

CIRCULAR DATED 31 OCTOBER 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of China Jinjiang Environment Holding Company Limited, you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the accuracy or correctness of any statements or opinions made, or reports contained, in this Circular.

China International Capital Corporation (Singapore) Pte. Limited was the sole issue manager, global coordinator, bookrunner and underwriter (“**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 SGX-ST. The Sole Issue Manager, Global Coordinator, Bookrunner and Underwriter assumes no responsibility for the contents of this Circular.



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)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED ACQUISITION OF ZHEJIANG ZHUJI BAFANG THERMAL POWER CO., LTD. (浙江诸暨八方热电有限责任公司) AS AN INTERESTED PERSON TRANSACTION; AND**
- (2) THE PROPOSED ACQUISITION OF WENLING GREEN NEW ENERGY CO., LTD. (温岭绿能新能源有限公司) AS AN INTERESTED PERSON TRANSACTION**

Independent Financial Adviser to the Independent Directors of China Jinjiang Environment Holding Company Limited in relation to the Proposed Acquisitions



PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Company Registration Number: 200207389D)

(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	12 November 2016 at 3.00 p.m.
Date and time of Extraordinary General Meeting	:	15 November 2016 at 3.00 p.m.
Place of Extraordinary General Meeting	:	Meeting Room 304 Suntec Singapore Convention & Exhibition Centre 1 Raffles Boulevard, Suntec City Singapore 039593

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

- “Audit Committee”** : The audit committee of the Company currently comprising of Mr. Tan Huay Lim, Mr. Ang Swee Tian, Mr. Hee Theng Fong and Mr. Roy Edwin Campbell II.
- “CDP”** : The Central Depository (Pte) Limited.
- “China Green Energy”** : China Green Energy Limited, an exempted company incorporated on 5 May 2004 under the laws of the Cayman Islands, which is one of the Controlling Shareholders of the Company.
- “Company”** : China Jinjiang Environment Holding Company Limited 中国锦江环境控股有限公司.
- “Controlling Shareholder”** : A person who (a) holds directly or indirectly 15% or more of the issued shares excluding treasury shares in a company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder); or (b) in fact exercises control over a company.
- “Directors”** : The directors of the Company for the time being (collectively, the **“Board of Directors”**).
- “EGM”** : The extraordinary general meeting of the Company, notice of which is given on pages C-1 and C-2 of this Circular.
- “EPS”** : Earnings per Share.
- “FY”** : Financial year ended or, as the case may be, ending 31 December.
- “Gevin”** : Gevin Limited, a company incorporated on 4 January 2008 under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.
- “Group”** : The Company and its subsidiaries.
- “Hangzhou Zhengcai”** : Hangzhou Zhengcai Holding Group Co., Ltd. (杭州正才控股集团有限公司) (formerly known as Zhejiang Zhengcai Trading Co., Ltd. (浙江正才贸易有限公司)), a company incorporated under the laws of the PRC with limited liability, which is a wholly-owned subsidiary of Jinjiang Group and is one of the Controlling Shareholders of the Company.
- “IFA Letter”** : The letter dated 31 October 2016 from the Independent Financial Adviser to the Independent Directors, a copy of which is reproduced in Appendix A to this Circular.
- “Independent Directors”** : The Directors who are deemed to be independent for the purposes of making recommendations on the Proposed Acquisitions, being all the Directors.
- “Independent Financial Adviser”** : PrimePartners Corporate Finance Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Proposed Acquisitions.

DEFINITIONS

- “Independent Shareholders”** : The Shareholders, other than China Green Energy and Win Charm, who are deemed to be independent for the purposes of voting at the EGM on the resolutions in respect of the Proposed Acquisitions.
- “Independent Valuation Report”** : The valuation report dated 5 October 2016 in respect of Zhuji Bafang and Wenling Green Energy issued by American Appraisal China Limited.
- “Independent Valuer”** : American Appraisal China Limited, the independent valuer in respect of the Proposed Acquisitions.
- “Interested Person”** : A director, chief executive officer or controlling shareholder of the Company or an associate of such director, chief executive officer or controlling shareholder.
- “IPO Proceeds”** : The net proceeds from the Offering and the Cornerstone Tranche (each as defined in the Prospectus).
- “Jinjiang Group”** : Hangzhou Jinjiang Group Co., Ltd. (杭州锦江集团有限公司), a company incorporated under the laws of the PRC with limited liability, which is owned as to 63.29% by Mr. Dou Zhenggang and 36.71% by Zhejiang Hengjia and is one of the Controlling Shareholders of the Company.
- “Latest Practicable Date”** : 24 October 2016, being the latest practicable date prior to the printing of this Circular.
- “Listing Manual”** : The Listing Manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date.
- “NTA”** : Net tangible assets.
- “PRC”** : People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purposes of this Circular and for geographical reference only.
- “Proposed Acquisitions”** : The Proposed Zhuji Acquisition and the Proposed Wenling Acquisition.
- “Proposed Wenling Acquisition”** : The proposed acquisition of 100% of the equity interest of Wenling Green Energy from Jinjiang Group by Gevin or any of its wholly-owned subsidiaries.
- “Proposed Zhuji Acquisition”** : The proposed acquisition of 100% of the equity interest of Zhuji Bafang from Jinjiang Group by Gevin or any of its wholly-owned subsidiaries.
- “Prospectus”** : The prospectus of the Company dated 25 July 2016 in connection with its initial public offering and listing on the Mainboard of the SGX-ST.
- “Register of Members”** : The Register of Members of the Company.
- “Securities Accounts”** : Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent.

DEFINITIONS

“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Shareholders”	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and whose Securities Accounts maintained with CDP are credited with those Shares.
“Shares”	:	Ordinary shares in the capital of the Company.
“Substantial Shareholder”	:	A person who has an interest directly or indirectly in 5% or more of the total number of voting Shares of the Company.
“Taizhou Tongchuang”	:	Taizhou Green Tongchuang Renewable Resource Co., Ltd. (台州绿能同创再生资源有限公司), a company incorporated on 29 July 2016 under the laws of the PRC with limited liability, which is a 50% subsidiary of Wenling Green Energy.
“Valuation Summary Letter”	:	The valuation summary letter from the Independent Valuer as set out in Appendix B to this Circular.
“Wenling Green Energy”	:	Wenling Green New Energy Co., Ltd. (温岭绿能新能源有限公司), a company incorporated on 20 May 2013 under the laws of the PRC with limited liability, which is a directly-held, wholly-owned subsidiary of Jinjiang Group.
“Wenling Green Energy WTE Facility”	:	The WTE facility currently in trial operation located in Wenling, Zhejiang Province and operated by Wenling Green Energy.
“Wenling Solid Waste”	:	Wenling Green Solid Waste Disposal Co., Ltd. (温岭绿能固废处理有限公司), a company incorporated on 23 May 2014 under the laws of the PRC with limited liability, which is a 51% subsidiary of Wenling Green Energy.
“Wenling Solid Waste WTE Facility”	:	The waste treatment facility currently in operation located in Wenling, Zhejiang Province and operated by Wenling Solid Waste.
“Wenling S&P Agreement”	:	The sale and purchase agreement entered into between Jinjiang Group and Gevin on 5 October 2016 for the Proposed Wenling Acquisition.
“Win Charm”	:	Win Charm Limited, an exempted company incorporated on 18 August 2005 under the laws of the Cayman Islands, which is a wholly-owned subsidiary of Jinjiang Group and is one of the Controlling Shareholders of the Company.
“Zhejiang Hengjia”	:	Zhejiang Hengjia Holding Co., Ltd. (浙江恒嘉控股有限公司), a limited liability company incorporated under the laws of the PRC, which is wholly owned by Ms. Wei Xuefeng, who is one of the Controlling Shareholders of the Company and the spouse of Mr. Dou Zhenggang. Zhejiang Hengjia is one of the Controlling Shareholders of the Company.

DEFINITIONS

- “Zhuji Bafang”** : Zhejiang Zhuji Bafang Thermal Power Co., Ltd. (浙江诸暨八方热电有限责任公司), a company incorporated on 3 July 2003 under the laws of the PRC with limited liability, which is a directly-held, wholly-owned subsidiary of Jinjiang Group.
- “Zhuji Tongchuang”** : Zhuji Tongchuang Renewable Resource Recycling Co., Ltd. (诸暨市同创再生资源回收有限公司), a company incorporated on 23 June 2016 under the laws of the PRC with limited liability, which is a 70% subsidiary of Zhuji Bafang.
- “Zhuji S&P Agreement”** : The sale and purchase agreement entered into between Jinjiang Group and Gevin on 5 October 2016 for the Proposed Zhuji Acquisition.
- “Zhuji Bafang WTE Facility”** : The partial WTE facility currently in operation located in Zhuji, Zhejiang Province and owned and operated by Zhuji Bafang.

Glossary of Technical Terms

- “BOO”** : build-own-operate; a business model in which an enterprise undertakes the financing, design, construction, operations and maintenance of infrastructure facilities which are owned by such enterprise.
- “BOT”** : build-operate-transfer; a business model in which the proprietor grants to a contracted enterprise the rights to undertake the financing, design, construction, operations and maintenance of infrastructure facilities by concession agreement, which enterprise can charge a fee during the concession period to cover its costs of investment, operations as well as reasonable returns, and, upon expiration of the concession period, the relevant facilities will be transferred back to the proprietor.
- “fly ash”** : residue generated in combustion, comprising fine particles that rise along with the exhaust gases generated from the combustion process.
- “kWh”** : kilowatt-hour, a unit of measurement for energy. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour.
- “municipal solid waste”** : household waste, sanitary waste, commercial waste and other non-industrial waste generated from day-to-day activities in an urban centre, which primarily comprises food and other organic waste.
- “slag”** : solid waste matter generated as a by-product of combustion, which is composed largely of oxide.
- “sludge”** : a semi-solid slurry which can be generated as sewage sludge from wastewater treatment processes or generated through other industrial processes.
- “sq m”** : square metres.
- “t/d”** : tons per day.

DEFINITIONS

“WTE” : waste-to-energy; mainly includes waste incineration and power generation in which municipal solid waste is burned at high temperature where the heat energy generated during burning is transformed to high temperature steam to initiate the rotation of turbines for power generation.

Currencies and Others

“RMB” and “RMB cents” : PRC Renminbi and Renminbi cents, respectively.

“S\$”, “\$” and “cents” : Singapore dollars and cents, respectively.

“%” or “per cent.” : Per centum or percentage.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively, in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore (**“SFA”**).

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Unless otherwise indicated, RMB amounts in this Circular have been translated into Singapore dollars, based on the exchange rate of S\$1.00 : RMB4.8602 quoted by Bloomberg L.P. on the Latest Practicable Date.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the SFA, the Listing Manual, or any relevant laws of the Republic of Singapore or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the the SFA, the Listing Manual, or any relevant laws of the Republic of Singapore or any modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day and date in this Circular is a reference to Singapore time and date, respectively, unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

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)

Board of Directors:

Wang Yuanlu (王元珞) (Executive Chairman and Chief Executive Officer)
Wang Wuzhong (王武忠) (Executive Director)
Wang Ruihong (王瑞红) (Executive Director)
Roy Edwin Campbell II (Non-Executive Director)
Ang Swee Tian (Lead Independent Director)
Hee Theng Fong (Independent Director)
Tan Huay Lim (Independent Director)
Ni Mingjiang (倪明江) (Independent Director)

Registered Office:

Grand Pavilion, Hibiscus Way
802 West Bay Road
P.O. Box 31119
KY1-1205, Cayman Islands

31 October 2016

To: The Shareholders of China Jinjiang Environment Holding Company Limited 中国锦江环境控股有限公司

Dear Sir / Madam

- (1) **THE PROPOSED ACQUISITION OF ZHEJIANG ZHUJI BAFANG THERMAL POWER CO., LTD. (浙江诸暨八方热电有限责任公司) AS AN INTERESTED PERSON TRANSACTION; AND**
- (2) **THE PROPOSED ACQUISITION OF WENLING GREEN NEW ENERGY CO., LTD. (温岭绿能新能源有限公司) AS AN INTERESTED PERSON TRANSACTION**

1. INTRODUCTION

1.1 Background

The Company had issued a prospectus dated 25 July 2016 (the “**Prospectus**”) in connection with its initial public offering and listing on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). As disclosed in the Prospectus, on 23 June 2016, the Company entered into a Non-Competition Agreement (the “**Non-Competition Agreement**”) with its Controlling Shareholders, namely, Hangzhou Jinjiang Group Co., Ltd. (杭州锦江集团有限公司) (“**Jinjiang Group**”), China Green Energy Limited (“**China Green Energy**”), Hangzhou Zhengcai Holding Group Co., Ltd. (杭州正才控股集团有限公司) (“**Hangzhou Zhengcai**”), Win Charm Limited (“**Win Charm**”), Zhejiang Hengjia Holding Co., Ltd. (浙江恒嘉控股有限公司) (“**Zhejiang Hengjia**”), Dou Zhenggang and Wei Xuefeng, pursuant to which, *inter alia*, the Controlling Shareholders granted the Company an option, subject to applicable laws and regulations, to purchase, at one or more times, any equity interest, assets or other interests which form part or all of certain WTE businesses owned by Jinjiang Group, including Zhejiang Zhuji Bafang Thermal Power Co., Ltd. (浙江诸暨八方热电有限责任公司) (“**Zhuji Bafang**”) and Wenling Green New Energy Co., Ltd. (温岭绿能新能源有限公司) (“**Wenling Green Energy**”).

As disclosed in the Prospectus, the Group had informed Jinjiang Group of its intention to acquire Zhuji Bafang and Wenling Green Energy immediately after the date of its listing on the SGX-ST (and in any event, no later than 31 December 2016).

In accordance with the terms of the Non-Competition Agreement, the Company had, with the approval of its Audit Committee, commissioned an independent valuer, American Appraisal China Limited (the “**Independent Valuer**”), to prepare a valuation report for Zhuji Bafang and Wenling Green Energy (the “**Independent Valuation Report**”), a summary in respect of which (the “**Valuation Summary Letter**”) is set out in Appendix B to this Circular.

LETTER TO SHAREHOLDERS

On 5 October 2016, the Company announced that:

- (a) its wholly-owned subsidiary Gevin Limited (“**Gevin**”) had entered into a conditional sale and purchase agreement with Jinjiang Group dated 5 October 2016 (the “**Zhuji S&P Agreement**”) for the acquisition by Gevin, or any of its wholly-owned subsidiaries, of the entire equity interest in Zhuji Bafang from Jinjiang Group for a total consideration of RMB304,494,000 (equivalent to approximately S\$62,650,500) (the “**Zhuji Acquisition Consideration**”) (the “**Proposed Zhuji Acquisition**”); and
- (b) Gevin had entered into a conditional sale and purchase agreement with Jinjiang Group dated 5 October 2016 (the “**Wenling S&P Agreement**”) for the acquisition by Gevin, or any of its wholly-owned subsidiaries, of the entire equity interest in Wenling Green Energy from Jinjiang Group for a total consideration of RMB135,000,000 (equivalent to approximately S\$27,776,600) (the “**Wenling Acquisition Consideration**”) (the “**Proposed Wenling Acquisition**” and together with the Proposed Zhuji Acquisition, the “**Proposed Acquisitions**”).

The Proposed Zhuji Acquisition and the Proposed Wenling Acquisition will be fully funded from the IPO Proceeds as contemplated in the Prospectus.

As disclosed in the Prospectus, the Company’s shareholders had agreed that the Proposed Acquisitions should take place following the Company’s listing on the SGX-ST under the Non-Competition Agreement, as the Proposed Acquisitions will be fully funded from the IPO Proceeds, instead of raising additional debt prior to the Company’s initial public offering to finance such acquisition.

In addition, it had been agreed between the Controlling Shareholders and each of Radec XIX Ltd and AEP Investments (Mauritius) Limited that, prior to the Company’s listing on the SGX-ST, the assets and properties of Jinjiang Group and its affiliates (including the Zhuji Bafang WTE Facility, Wenling Green Energy WTE Facility and Wenling Solid Waste Facility (each as defined below)) shall not be converted into equity or equity-linked securities of China Green Energy or any of its subsidiaries (including the Company) without the consent of each of Radec XIX Ltd and AEP Investments (Mauritius) Limited. Radec XIX Ltd and AEP Investments (Mauritius) Limited had invested in China Green Energy in 2010 prior to the Company’s initial public offering. As at the Latest Practicable Date, Radec XIX Ltd and AEP Investments (Mauritius) Limited are Substantial Shareholders of the Company which have a direct interest in 14.84% and 6.70% of the Shares, respectively. See paragraph 3.2 of this Circular for further details on Radec XIX Ltd and AEP Investments (Mauritius) Limited.

The Zhuji Bafang WTE Facility has an installed waste treatment capacity of 1,050 t/d and a total designed treatment capacity of 1,300 t/d. The Wenling Green Energy WTE Facility has an installed waste treatment capacity of 800 t/d (which includes a sludge treatment capacity of 200 t/d) and a total designed treatment capacity of 1,600 t/d (which includes a sludge treatment capacity of 400 t/d). The Wenling Solid Waste Facility has an installed capacity of 5 t/d for the treatment of animal carcasses.

As at the Latest Practicable Date, the Group has a total installed waste treatment capacity of 23,880 t/d. Accordingly, the Proposed Acquisitions will in aggregate increase the Group’s total installed waste treatment capacity by 1,850 t/d.¹

1.2 Interested Person Transactions

As at the Latest Practicable Date, Jinjiang Group, which is deemed interested in approximately 61.6% of the Shares and is accordingly a Controlling Shareholder, directly holds 100% of the equity interest in Zhuji Bafang and Wenling Green Energy. Accordingly, Jinjiang Group is an interested person, and the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition would each constitute an interested person transaction pursuant to Chapter 9 of the Listing Manual.

¹ Not including the Wenling Solid Waste Facility’s capacity of 5 t/d for the treatment of animal carcasses.

LETTER TO SHAREHOLDERS

Jinjiang Group is a private enterprise established in the PRC in 1993 and is primarily engaged in the metallurgical and chemical industries in the PRC, including the production of aluminium and aluminium oxide.

Under Rule 906(1)(a) of the Listing Manual, where the value of an interested person transaction is equal to or exceeds 5% of the Group's latest audited net tangible assets ("**NTA**"), Shareholders' approval must be obtained.

Under Rule 918 of the Listing Manual, Shareholders' approval is required to be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to completion of the transaction, as the case may be.

The Zhuji Acquisition Consideration and the Wenling Acquisition Consideration expressed as a percentage of the Group's latest audited consolidated NTA as at 31 December 2015 of RMB2,434.5 million is approximately 12.5% and 5.5%, respectively.

Accordingly, Shareholders' approval is required for each of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition under Rule 906(1)(a) of the Listing Manual.

PrimePartners Corporate Finance Pte. Ltd. has been appointed as the Independent Financial Adviser in accordance with Chapter 9 of the Listing Manual to advise the Independent Directors on whether the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

1.3 EGM

The Directors are convening an EGM to be held on 15 November 2016 to seek Shareholders' approval for the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition.

1.4 Circular

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Acquisitions.

2. THE PROPOSED ACQUISITIONS AS INTERESTED PERSON TRANSACTIONS

2.1 Information on Zhuji Bafang and Wenling Green Energy

2.1.1 *Zhuji Bafang*

Zhuji Bafang is a company incorporated under the laws of the PRC on 3 July 2003 with its registered address at 2 Juli Road, Taozhu Street, Zhuji City, Zhejiang Province (诸暨市陶朱街道聚力路2号). As at the Latest Practicable Date, the registered capital of Zhuji Bafang is RMB138.0 million, which has been fully paid-up. Zhuji Bafang owns and operates a partial WTE facility currently in operation located in Zhuji, Zhejiang Province (the "**Zhuji Bafang WTE Facility**"), which is operated under the build-operate-own ("**BOO**") model. It is engaged in power generation from waste incineration, coal-fired thermal power generation and the supply of steam for heating.

