



**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)

**COMPENSATION AGREEMENT IN RESPECT OF HANGZHOU YUHANG WTE FACILITY**

The Board of Directors (the “**Board**”) of China Jinjiang Environment Holding Company Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement of the unaudited financial results of the Group for the second quarter and half year ended 30 June 2018 dated 12 August 2018 (the “**Announcement**”). As disclosed in the Announcement, the Group had been engaged in ongoing negotiations with the local government regarding compensation payments for the closure of the waste-to-energy (“**WTE**”) facility (the “**Hangzhou Yuhang WTE Facility**”) owned and operated by the wholly-owned subsidiary of the Company, Hangzhou Yuhang Jinjiang Environment Energy Co., Ltd. (杭州余杭锦江环保能源有限公司) (“**Hangzhou Yuhang**”).

The Board wishes to announce that Hangzhou Yuhang has signed a compensation agreement (“**Compensation Agreement**”) with the local government, pursuant to which Hangzhou Yuhang will receive a total compensation amount of RMB289,840,061 (equivalent to approximately S\$57,507,900 based on the exchange rate of S\$1.00 : RMB5.04 quoted by Bloomberg L.P. on the close of the market day preceding the date of this announcement) which includes, among others, land compensation, housing compensation and fair value of equipment. As at end-August 2018, the Group has already received approximately RMB145 million in compensation, and under the terms of the Compensation Agreement, the balance compensation is expected to be paid to the Group by end-October 2018.

Based on the audited financial statements of Hangzhou Yuhang for the financial year ended 31 December 2017, the registered capital and net asset value of Hangzhou Yuhang as at 31 December 2017 is RMB113 million and approximately RMB140 million, respectively.

Hangzhou Yuhang, which started operations in 1998, has a daily waste treatment capacity of 700 tons and is the first circulating fluidised bed incineration power plant in China. As disclosed in prior announcements of the results of the Company, given that the Hangzhou Yuhang WTE Facility is located where the future Hangzhou West Corridor is to be situated and west of Hangzhou’s future transport hub, such location may no longer be suitable for the operation and development of a waste incineration plant. Accordingly, the Group had voluntarily ceased operations at the Hangzhou Yuhang WTE Facility from August 2017 onwards in view of ongoing negotiations with the local government and the Group.

The Board would like to provide the following updates with regard to the closure or cessation of operations of other WTE facilities of the Group disclosed in the Announcement:

- (a) the Zibo Jinjiang WTE Facility owned and operated by the Group had ceased incineration in early July 2018 and the Group is still in negotiations with the local government regarding

compensation payments; and

- (b) the Kunming Jinjiang WTE Facility owned and operated by the Group is currently operating as per normal, and the timeline for any closure or cessation of operations will be determined based on the progress of completion of the Kunming Wuhua reconstruction project.

**BY ORDER OF THE BOARD**

Zhang Chao  
Executive Director and Chief Executive Officer

26 September 2018

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