and engineering-related consultancy services in respect of projects both within and outside the People’s Republic of China (“**PRC**”). Based on the unaudited financial statements of Hangzhou Zhenghui and the latest announced unaudited consolidated financial statements of the Group for the financial year ended 31 December 2017 (“**FY2017**”):

- (a) as at 31 December 2017, Hangzhou Zhenghui had net assets of RMB15.4 million, which represents approximately 0.3% of the Group's net assets of RMB4,891.2 million as at 31 December 2017; and
- (b) as at 31 December 2017, the net tangible assets ("NTA") of Hangzhou Zhenghui was RMB14.9 million, which represents approximately 0.5% of the Group's NTA of RMB2,870.4 million as at 31 December 2017.

2.2 Information on the Vendor

The Vendor is a company incorporated in the PRC.

For the avoidance of doubt, the Vendor is not connected to any of the directors, executive officers or controlling shareholders of the Company.

2.3 Rationale for the Acquisition

Hangzhou Zhenghui currently provides design, engineering and construction services to the Group. In view of the increasing number of overseas projects secured by the Group and the Group's extensive pipeline of waste-to-energy and related projects in the PRC, the Acquisition would enable the Group to establish an in-house platform with integrated design, engineering and construction capabilities, which would assist to mitigate design, construction and engineering risks, increase efficiency and reduce costs in terms of the design, construction, engineering and management of projects, and serve as a platform for further technical-related collaboration with third parties both within and outside the PRC.

2.4 Consideration and Terms of Payment

The Consideration of RMB15,976,700 (equivalent to approximately S\$3,336,500) was arrived at after arm's length negotiations between the Group and the Vendor on a willing-buyer and willing-seller basis with reference to the fair value of Hangzhou Zhenghui of RMB15,976,700 as at 31 December 2017 determined based on a valuation dated 20 March 2018 conducted by an independent third party valuer commissioned by Jinhuan Investment.

In accordance with the terms of the SPA:

- (a) RMB7,988,350 (equivalent to approximately S\$1,668,300) is payable by the Group to the Vendor within 10 business days of the signing of the SPA; and
- (b) RMB7,988,350 (equivalent to approximately S\$1,668,300) is payable by the Group to the Vendor within 15 business days of the completion of the Acquisition.

3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their associates has any interests, direct or indirect, in the Acquisition, other than through their respective shareholding interests in the Company.

4. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA may be inspected at 9 Battery Road, #25-01, Singapore 049910 during normal business hours from the date of this Announcement up to and including the date

falling three months from the date of this Announcement.

BY ORDER OF THE BOARD

Wang Yuanluo
Non-Executive, Non-Independent Chairman

3 April 2018

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