Based on the audited financial statements of Zhuji Bafang² for FY2013, FY2014 and FY2015:

- (a) for FY2013, FY2014 and FY2015, the revenue of Zhuji Bafang was approximately RMB153.2 million, RMB141.7 million and RMB133.4 million, respectively (equivalent to approximately S\$31.5 million, S\$29.2 million and S\$27.4 million respectively), which represents 12.0%, 11.2% and 8.4% of the Group's revenue for each of the respective periods;

² The financial statements of Zhuji Bafang for FY2013, FY2014 and FY2015 were prepared in accordance with PRC accounting standards and were audited by Hangzhou Qianwang Accounting Firm Co., Ltd. (杭州钱王会计师事务所有限公司).

LETTER TO SHAREHOLDERS

- (b) for FY2013, FY2014 and FY2015, Zhuji Bafang recorded profits before tax of approximately RMB20.0 million, RMB27.4 million and RMB38.6 million, respectively (equivalent to approximately S\$4.1 million, S\$5.6 million and S\$7.9 million respectively), which represents 6.9%, 6.1% and 6.6% of the Group's profit before tax for each of the respective periods;
- (c) as at 31 December 2013, 2014 and 2015, the net assets of Zhuji Bafang was approximately RMB126.2 million, RMB146.7 million and RMB174.5 million, respectively (equivalent to approximately S\$26.0 million, S\$30.2 million and S\$35.9 million respectively), which represents 4.4%, 5.2% and 5.6% of the Group's net assets as at each of the respective dates; and
- (d) as at 31 December 2013, 2014 and 2015, the NTA of Zhuji Bafang was approximately RMB115.2 million, RMB135.9 million and RMB164.0 million, respectively (equivalent to approximately S\$23.7 million, S\$28.0 million and S\$33.7 million respectively).

Zhuji Tongchuang

Zhuji Bafang owns 70.0% of the equity interest in Zhuji Tongchuang Renewable Resource Recycling Co., Ltd. (诸暨市同创再生资源回收有限公司) ("**Zhuji Tongchuang**"), a company incorporated on 23 June 2016 under the laws of the PRC with limited liability, with its registered address at Taozhu Street, Honglian New Village, Mahu Village, Zhuji City, Zhejiang Province (诸暨市陶朱街道红联新村马湖自然村). The remaining 30.0% of the equity interest in Zhuji Tongchuang is held by Yangzhou Tongchuang Renewable Resource Co., Ltd. (扬州市同创再生资源有限公司), an independent third party. As at the Latest Practicable Date, the registered capital of Zhuji Tongchuang is RMB40.1 million, of which RMB12.0 million has been paid-up by Yangzhou Tongchuang Renewable Resource Co., Ltd. (扬州市同创再生资源有限公司). Zhuji Tongchuang is expected to be engaged in the recycling of non-ferrous metals and other resources which are removed from slag discharged as part of the waste incineration process, and subsequently used for construction and as other ancillary materials.

As at the Latest Practicable Date, Zhuji Tongchuang has not commenced any business activities or construction works. Zhuji Tongchuang is currently undertaking an environmental impact assessment and is expected to commence operations in February 2017. A further total investment amount of approximately RMB3.4 million is estimated to be required for Zhuji Tongchuang to commence operations, of which approximately RMB2.4 million will be contributed by Zhuji Bafang in accordance with its 70.0% equity interest in Zhuji Tongchuang.

2.1.2 **Wenling Green Energy**

Wenling Green Energy is a company incorporated on 23 May 2013 under the laws of the PRC with limited liability, with its registered address at Chang Xintang, Eastern Development District, Wenling City, Zhejiang Province (温岭市东部新区北面长新塘内). As at the Latest Practicable Date, the registered capital of Wenling Green Energy is RMB107,530,000, which has been fully paid-up. Wenling Green Energy operates a WTE facility currently in trial operation located in Wenling, Zhejiang Province (the "**Wenling Green Energy WTE Facility**"), which is operated under the build-operate-transfer ("**BOT**") model. It is engaged in power generation from waste incineration, the production, supply and sale of steam and hot water, and the production and sale of by-products of incineration ash.

LETTER TO SHAREHOLDERS

Based on the audited financial statements of Wenling Green Energy³ for FY2013, FY2014 and FY2015:

- (a) as the Wenling Green Energy WTE Facility is currently in trial operation, Wenling Green Energy had no profits and revenue for FY2013, FY2014 and FY2015;
- (b) as at 31 December 2013, 2014 and 2015, the net assets of Wenling Green Energy was approximately RMB20.8 million, RMB60.0 million and RMB107.5 million, respectively (equivalent to approximately S\$4.3 million, S\$12.3 million and S\$22.1 million respectively), which represents 0.7%, 2.1% and 3.4% of the Group's net assets as at each of the respective dates; and
- (c) as at 31 December 2013, 2014 and 2015, the NTA of Wenling Green Energy was approximately RMB20.8 million, RMB40.1 million and RMB88.4 million, respectively (equivalent to approximately S\$4.3 million, S\$8.3 million and S\$18.2 million respectively).

Wenling Solid Waste

Wenling Green Energy owns 51.0% of the equity interest in Wenling Green Solid Waste Disposal Co., Ltd. (温岭绿能固废处理有限公司) ("**Wenling Solid Waste**"), a company incorporated on 23 May 2014 under the laws of the PRC with limited liability, with its registered address at Chang Xintang, Binhai Town, Wenling City, Zhejiang Province (温岭市滨海镇长新塘内). The remaining 49.0% of the equity interest in Wenling Solid Waste is held by Hangzhou Puzhong Environmental Protection Engineering Co., Ltd. (杭州普众环保工程有限公司), an independent third party. As at the Latest Practicable Date, the registered capital of Wenling Solid Waste is RMB10.0 million, which has been fully paid-up. Wenling Solid Waste operates a waste treatment facility currently in operation located in Wenling, Zhejiang Province (the "**Wenling Solid Waste Facility**"), which is operated under the BOT model and engages in the treatment of animal carcasses.

Based on the audited financial statements of Wenling Solid Waste⁴ for FY2014 and FY2015:

- (a) as the Wenling Solid Waste Facility only commenced trial operations and commercial operations in July 2015 and January 2016 respectively, Wenling Solid Waste had no profits and revenue for FY2014. For FY2015, Wenling Solid Waste recorded revenue of approximately RMB1.9 million (equivalent to approximately S\$0.4 million) and a net loss of approximately RMB0.9 million (equivalent to approximately S\$0.2 million);
- (b) as at 31 December 2014 and 2015, the net assets of Wenling Solid Waste was approximately RMB2.0 million and RMB9.1 million, respectively (equivalent to approximately S\$0.4 million and S\$1.9 million respectively); and
- (c) as at 31 December 2014 and 2015, the NTA of Wenling Solid Waste was approximately RMB0.2 million and RMB7.4 million, respectively (equivalent to approximately S\$41,000 and S\$1.5 million respectively).

Taizhou Tongchuang

Wenling Green Energy owns 50.0% of the equity interest in Taizhou Green Tongchuang Renewable Resource Co., Ltd. (台州绿能同创再生资源有限公司) ("**Taizhou Tongchuang**"), a company incorporated on 29 July 2016 under the laws of the PRC with limited liability, with its registered address at Huanglang Fenshui Salt Factory, Jinqing Town, Luqiao District, Taizhou City, Zhejiang Province (台州市路桥区金清镇黄琅分水盐场). Yangzhou Tongchuang Renewable Resource Co., Ltd. (扬州市同创再生资源有限公司),

³ The financial statements of Wenling Green Energy for FY2013, FY2014 and FY2015 were prepared in accordance with PRC accounting standards and were audited by Hangzhou Qianwang Accounting Firm Co., Ltd. (杭州钱王会计师事务所有限公司).

⁴ The financial statements of Wenling Solid Waste for FY2014 and FY2015 were prepared in accordance with PRC accounting standards and were audited by Hangzhou Qianwang Accounting Firm Co., Ltd. (杭州钱王会计师事务所有限公司).

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an independent third party, and Wenling Ruoheng Hongtai Gear Factory (温岭市箬横宏泰齿轮厂), an independent third party, hold 30.0% and 20.0% of the equity interest in Taizhou Tongchuang, respectively. As at the Latest Practicable Date, the registered capital of Taizhou Tongchuang is RMB1.0 million, of which RMB300,000 has been paid-up by Yangzhou Tongchuang Renewable Resource Co., Ltd. (扬州市同创再生资源有限公司). Taizhou Tongchuang is expected to be engaged in the recycling of non-ferrous metals and other resources which are removed from slag discharged as part of the waste incineration process, and subsequently used for construction and as other ancillary materials.

As at the Latest Practicable Date, Taizhou Tongchuang has not commenced any business activities. Taizhou Tongchuang is currently under construction with foundational works and equipment selection being undertaken, and is expected to commence operations in February 2017. A further total investment amount of approximately RMB4.0 million, which will be funded through shareholder loans and/or bank borrowings, is estimated to be required for Taizhou Tongchuang to commence operations, of which approximately RMB2.0 million will be contributed by Wenling Green Energy in accordance with its 50.0% equity interest in Taizhou Tongchuang.

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2.1.3 Details on Waste Treatment Facilities

Details on the Zhuji Bafang WTE Facility, Wenling Green Energy WTE Facility and Wenling Solid Waste Facility are set out below:

Name of WTE Facility	Project Location	Project Model	Actual Total Investment (RMB in million)	Percentage of Ownership by Jinjiang Group	Total Designed Treatment Capacity (t/d)	Installed capacity as Practicable Date (t/d)	Electricity Supply Fee (RMB / kWh)	Waste Treatment Fee (RMB per ton)	Date of Commencing Operation	Concession Period	Gross Floor Area (sq m)
Zhuji Bafang WTE Facility ⁽¹⁾	Zhuji, Zhejiang Province	BOO	600.0	100%	1,300 ⁽²⁾	1,050 ⁽²⁾	0.65	90.00 + 35.00 ⁽³⁾	September 2004	30 years from 29 August 2012	136,000
Wenling Green Energy WTE Facility	Wenling, Zhejiang Province	BOT	370.0	100%	1,600 ⁽⁴⁾	800 ⁽⁵⁾	0.65	46.00	February 2016 (trial operation)	29 years from 8 August 2013	73,205
Wenling Solid Waste Facility	Wenling, Zhejiang Province	BOT	32.4	51% ⁽⁶⁾	5	5	–	3,500.00	July 2015 (trial operation)	29 years from 13 March 2014	6,666
									January 2016 (commercial operation)		

Notes:

- (1) The Zhuji Bafang WTE Facility has two operational portions, namely, coal-fired thermal power and WTE. The RMB600.0 million investment amount includes the acquisition costs for the coal-fired thermal power portion of the Zhuji Bafang WTE Facility, as well as the costs of technical upgrading and operations optimisation. The 1,050 t/d installed waste treatment capacity of the Zhuji Bafang WTE Facility does not factor in the coal-fired thermal power component of the Zhuji Bafang WTE Facility.
- (2) The total designed and installed treatment capacity of the Zhuji Bafang WTE Facility was disclosed as 800 t/d in the Prospectus, as the relevant approvals by the relevant local government for the completion of a new boiler had yet to be obtained by Zhuji Bafang at such time.
- (3) In addition to the waste treatment fee of RMB90.00 per ton, the Zhuji Bafang WTE Facility receives a fly ash treatment subsidy of RMB35.00 per ton of municipal solid waste treated.
- (4) Includes 400 t/d of sludge treatment capacity.
- (5) Includes 200 t/d of sludge treatment capacity.
- (6) Hangzhou Puzhong Environmental Protection Engineering Co., Ltd. (杭州普众环保工程有限公司), an independent third party, holds the remaining 49% of the equity interest in Wenling Solid Waste.

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2.2 Details of the Proposed Acquisitions

2.2.1 *Consideration and Term of Payment of the Proposed Acquisitions*

According to the Valuation Summary Letter, the fair value of Zhuji Bafang of RMB304,494,000 to RMB349,000,000 (equivalent to approximately S\$62,650,500 to S\$71,807,700), with mid-point at RMB326,747,000 (equivalent to approximately S\$67,229,100), and the fair value of Wenling Green Energy of RMB107,530,000 to RMB166,000,000 (equivalent to approximately S\$22,124,600 to S\$34,155,000), with mid-point at RMB136,765,000 (equivalent to approximately S\$28,139,800), was appraised by using the income approach and the cost approach.

In accordance with the terms of the Non-Competition Agreement, the Zhuji Acquisition Consideration of RMB304,494,000 (equivalent to approximately S\$62,650,500) and the Wenling Acquisition Consideration of RMB135,000,000 (equivalent to approximately S\$27,776,600) were arrived at after arm's length negotiations between the respective parties, on a "willing buyer willing seller" basis, taking into consideration the fair value of Zhuji Bafang and Wenling Green Energy as appraised by the Independent Valuer in the Independent Valuation Report.

Subject to the fulfilment of the conditions precedent in the Zhuji S&P Agreement and the Wenling S&P Agreement, the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration will be paid to Jinjiang Group upon completion.

2.2.2 *Terms of the Concession Agreements*

Concession agreements have been entered into with the relevant local authorities in respect of the Zhuji Bafang WTE Facility, Wenling Green Energy WTE Facility and Wenling Solid Waste Facility, which provide for concession periods of 30 years from 29 August 2012, 29 years from 8 August 2013 and 29 years from 13 March 2014, respectively. During the concession period, the respective project company is permitted to exclusively operate and provide waste treatment services in a defined geographic area.

The Zhuji Bafang WTE Facility is operated under a BOO concession agreement, under which Zhuji Bafang has no obligation to transfer its ownership of the Zhuji Bafang WTE Facility to the relevant local government at the end of the concession period.

The Wenling Green Energy WTE Facility and the Wenling Solid Waste Facility are operated under BOT concession agreements, under which Wenling Green Energy and Wenling Solid Waste are required to transfer the ownership of the Wenling Green Energy WTE Facility and Wenling Solid Waste Facility to the relevant local governments for no consideration at the end of the concession period.

Under the respective BOO and BOT concession agreements:

- (a) the relevant project company is responsible for the design, financing, construction, operation and maintenance of the particular waste treatment facility;
- (b) the relevant project company receives waste treatment fees based on a fixed rate for each ton of waste processed;
- (c) any proposed asset enhancement initiatives, such as technical upgrading and/or the expansion of waste treatment capacity, are subject to the approval of the relevant local authorities; and
- (d) there is no option to renew the concession agreements unless mutually agreed by the relevant local authorities and the respective project company.

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Under the concession agreements entered into by Wenling Green Energy and Wenling Solid Waste:

- (i) performance bonds of RMB24.0 million and RMB1.0 million, respectively, shall be provided to the relevant local authorities to guarantee the construction of the Wenling Green Energy WTE Facility and Wenling Solid Waste Facility, and shall expire upon the project having passed the completion inspection; and
- (ii) upon the project having passed the completion inspection, performance bonds of RMB7.0 million and RMB800,000 shall be provided to the relevant local authorities to guarantee the continued operation and proper maintenance of the Wenling Green Energy WTE Facility and Wenling Solid Waste Facility, respectively, and shall expire upon the expiration of the concession period or the termination of the concession agreement.

The aforementioned performance bonds shall be in a format approved by the relevant local authorities and be issued by a financial institution acceptable to the relevant local authorities. As at the Latest Practicable Date, the Wenling Green Energy WTE Facility and Wenling Solid Waste Facility have passed the completion inspection and the performance bonds of RMB24.0 million and RMB1.0 million in (i) above have expired, and the performance bonds of RMB7.0 million and RMB800,000 in (ii) above have been provided to the relevant local authorities.

2.2.3 Existing Transactions Between Jinjiang Group and Zhuji Bafang, Wenling Green Energy and Wenling Solid Waste

As at the Latest Practicable Date, there are certain existing transactions between (i) Jinjiang Group and/or its associates and (ii) Zhuji Bafang, Wenling Green Energy and Wenling Solid Waste, as set out below:

- (a) Jinjiang Group has provided a corporate guarantee in respect of a bank loan of RMB148.8 million extended by Bank of China, Wenling Branch to Wenling Green Energy. As no fee was charged by Jinjiang Group for the provision of the aforementioned corporate guarantee, there is no amount at risk to the Group;
- (b) in accordance with the respective concession agreements of Wenling Green Energy and Wenling Solid Waste, Jinjiang Group has placed performance bonds of RMB7.8 million in aggregate with the relevant local authorities to guarantee the continued operation and proper maintenance of the Wenling Green Energy WTE Facility and Wenling Solid Waste Facility. As no fee was charged by Jinjiang Group for the provision of the aforementioned performance bonds, there is no amount at risk to the Group;
- (c) Jinjiang Group and/or its associates have provided ad-hoc loans and advances to Zhuji Bafang, Wenling Green Energy and Wenling Solid Waste for the current financial period from 1 January 2016 up to the Latest Practicable Date, which were generally used for working capital purposes, common expenses (including staff and staff-related costs, rental and utilities), payments to third parties on behalf of Zhuji Bafang, Wenling Green Energy and Wenling Solid Waste and capital expenditure. As at the Latest Practicable Date, the aggregate outstanding amount owed to Jinjiang Group and/or its associates by Zhuji Bafang, Wenling Green Energy and Wenling Solid Waste in relation to the aforementioned loans and advances is approximately RMB186.9 million, RMB64.5 million and RMB15.2 million, respectively. The IPO Proceeds will not be used to repay the amounts outstanding in respect of such loans and advances, which will be gradually repaid using cash generated from the Group's operations. As the aforementioned loans and advances were unsecured, interest-free and repayable on demand, there is no amount at risk to the Group in accordance with Rule 909(3) of the Listing Manual; and

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- (d) Jinjiang Group and/or its associates have, in the ordinary course of business, entered into certain transactions with Zhuji Bafang, Wenling Green Energy and Wenling Solid Waste, including the purchase of coal by and the provision of design and consulting services to Zhuji Bafang, Wenling Green Energy and Wenling Solid Waste (the “**Recurrent Transactions**”). Following completion of the Proposed Acquisitions, the Group’s general mandate for interested person transactions would apply to certain of the Recurrent Transactions.

The aforementioned transactions were entered into prior to completion of the Proposed Acquisitions and will continue following completion of the Proposed Acquisitions. Excluding the transactions to which the Company’s general mandate for interested person transactions would apply, the aggregate value of the aforementioned transactions, being the amount at risk to the Company under Rule 909 of the Listing Manual, for the current financial period from 1 January 2016 up to the Latest Practicable Date is less than 3% of the Group’s latest audited consolidated NTA as at 31 December 2015 of RMB2,434.5 million.

The Audit Committee has reviewed the terms of the aforementioned transactions and is of the view that:

- (i) as no consideration was paid by Wenling Green Energy to procure the corporate guarantee provided by Jinjiang Group in (a) above, whilst such corporate guarantee was not provided on an arm’s length basis and was not on normal commercial terms, the terms of such corporate guarantee are not prejudicial to the interests of the Company and its minority Shareholders;
- (ii) as no consideration was paid by Wenling Green Energy and Wenling Solid Waste to procure the performance bonds provided by Jinjiang Group in (b) above, whilst such performance bonds were not provided on an arm’s length basis and were not on normal commercial terms, the terms of such performance bonds are not prejudicial to the interests of the Company and its minority Shareholders;
- (iii) as the loans and advances provided by Jinjiang Group and/or its associates in (c) above were unsecured, interest-free and repayable on demand, whilst such loans and advances were not provided on an arm’s length basis and were not on normal commercial terms, as loans from financial institutions may be secured and would invariably be interest-bearing, the provision of such loans and advances are not prejudicial to the interests of the Company and its minority Shareholders;
- (iv) as Zhuji Bafang, Wenling Green Energy and Wenling Solid Waste may also enjoy bulk purchasing discounts and preferential payment terms through the purchase of coal from Jinjiang Group and/or its associates in (d) above, such purchase of coal is not carried out on an arm’s length basis and is not on normal commercial terms, but is not prejudicial to the interests of the Company and its minority Shareholders; and
- (v) as the design and consulting services in (d) above were negotiated and provided with reference to fees which would be charged by unrelated third parties, such design and consulting services were provided on an arm’s length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

Following the completion of the Proposed Acquisitions, the Company will continue to comply with Chapter 9 of the Listing Manual in respect of transactions between (i) Jinjiang Group and/or its associates and (ii) Zhuji Bafang, Wenling Green Energy and Wenling Solid Waste.

