



CHINA JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED

中国锦江环境控股有限公司

(Company Registration Number: 245144)

(Incorporated in the Cayman Islands on 8 September 2010)

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

ACQUISITION OF 95% INTEREST IN PT. INDO GREEN POWER

1. INTRODUCTION

The Board of Directors (the “**Board**”) of China Jinjiang Environment Holding Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary PT. Jinjiang Environment Indonesia (“**Jinjiang Environment Indonesia**”) has acquired 18,750 shares and 5,000 shares, representing a 75.0% and 20.0% equity interest, in the issued share capital of PT. Indo Green Power (“**IGP**”), from H C Asia Pacific Holdings Pte. Ltd. (“**H C Asia**”) and Top Celestial Holdings Pte. Ltd. (“**Top Celestial**”), respectively (the “**Equity Transfer**”). No consideration is payable by the Group to H C Asia and Top Celestial for the Equity Transfer, and following the Equity Transfer, Jinjiang Environment Indonesia is required to contribute its pro rata portion of the issued capital of IGP.

Following the Equity Transfer:

- (a) Jinjiang Environment Indonesia holds a 95.0% equity interest in IGP and IGP is a subsidiary of the Company; and
- (b) the remaining 5.0% equity interest in IGP is held by Mr. Januardi Suma, who is the Group’s local partner.

2. DETAILS OF THE EQUITY TRANSFER

2.1 Information on HC Asia, Top Celestial and IGP

Each of H C Asia and Top Celestial is (i) incorporated under the laws of Singapore with limited liability, (ii) primarily engaged in investment holding and general wholesale trade and (iii) wholly-owned by the controlling shareholder of the Company, Mr. Dou Zhenggang, and/or his associates (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”)).

IGP is a company incorporated under the laws of Indonesia on 30 April 2013 with limited

liability. IGP has secured a concession to construct, own and operate a waste-to-energy (“WTE”) facility in Palembang, Indonesia with a total installed waste treatment capacity of 1,000 tons per day (the “**Palembang Project**”).

Under the terms of the aforesaid concession, IGP has an exclusive right to provide waste treatment services in a defined area in Palembang, Indonesia for a period of 30 years from the date of commencement of commercial operation of the Palembang Project, in consideration of a tipping fee, and electricity tariff payable by the relevant local authorities for the waste treatment services provided and electricity generated by the Palembang Project, respectively.

Based on the unaudited financial statements of IGP and the unaudited consolidated financial statements of the Group for the first quarter ended 31 March 2018, IGP had net liabilities of Rp 24.3 billion (equivalent to approximately S\$2.3 million¹) as at 31 March 2018, which represents approximately 0.2% of the Group’s net assets of RMB4,993.9 million (equivalent to approximately S\$1,043.2 million) as at 31 March 2018 and approximately 0.4% of the Group’s net tangible assets (“**NTA**”) of RMB2,688.9 million (equivalent to approximately S\$561.7 million) as at 31 March 2018.

2.2 **Rationale for and Benefits of the Equity Transfer**

During the initial tender for the Palembang Project in May 2017, the local authorities had indicated a preference to deal with Indonesian entities instead of foreign entities as it was less familiar with the track record of the latter. As the Group had not yet established a presence in Indonesia at such time, IGP had submitted the tender bid for the Palembang Project. However, it was the intention of the Company’s Controlling Shareholders for the Group to own and operate the Palembang Project in the event the tender was successful.

The Group had subsequently incorporated Jinjiang Environment Indonesia, which is the Group’s platform for exploring potential future business opportunities in Indonesia, in August 2017. In November 2017, IGP was successful in its tender for the Palembang Project and had in January 2018 executed the concession agreement with the relevant authorities in relation to the Palembang Project. To effect the aforesaid understanding for the Group to own and operate the Palembang Project, H C Asia and Top Celestial have transferred their entire respective equity interests in IGP to Jinjiang Environment Indonesia by way of the Equity Transfer.

2.3 **Capital Commitment**

The total estimated total investment amount for the Palembang Project is approximately US\$120 million (equivalent to approximately S\$160.5 million), which will be funded through the Group’s internal resources, bank borrowings and/or future equity or debt fund raising. Under the agreed terms with the relevant local authorities, IGP will have an issued capital of Rp 25,000,000,000 comprising 25,000 shares, and Jinjiang Environment Indonesia’s contribution will be Rp 23,750,000,000 (equivalent to approximately S\$2.3 million) (the “**Capital Commitment**”), pro rata to its 95.0% equity interest.

1 Unless otherwise indicated, Rp, RMB and US\$ amounts in this Announcement have been translated into Singapore dollars, based on the respective exchange rates of S\$1.00 : Rp 10,397.79, S\$1.00 : RMB4.7873 and US\$1.00 : S\$1.3376 quoted by Bloomberg L.P. on the market day preceding the date of this announcement.

2.4 Interested Person Transaction

In respect of the Equity Transfer:

- (a) Jinjiang Environment Indonesia, being a subsidiary of the Company which is not listed on any stock exchange, is an entity at risk for the purposes of Chapter 9 of the Listing Manual; and
- (b) each of H C Asia and Top Celestial is wholly-owned by the controlling shareholder of the Company, Mr. Dou Zhenggang, and/or his associates. Accordingly, each of H C Asia and Top Celestial is an associate of Mr. Dou Zhenggang and an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

Accordingly, the Equity Transfer constitutes an interested person transaction pursuant to Chapter 9 of the Listing Manual. The Capital Commitment expressed as a percentage of the Group's latest audited consolidated NTA as at 31 December 2017 of RMB2,870.7 million (equivalent to approximately S\$599.6 million) is approximately 0.4%.

3. FINANCIAL EFFECTS

The Equity Transfer and the Palembang Project are not expected to have any material impact on the net tangible assets or earnings of the Group for the current financial year.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this Announcement and other than through their respective shareholding interests in the Company, none of the directors and controlling shareholders of the Company and their associates have any interests in the Equity Transfer and the Palembang Project.

BY ORDER OF THE BOARD

Wang Yuanluo
Non-Executive, Non-Independent Chairman

1 June 2018

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