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2.3 Conditions Precedent of the Proposed Acquisitions

2.3.1 *Conditions Precedent of the Proposed Zhuji Acquisition*

Pursuant to the Zhuji S&P Agreement, the acquisition of the entire equity interest in Zhuji Bafang from Jinjiang Group by Gevin (or such wholly-owned subsidiary of Gevin) is conditional upon, *inter alia*, the following conditions being fulfilled:

- (a) the requisite approval of the Shareholders having been obtained for the transactions contemplated in the Zhuji S&P Agreement;
- (b) the approval of the shareholder(s) of Zhuji Bafang for the appointment of new directors, legal representative and supervisors of Zhuji Bafang by Gevin (or such wholly-owned subsidiary of Gevin) having been obtained;
- (c) no material adverse changes in the operations and financial conditions of Zhuji Bafang;
- (d) the representations, warranties and undertakings given by Jinjiang Group under the Zhuji S&P Agreement being in all material respects, complied with, true and accurate and correct as at the closing date of the Proposed Zhuji Acquisition;
- (e) all third party consents, approvals and notifications for the Proposed Zhuji Acquisition having been obtained or given;
- (f) approval from the local department of the Ministry of Commerce of the PRC (中华人民共和国商务部) and/or the State Administration for Industry and Commerce (国家工商行政管理总局) (as the case may be) for the Proposed Zhuji Acquisition having been obtained; and
- (g) all other consents and approvals required under any and all applicable laws and regulations for the Proposed Zhuji Acquisition, in particular, any consent, approval, or authorisation of any regulatory agency or body having been obtained, unless such consent, approval or authorisation is waived.

2.3.2 *Conditions Precedent of the Proposed Wenling Acquisition*

Pursuant to the Wenling S&P Agreement, the acquisition of the entire equity interest in Wenling Green Energy from Jinjiang Group by Gevin (or such wholly-owned subsidiary of Gevin) is conditional upon, *inter alia*, the following conditions being fulfilled:

- (a) the requisite approval of the Shareholders having been obtained for the transactions contemplated in the Wenling S&P Agreement;
- (b) the approval of the shareholder(s) of Wenling Green Energy for the appointment of new directors, legal representative and supervisors of Wenling Green Energy by Gevin (or such wholly-owned subsidiary of Gevin) having been obtained;
- (c) no material adverse changes in the operations and financial conditions of Wenling Green Energy;
- (d) the representations, warranties and undertakings given by Jinjiang Group under the Wenling S&P Agreement being in all material respects, complied with, true and accurate and correct as at the closing date of the Proposed Wenling Acquisition;
- (e) all third party consents, approvals and notifications for the Proposed Wenling Acquisition having been obtained or given;

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- (f) approval from the local department of the Ministry of Commerce of the PRC (中华人民共和国商务部) and/or the State Administration for Industry and Commerce (国家工商行政管理总局) (as the case may be) for the Proposed Wenling Acquisition having been obtained; and
- (g) all other consents and approvals required under any and all applicable laws and regulations for the Proposed Wenling Acquisition, in particular, any consent, approval, or authorisation of any regulatory agency or body having been obtained, unless such consent, approval or authorisation is waived.

2.4 Other Salient Terms of the Zhuji S&P Agreement and the Wenling S&P Agreement

2.4.1 Other Salient Terms of the Zhuji S&P Agreement

(a) General

All undistributed profit (including profit for the year for FY2016) of Zhuji Bafang prior to the closing date of the Proposed Zhuji Acquisition shall belong to Gevin (or such wholly-owned subsidiary of Gevin).

Save with the written consent of Gevin (or such wholly-owned subsidiary of Gevin), Jinjiang Group shall not permit the declaration or payment of any dividend or other distribution by Zhuji Bafang or any subsidiary of Zhuji Bafang.

(b) Remedies

Jinjiang Group shall indemnify Gevin (or such wholly-owned subsidiary of Gevin) for any liability, losses, claims, expenses, costs, interest, litigation, arbitration or penalties directly or indirectly borne by Zhuji Bafang or Gevin (or such wholly-owned subsidiary of Gevin), caused by or arising from:

- (i) breach of any representation, undertaking or other covenant in the Zhuji S&P Agreement by Jinjiang Group; or
- (ii) any acts, omissions, events, conditions, liabilities or obligations of Jinjiang Group and/or Zhuji Bafang which occurred or were in existence before the closing date of the Proposed Zhuji Acquisition.

(c) Termination

The Zhuji S&P Agreement may be terminated by mutual agreement in writing by Gevin (or such wholly-owned subsidiary of Gevin) and Jinjiang Group.

Gevin (or such wholly-owned subsidiary of Gevin) shall be entitled to terminate the Zhuji S&P Agreement forthwith upon the occurrence of any of the following events between the date of the Zhuji S&P Agreement and the closing date of the Proposed Zhuji Acquisition, including, *inter alia*:

- (i) an event or circumstances which results in, or is reasonably expected to result in, a material adverse change;
- (ii) any representation or undertaking of Jinjiang Group under the Zhuji S&P Agreement being untrue or inaccurate, resulting in the conditions precedent under the Zhuji S&P Agreement being unable to be fulfilled; or
- (iii) Jinjiang Group failing to comply with any of its undertakings or covenants under the Zhuji S&P Agreement, resulting in the conditions precedent under the Zhuji S&P Agreement being unable to be fulfilled.

The Zhuji S&P Agreement may be terminated by either Gevin (or such wholly-owned subsidiary of Gevin) or Jinjiang Group if the Proposed Zhuji Acquisition becomes unenforceable as a result of any new laws and regulations.

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2.4.2 ***Other Salient Terms of the Wenling S&P Agreement***

(a) General

All undistributed profit (including profit for the year for FY2016) of Wenling Green Energy prior to the closing date of the Proposed Wenling Acquisition shall belong to Gevin (or such wholly-owned subsidiary of Gevin).

Save with the written consent of Gevin (or such wholly-owned subsidiary of Gevin), Jinjiang Group shall not permit the declaration or payment of any dividend or other distribution by Wenling Green Energy or any subsidiary of Wenling Green Energy.

(b) Remedies

Jinjiang Group shall indemnify Gevin (or such wholly-owned subsidiary of Gevin) for any liability, losses, claims, expenses, costs, interest, litigation, arbitration directly or indirectly borne by Wenling Green Energy or Gevin (or such wholly-owned subsidiary of Gevin) arising from:

- (i) breach of any representation, undertaking or other covenant in the Wenling S&P Agreement by Jinjiang Group; or
- (ii) any acts, omissions, events, conditions, liabilities or obligations of Jinjiang Group and/or Wenling Green Energy which occurred or were in existence before the closing date of the Proposed Wenling Acquisition.

(c) Termination

The Wenling S&P Agreement may be terminated by mutual agreement in writing by Gevin (or such wholly-owned subsidiary of Gevin) and Jinjiang Group.

Gevin (or such wholly-owned subsidiary of Gevin) shall be entitled to terminate the Wenling S&P Agreement forthwith upon the occurrence of any of the following events between the date of the Wenling S&P Agreement and the closing date of the Proposed Wenling Acquisition, including, *inter alia*:

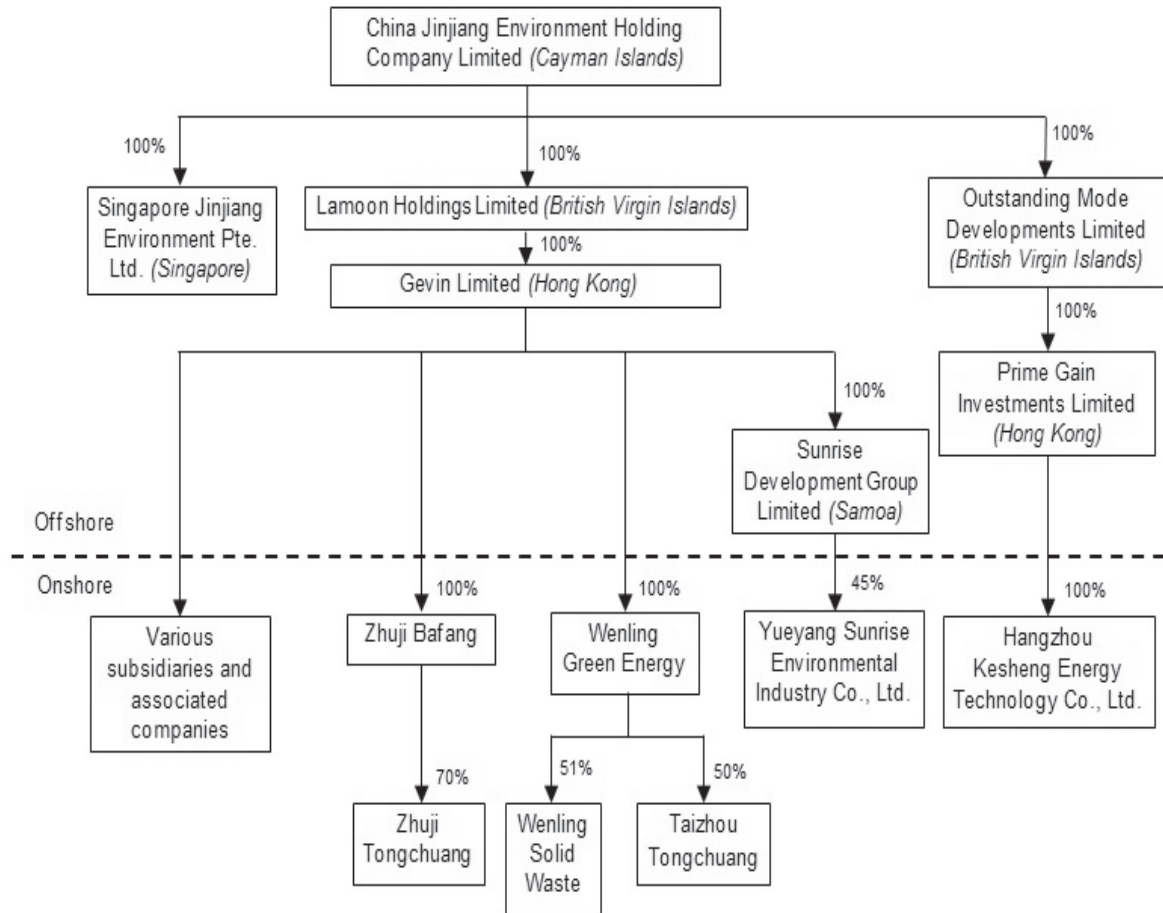
- (i) an event or circumstances which results in, or is reasonably expected to result in, a material adverse change;
- (ii) any representation or undertaking of Jinjiang Group under the Wenling S&P Agreement being untrue or inaccurate, resulting in the conditions precedent under the Wenling S&P Agreement being unable to be fulfilled; or
- (iii) Jinjiang Group failing to comply with any of its undertakings or covenants under the Wenling S&P Agreement, resulting in the conditions precedent under the Wenling S&P Agreement being unable to be fulfilled.

The Wenling S&P Agreement may be terminated by either Gevin (or such wholly-owned subsidiary of Gevin) or Jinjiang Group if the Proposed Wenling Acquisition becomes unenforceable as a result of any new laws and regulations.

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2.5 Corporate Structure

The structure of the Group following completion of the Proposed Acquisitions (assuming Zhuji Bafang and Wenling Green Energy are acquired by Gevin) is as follows:



2.6 Implications of PRC Laws and Regulations on the Proposed Acquisitions

The legal adviser to the Company as to PRC law, Jingtian & Gongcheng, has advised that there is no legal obstacle for the Group to take over the equity interest held by Jinjiang Group in each of Zhuji Bafang, Wenling Green Energy, Wenling Solid Waste, Zhuji Tongchuang and Taizhou Tongchuang, provided that all necessary procedures are carried out and all relevant applications are submitted in accordance with applicable PRC laws and regulations.

The Group's management does not expect there to be any difficulties in obtaining the relevant governmental consents in relation to the Proposed Acquisitions, including but not limited to approval from the local department of the Ministry of Commerce of the PRC (中华人民共和国商务部) and/or the State Administration for Industry and Commerce (国家工商行政管理总局) for the transfer of the equity interest held by Jinjiang Group in each of Zhuji Bafang, Wenling Green Energy, Wenling Solid Waste, Zhuji Tongchuang and Taizhou Tongchuang to Gevin (or such wholly-owned subsidiary of Gevin).

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2.7 Rationale for and benefit of the Proposed Acquisitions

The Directors believe that the Proposed Acquisitions (i) will mitigate any perceived actual or potential conflicts of interest with Jinjiang Group, and (ii) are in line with the Group's long-term vision of expanding its market share and consolidating its position as a leader in the PRC's WTE industry, and will bring the following key benefits to Shareholders:

2.7.1 *Strengthen the Group's market leading position*

The Zhuji Bafang WTE Facility has an installed waste treatment capacity of 1,050 t/d and a total designed treatment capacity of 1,300 t/d. The Wenling Green Energy WTE Facility has an installed waste treatment capacity of 800 t/d (which includes a sludge treatment capacity of 200 t/d) and a total designed treatment capacity of 1,600 t/d (which includes a sludge treatment capacity of 400 t/d). The Wenling Solid Waste Facility, which engages in the treatment of animal carcasses, has an installed treatment capacity of 5 t/d.

Accordingly, upon (i) the completion of the Proposed Acquisitions, (ii) the expected commencement of operations of the Hohhot New Energy WTE Facility, Qitaihe Green Energy WTE Facility and Gaomi Lilangmingde WTE Facility, which have an aggregate waste treatment capacity of 2,800 t/d, by end-2016 and (iii) the completion of expansion works at the Lianyungang Sunrise WTE Facility and the Wuhu Jinjiang WTE Facility which will in aggregate increase the Group's total installed waste treatment capacity by 1,700 t/d, the Group's total installed waste treatment capacity will be 30,230 t/d, representing an increase of 26.6% from the Group's total installed waste treatment capacity of 23,880 t/d as at the Latest Practicable Date. This will consolidate the Group's position as a leader in the PRC's WTE industry.

2.7.2 *Increase the Group's market share in the WTE industry in the PRC*

The acquisition of the Zhuji Bafang WTE Facility and the Wenling Green Energy WTE Facility, which are currently in commercial and trial operation respectively, and the commencement of operations of the Hohhot New Energy WTE Facility, Qitaihe Green Energy WTE Facility and Gaomi Lilangmingde WTE Facility by end-2016, will increase the number of the Group's WTE facilities in operation to 22, and enhance the Group's market share and geographical reach in the WTE industry in the PRC.

In addition, the Proposed Acquisitions, which will increase the number of operational WTE facilities of the Group in Zhejiang Province from two to four when completed, will strengthen and broaden the Group's base in Zhejiang Province, which is where the Group's headquarters is located.

2.7.3 *Enhance the Group's financial performance through the acquisition of operational WTE facilities*

Under common control accounting principles, upon completion of the Proposed Acquisitions, the Group would be able to consolidate Zhuji Bafang and Wenling Green Energy in its accounts for FY2016.

From FY2013 to FY2015, the profits before tax of Zhuji Bafang increased by more than 90% from RMB20.0 million to RMB38.6 million, respectively (equivalent to approximately S\$4.1 million and S\$7.9 million, respectively). The Wenling Green Energy WTE Facility is currently in trial operation. Accordingly, by acquiring operational and profitable WTE facilities through the Proposed Acquisitions, the Group would be able to enhance its financial performance going forward.

2.8 Directors' Service Contracts

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisitions.

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2.9 Financial Effects of the Proposed Acquisitions

2.9.1 Earnings Per Share (“EPS”)

Assuming that the Proposed Acquisitions had been completed on 1 January 2015, its effect on the Group’s EPS would have been:

FY2015	Without the Proposed Acquisitions	With the Proposed Acquisitions
Net profit after tax attributable to owners of the Company (RMB’000)	404,609	455,548
Weighted average number of Shares	1,000,000,100	1,000,000,100
Earnings per Share (RMB cents)	40.5	45.6

2.9.2 NTA

Assuming that the Proposed Acquisitions had been completed on 31 December 2015, its effect on the Group’s NTA as at 31 December 2015 would have been:

As at 31 December 2015	Without the Proposed Acquisitions	With the Proposed Acquisitions
NTA (RMB’000)	2,434,500	2,584,388 ⁽¹⁾
Number of Shares	1,000,000,100	1,000,000,100
NTA per Share (RMB cents)	243.4	258.4

Note:

- (1) As adjusted for, *inter alia*, approximately RMB439.5 million of the IPO Proceeds to be used to fully fund the Proposed Acquisitions.

2.9.3 Gearing

Assuming that the Proposed Acquisitions had been completed on 31 December 2015, its effect on the Group’s gearing as at 31 December 2015 would have been:

As at 31 December 2015	Without the Proposed Acquisitions	With the Proposed Acquisitions
Total borrowings (RMB’000) ⁽¹⁾	2,205,634	2,429,220
Deposits, cash and cash equivalents	353,641	380,510
Shareholders’ equity (RMB’000)	3,121,750	3,612,189 ⁽²⁾
Gearing ratio (times) ⁽³⁾	0.593	0.567

Notes:

- (1) As the Proposed Acquisitions will be fully funded with the IPO Proceeds, no additional borrowings will be incurred in connection with the Proposed Acquisitions.
- (2) As adjusted for, *inter alia*, approximately RMB439.5 million of the IPO Proceeds to be used to fully fund the Proposed Acquisitions.
- (3) The gearing ratio is calculated by dividing the difference between total borrowings and the sum of the short-term deposits and cash and cash equivalents by the total equity (gearing ratio = (total borrowings – (short-term deposits + cash + cash equivalents)) / total equity).

Shareholders should note that the financial effects set out above were prepared based on the audited consolidated financial statements of the Group for FY2015 and the audited financial statements of Zhuji Bafang and Wenling Green Energy for FY2015, and are for illustration purposes only. The results of the Group for FY2015 may not be representative of future performance.

LETTER TO SHAREHOLDERS

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 Directors' Interests

The interests of the Directors in the Shares, as recorded in the Register of Directors' Shareholdings of the Company, as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest ⁽²⁾		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Wang Yuanluo	–	–	–	–	–	–
Wang Wuzhong	–	–	–	–	–	–
Wang Ruihong	–	–	–	–	–	–
Roy Edwin Campbell II	–	–	–	–	–	–
Ang Swee Tian	–	–	–	–	–	–
Hee Theng Fong	–	–	–	–	–	–
Tan Huay Lim	–	–	–	–	–	–
Ni Mingjiang	–	–	–	–	–	–

Notes:

(1) Based on 1,216,824,200 Shares in issue as at the Latest Practicable Date.

(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.

3.2 Substantial Shareholders' Interests

The interests of the Substantial Shareholders in the Shares, as recorded from the Register of Substantial Shareholders of the Company, as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest ⁽²⁾		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
China Green Energy	474,195,575	38.97	–	–	474,195,575	38.97
Win Charm ⁽³⁾	275,714,500	22.66	474,195,575	38.97	749,910,075	61.63
Hangzhou Zhengcai ⁽⁴⁾	–	–	749,910,075	61.63	749,910,075	61.63
Jinjiang Group ⁽⁵⁾	–	–	749,910,075	61.63	749,910,075	61.63
Dou Zhenggang ⁽⁶⁾	–	–	749,910,075	61.63	749,910,075	61.63
Wei Xuefeng ⁽⁷⁾	–	–	749,910,075	61.63	749,910,075	61.63
Zhejiang Hengjia ⁽⁸⁾	–	–	749,910,075	61.63	749,910,075	61.63
Radec XIX Ltd ⁽⁹⁾	180,620,574	14.84	–	–	180,620,574	14.84
MKCP Mauritius Master Holdings Ltd. ⁽⁹⁾	–	–	180,620,574	14.84	180,620,574	14.84
Mount Kellett Master Fund II, L.P. ⁽⁹⁾⁽¹⁰⁾	–	–	180,620,574	14.84	180,620,574	14.84
Mount Kellett Capital Management L.P. ⁽⁹⁾	–	–	180,620,574	14.84	180,620,574	14.84
Mount Kellett Capital Management GP LLC ⁽⁹⁾	–	–	180,620,574	14.84	180,620,574	14.84
Mr. Mark McGoldrick ⁽⁹⁾	–	–	180,620,574	14.84	180,620,574	14.84

LETTER TO SHAREHOLDERS

Substantial Shareholders	Direct Interest		Deemed Interest ⁽²⁾		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Fortress MK Advisors LLC ⁽⁹⁾⁽¹⁰⁾	–	–	180,620,574	14.84	180,620,574	14.84
FIG LLC ⁽¹⁰⁾	–	–	180,620,574	14.84	180,620,574	14.84
Fortress Operating Entity I LP ⁽¹⁰⁾	–	–	180,620,574	14.84	180,620,574	14.84
FIG Corp. ⁽¹⁰⁾	–	–	180,620,574	14.84	180,620,574	14.84
Fortress Investment Group LLC ⁽¹⁰⁾	–	–	180,620,574	14.84	180,620,574	14.84
AEP Investments (Mauritius) Limited ⁽¹¹⁾	81,478,351	6.70	–	–	81,478,351	6.70

Notes:

- (1) Based on 1,216,824,200 Shares in issue as at the Latest Practicable Date.
- (2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
- (3) Win Charm holds approximately 50.0% of the voting shares in the issued and paid-up share capital of China Green Energy. Accordingly, Win Charm is deemed to have an interest in the Shares held by China Green Energy by virtue of Section 4 of the SFA.
- (4) Hangzhou Zhengcai holds 90.0% of the issued and paid-up share capital of Win Charm. Win Charm is deemed to have an interest in the Shares held by China Green Energy by virtue of Section 4 of the SFA – please refer to Note (3) above. Accordingly, Hangzhou Zhengcai is deemed to have an interest in the Shares held by China Green Energy and Win Charm by virtue of Section 4 of the SFA.
- (5) Jinjiang Group directly and indirectly (through its wholly-owned subsidiary Hangzhou Zhengcai) holds the entire issued and paid-up share capital of Win Charm. Win Charm is deemed to have an interest in the Shares held by China Green Energy by virtue of Section 4 of the SFA – please refer to Note (3) above. Accordingly, Jinjiang Group is deemed to have an interest in the Shares held by China Green Energy and Win Charm by virtue of Section 4 of the SFA.
- (6) Dou Zhenggang holds approximately 63.29% of the registered capital of Jinjiang Group. Jinjiang Group is deemed to have an interest in the Shares held by China Green Energy and Win Charm by virtue of Section 4 of the SFA – please refer to Note (5) above. Accordingly, Dou Zhenggang is deemed to have an interest in the Shares held by China Green Energy and Win Charm by virtue of Section 4 of the SFA.
- (7) Wei Xuefeng, who is Dou Zhenggang's spouse, holds the entire registered capital of Zhejiang Hengjia. Zhejiang Hengjia holds approximately 36.71% of Jinjiang Group's registered capital. Jinjiang Group is deemed to have an interest in the Shares held by China Green Energy and Win Charm by virtue of Section 4 of the SFA – please refer to Note (5) above. Accordingly, Wei Xuefeng is deemed to have an interest in the Shares held by China Green Energy and Win Charm by virtue of Section 4 of the SFA.
- (8) Zhejiang Hengjia holds approximately 36.7% of Jinjiang Group's registered capital. Jinjiang Group is deemed to have an interest in the Shares held by China Green Energy and Win Charm by virtue of Section 4 of the SFA – please refer to Note (5) above. Accordingly, Zhejiang Hengjia is deemed to have an interest in the Shares held by China Green Energy and Win Charm by virtue of Section 4 of the SFA.
- (9) Radec XIX Ltd is wholly owned by MKCP Mauritius Master Holdings Ltd., which in turn is wholly-owned by Mount Kellett Master Fund II, L.P. Mount Kellett Master Fund II, L.P. is co-managed by Mount Kellett Capital Management L.P. and Fortress MK Advisors LLC, which have control over the business and affairs of Mount Kellett Master Fund II, L.P., including making investment and divestment decisions and voting the securities and interests held by Mount Kellett Master Fund II, L.P., including those in MKCP Mauritius Master Holdings Ltd. The general partner of Mount Kellett Capital Management L.P., which has full control over the business and affairs of Mount Kellett Capital Management L.P., including making all investment and divestment decisions and voting the securities and interests held by Mount Kellett Master Fund II, L.P., including those in MKCP Mauritius Master Holdings Ltd., is Mount Kellett Capital Management GP LLC. Mount Kellett Capital Management GP LLC is collectively wholly-owned by Mr. Mark McGoldrick (who is a managing member) and his family member (who is a non-managing member) with shareholding interests of 99% and 1% respectively. Accordingly, each of MKCP Mauritius Master Holdings Ltd., Mount Kellett Master Fund II, L.P., Mount Kellett Capital Management L.P., Fortress MK Advisors LLC, Mount Kellett Capital Management GP LLC and Mr. Mark McGoldrick are deemed to have an interest in the Shares held by Radec XIX Ltd by virtue of Section 4 of the SFA.

LETTER TO SHAREHOLDERS

- (10) Fortress MK Advisors LLC, which was appointed as the co-Manager of Mount Kellett Master Fund II, L.P. on 31 July 2015, is a wholly-owned subsidiary of FIG LLC, which is wholly-owned by Fortress Operating Entity I LP. The general partner of Fortress Operating Entity I LP is FIG Corp., which controls the business and affairs of Fortress Operating Entity I LP, including making investment and divestment decisions and voting the securities and interests held by Fortress Operating Entity I LP, including those in FIG LLC. FIG Corp. is wholly owned by Fortress Investment Group LLC, which is listed on the New York Stock Exchange. Accordingly, each of FIG LLC, Fortress Operating Entity I LP, FIG Corp. and Fortress Investment Group LLC are deemed to have an interest in the Shares held by Radec XIX Ltd by virtue of Section 4 of the SFA.
- (11) The shares in AEP Investments (Mauritius) Limited corresponding to its investment in the Company are held by Asia Environmental Partners, L.P. and its parallel fund, Asia Environmental Partners (PF1), L.P. (collectively, "AEP"). AEP's general partner is Olympus Green Capital Partners, L.P., holding a 0.99% interest in AEP. AEP's limited partners are passive investors consisting of pension funds, government entities, financial institutions, endowments and family offices from North America, Asia, Europe and the Middle East (none of whom owns more than 1% of the Company on a fully diluted, look-through basis).

3.3 Save as disclosed in this Circular, none of the Directors, Substantial Shareholders and their associates have any interests in the Proposed Acquisitions.

4. INDEPENDENT FINANCIAL ADVISER'S OPINION

After carefully considering the information available to the Independent Financial Adviser as at Latest Practicable Date and based on the considerations set out in the IFA Letter, the Independent Financial Adviser is of the opinion that the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Independent Financial Adviser advises the Independent Directors to recommend that Independent Shareholders vote in favour of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition to be proposed at the EGM.

A copy of the IFA Letter is set out in Appendix A to this Circular. Shareholders are advised to read the opinion of the Independent Financial Adviser carefully and consider it in the context of this Circular before deciding whether to vote in favour of the Proposed Acquisitions.

5. AUDIT COMMITTEE'S STATEMENT

The Audit Committee has reviewed the terms, rationale and benefits of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition and the opinion of the Independent Financial Adviser, and concurs with the Independent Financial Adviser that the financial terms of the Proposed Acquisitions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

6. DIRECTORS' RECOMMENDATION

Having considered, *inter alia*, the terms, rationale and benefits of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition, the Independent Directors are of the opinion that each of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolutions relating to the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition to be proposed at the EGM.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages C-1 and C-2 of this Circular, will be held at Meeting Room 304, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 15 November 2016 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the notice of EGM on pages C-1 and C-2 of this Circular.

LETTER TO SHAREHOLDERS

8. ABSTENTION FROM VOTING

Each of Dou Zhenggang and Wei Xuefeng, who collectively hold in aggregate approximately 61.63% of the Shares through China Green Energy and Win Charm, will abstain, and have undertaken to ensure that their respective associates will abstain, from voting at the EGM in respect of the ordinary resolutions approving the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition. Such persons should also not accept nomination as proxies or otherwise for voting at the EGM in respect of the aforesaid ordinary resolutions unless specific instructions have been given in the instrument of proxy on how Shareholders wish their votes to be cast for the ordinary resolution.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

9.1 Appointment of Proxies

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the accompanying Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 72 hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he subsequently wishes to do so. In such event, the relevant Proxy Forms will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

9.2 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisitions, and the Company and its subsidiaries which are relevant to the Proposed Acquisitions, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11. CONSENTS

- (a) Jingtian & Gongcheng, the legal adviser to the Company as to PRC law, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of, and all references to (i) its name and (ii) the statements attributed to it in paragraph 2.6 of this Circular in the form and context in which they are included and appear in this Circular, and to act in such capacity in relation to this Circular.
- (b) PrimePartners Corporate Finance Pte. Ltd., the Independent Financial Adviser, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of, and all references to (i) its name and (ii) the IFA Letter in the form and context in which they are included and appear in this Circular, and to act in such capacity in relation to this Circular.

LETTER TO SHAREHOLDERS

- (c) American Appraisal China Limited, the Independent Valuer, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of, and all references to (i) its name and (ii) the Valuation Summary Letter in the form and context in which they are included and appear in this Circular, and to act in such capacity in relation to this Circular.

12. INSPECTION OF DOCUMENTS

The following documents are available for inspection at 9 Battery Road, #25-01, Straits Trading Building, Singapore 049910 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Zhuji S&P Agreement;
- (c) the Wenling S&P Agreement;
- (d) the Independent Valuation Report; and
- (e) the IFA Letter.

Yours faithfully

For and on behalf of the Board of Directors of
CHINA JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED 中国锦江环境控股有限公司

Wang Yuanluo
Executive Chairman and Chief Executive Officer

APPENDIX A – INDEPENDENT FINANCIAL ADVISER’S LETTER

LETTER FROM PRIMEPARTNERS CORPORATE FINANCE PTE. LTD. TO THE INDEPENDENT DIRECTORS

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

31 October 2016

To: The Independent Directors of
China Jinjiang Environment Holding Company Limited
中国锦江环境控股有限公司
Grand Pavilion, Hibiscus Way
802 West Bay Road
P.O. Box 31119
KY1-1205, Cayman Islands

Dear Sirs

INDEPENDENT FINANCIAL ADVICE TO THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF CHINA JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED (THE “COMPANY” AND TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”) IN RESPECT OF THE PROPOSED ACQUISITIONS OF THE ENTIRE EQUITY INTEREST IN ZHEJIANG ZHUJI BAFANG THERMAL POWER CO., LTD. (浙江诸暨八方热电有限责任公司) (“ZHUJI BAFANG”) (“PROPOSED ZHUJI ACQUISITION”) AND WENLING GREEN NEW ENERGY CO., LTD. (温岭绿能新能源有限公司) (“WENLING GREEN ENERGY”) (“PROPOSED WENLING ACQUISITION”) BY GEVIN LIMITED (“GEVIN”), AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, OR ANY WHOLLY-OWNED SUBSIDIARY OF GEVIN, FROM HANGZHOU JINJIANG GROUP CO., LTD. (杭州锦江集团有限公司) (“JINJIANG GROUP” OR THE “VENDOR”) EACH AS AN INTERESTED PERSON TRANSACTION (COLLECTIVELY, THE “PROPOSED ACQUISITIONS”)

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 31 October 2016 and issued by the Company (the “Circular”) shall have the same meaning herein.

1. INTRODUCTION

As set out in the Company’s prospectus dated 25 July 2016 (the “**Prospectus**”) in connection with its initial public offering and listing on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Company had on 23 June 2016 entered into a non-competition agreement (the “**Non-Competition Agreement**”) with its controlling shareholders, namely Jinjiang Group, China Green Energy Limited (“**China Green Energy**”), Hangzhou Zhengcai Holding Group Co., Ltd. (杭州正才控股集团有限公司) (“**Hangzhou Zhengcai**”), Win Charm Limited (“**Win Charm**”), Zhejiang Hengjia Holding Co., Ltd. (浙江恒嘉控股有限公司), Mr. Dou Zhenggang and Ms. Wei Xuefeng (together, the “**Controlling Shareholders**”), pursuant to which, *inter alia*, the Controlling Shareholders granted the Company an option (“**Acquisition Option**”), subject to applicable laws and regulations, to purchase, at one or more times, any equity interest, assets or other interests which form part or all of certain waste-to-energy (“**WTE**”) business owned by Jinjiang Group, including Zhuji Bafang and Wenling Green Energy.

APPENDIX A – INDEPENDENT FINANCIAL ADVISER’S LETTER

As disclosed in the Prospectus, the Group had informed Jinjiang Group of its intention to acquire Zhuji Bafang and Wenling Green Energy immediately after the date of its listing on the SGX-ST (and in any event, no later than 31 December 2016). On 5 October 2016, the Company announced that:

- (a) Gevin had entered into a conditional sale and purchase agreement with Jinjiang Group dated 5 October 2016 (the “**Zhuji S&P Agreement**”) for the acquisition by Gevin, or any of its wholly-owned subsidiaries, of the entire equity interest in Zhuji Bafang from Jinjiang Group for a total consideration of approximately RMB304.5 million (equivalent to approximately S\$62.7 million) (the “**Zhuji Acquisition Consideration**”); and
- (b) Gevin had entered into a conditional sale and purchase agreement with Jinjiang Group dated 5 October 2016 (the “**Wenling S&P Agreement**”) for the acquisition by Gevin, or any of its wholly-owned subsidiaries, of the entire equity interest in Wenling Green Energy from Jinjiang Group for a total consideration of approximately RMB135.0 million (equivalent to approximately S\$27.8 million) (the “**Wenling Acquisition Consideration**”).

(collectively, the Zhuji S&P Agreement and the Wenling S&P Agreement are known as the “**S&P Agreements**”)

Zhuji Bafang and Wenling Green Energy (collectively, the “**Target Entities**”) are currently direct wholly-owned subsidiaries of Jinjiang Group.

Gevin is an indirect wholly-owned subsidiary of the Company, which is not listed on any stock exchange and is defined as an “entity at risk” within the meaning of Chapter 9 of the Listing Manual of the SGX-ST (“**Listing Manual**”). As at the Latest Practicable Date, Jinjiang Group is a controlling shareholder of the Company which has a deemed interest in 749,910,075 shares¹ representing approximately 61.6% of the issued and paid-up share capital of the Company. Accordingly, as defined in Chapter 9 of the Listing Manual, Jinjiang Group is an interested person and the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition would each constitute as an interested person transaction.

Under Chapter 9 of the Listing Manual, where an entity at risk (as defined in the Listing Manual) proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the group’s latest audited net tangible assets (“**NTA**”), the company must obtain shareholders’ approval for such interested person transaction.

As the Zhuji Acquisition Consideration and Wenling Acquisition Consideration expressed as a percentage of the Group’s latest audited consolidated NTA as at 31 December 2015 of approximately RMB2,435 million is approximately 12.5% and 5.5%, respectively, the Company will convene an extraordinary general meeting (“**EGM**”) to seek its shareholders’ (“**Shareholders**”) approval for each of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition under Rule 906(1)(a) of the Listing Manual.

PrimePartners Corporate Finance Pte. Ltd. (“**PPCF**”) has been appointed by the Company as the independent financial adviser to advise the Directors who are considered independent for the purposes of the Proposed Acquisitions (being all Directors) (“**Independent Directors**”) to provide an opinion on whether the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. This letter sets out, *inter alia*, our views on and evaluation of the Proposed

¹ Jinjiang Group has an aggregate deemed interest in 749,910,075 shares, comprising 275,714,500 shares and 474,195,575 shares held directly by Win Charm and China Green Energy respectively, which in aggregate represents approximately 61.6% of the issued and paid-up share capital of the Company. Jinjiang Group and its wholly-owned subsidiary, Hangzhou Zhengcai, hold the entire issued and paid-up share capital of Win Charm, while Win Charm holds approximately 50.0% of the issued and paid-up share capital of China Green Energy. Based on the foregoing, by virtue of its deemed interest under Section 4 of the Securities and Futures Act (Chapter 289) of Singapore, Jinjiang Group is a controlling shareholder of the Company under the Listing Manual.

APPENDIX A – INDEPENDENT FINANCIAL ADVISER’S LETTER

Zhuji Acquisition and the Proposed Wenling Acquisition and our opinion thereon, and was prepared for the purpose of incorporation in the Circular. The Circular will provide, *inter alia*, details of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition and the recommendation of the Independent Directors in relation to the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition, having considered our advice in this letter.

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

2. TERMS OF REFERENCE

We have been appointed to advise the Independent Directors on the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition and to provide an opinion on whether the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into by the Group and Jinjiang Group in relation to the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition nor were we involved in the deliberations leading up to the decision to enter into the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition.

Under our terms of engagement, we are not required us to evaluate or comment on the rationale for, or the strategic or long-term merits of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition or on the future prospects of the Group or the method and terms by which the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition are made or any other alternative methods by which the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition may be made.

In the course of our evaluation of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Group and the Target Entities. We have also relied on information provided and representations made, including relevant financial analyses and estimates, by the management of the Company (the “**Management**”), the Directors, the Company’s solicitors and auditors. We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the assurances of the Directors that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Proposed Zhuji Acquisition, the Proposed Wenling Acquisition, the Group and the Target Entities has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

For the purposes of assessing the Proposed Zhuji Acquisition, the Proposed Wenling Acquisition and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Target Entities, the Company or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Target Entities, the Company or the Group in connection with our opinion in this letter.

APPENDIX A – INDEPENDENT FINANCIAL ADVISER’S LETTER

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, fixed assets, intangible assets and long-term equity investment) of the Target Entities, the Company or the Group and have only relied on the independent valuation report on Zhuji Bafang and Wenling Green Energy (the “**Independent Valuation Report**”), by American Appraisal China Limited, a division of Duff & Phelps (the “**Independent Valuer**”), in relation to the fair value of the 100% equity interest in Zhuji Bafang and Wenling Green Energy as at 30 June 2016 (“**Valuation Date**”).

Our opinion as set out in this letter is based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition which may be released or published by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. As such, our opinion should not be the sole basis for deciding whether or not to vote in favour of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than our letter and opinion set out in the Circular). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than our letter and opinion set out in the Circular).

Our opinion in respect of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition, as set out in section 7 of this letter, should be considered in the context of the entirety of this letter and the Circular.

3. THE PROPOSED ACQUISITIONS

Pursuant to the S&P Agreements, the Company’s indirect wholly-owned subsidiaries, Gevin, or any of its wholly-owned subsidiaries, will acquire the entire equity interest in Zhuji Bafang and Wenling Green Energy from Jinjiang Group. The full text of the details of the Proposed Acquisitions, including its salient terms, is set out in Paragraph 2 of the Circular. **We recommend that the Independent Directors and the Company advise Shareholders to read this paragraph of the Circular carefully.**

3.1 Consideration

Gevin, or any of its wholly-owned subsidiaries, shall acquire the entire equity interest in Zhuji Bafang and Wenling Green Energy from Jinjiang Group for an aggregate consideration of approximately RMB439.5 million (equivalent to approximately S\$90.5 million) (“**Consideration**”), comprising the Zhuji Acquisition Consideration of approximately RMB304.5 million (equivalent to approximately S\$62.7 million) and the Wenling Acquisition Consideration of approximately RMB135.0 million (equivalent to approximately S\$27.8 million).

In accordance with the terms of the Non-Competition Agreement, the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration were arrived at after arm’s length negotiations between the respective parties, on a “willing buyer willing seller” basis, taking into consideration the fair value of Zhuji Bafang and Wenling Green Energy as appraised by the Independent Valuer in the Independent Valuation Report. Further information in relation to the fair

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value of the Target Entities can be found in the Valuation Summary Letter set out in Appendix B of the Circular, which should be read in conjunction with the Independent Valuation Report which is made available to Shareholders for inspection.

Subject to the fulfilment of the conditions precedent in the S&P Agreements, the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration will be paid to Jinjiang Group upon completion of the Proposed Acquisitions.

3.2 Conditions Precedent

The conditions precedent for the Proposed Acquisitions which have been set out in Paragraph 2.3 of the Circular have been reproduced in italics below. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise defined.

“2.3 **Conditions Precedent of the Proposed Acquisitions**

2.3.1 Conditions Precedent of the Proposed Zhuji Acquisition

Pursuant to the Zhuji S&P Agreement, the acquisition of the entire equity interest in Zhuji Bafang from Jinjiang Group by Gevin (or such wholly-owned subsidiary of Gevin) is conditional upon, inter alia, the following conditions being fulfilled:

- (a) the requisite approval of the Shareholders having been obtained for the transactions contemplated in the Zhuji S&P Agreement;*
- (b) the approval of the shareholder(s) of Zhuji Bafang for the appointment of new directors, legal representative and supervisors of Zhuji Bafang by Gevin (or such wholly-owned subsidiary of Gevin) having been obtained;*
- (c) no material adverse changes in the operations and financial conditions of Zhuji Bafang;*
- (d) the representations, warranties and undertakings given by Jinjiang Group under the Zhuji S&P Agreement being in all material respects, complied with, true and accurate and correct as at the closing date of the Proposed Zhuji Acquisition;*
- (e) all third party consents, approvals and notifications for the Proposed Zhuji Acquisition having been obtained or given;*
- (f) approval from the local department of the Ministry of Commerce of the PRC (中华人民共和国商务部) and/or the State Administration for Industry and Commerce (国家工商行政管理总局) (as the case may be) for the Proposed Zhuji Acquisition having been obtained; and*
- (g) all other consents and approvals required under any and all applicable laws and regulations for the Proposed Zhuji Acquisition, in particular, any consent, approval, or authorisation of any regulatory agency or body having been obtained, unless such consent, approval or authorisation is waived.*

2.3.2 Conditions Precedent of the Proposed Wenling Acquisition

Pursuant to the Wenling S&P Agreement, the acquisition of the entire equity interest in Wenling Green Energy from Jinjiang Group by Gevin (or such wholly-owned subsidiary of Gevin) is conditional upon, inter alia, the following conditions being fulfilled:

- (a) the requisite approval of the Shareholders having been obtained for the transactions contemplated in the Wenling S&P Agreement;*

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- (b) *the approval of the shareholder(s) of Wenling Green Energy for the appointment of new directors, legal representative and supervisors of Wenling Green Energy by Gevin (or such wholly-owned subsidiary of Gevin) having been obtained;*
- (c) *no material adverse changes in the operations and financial conditions of Wenling Green Energy;*
- (d) *the representations, warranties and undertakings given by Jinjiang Group under the Wenling S&P Agreement being in all material respects, complied with, true and accurate and correct as at the closing date of the Proposed Wenling Acquisition;*
- (e) *all third party consents, approvals and notifications for the Proposed Wenling Acquisition having been obtained or given;*
- (f) *approval from the local department of the Ministry of Commerce of the PRC (中华人民共和国商务部) and/or the State Administration for Industry and Commerce (国家工商行政管理总局) (as the case may be) for the Proposed Wenling Acquisition having been obtained; and*
- (g) *all other consents and approvals required under any and all applicable laws and regulations for the Proposed Wenling Acquisition, in particular, any consent, approval, or authorisation of any regulatory agency or body having been obtained, unless such consent, approval or authorisation is waived.”*

4. INFORMATION ON THE TARGET ENTITIES AND THE VENDOR

The full text of the information and further details relating to the Target Entities are set out in Paragraph 2.1 of the Circular, an extract of which has been reproduced in italics below. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise defined. Please refer to the Company’s Prospectus for the information and further details relating to the Vendor.

4.1 Zhuji Bafang

“2.1.1 Zhuji Bafang

*Zhuji Bafang is a company incorporated under the laws of the PRC on 3 July 2003 with its registered address at 2 Juli Road, Taozhu Street, Zhuji City, Zhejiang Province (诸暨市陶朱街道聚力路2号). As at the Latest Practicable Date, the registered capital of Zhuji Bafang is RMB138.0 million, which has been fully paid-up. Zhuji Bafang owns and operates a partial WTE facility currently in operation located in Zhuji, Zhejiang Province (the “**Zhuji Bafang WTE Facility**”), which is operated under the build-operate-own (“**BOO**”) model. It is engaged in power generation from waste incineration, coal-fired thermal power generation and the supply of steam for heating.*

Based on the audited financial statements of Zhuji Bafang³ for FY2013, FY2014 and FY2015:

- (a) *for FY2013, FY2014 and FY2015, the revenue of Zhuji Bafang was approximately RMB153.2 million, RMB141.7 million and RMB133.4 million, respectively (equivalent to approximately S\$31.5 million, S\$29.2 million and S\$27.4 million respectively), which represents 12.0%, 11.2% and 8.4% of the Group’s revenue for each of the respective periods;*

³ The financial statements of Zhuji Bafang for FY2013, FY2014 and FY2015 were prepared in accordance with PRC accounting standards and were audited by Hangzhou Qianwang Accounting Firm Co., Ltd. (杭州钱王会计师事务所有限公司).

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- (b) for FY2013, FY2014 and FY2015, Zhuji Bafang recorded profits before tax of approximately RMB20.0 million, RMB27.4 million and RMB38.6 million, respectively (equivalent to approximately S\$4.1 million, S\$5.6 million and S\$7.9 million respectively), which represents 6.9%, 6.1% and 6.6% of the Group’s profit before tax for each of the respective periods;
- (c) as at 31 December 2013, 2014 and 2015, the net assets of Zhuji Bafang was approximately RMB126.2 million, RMB146.7 million and RMB174.5 million, respectively (equivalent to approximately S\$26.0 million, S\$30.2 million and S\$35.9 million respectively), which represents 4.4%, 5.2% and 5.6% of the Group’s net assets as at each of the respective dates; and
- (d) as at 31 December 2013, 2014 and 2015, the NTA of Zhuji Bafang was approximately RMB115.2 million, RMB135.9 million and RMB164.0 million, respectively (equivalent to approximately S\$23.7 million, S\$28.0 million and S\$33.7 million respectively).

Zhuji Tongchuang

Zhuji Bafang owns 70.0% of the equity interest in Zhuji Tongchuang Renewable Resource Recycling Co., Ltd. (诸暨市同创再生资源回收有限公司) (“**Zhuji Tongchuang**”), a company incorporated on 23 June 2016 under the laws of the PRC with limited liability, with its registered address at Taozhu Street, Honglian New Village, Mahu Village, Zhuji City, Zhejiang Province (诸暨市陶朱街道红联新村马湖自然村). The remaining 30.0% of the equity interest in Zhuji Tongchuang is held by Yangzhou Tongchuang Renewable Resource Co., Ltd. (扬州市同创再生资源有限公司), an independent third party. As at the Latest Practicable Date, the registered capital of Zhuji Tongchuang is RMB40.1 million, of which RMB12.0 million has been paid-up by Yangzhou Tongchuang Renewable Resource Co., Ltd. (扬州市同创再生资源有限公司). Zhuji Tongchuang is expected to be engaged in the recycling of non-ferrous metals and other resources which are removed from slag discharged as part of the waste incineration process, and subsequently used for construction and as other ancillary materials.

As at the Latest Practicable Date, Zhuji Tongchuang has not commenced any business activities or construction works. Zhuji Tongchuang is currently undertaking an environmental impact assessment and is expected to commence operations in February 2017. A further total investment amount of approximately RMB3.4 million is estimated to be required for Zhuji Tongchuang to commence operations, of which approximately RMB2.4 million will be contributed by Zhuji Bafang in accordance with its 70.0% equity interest in Zhuji Tongchuang.”

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Financial Information

A summary of the financial information of Zhuji Bafang for the financial years ended 31 December (“FY”) 2014 and 2015 is set out in Exhibit 1 below.

Exhibit 1 – Summary financial information of Zhuji Bafang		
(RMB’000)	FY2015 (Audited)	FY2014 (Audited)
Income statement		
Revenue	133,411	141,729
Operating profit	11,452	11,420
Profit before tax	38,552	27,446
Profit after tax	27,821	20,506
Financial Position		
	As at 31 December 2015 (Audited)	As at 31 December 2014 (Audited)
Current assets	153,403	67,643
Non-current assets	250,078	163,871
Total assets	403,481	231,514
Current liabilities	212,841	75,005
Non-current liability	16,157	9,848
Total liabilities	228,998	84,853
Total equity	174,482	146,661

Sources: The financial statements of Zhuji Bafang for FY2014 and FY2015 audited by Hangzhou Qianwang Accounting Firm Co., Ltd. (杭州钱王会计师事务所有限公司).

Historical financial performance of Zhuji Bafang

We note that revenue of Zhuji Bafang decreased by 5.9% from approximately RMB141.7 million in FY2014 to approximately RMB133.4 million in FY2015 mainly attributable to (i) a decrease in unit price of electricity sold as a result of a corresponding decrease in coal price; and (ii) a drop in electricity output of approximately 21.0%.

Despite the decrease in revenue in FY2015, profit after tax of Zhuji Bafang increased by 35.7% from approximately RMB20.5 million in FY2014 to approximately RMB27.8 million in FY2015 mainly due to (i) a decrease in operating cost of approximately RMB8.3 million mainly due the decrease in coal price; and (ii) an increase in non-operating income arising from government subsidies of approximately RMB10.0 million.

Historical financial position of Zhuji Bafang

As at 31 December 2015, we note that the non-current assets of Zhuji Bafang constituted approximately 62.0% of its total assets. Non-current assets comprised mainly (i) construction in progress which accounted for approximately 50.7% of its non-current assets; (ii) fixed assets which accounted for approximately 39.5% of its non-current assets; and (iii) intangible assets which accounted for approximately 4.2% of its non-current assets. Current assets of Zhuji Bafang constituted approximately 38.0% of its total assets as at 31 December 2015. Current assets comprised mainly (i) prepayment which accounted for approximately 75.4% of its current assets; (ii) accounts, notes and other receivables which collectively accounted for approximately 15.6% of its current assets; and (iii) cash and bank balances which accounted for approximately 6.9% of its current assets.

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As at 31 December 2015, we note that the liabilities of Zhuji Bafang comprised mainly current liabilities which accounted for approximately 92.9% of its total liabilities. Current liabilities comprised mainly trade and other payables which collectively accounted for approximately 97.0% of its current liabilities. We note that there is an outstanding shareholder’s loan from Jinjiang Group which represents approximately 55.9% of its other payables as at 31 December 2015. The non-current liability of Zhuji Bafang comprised solely of deferred income as at 31 December 2015 which accounted for approximately 7.1% of its total liabilities.

As at 31 December 2015, Zhuji Bafang had negative working capital of approximately RMB59.4 million and shareholders’ equity amounted to approximately RMB174.5 million.

As at the Latest Practicable Date, we note that Zhuji Bafang had outstanding loans and advances of approximately RMB186.9 million owing to Jinjiang Group and/or its associates.

4.2 Wenling Green Energy

“2.1.2 Wenling Green Energy

*Wenling Green Energy is a company incorporated on 23 May 2013 under the laws of the PRC with limited liability, with its registered address at Chang Xintang, Eastern Development District, Wenling City, Zhejiang Province (温岭市东部新区北面长新塘内). As at the Latest Practicable Date, the registered capital of Wenling Green Energy is RMB107,530,000, which has been fully paid-up. Wenling Green Energy operates a WTE facility currently in trial operation located in Wenling, Zhejiang Province (the “**Wenling Green Energy WTE Facility**”), which is operated under the build-operate-transfer (“**BOT**”) model. It is engaged in power generation from waste incineration, the production, supply and sale of steam and hot water, and the production and sale of by-products of incineration ash.*

Based on the audited financial statements of Wenling Green Energy⁴ for FY2013, FY2014 and FY2015:

- (a) as the Wenling Green Energy WTE Facility is currently in trial operation, Wenling Green Energy had no profits and revenue for FY2013, FY2014 and FY2015;*
- (b) as at 31 December 2013, 2014 and 2015, the net assets of Wenling Green Energy was approximately RMB20.8 million, RMB60.0 million and RMB107.5 million, respectively (equivalent to approximately S\$4.3 million, S\$12.3 million and S\$22.1 million respectively), which represents 0.7%, 2.1% and 3.4% of the Group’s net assets as at each of the respective dates; and*
- (c) as at 31 December 2013, 2014 and 2015, the NTA of Wenling Green Energy was approximately RMB20.8 million, RMB40.1 million and RMB88.4 million, respectively (equivalent to approximately S\$4.3 million, S\$8.3 million and S\$18.2 million respectively).*

Wenling Solid Waste

*Wenling Green Energy owns 51.0% of the equity interest in Wenling Green Solid Waste Disposal Co., Ltd. (温岭绿能固废处理有限公司) (“**Wenling Solid Waste**”), a company incorporated on 23 May 2014 under the laws of the PRC with limited liability, with its registered address at Chang Xintang, Binhai Town, Wenling City, Zhejiang Province (温岭市滨海镇长新塘内). The remaining 49.0% of the equity interest in Wenling Solid Waste is held by Hangzhou Puzhong Environmental Protection Engineering Co., Ltd. (杭州普众环保工程有限公司), an independent third party. As at the Latest Practicable Date, the registered capital of Wenling Solid Waste is RMB10.0 million, which has been fully paid-up. Wenling Solid Waste operates a waste treatment facility currently in operation located in Wenling, Zhejiang Province (the “**Wenling Solid Waste Facility**”), which is operated under the BOT model and engages in the treatment of animal carcasses.*

⁴ The financial statements of Wenling Green Energy for FY2013, FY2014 and FY2015 were prepared in accordance with PRC accounting standards and were audited by Hangzhou Qianwang Accounting Firm Co., Ltd. (杭州钱王会计师事务所有限公司).

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Based on the audited financial statements of Wenling Solid Waste⁵ for FY2014 and FY2015:

- (a) as the Wenling Solid Waste Facility only commenced trial operations and commercial operations in July 2015 and January 2016 respectively, Wenling Solid Waste had no profits and revenue for FY2014. For FY2015, Wenling Solid Waste recorded revenue of approximately RMB1.9 million (equivalent to approximately S\$0.4 million) and a net loss of approximately RMB0.9 million (equivalent to approximately S\$0.2 million);
- (b) as at 31 December 2014 and 2015, the net assets of Wenling Solid Waste was approximately RMB2.0 million and RMB9.1 million, respectively (equivalent to approximately S\$0.4 million and S\$1.9 million respectively); and
- (c) as at 31 December 2014 and 2015, the NTA of Wenling Solid Waste was approximately RMB0.2 million and RMB7.4 million, respectively (equivalent to approximately S\$41,000 and S\$1.5 million respectively).

Taizhou Tongchuang

Wenling Green Energy owns 50.0% of the equity interest in Taizhou Green Tongchuang Renewable Resource Co., Ltd. (台州绿能同创再生资源有限公司) (“**Taizhou Tongchuang**”), a company incorporated on 29 July 2016 under the laws of the PRC with limited liability, with its registered address at Huanglang Fenshui Salt Factory, Jinqing Town, Luqiao District, Taizhou City, Zhejiang Province (台州市路桥区金清镇黄琅分水盐场). Yangzhou Tongchuang Renewable Resource Co., Ltd. (扬州市同创再生资源有限公司), an independent third party, and Wenling Ruoheng Hongtai Gear Factory (温岭市箬横宏泰齿轮厂), an independent third party, hold 30.0% and 20.0% of the equity interest in Taizhou Tongchuang, respectively. As at the Latest Practicable Date, the registered capital of Taizhou Tongchuang is RMB1.0 million, of which RMB300,000 has been paid-up by Yangzhou Tongchuang Renewable Resource Co., Ltd. (扬州市同创再生资源有限公司). Taizhou Tongchuang is expected to be engaged in the recycling of non-ferrous metals and other resources which are removed from slag discharged as part of the waste incineration process, and subsequently used for construction and as other ancillary materials.

As at the Latest Practicable Date, Taizhou Tongchuang has not commenced any business activities. Taizhou Tongchuang is currently under construction with foundational works and equipment selection being undertaken, and is expected to commence operations in February 2017. A further total investment amount of approximately RMB4.0 million, which will be funded through shareholder loans and/or bank borrowings, is estimated to be required for Taizhou Tongchuang to commence operations, of which approximately RMB2.0 million will be contributed by Wenling Green Energy in accordance with its 50.0% equity interest in Taizhou Tongchuang.”

Financial Information

Wenling Green Energy did not record any revenue and profits for FY2014 and FY2015 and its WTE facility is currently in trial operation. A summary of the financial position of Wenling Green Energy as at 31 December 2014 and 31 December 2015 is set out in Exhibit 2 below.

Exhibit 2 – Summary financial position of Wenling Green Energy			
	As at	As at	
(RMB'000)	31 December 2015	31 December 2014	
	(Audited)	(Audited)	
Current assets	18,464	11,548	
Non-current assets	286,415	119,117	
Total assets	304,879	130,665	

⁵ The financial statements of Wenling Solid Waste for FY2014 and FY2015 were prepared in accordance with PRC accounting standards and were audited by Hangzhou Qianwang Accounting Firm Co., Ltd. (杭州钱王会计师事务所有限公司).

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Exhibit 2 – Summary financial position of Wenling Green Energy			
(RMB'000)	As at 31 December 2015 (Audited)	As at 31 December 2014 (Audited)	
Current liabilities	52,023	70,666	
Non-current liabilities	145,326	–	
Total liabilities	197,349	70,666	
Total equity	107,530	60,000	

Sources: The financial statements of Wenling Green Energy for FY2014 and FY2015 audited by Hangzhou Qianwang Accounting Firm Co., Ltd. (杭州钱王会计师事务所有限公司).

Historical financial position of Wenling Green Energy

As at 31 December 2015, we note that the non-current assets constituted approximately 93.9% of its total assets. Non-current assets comprised mainly (i) construction in progress which accounted for approximately 91.4% of its non-current assets; and (ii) intangible assets which accounted for approximately 6.7% of its non-current assets. Current assets constituted approximately 6.1% of its total assets as at 31 December 2015 which comprised mainly (i) cash and cash equivalents which accounted for approximately 72.5% of its current assets; and (ii) prepayment which accounted for approximately 23.9% of its current assets.

As at 31 December 2015, we note that the liabilities of Wenling Green Energy comprised mainly non-current liabilities which accounted for approximately 73.6% of its total liabilities. Non-current liabilities comprised (i) a long term loan which accounted for approximately 92.9% of its non-current liabilities; and (ii) deferred income which accounted for approximately 7.1% of its non-current liabilities. Current liabilities which comprised mainly trade and other payables represented approximately 26.4% of its total liabilities.

As at 31 December 2015, Wenling Green Energy had negative working capital of approximately RMB33.6 million and shareholders' equity amounted to approximately RMB107.5 million.

As at the Latest Practicable Date, we note that Wenling Green Energy and Wenling Solid Waste had outstanding loans and advances of approximately RMB64.5 million and approximately RMB15.2 million respectively owing to Jinjiang Group and/or its associates.

4.3 The Vendor

The Jinjiang Group is a private enterprise established in the People's Republic of China (the "PRC") in 1993 and is primarily engaged in the metallurgical and chemical industries in the PRC, including the production of aluminium and aluminium oxide. The Jinjiang Group is ranked among the Top 500 PRC Private Enterprises (中国民企500强) by the All-China Federation of Industry & Commerce (中华全国工商联联合会) in terms of total revenue, ranking 156th in 2013, 132nd in 2014 and 100th in 2015. During the same periods, the Jinjiang Group was also ranked 496th, 427th and 342nd, respectively, in terms of total revenue out of the Top 500 Chinese Enterprises (中国企业500强) published by the Chinese Enterprise Confederation (中国企业联合会) and the Chinese Enterprise Directors Association (中国企业家协会).

As at the Latest Practicable Date, Jinjiang Group is a controlling shareholder of the Company which has an aggregate deemed interest in 749,910,075 shares¹, representing approximately 61.6% of the issued and paid-up share capital of the Company.

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5. ASSESSMENT OF THE PROPOSED ACQUISITIONS

In assessing the financial terms of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition, we have considered the following factors which we consider to be pertinent and to have a significant bearing on our assessment of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition:

- (a) Rationale for and benefits of the Proposed Acquisitions;
- (b) Independent valuation of the Target Entities;
- (c) Assessment of the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration;
- (d) Comparison of valuation ratios of selected public listed companies broadly comparable with the Target Entities;
- (e) Comparison with relevant past transactions; and
- (f) Financial effects of the Proposed Acquisitions.

We have also considered other relevant considerations which have a significant bearing on our assessment as set out in section 6 of this letter.

The figures, underlying financial and market data used in our analysis, including securities prices, trading volumes and foreign exchange rates have been extracted from Bloomberg L.P., SGX-ST and other public filings as at the Latest Practicable Date. PPCF makes no representation or warranties, express or implied, as to the accuracy or completeness of such information.

5.1 Rationale for and benefits of the Proposed Acquisitions

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Acquisitions or the future prospects of the Group after the Proposed Acquisitions. Nevertheless, we have reviewed and considered the rationale for and benefits of the Proposed Acquisitions as set out in Paragraph 2.7 of the Circular, and reproduced in italics below for your reference. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise defined.

“2.7 Rationale for and benefit of the Proposed Acquisitions

The Directors believe that the Proposed Acquisitions (i) will mitigate any perceived actual or potential conflicts of interest with Jinjiang Group, and (ii) are in line with the Group’s long-term vision of expanding its market share and consolidating its position as a leader in the PRC’s WTE industry, and will bring the following key benefits to Shareholders:

2.7.1 Strengthen the Group’s market leading position

The Zhuji Bafang WTE Facility has an installed waste treatment capacity of 1,050 t/d and a total designed treatment capacity of 1,300 t/d. The Wenling Green Energy WTE Facility has an installed waste treatment capacity of 800 t/d (which includes a sludge treatment capacity of 200 t/d) and a total designed treatment capacity of 1,600 t/d (which includes a sludge treatment capacity of 400 t/d). The Wenling Solid Waste Facility, which engages in the treatment of animal carcasses, has an installed treatment capacity of 5 t/d.

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Accordingly, upon (i) the completion of the Proposed Acquisitions, (ii) the expected commencement of operations of the Hohhot New Energy WTE Facility, Qitaihe Green Energy WTE Facility and Gaomi Lilangmingde WTE Facility, which have an aggregate waste treatment capacity of 2,800 t/d, by end-2016 and (iii) the completion of expansion works at the Lianyungang Sunrise WTE Facility and the Wuhu Jinjiang WTE Facility which will in aggregate increase the Group’s total installed waste treatment capacity by 1,700 t/d, the Group’s total installed waste treatment capacity will be 30,230 t/d, representing an increase of 26.6% from the Group’s total installed waste treatment capacity of 23,880 t/d as at the Latest Practicable Date. This will consolidate the Group’s position as a leader in the PRC’s WTE industry.

2.7.2 Increase the Group’s market share in the WTE industry in the PRC

The acquisition of the Zhuji Bafang WTE Facility and the Wenling Green Energy WTE Facility, which are currently in commercial and trial operation respectively, and the commencement of operations of the Hohhot New Energy WTE Facility, Qitaihe Green Energy WTE Facility and Gaomi Lilangmingde WTE Facility by end-2016, will increase the number of the Group’s WTE facilities in operation to 22, and enhance the Group’s market share and geographical reach in the WTE industry in the PRC.

In addition, the Proposed Acquisitions, which will increase the number of operational WTE facilities of the Group in Zhejiang Province from two to four when completed, will strengthen and broaden the Group’s base in Zhejiang Province, which is where the Group’s headquarters is located.

2.7.3 Enhance the Group’s financial performance through the acquisition of operational WTE facilities

Under common control accounting principles, upon completion of the Proposed Acquisitions, the Group would be able to consolidate Zhuji Bafang and Wenling Green Energy in its accounts for FY2016.

From FY2013 to FY2015, the profits before tax of Zhuji Bafang increased by more than 90% from RMB20.0 million to RMB38.6 million, respectively (equivalent to approximately S\$4.1 million and S\$7.9 million, respectively). The Wenling Green Energy WTE Facility is currently in trial operation. Accordingly, by acquiring operational and profitable WTE facilities through the Proposed Acquisitions, the Group would be able to enhance its financial performance going forward.”

5.2 Independent valuation of the Target Entities

In connection with the Proposed Acquisitions, the Company had commissioned the Independent Valuer to conduct an independent valuation of the 100% equity interest in Zhuji Bafang and Wenling Green Energy. Further information in relation to the fair value of the Target Entities can be found in the Valuation Summary Letter set out in Appendix B of the Circular, which should be read in conjunction with the Independent Valuation Report which is made available to Shareholders for inspection.

We set out in Exhibit 3 below the summary of the Independent Valuation Report.

Exhibit 3 – Summary of the Independent Valuation Report				
Target entity	Date of valuation	Valuation methodology	Independent valuation of the 100% equity interests	
Zhuji Bafang	30 June 2016	Discounted cash flow (“DCF”) analysis	RMB349.0 million (equivalent to S\$71.8 million)	Mid-point: RMB326.7 million (equivalent to S\$67.2 million)
		Adjusted net asset value (“NAV”) method	RMB304.5 million (equivalent to S\$62.7 million)	

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Exhibit 3 – Summary of the Independent Valuation Report				
Target entity	Date of valuation	Valuation methodology	Independent valuation of the 100% equity interests	
Wenling Green Energy	30 June 2016	DCF analysis	RMB166.0 million ⁽¹⁾ (equivalent to S\$34.2 million)	Mid-point: RMB136.8 million ⁽¹⁾ (equivalent to S\$28.1 million)
		Adjusted NAV method	RMB107.5 million ⁽¹⁾ (equivalent to S\$22.1 million)	

Note:

- (1) The 51% investment in Wenling Solid Waste has been taken into account when computing the indicative equity value of Wenling Green Energy as a whole.

We note the following key points in respect of the Independent Valuation Report:

- (a) The analysis of the fair value of the 100% equity interest of Zhuji Bafang and Wenling Green Energy has been conducted as at the Valuation Date being 30 June 2016;
- (b) The valuation of the equity interest in Zhuji Bafang and Wenling Green Energy was based on fair value standard on the premise of continued use. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction and is equivalent to market value defined by the International Valuation Standards as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion;
- (c) The Independent Valuer has considered three (3) generally accepted approaches to value, namely (i) cost approach; (ii) market approach; and (iii) income approach, to develop its opinion of value. In forming its opinion of the fair value of the business enterprise as going concern business, the Independent Valuer had relied on the DCF analysis under the income approach and adjusted NAV method under the cost approach; and
- (d) The Independent Valuer is of the opinion that the fair value of the 100% equity interests of Zhuji Bafang and Wenling Green Energy is reasonably stated in the range of approximately RMB304.5 million to RMB349.0 million (equivalent to approximately S\$62.7 million to S\$71.8 million) (mid-point at approximately RMB326.7 million (equivalent to approximately S\$67.2 million)) and approximately RMB107.5 million to RMB166.0 million (equivalent to approximately S\$22.1 million to S\$34.2 million) (mid-point at approximately RMB136.8 million (equivalent to approximately S\$28.1 million)) respectively.

We recommend that the Independent Directors advise the Independent Shareholders to read the Valuation Summary Letter as set out in Appendix B of the Circular carefully, which should also be read in conjunction with the Independent Valuation Report which is made available to Shareholders for inspection.

5.3 Assessment of the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration

In assessing the reasonableness of the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration, we have considered the basis for arriving at the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration. In this regard, we note that the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration were arrived at after arm’s length negotiations between the respective parties, on a “willing buyer willing seller” basis, taking into consideration the fair value of Zhuji Bafang and Wenling Green Energy as appraised by the Independent Valuer as set out in the Independent Valuation Report.

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We note the following in respect of the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration:

Zhuji Acquisition Consideration

- (a) The Zhuji Acquisition Consideration represents a discount of approximately 12.8% to the independent valuation of approximately RMB349.0 million (equivalent to approximately S\$71.8 million) based on the DCF analysis;
- (b) The Zhuji Acquisition Consideration is equal to the independent valuation of approximately RMB304.5 million (equivalent to approximately S\$62.7 million) based on the adjusted NAV method;
- (c) The Zhuji Acquisition Consideration represents a discount of approximately 6.8% to the mid-point valuation of approximately RMB326.7 million (equivalent to approximately S\$67.2 million);

Wenling Acquisition Consideration

- (d) The Wenling Acquisition Consideration represents a discount of approximately 18.7% to the independent valuation of approximately RMB166.0 million (equivalent to approximately S\$34.2 million) based on the DCF analysis;
- (e) The Wenling Acquisition Consideration represents a premium of approximately 25.5% to the independent valuation of approximately RMB107.5 million (equivalent to approximately S\$22.1 million) based on the adjusted NAV method; and
- (f) The Wenling Acquisition Consideration represents a discount of approximately 1.3% to the mid-point valuation of approximately RMB136.8 million (equivalent to approximately S\$28.1 million).

5.4 Comparison of valuation ratios of selected public listed companies broadly comparable with the Target Entities

For the purpose of evaluating the financial terms of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition, we have made reference to the valuation ratios of selected public listed companies in the WTE business which we consider to be broadly comparable to the Target Entities (“**Comparable Companies**”). This provides an indication of the current market expectations with regard to the valuation of the Target Entities.

In evaluating the Comparable Companies, we have applied and used the following valuation ratios:

Valuation ratio	General description
P/E	“P/E” or “price-to-earnings” multiple illustrates the market price of a company’s shares relative to its earnings per share. The P/E multiple is affected by, inter alia, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.
EV/EBITDA	“EV” or “enterprise value” is the sum of the company’s market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents. “EBITDA” stands for the historical earnings before interest, tax, depreciation and amortisation expense, inclusive of the share of associates’ and joint ventures’ income and excluding exceptional items. The EV/EBITDA ratio illustrates the market value of a company’s business relative to its historical pre-tax operating cash flow performance, without regard to the company’s capital structure.
P/NAV	“P/NAV” or “price-to-NAV” illustrates the comparison between a company’s stock price or market value versus the book value of the company’s total shareholders’ common equity as indicated on its balance sheet. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.

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Brief descriptions of the Comparable Companies are set out below:

Exhibit 4 – Summary of Comparable Companies			
Name	Stock Exchange	Market capitalisation (\$m) ⁽¹⁾	Business description
China Everbright International Limited (“ China Everbright ”)	Hong Kong Exchanges and Clearing Limited (“ HKEX ”)	7,870.8	China Everbright provides environmental protection project management and consultancy services. The company’s operations are broken up into environmental energy, environmental water, environmental construction and environmental technology.
Tus-Sound Environmental Resources Co., Ltd. (“ Tus-Sound Environmental ”)	Shenzhen Stock Exchange (“ SZSE ”)	6,102.6	Tus-Sound Environmental is an investment, research and development, consulting, design, construction, and operations firm. The company operates solid waste disposal systems and environmental protection equipment manufacturing facilities. The company also consults on the integration of municipal sanitation, recycling and resource utilization.
Shenzhen Energy Group Co., Ltd. (“ Shenzhen Energy ”)	SZSE	5,649.3	Shenzhen Energy generates and distributes electricity and gas. The company supplies power to cities in the PRC, including Shenzhen, Huizhou and Dongguan, Guangdong Province.
Anhui Shengyun Environment Protection Group Co., Ltd. (“ Anhui Shengyun ”)	SZSE	2,905.6	Anhui Shengyun researches, produces and sells machinery and equipment products. The company’s products include belt conveyors and integrative equipment of dry desulphurisation and dedusting.
Grandblue Environment Co., Ltd. (“ Grandblue Environment ”)	Shanghai Stock Exchange	2,418.9	Grandblue Environment supplies tap water. The company also provides water supply system designing, installation, and technical consulting services.
China Tianying Inc. (“ China Tianying ”)	SZSE	1,974.1	China Tianying focuses on environmental protection and new energy investments and operations. The company specialises in the R&D, manufacturing, and sales of municipal solid waste incineration power generation equipment and other environmental equipment.
Canvest Environmental Protection Group Company Limited (“ Canvest ”)	HKEX	1,312.4	Canvest focuses on the development, management, and operation of WTE plants. The company’s plants are located in China.
Dynagreen Environmental Protection Group Co., Ltd. (“ Dynagreen Environmental ”)	HKEX	756.8	Dynagreen Environmental operates as a holding company. The company, through its subsidiaries, operates waste incineration plants for the production of energy.
Capital Environment Holdings Limited (“ Capital Environment ”)	HKEX	732.2	Capital Environment provides comprehensive waste management solutions and environmental infrastructure services in China.

Source: Bloomberg L.P.

Note:

- (1) The market capitalisation of the Comparable Companies is based on their respective last transacted prices as at the Latest Practicable Date.

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We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there is no public listed companies which we may consider to be identical to the Target Entities in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different annual profitability objectives. The Independent Directors should note that any comparison made with respect to the Comparable Companies merely serve to provide an illustrative perceived market valuation of the Target Entities as at the Latest Practicable Date.

We set out in Exhibit 5 below the valuation ratios for the Comparable Companies based on their last transacted share prices as at the Latest Practicable Date.

Exhibit 5 – Valuation ratios of Comparable Companies						
Comparable Companies	Market capitalisation ⁽¹⁾ (S\$m)	Enterprise value (S\$m)	P / E (times)		LTM ⁽²⁾ EV / EBITDA (times)	P / NAV ⁽⁴⁾ (times)
			LTM ⁽²⁾	FY2015 ⁽³⁾		
China Everbright	7,870.8	10,542.0	19.2	21.3	13.8	2.4
Tus-Sound Environmental	6,102.6	7,579.5	28.6	30.0	22.5	4.5
Shenzhen Energy	5,649.3	10,390.7	16.2	14.4	12.6	1.3
Anhui Shengyun	2,905.6	3,367.3	19.4	18.0	53.7	2.7
Grandblue Environment	2,418.9	3,193.5	23.6	27.4	12.0	2.5
China Tianying	1,974.1	2,345.4	39.2	39.5	25.4	5.0
Canvest	1,312.4	1,486.9	22.6	27.2	14.5	3.0
Dynagreen Environmental	756.8	1,049.7	12.4	15.3	11.5	1.5
Capital Environment	732.2	792.9	N.M. ⁽⁵⁾	N.M. ⁽⁵⁾	33.6	1.1
	Maximum		39.2	39.5	53.7	5.0
	Mean		22.6	24.1	22.2	2.7
	Median		21.0	24.2	14.5	2.5
	Minimum		12.4	14.4	11.5	1.1
Company	997.8	1,499.1	10.8	12.0	7.0	1.2⁽⁶⁾
Zhuji Bafang (implied by the Zhuji Acquisition Consideration)	62.7	104.3⁽⁷⁾	5.9⁽⁷⁾	10.9⁽⁸⁾	6.4⁽⁷⁾	1.0⁽⁹⁾
Wenling Green Energy (implied by the Wenling Acquisition Consideration)	27.8	72.1⁽⁷⁾	N.A.⁽¹⁰⁾	N.A.⁽¹⁰⁾	N.A.⁽¹⁰⁾	1.3⁽⁹⁾

Sources: Bloomberg L.P. and the Company's and Comparable Companies' annual reports and websites

Notes:

- (1) The market capitalisation of the Comparable Companies is based on their respective last transacted prices as at the Latest Practicable Date.
- (2) LTM means latest twelve months.
- (3) FY2015 means the financial year ended 2015 of the Company, the Target Entities and the respective Comparable Companies.

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- (4) NAV is based on the latest announced financial results of the Company and the respective Comparable Companies.
- (5) N.M. denotes not meaningful.
- (6) Based on the adjusted unaudited net assets of the Group as at 31 May 2016 as disclosed in the Prospectus, after adjusting for, *inter alia*, the net proceeds from the initial public offering of the Company of approximately S\$173.0 million.
- (7) Based on the unaudited management’s account of Zhuji Bafang or Wenling Green Energy.
- (8) Based on the PRC audited financial statements of Zhuji Bafang for FY2015.
- (9) Based on the unaudited adjusted net assets of Zhuji Bafang and Wenling Green Energy as at 30 June 2016 as disclosed in the Independent Valuation Report.
- (10) Wenling Green Energy did not record any revenue and profits for FY2015 and is currently in trial operation.

For illustration purposes only, we note that based on the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration:

Zhuji Bafang

- (a) The LTM P/E ratio of the Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 5.9 times is below the range of the LTM P/E ratios of the Comparable Companies, and is also lower than both the mean and median LTM P/E ratios of 22.6 times and 21.0 times respectively;
- (b) The FY2015 P/E ratio of the Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 10.9 times is below the range of the FY2015 P/E ratios of the Comparable Companies, and is also lower than both the mean and median FY2015 P/E ratios of 24.1 times and 24.2 times respectively;
- (c) The LTM EV/EBITDA ratio of the Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 6.4 times is below the range of the LTM EV/EBITDA ratios of Comparable Companies, and is also lower than both the mean and median LTM EV/EBITDA ratios of 22.2 times and 14.5 times respectively;
- (d) The P/NAV ratio of the Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 1.0 times is below the range of the P/NAV ratios of the Comparable Companies, and is also lower than both the mean and median P/NAV ratios of 2.7 times and 2.5 times respectively; and

Wenling Green Energy

- (e) The P/NAV ratio of the Wenling Green Energy as implied by the Wenling Acquisition Consideration of 1.3 times is within the range of the P/NAV ratios of the Comparable Companies, and is lower than both the mean and median P/NAV ratios of 2.7 times and 2.5 times respectively.

5.5 Comparison with relevant past transactions

We have reviewed selected past transactions involving the acquisitions of equity stakes in companies that are primarily in the WTE business and for which information is publicly available (“**Comparable Precedent Transactions**”). We have conducted our analysis based on the valuation ratios of P/E and P/NAV as set out in Exhibit 6 below.

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Exhibit 6 – Valuation ratios of Comparable Precedent Transactions							
Date of announcement	Target companies	Transaction value (\$\$)	Equity stake (%)	Implied 100% value ⁽¹⁾ (\$\$'m)	P / E (times)	P / NAV (times)	
4-Feb-16	EEW Holding GmbH and M+E Holding GmbH & Co. KG	2,252.3	100.0	2,252.3	21.9 ⁽²⁾	3.2 ⁽²⁾	
26-May-15	Laibin Zhongke Environmental Power Company Limited	16.1	100.0	16.1	25.6 ⁽³⁾	1.3 ⁽³⁾	
23-Dec-13	C&G Environmental Protection (China) Company Limited	376.4	100.0	376.4	27.0 ⁽⁴⁾	1.3 ⁽⁴⁾	
18-Nov-13	Tongcheng Waste Incineration Electricity Co Ltd	9.2	75.0	12.2	N.M. ⁽⁵⁾	1.2 ⁽⁶⁾	
16-Sep-13	Jiangsu TY Environmental Protection Energy Co., Ltd	37,183.9	100.0	37,183.9	28.1 ⁽⁷⁾	2.1 ⁽⁷⁾	
17-Jun-13	AVR-Afvalverwerking B.V.	1,582.9	100.0	1,582.9	22.3 ⁽⁸⁾	2.5 ⁽⁸⁾	
					Maximum	28.1	3.2
					Mean	25.0	1.9
					Median	25.6	1.7
					Minimum	21.9	1.2
	Zhuji Bafang (implied by the Zhuji Acquisition Consideration)	62.7	100.0	62.7	10.9⁽⁹⁾	1.0⁽¹⁰⁾	
5-Oct-16	Wenling Green Energy (implied by the Wenling Acquisition Consideration)	27.8	100.0	27.8	N.A.⁽¹¹⁾	1.3⁽¹⁰⁾	

Sources: Bloomberg L.P. and the respective target companies' and/or acquirers' annual reports and announcements

Notes:

- (1) Valuation of the target companies as implied by their respective transaction value.
- (2) Based on the unaudited aggregate earnings for the financial year ended 31 December 2015 and unaudited consolidated net assets as at 31 December 2015 of EEW Holding GmbH and M+E Holding GmbH & Co. KG.
- (3) Based on the audited earnings for the financial year ended 31 December 2014 and audited net assets as at 31 December 2014 of Laibin Zhongke Environmental Power Company Limited.
- (4) Based on the forecasted earnings for the financial year ended 31 December 2014 and audited net assets as at 31 December 2013 of C&G Environmental Protection (China) Company Limited.
- (5) N.M. denotes not meaningful. Tongcheng Waste Incineration Electricity Co Ltd did not record any revenue as at the date of announcement as its facility has not commenced operation.
- (6) Based on the unaudited net assets as at 30 September 2013 of Tongcheng Waste Incineration Electricity Co Ltd.
- (7) Based on the audited earnings for the financial year ended 31 December 2012 and unaudited net assets as at 30 June 2013 of Jiangsu TY Environmental Protection Energy Co., Ltd.
- (8) Based on the audited earnings for the financial year ended 31 December 2012 and audited net assets as at 31 December 2012 of AVR-Afvalverwerking B.V..
- (9) Based on the PRC audited financial statements of Zhuji Bafang for the financial year ended 31 December 2015.

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- (10) Based on the unaudited adjusted net assets of Zhuji Bafang and Wenling Green Energy as at 30 June 2016 as disclosed in the Independent Valuation Report.
- (11) Wenling Green Energy did not record any revenue and profits for FY2015 and is currently in trial operation.

For illustration purposes, we note that based on the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration:

Zhuji Bafang

- (a) The P/E ratio of Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 10.9 times is below the range of the P/E ratios of the Comparable Precedent Transactions, and is also lower than both the mean and median P/E ratios of 25.0 times and 25.6 times respectively in respect of the Comparable Precedent Transactions;
- (b) The P/NAV ratio of Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 1.0 times is below the range of the P/NAV ratios of the Comparable Precedent Transactions, and is also lower than both the mean and median P/NAV ratios of 1.9 times and 1.7 times respectively in respect of the Comparable Precedent Transactions; and

Wenling Green Energy

- (c) The P/NAV ratio of Wenling Green Energy as implied by the Wenling Acquisition Consideration of 1.3 times is within the range of the P/NAV ratios of the Comparable Precedent Transactions, and is lower than both the mean and median P/NAV ratios of 1.9 times and 1.7 times respectively in respect of the Comparable Precedent Transactions.

The Comparable Precedent Transactions and the target companies may not be directly comparable with the Proposed Acquisitions and the Target Entities and may vary with respect to, amongst other factors: geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different annual profitability objectives. Accordingly, the Independent Directors should note that any comparison made with respect to the Comparable Precedent Transactions merely serve to provide an illustrative perceived market valuation of the Target Entities as at the Latest Practicable Date.

5.6 Financial effects of the Proposed Acquisitions

The full text of the financial effects of the Proposed Acquisitions is set out in Paragraph 2.9 of the Circular and has been reproduced in italics below. Shareholders should note that the financial effects have been prepared for illustrative purposes only and they do not reflect the future actual financial position of the Group following the completion of the Proposed Acquisitions. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise defined.

“2.9 Financial Effects of the Proposed Acquisitions

2.9.1 Earnings Per Share (“EPS”)

Assuming that the Proposed Acquisitions had been completed on 1 January 2015, its effect on the Group’s EPS would have been:

<i>FY2015</i>	<i>Without the Proposed Acquisitions</i>	<i>With the Proposed Acquisitions</i>
<i>Net profit after tax attributable to owners of the Company (RMB’000)</i>	<i>404,609</i>	<i>455,548</i>
<i>Weighted average number of Shares</i>	<i>1,000,000,100</i>	<i>1,000,000,100</i>
<i>Earnings per Share (RMB cents)</i>	<i>40.5</i>	<i>45.6</i>

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2.9.2 NTA

Assuming that the Proposed Acquisitions had been completed on 31 December 2015, its effect on the Group’s NTA as at 31 December 2015 would have been:

As at 31 December 2015	Without the Proposed Acquisitions	With the Proposed Acquisitions
NTA (RMB’000)	2,434,500	2,584,388 ⁽¹⁾
Number of Shares	1,000,000,100	1,000,000,100
NTA per Share (RMB cents)	243.4	258.4

Note:

- (1) As adjusted for, inter alia, approximately RMB439.5 million of the IPO Proceeds to be used to fully fund the Proposed Acquisitions.

2.9.3 Gearing

Assuming that the Proposed Acquisitions had been completed on 31 December 2015, its effect on the Group’s gearing as at 31 December 2015 would have been:

As at 31 December 2015	Without the Proposed Acquisitions	With the Proposed Acquisitions
Total borrowings (RMB’000) ⁽¹⁾	2,205,634	2,429,220
Deposits, cash and cash equivalents	353,641	380,510
Shareholders’ equity (RMB’000)	3,121,750	3,612,189 ⁽²⁾
Gearing ratio (times) ⁽³⁾	0.593	0.567

Notes:

- (1) As the Proposed Acquisitions will be fully funded with the IPO Proceeds, no additional borrowings will be incurred in connection with the Proposed Acquisitions.
- (2) As adjusted for, inter alia, approximately RMB439.5 million of the IPO Proceeds to be used to fully fund the Proposed Acquisitions.
- (3) The gearing ratio is calculated by dividing the difference between total borrowings and the sum of the short-term deposits and cash and cash equivalents by the total equity (gearing ratio = (total borrowings – (short-term deposits + cash + cash equivalents)) / total equity).

Shareholders should note that the financial effects set out above were prepared based on the audited consolidated financial statements of the Group for FY2015 and the audited financial statements of Zhuji Bafang and Wenling Green Energy for FY2015, and are for illustration purposes only. The results of the Group for FY2015 may not be representative of future performance.”

Based on the above assumptions and figures in relation to the financial effects of the Proposed Acquisitions, we note the following:

- The Group’s earnings per Share for FY2015 would have increased from RMB40.5 cents to RMB45.6 cents, assuming that the Proposed Acquisitions had been completed on 1 January 2015;
- The Group’s NTA per Share as at 31 December 2015 would have increased from RMB243.4 cents to RMB258.4 cents, assuming that the Proposed Acquisitions had been completed on 31 December 2015; and
- The Group’s gearing ratio as at 31 December 2015 would have decreased from 0.593 times to 0.567 times, assuming that the Proposed Acquisitions had been completed on 31 December 2015.

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6. OTHER CONSIDERATIONS

6.1 Abstention from voting at the EGM

We note that each of Mr. Dou Zhenggang and Ms. Wei Xuefeng, who collectively hold an aggregate of approximately 61.6% of the Shares through China Green Energy and Win Charm, will abstain, and have undertaken to ensure that their respective associates will abstain, from voting at the EGM in respect of the ordinary resolutions approving the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition. Accordingly, the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition would proceed only if a majority of the minority Shareholders votes in favour of each of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition at the EGM.

6.2 Acquisition Option pursuant to the Non-Competition Agreement

We note that the Company had already disclosed in the Prospectus of their intention to acquire the Target Entities immediately after its listing on the SGX-ST and in any event, no later than 31 December 2016 pursuant to the Acquisition Option in the Non-Competition Agreement. Correspondingly, the Company had earmarked a proportion of the IPO Proceeds amounting to approximately S\$88.2 million (“**Acquisitions Proceeds**”) for the Proposed Acquisitions. In the event that the Proposed Acquisitions do not proceed, the Acquisitions Proceeds will be utilised for general working capital and general corporate purposes. In addition, we also note that no additional borrowing will be incurred by the Group in connection with the Proposed Acquisitions.

7. OPINION

In arriving at our opinion on the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition, we have taken into account the following key considerations (which should be read in conjunction with, and in the context of, the full text of this letter):

- (a) The rationale for and benefits of the Proposed Acquisitions;
- (b) The Independent Valuation Report commissioned by the Company and issued by the Independent Valuer;
- (c) We note that the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration were arrived at after arm’s length negotiations between the respective parties, on a “willing buyer willing seller” basis, taking into consideration the fair value of Zhuji Bafang and Wenling Green Energy as appraised by the Independent Valuer in the Independent Valuation Report;
- (d) Based on the Zhuji Acquisition Consideration and the Wenling Acquisition Consideration, we note that:

Zhuji Acquisition Consideration

- The Zhuji Acquisition Consideration represents a discount of approximately 12.8% to the independent valuation of approximately RMB349.0 million (equivalent to approximately S\$71.8 million) based on the DCF analysis;
- The Zhuji Acquisition Consideration is equal to the independent valuation of approximately RMB304.5 million (equivalent to approximately S\$62.7 million) based on the adjusted NAV method;
- The Zhuji Acquisition Consideration represents a discount of approximately 6.8% to the mid-point valuation of approximately RMB326.7 million (equivalent to approximately S\$67.2 million);

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Wenling Acquisition Consideration

- The Wenling Acquisition Consideration represents a discount of approximately 18.7% to the independent valuation of approximately RMB166.0 million (equivalent to approximately S\$34.2 million) based on the DCF analysis;
- The Wenling Acquisition Consideration represents a discount of approximately 1.3% to the mid-point valuation of approximately RMB136.8 million (equivalent to approximately S\$28.1 million);

(e) In comparison with the Comparable Companies:

- The LTM P/E ratio of the Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 5.9 times is below the range of the LTM P/E ratios of the Comparable Companies, and is also lower than both the mean and median LTM P/E ratios of 22.6 times and 21.0 times respectively;
- The FY2015 P/E ratio of the Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 10.9 times is below the range of the FY2015 P/E ratios of the Comparable Companies, and is also lower than both the mean and median FY2015 P/E ratios of 24.1 times and 24.2 times respectively;
- The LTM EV/EBITDA ratio of the Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 6.4 times is below the range of the LTM EV/EBITDA ratios of Comparable Companies, and is also lower than both the mean and median LTM EV/EBITDA ratios of 22.2 times and 14.5 times respectively;
- The P/NAV ratio of the Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 1.0 times is below the range of the P/NAV ratios of the Comparable Companies, and is also lower than both the mean and median P/NAV ratios of 2.7 times and 2.5 times respectively;
- The P/NAV ratio of the Wenling Green Energy as implied by the Wenling Acquisition Consideration of 1.3 times is within the range of the P/NAV ratios of the Comparable Companies, and is lower than both the mean and median P/NAV ratios of 2.7 times and 2.5 times respectively;

(f) In comparison with the Comparable Precedent Transactions:

- The P/E ratio of Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 10.9 times is below the range of the P/E ratios of the Comparable Precedent Transactions, and is also lower than both the mean and median P/E ratios of 25.0 times and 25.6 times respectively in respect of the Comparable Precedent Transactions;
- The P/NAV ratio of Zhuji Bafang as implied by the Zhuji Acquisition Consideration of 1.0 times is below the range of the P/NAV ratios of the Comparable Precedent Transactions, and is also lower than both the mean and median P/NAV ratios of 1.9 times and 1.7 times respectively in respect of the Comparable Precedent Transactions;
- The P/NAV ratio of Wenling Green Energy as implied by the Wenling Acquisition Consideration of 1.3 times is within the range of the P/NAV ratios of the Comparable Precedent Transactions, and is lower than both the mean and median P/NAV ratios of 1.9 times and 1.7 times respectively in respect of the Comparable Precedent Transactions;

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- (g) Based on the financial effects of the Proposed Acquisitions, we note that:
- The Group’s earnings per Share for FY2015 would have increased from RMB40.5 cents to RMB45.6 cents, assuming that the Proposed Acquisitions had been completed on 1 January 2015;
 - The Group’s NTA per Share as at 31 December 2015 would have increased from RMB243.4 cents to RMB258.4 cents, assuming that the Proposed Acquisitions had been completed on 31 December 2015;
 - The Group’s gearing ratio as at 31 December 2015 would have decreased from 0.593 times to 0.567 times, assuming that the Proposed Acquisitions had been completed on 31 December 2015; and
- (h) Other relevant considerations as set out in section 6 of this letter.

Having regard to the considerations set out in this letter and summarised in this section, and the information available as at the Latest Practicable Date, we are of the opinion that the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, we advise the Independent Directors to recommend that Independent Shareholders vote in favour of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition.

This letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the financial terms of the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition and should not be relied on by any other party (other than Shareholders). The recommendations made by the Independent Directors to the minority Shareholders in relation to the Proposed Zhuji Acquisition and the Proposed Wenling Acquisition shall remain the responsibility of the Independent Directors.

Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose (other than the intended purpose in relation to the Proposed Acquisitions) at any time and in any manner without the prior written consent of PPCF in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,
For and on behalf of
PrimePartners Corporate Finance Pte. Ltd.

Gerald Ong
Chief Executive Officer

Andrew Leo
Director, Corporate Finance



A Division of
DUFF & PHELPS

5 October 2016

China Jinjiang Environment Holding Company Limited
Grand Pavilion, Hibiscus Way
802 West Bay Road
P.O. Box 31119
KY1-1205, Cayman Islands

Our Ref.: 72530

Dear Sirs,

**SUMMARY OF VALUATION REPORT ON
FAIR VALUE OF 100% EQUITY INTEREST IN
ZHEJIANG ZHUJI BAFANG THERMAL POWER CO., LTD. (浙江诸暨八方热电有限责任公司)
AND WENLING GREEN NEW ENERGY CO., LTD. (温岭绿能新能源有限公司)**

1. INTRODUCTION

Pursuant to the terms, conditions and purpose of an engagement agreement dated 18 August 2016 (“Engagement Agreement”) between China Jinjiang Environment Holding Company Limited (“Jinjiang Environment” or “Client”) and American Appraisal China Limited (“American Appraisal”), a Division of Duff & Phelps Corporation, we have performed an analysis of fair value of the 100% equity interest in Zhejiang Zhuji Bafang Thermal Power Co., Ltd. (浙江诸暨八方热电有限责任公司) (“Zhuji Bafang”) and Wenling Green New Energy Co., Ltd. (温岭绿能新能源有限公司) (“Wenling Green Energy”) as of 30 June 2016 (“Valuation Date”).

Jinjiang Environment is a public company listed in Singapore and is principally engaged in the planning, development, construction, operation and management of waste incineration and power generation (“WTE”) facilities in the People’s Republic of China. Jinjiang Environment also provides energy management contracting services to companies in the metallurgical, chemical and power generation industries. Jinjiang Environment intends to acquire, through one of its wholly-owned subsidiaries, the entire equity interest in Zhuji Bafang and Wenling Green Energy from a controlling shareholder of Jinjiang Environment (“Proposed Transaction”).

Zhuji Bafang owns and operates a WTE and coal-fired thermal power generation facility located in Zhuji, Zhejiang Province with a total designed and installed treatment capacity of 1,300 t/d and 1,050 t/d, respectively, which is also engaged in the supply of steam for heating.

APPENDIX B – VALUATION SUMMARY LETTER

Wenling Green Energy is engaged in the operation of a WTE facility located in Wenling, Zhejiang Province currently in trial operation with a total designed and installed treatment capacity of 800 t/d in phase 1, which will be expanded to 1,600 t/d in phase 2 scheduled for 2020. Wenling Green Energy also owns a 51% equity interest in Wenling Green Solid Waste Disposal Co., Ltd. (温岭绿能固废处理有限公司) (“Wenling Solid Waste”) which engages in the treatment of animal carcasses.

The Proposed Transaction constitutes an interested person transaction under the listing rules of the Singapore Exchange Securities Trading Limited (“Listing Rules”).

We understand our opinion of value and the purpose of our analysis is to be used for public disclosure in the circular to the Client’s shareholders in relation to the Proposed Transaction (“Circular”) and be made available to the Client’s shareholders for inspection in compliance with the Listing Rules. The responsibility for determining the transaction price rests solely with the Client.

This letter has been prepared for the purpose of incorporation in the Circular to be issued in relation to the Proposed Transaction, and is a summary of the information contained in American Appraisal’s full valuation report dated 5 October 2016 (the “Independent Valuation Report”). Accordingly, this letter should be read in conjunction with the Independent Valuation Report. For further details, please refer to the Independent Valuation Report.

Unless otherwise defined, words and expressions defined in the Circular shall bear the same meanings in this letter.

2. TERMS OF REFERENCE

Basis of Valuation

Fair value is defined in the assignment as “the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction” and is equivalent to market value defined by the International Valuation Standards as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Fair value has been established based on premise of value and underlying analytical approaches appropriate to the facts and circumstances pertaining to assets valued. The

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scope of work performed and the premise of value referenced in the estimation of fair value of assets are described in the relevant sections of the Independent Valuation Report.

Definition of Business Enterprise

Business enterprise is defined for this appraisal as the total invested capital that is equivalent to the combination of all interest-bearing debts, shareholders' loans and shareholders' equity. Alternatively, the business enterprise is equivalent to the combination of all tangible assets (buildings, machinery and equipment), long-term investment, net operating working capital and intangible assets of a continuing business. *Equity value* is equivalent to business enterprise value less interest-bearing debts.

3. VALUATION METHODOLOGIES

The standard three approaches on valuation are summarized as below:

- **Income approach** – This approach recognizes that the current value of an asset (liability) is premised on the expected receipt (payment) of future economic benefits (obligations) generated over its remaining life. These benefits can be in the form of earnings, net income, cash flow, or other measures of profitability and should include the proceeds from final disposition as well as cost savings and tax deductions. Value indications are developed by discounting expected benefits to their present value at the required rate of return that incorporates the time value of money and risks associated with the particular asset. The discount rate selected is generally based on expected rates of return available from alternative investments of similar type, quality, and risk as at the Valuation Date.
- **Market Approach** – This approach is a technique used to estimate value from an analysis of actual transactions or offerings for economically comparable assets available as at the Valuation Date. The process is essentially that of comparison and correlation between the subject asset and similar assets which have recently been sold or are offered for sale in the market. The transaction or offering prices of the comparable assets are adjusted for dissimilarities in characteristics including risk, growth and other factors. The adjusted prices of the comparable assets provide an indication of value for the subject asset.
- **Cost Approach** – This approach is a technique that uses the reproduction or replacement cost as an initial basis for value. The cost to reproduce or replace the subject asset with a new asset, either identical or having the same utility, establishes

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the highest amount a prudent investor is likely to pay. To the extent that the asset being valued provides lesser utility than a new one, due to physical deterioration, functional and/or economic obsolescence, the value of the subject asset is adjusted for those reductions in value. Adjustments may be made for age, physical wear and tear, technological inefficiencies, changes in price levels, and reduced demand, among other factors.

Our conclusion relies on the approaches judged to be most appropriate for the purpose and scope of our analysis, as well as the nature and reliability of the data available to us. In forming our opinion of fair value of the business enterprise as going concern business, we rely on the discounted cash flow analysis under the income approach and adjusted net asset value (“NAV”) method under the cost approach.

Although we are able to identify pure play public listed companies with major business on WTE plants in China, the use of median price multiples devised from comparable companies is limited to cross check purpose given differences in, among others, stage of development, business model and scale of business. Among various valuation multiples, P/E ratios and P/B ratios are commonly used in the valuation of public utility business. The selection of P/E ratios devised from comparable companies are much distorted by accounting treatments on interest income from financial receivables, service concession and construction profit, while the P/B ratios are less appropriate to reflect the difference in the ability to source new projects in future. Please refer to the Independent Valuation Report for detailed information on historical financial analysis, management projections, valuation methodologies applied and other assumptions.

4. VALUATION SUMMARY AND CONCLUSION

Based on our analysis and information provided by the management of Jinjiang Environment, Zhuji Bafang and Wenling Green Energy (“Management”), it is our opinion that, as of 30 June 2016, the fair value of the 100% equity interests in Zhuji Bafang and Wenling Green Energy is reasonably stated in the range of RMB 304.5 million to RMB 349 million (mid-point at RMB 326.7 million) and RMB 107.5 million to RMB 166 million (mid-point at RMB 136.8 million) respectively shown in the exhibits below.

A. Summary of Results based on Income Approach

Using the Income Approach and Cost Approach, it is in our opinion that the 100% equity value of Zhuji Bafang and Wenling Green Energy as at the Valuation Date is reasonably stated by the amount shown in Exhibit A and Exhibit B below. In arriving at our conclusion, we have adopted perpetual growth rate of 1% p.a. and discount for lack of marketability of 10%.

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Exhibit A: Valuation Summary of Zhuji Bafang

<u>Valuation Conclusion</u>	Indicated Value of Invested Capital RMB '000	Control Premium 20%	Marketability Discount 10.0%	Total RMB '000
Income Approach:				
Discounted Cash Flow Analysis - Base Case	623,820		(62,382)	561,438
Discount Rate 11%				
Perpetual Growth Rate 1%				
				561,438
Indicated Value of Business Enterprise (Invested Capital)				561,438
Add: Excess cash / Excess Non-Operating Assets				(791)
Business Enterprise Value (ROUNDED TO THOUSAND)				561,000
Less:				
Minority Shareholders				0
Preferred Share				0
Outstanding Debt				(212,498)
Equity Value (ROUNDED TO THOUSAND) RMB				349,000
Cost Approach:				
Adjusted NAV method				304,494
			<u>Low end</u>	<u>High end</u>
Indicative Equity Value (ROUNDED TO THOUSAND) RMB			304,494	349,000
Indicative Equity Value (ROUNDED TO THOUSAND) SGD			61,705	70,724

Key assumptions

- Our valuation analysis includes Phase 2 operation in which its construction will be completed in 2016. It was expected that the revenue of waste treatment and electricity to ramp up gradually until 2020 with the increase in the waste treatment from 329 thousand tons (900 t/d) to 438 thousand tons (1,200 t/d), electricity sold from 156.3 million kWh to 243.0 million kWh and steam sold from 778 thousand tons to 1,049 thousand tons.
- Unit price (with VAT) of waste treatment, electricity and steam sold would be RMB 125 per ton, RMB 0.58 per kWh and RMB 129 per ton respectively from 2016 – 2020.
- Apart from the capital expenditure of RMB 300 million to be incurred in 2016, no further capital expenditure was assumed throughout the projection period. As such, we estimated certain amount of capital expenditure for replacement purpose in calculating the normalized cash flow in the terminal year.

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Exhibit B: Valuation Summary of Wenling Green Energy

<u>Valuation Conclusion</u>	Indicated Value of Invested Capital <u>RMB '000</u>	Marketability Discount 10.0% [▼]	Total <u>RMB '000</u>
Income Approach:			
Discounted Cash Flow Analysis - Base Case	419,224	(41,922)	377,302
Discount Rate 11%			
Perpetual Growth Rate 1%			
Indicated Value of Business Enterprise (Invested Capital)			377,302 [▼]
Add: Excess cash / Excess Non-Operating Assets (Including Wenling Solid Waste)			6,631
Business Enterprise Value (ROUNDED TO THOUSAND)			384,000
Less:			
Outstanding Debt			(217,904) [▼]
Equity Value (ROUNDED TO THOUSAND) RMB			166,000
Cost Approach:			
Adjusted NAV method			107,530
Indicative Equity Value (ROUNDED TO THOUSAND) RMB		<u>Low end</u> 107,530	<u>High end</u> 166,000
Indicative Equity Value (ROUNDED TO THOUSAND) SGD		21,791	33,639

Note: The 51% investment in Wenling Solid Waste has been taken into account when computing the indicative equity value of Wenling Green Energy as a whole.

Key assumptions

- Our valuation analysis includes both Phase 1 operation and Phase 2 projection. Phase 1 construction has been completed with its operation in trial run till the third quarter of 2016 and official operation will commence thereafter. It was expected that Phase 2 construction to be completed in 2020. It was expected that the revenue of waste treatment, electricity and sludge treatment to ramp up gradually until 2022 with the increase in the waste treatment from 292 thousand tons (800 t/d) to 438.0 thousand tons (1,200 t/d), electricity sold from 79.3 million kWh to 187.2 million kWh and sludge treatment from 73 thousand tons (200 t/d) to 110 thousand tons (300 t/d).
- Unit price (with VAT) of waste treatment, electricity and sludge treatment would be RMB 46 per ton, RMB 0.62 – 0.63 per kWh and RMB 150 per ton respectively from 2016 – 2022 and is assumed to increase by 1% p.a. thereafter.

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- Apart from the Phase 1 capital expenditure amounted to RMB 355 million in 2016 and additional Phase 2 capital expenditure amounted to RMB 100 million in 2020, no further capital expenditure was assumed throughout the projection period. As such, we estimated certain amount of capital expenditure for replacement purpose in calculating the normalized cash flow in the projection period since 2026.
- Investment in Wenling Solid Waste amounted to RMB 5.1 million has been included in our valuation analysis given the insignificant amount and early stage of operation commenced in July 2015.

B. Cost Approach – Adjusted Net Asset Value Method

Under the adjusted net asset value method, we adjusted the book value of fixed assets to its fair market value, and then deducted the total liabilities from the total adjusted value of assets of Zhuji Bafang and Wenling Green Energy.

In valuing the fixed assets, we adopted the cost approach that provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

RMB'000	Zhuji Bafang	Wenling Green Energy
NAV per management account	202,749	139,217
Fair value adjustment on fixed asset	101,744	N/A
Excluding profit for IFRIC 12 accounting treatment	N/A	-31,687
Adjusted NAV	304,494	107,530

C. Cross Check by Market Approach

Based upon the investigation and discounted cash flow analysis outlined above, it is our opinion that the fair value of the 100% equity value of Zhuji Bafang is estimated to be in the range of SGD 61.7 million and SGD 70.7 million (equivalent to RMB 304.5 million and RMB 349.0 million), and the fair value of 100% equity value of Wenling Green Energy to be in the range of SGD 21.8 million and SGD 33.7 million (equivalent to RMB 107.5 million and RMB 166.0 million).

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Guideline Company Method

The concluded value of Zhuji Bafang and Wenling Green Energy indicates the implied 2017 forward P/E ratio and latest P/B ratio of the injected business are 7.45x-9.32x and 0.93x - 1.16x respectively on controlling basis as compared with those devised from comparable companies on minority basis (see Exhibit C below).

The implied 7.45x-9.32x of 2017 P/E multiples of Zhuji Bafang and Wenling Green Energy based on the low and high end value of income approach and cost approach are lower than the median multiples of the comparable companies at 10.92x which can be explained by the lower growth momentum at only 1% than the comparable companies.

The implied 0.93x-1.16x of P/B multiples of Zhuji Bafang and Wenling Green Energy based on the income approach and cost approach is lower than the median 1.87x of the comparable companies. Similarly, this can be explained by of the nature of single project for both Zhuji Bafang and Wenling Green Energy as compared with the comparable companies with capability to secure new projects.

Exhibit C: Price Multiples of Guideline Companies

Performance of Guideline Companies

<u>Guideline Companies</u>	<u>Bloomberg Code</u>	<u>P/E</u> <u>2017E</u>	<u>P/B</u> <u>Latest Fin Yr</u>
Capital Environmental Energy Holdings Ltd	3989 HK	4.73	0.85
Shenzhen Energy Group Co Ltd *	000027 CH	N/A	1.13
China Everbright International Ltd	257 HK	11.69	1.98
Dynagreen Environmental Protection Group Co., Ltd.	1330 HK	10.22	1.76
Zhejiang Weiming Environment Protection Co., Ltd. *	603568 CH	36.39	15.48
Canvest Environmental Protection Group Company Ltd	1381 HK	11.61	2.67
Grandblue Environment Co., Ltd. *	600323 CH	17.22	2.27
	Highest	36.39	15.48
	Lowest	4.73	0.85
	Average (excluding A-shares*)	9.56	1.82
	Median (excluding A-shares*)	10.92	1.87
Implied Multiples of Zhuji Bafang and Wenling Green Energy - Low end		7.45	0.93
Implied Multiples of Zhuji Bafang and Wenling Green Energy - High end		9.32	1.16
Financial Year		2017E	Latest Fin Yr
Economic Measures		Net Income	Book Value
Financial Results		RMB '000	RMB '000
Indicated Equity Value - Low end		55,285	443,711
Indicated Equity Value - High end		412,024	
		515,000	
Low end		7.45	0.93 <Per above>
High end		9.32	1.16

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Guideline Transactions Method

The waste treatment unit investment cost, as of one of the major industry parameters in project feasibility study, has been compared with those of the merger and acquisition transactions and new constructions of WTE plants in 2015 and 2016 (see Exhibit D below).

Exhibit D: Waste Treatment Unit Investment Cost of Comparable Projects

Recent M&A	Buyer	Location	Term (years)	Designed Capacity	Consideration (RMB million)		
					Total	Unit Cost	
01-12-16	Capital Environment	BOT	Jiangxi Ruijin (51%)	30	1200	200	0.33
02-03-16	Capital Environment	BOT	Jianxi Gao An (60%)	30	900	267	0.49
27/01/2016	Canvest Environment	BOT	Guizhou, Xingyi	30	700	361.7	0.52
						Average	0.45
New construction							
Public Companies							
					Investment Cost (RMB million)		
04-08-15	Dynagreen	BOT	Tongzhou, Beijing	27	2250	1240	0.55
08-10-15	Dynagreen	BOT	Bengbu, Anhui	30	1000	504	0.50
02-01-16	Dynagreen	BOT	Jiangxi, Yichun	30	1400	630	0.45
03-10-16	Canvest	BOT	Beiliu	30	1050		-
12-01-15	China Everbright	BOT	Changzhou, Xinbei		800	420	0.53
2015	China Everbright	BOT	Shandong Weifang		1000	586	0.59
2015	China Everbright	BOO	Lankao	30	500	280	0.56
2015	China Everbright - Xiayi Int	BOT	Xiayi	30	400	230	0.58
09-02-16	China Everbright	BOO	Taikang, Henan	30	1050	400	0.38
13/05/2016	Dongjiang Environmental	PPP	Quanzhou	30	259	100	0.39
27/04/2016	China Everbright	BOT	Shandong Linshu	30	800	270	0.34
07-04-16	China Everbright	BOT	Shandong Zouping	30	1050	400	0.38
						Average	0.44

The unit investment cost from the recent transactions and constructions ranges from RMB 0.33 million per t/d to RMB 0.59 million per t/d, which is comparable to approximately RMB 0.49 million per t/d to RMB 0.53 million per t/d for Zhuji Bafang (1,050 t/d) and RMB 0.41 million per t/d to RMB 0.48 million per t/d for Wenling Green Energy (800 tons per day) respectively. However, this may vary in regions in China, leading to such immaterial difference among these parameters.

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5. LIMITING CONDITIONS TO OUR VALUATION

- i. The Independent Valuation Report does not constitute an audit in accordance with Auditing Standards. American Appraisal has relied on explanations and information provided by Management and accepted the information and projections provided to us as true and accurate.
- ii. The responsibility for forecasts and the assumptions on which they are based is solely that of the Management. It must be emphasized that revenue and profit forecasts necessarily depend upon subjective judgment. In consequence, they are not capable of being audited or substantiated in the same way as financial statements, which present the results of completed periods. As a part of our analysis, we have reviewed Management's forecast for its consistency and reasonableness.
- iii. American Appraisal has relied on data from various external sources. These sources are considered to be reliable and therefore, American Appraisal assumes no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where American Appraisal has relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure the accuracy of such data and that such data has been accurately and correctly extracted from those sources and /or reproduced in its proper form and context. American Appraisal has assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.
- iv. The scope of work has been limited both in terms of the areas of the business and operations which have been reviewed. There may be matters, other than those noted in the report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- v. Our report is issued on the understanding that Management has drawn our attention to all matters of which they are aware concerning the financial position of the businesses appraised, which may have an impact on the Independent Valuation Report up to the Valuation Date. American Appraisal has no responsibility to update the report for events and circumstances occurring after the Valuation Date.
- vi. The use of our report is restricted to the purpose indicated herein. American Appraisal authorizes Jinjiang Environment to include a copy of this valuation summary letter in the Circular in relation to the Proposed Transaction. This disclosure is authorized in consideration of the condition that American Appraisal shall have a reasonable

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opportunity to review and approve any references to American Appraisal, its work, this engagement or the report prior to disclosure.

- vii. American Appraisal expressly disclaims all liability for any loss or damage of whatever kind which may arise from any person acting on any information and opinions relating to the investments contained in the report which are contrary to the stated purpose unless otherwise provided by law. Full terms and conditions of our work are included in our engagement letter dated 18 August 2016.
- viii. The valuation of business and equity is not a precise science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value and we normally express our opinion on the value as falling within a likely range.
- ix. American Appraisal has acted as an independent third party and, as such, shall not be considered an advocate should any dispute arise between concerned parties.
- x. We have no present or planned future interest in Jinjiang Environment or its group companies and the fee for our report is not contingent upon the outcome of the transaction.

6. CONFIDENTIALITY AND DUTY OF CARE

This letter and report are addressed strictly to the Directors of Jinjiang Environment (“Directors”) and is to be for intended purpose as set out above and accordingly neither the report nor the letter may be used or relied upon in any other connection, and are not intended to confer any benefit on, any other person (including without limitations the respective shareholder of Jinjiang Environment). Any recommendation made by the Directors in respect to this Proposed Transaction shall remain the responsibility of the Directors.


In rendering our valuation conclusion, we have not had regard to the specific investment objectives, financial situation or individual circumstances of any shareholder. Our valuation conclusion should not be the sole basis for deciding whether or not to execute the Proposed Transaction.

We understand that the Independent Financial Advisor (“IFA”) may require this letter and our Independent Valuation Report for their internal reference. The IFA will perform their own separate analysis to satisfy their roles and responsibilities. Our role and report is not meant to substitute their own procedures to substantiate the opinion they are required to render.

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While a copy of this letter may be reproduced in the Circular, neither Jinjiang Environment nor the Directors may reproduce, disseminate or refer to this letter and the Independent Valuation Report (or any part thereof) for any other purposes at any time and in any manner without the prior written consent of American Appraisal in each specific case. In any event, giving our consent to the inclusion of letter in such a circular, we do not accept any duty of care and deny any responsibilities or liability to any third party other than the party to whom our letter and report is addressed, unless otherwise provided by law.

Respectfully submitted,



AMERICAN APPRAISAL CHINA LIMITED

Note:

This valuation was prepared under the supervision of Mr. Ricky Lee as project-in-charge with significant professional assistance from Ms. Yvonne Dunn, Mr. Michael Chung, Ms. Jada Yeung, Mr. Philip Wong, Mr. Robert Hu, Ms. Elaine Choi and Ms. Srividya C. Gopalakrishnan. Mr. Lee has been involved in business enterprise and intangible asset valuation services for the purposes of joint venture, merger & acquisition and public listing for over fifteen years and is a fellow member of the Association of Chartered Certified Accountants, accredited senior appraiser of the American Society of Appraisers and charter holder of the Chartered Financial Analyst.

NOTICE OF EXTRAORDINARY GENERAL MEETING

China International Capital Corporation (Singapore) Pte. Limited was the sole issue manager, global coordinator, bookrunner and underwriter (“**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 Circular.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of China Jinjiang Environment Holding Company Limited 中国锦江环境控股有限公司 (the “**Company**”) will be held at Meeting Room 304, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 15 November 2016 at 3.00 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following Ordinary Resolutions:

(1) THE PROPOSED ACQUISITION OF ZHEJIANG ZHUJI BAFANG THERMAL POWER CO., LTD. (浙江诸暨八方热电有限责任公司) AS AN INTERESTED PERSON TRANSACTION (THE “PROPOSED ZHUJI ACQUISITION”)

THAT:-

- (a) approval be and is hereby given for the acquisition of the entire issued share capital of Zhejiang Zhuji Bafang Thermal Power Co., Ltd. (浙江诸暨八方热电有限责任公司) by Gevin Limited (“**Gevin**”) (or such wholly-owned subsidiary of Gevin) from Hangzhou Jinjiang Group Co., Ltd. (“**Jinjiang Group**”) for an aggregate consideration of RMB304,494,000 and on the terms and subject to the conditions set out in the conditional sale and purchase agreement dated 5 October 2016 entered into between Gevin and Jinjiang Group; and
- (b) any Director of the Company be and is hereby authorised to complete and do any and all such acts and things (including executing all such documents as may be required) as he may in his absolute discretion consider expedient or necessary or in the interests of the Company to give effect to this resolution.

(2) THE PROPOSED ACQUISITION OF WENLING GREEN NEW ENERGY CO., LTD. (温岭绿能新能源有限公司) AS AN INTERESTED PERSON TRANSACTION (THE “PROPOSED WENLING ACQUISITION”)

THAT:-

- (a) approval be and is hereby given for the acquisition of the entire issued share capital of Wenling Green New Energy Co., Ltd. (温岭绿能新能源有限公司) by Gevin Limited (“**Gevin**”) (or such wholly-owned subsidiary of Gevin) from Hangzhou Jinjiang Group Co., Ltd. (“**Jinjiang Group**”) for an aggregate consideration of RMB135,000,000 and on the terms and subject to the conditions set out in the conditional sale and purchase agreement dated 5 October 2016 entered into between Gevin and Jinjiang Group; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) any Director of the Company be and is hereby authorised to complete and do any and all such acts and things (including executing all such documents as may be required) as he may in his absolute discretion consider expedient or necessary or in the interests of the Company to give effect to this resolution.

By Order of the Board of Directors

Wang Yuanluo
Executive Chairman and Chief Executive Officer
31 October 2016

Notes:

1. A member of the Company entitled to attend and vote at the EGM who is the holder of two or more shares in the capital of the Company ("**Shares**") is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. Where a member of the Company appoints more than one proxy, he/she must specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified the first named proxy may be treated as representing 100% of the Shareholding and any subsequent named proxy as an alternate to the earlier named.
3. The Depository or a relevant intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by him (which number and Class of Shares shall be specified).
4. The instrument appointing a proxy or proxies must be deposited with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for the EGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, governmental or regulatory requirements, or guidelines or notices issued by any applicable governmental or regulatory authorities of any relevant jurisdiction, and/or complying with the Company's internal policies (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) (collectively, the "**Third Parties**"), the member has each of the Third Party's authority to provide such Third Party's personal data to the Company, is validly acting on each of their behalf and has obtained the prior consent of such Third Party for the collection, use and disclosure by the Company (or its agents) of the personal data of such Third Party for the Purposes, (iii) warrants that all personal data that the member provides to the Company is true, accurate and complete, and (iv) agrees that the member will indemnify and at all times to keep the Company and its related corporations (together with their respective officers, employees and agents) (each an "**Injured Party**") indemnified against any penalties, liabilities, claims, demands, losses and damages which may be suffered or incurred by the Injured Party or asserted against the Injured Party by any person or entity (including the member and the member's employees, agents) whatsoever, in respect of any matter or event whatsoever arising out or, in the course of, by reason of or in respect of any member's breach of warranty and/or any action or omission by the member that causes the Company and/or any of its related corporations to be in breach of the Personal Data Protection Act 2012 and all subsidiary legislation related thereto.