



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)

**ANNOUNCEMENT PURSUANT TO RULE 704(6) OF THE LISTING MANUAL
- MATERIAL VARIANCES BETWEEN AUDITED AND UNAUDITED FULL YEAR RESULTS**

The Board of Directors (the “**Board**”) of China Jinjiang Environment Holding Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to (i) the announcement dated 1 March 2019 in relation to the unaudited fourth quarter and full year financial statements for the period ended 31 December 2018 (“**Unaudited Financial Statements**”) and (ii) the press release dated 13 March 2019 in relation to Hangzhou Kesheng Energy Technology Co., Ltd. (杭州科晟能源技术有限公司), an indirect wholly-owned subsidiary of the Company, being certified as a National High-Tech Enterprise for a period of three years from 1 January 2018 to 31 December 2020 (the “**Relevant Period**”) by the Zhejiang Provincial Department of Science and Technology (浙江省科学技术厅), the Zhejiang Provincial Department of Finance (浙江省财政厅) and the Zhejiang Provincial Taxation Bureau of the State Administration of Taxation (国家税务总局浙江省税务局) (the “**Certification**”).

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to announce that due to Hangzhou Kesheng retrospectively enjoying a lower corporate income tax rate during the Relevant Period in connection with the Certification, there are material variances between the Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Statements of Financial Position reported in the audited financial statements for the financial year ended 31 December (“**FY**”) 2018 (“**Audited Financial Statements**”) in the Company’s annual report for FY2018, which was released to the SGX-ST via SGXNET and despatched to shareholders of the Company on 12 April 2019, and the Unaudited Financial Statements released on 1 March 2019.

While the Group was only notified of the Certification and the lower corporate income tax rate after the release of the Unaudited Financial Statements, the relevant conditions for the Certification and the lower corporate income tax rate were already satisfied prior to the release of the Unaudited Financial Statements. Further details of the material variances between the Audited Financial Statements as compared to the Unaudited Financial Statements are set out in the Appendix to this announcement.

BY ORDER OF THE BOARD

Zhang Chao
Executive Director and Chief Executive Officer

12 April 2019

For further information, please contact:

Wang Ruihong

Executive Director and
Deputy General Manager
Tel: (86) 153 5618 3219
Email: wrh@hzjj.cn

Choo Beng Lor

Company Secretary and
Financial Controller
Tel: (65) 9745 3502
Email: zhuminglu@hzjj.cn

APPENDIX

Extract from the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group FY2018		Adjustment RMB'000	Explanation
	Audited Financial Statements RMB'000	Unaudited Financial Statements RMB'000		
Profit before tax	748,312	748,312	-	-
Income tax expense	(173,638)	(197,539)	23,901	See Note (1) below
Profit for the year	<u>574,674</u>	<u>550,773</u>	23,901	See Note (1) below
Total comprehensive income for the year	<u>569,931</u>	<u>546,030</u>	23,901	See Note (1) below
Profit for the year:				
Attributable to:				
Owners of the Company	564,989	541,088	23,901	See Note (1) below
Non-controlling interests	9,685	9,685	-	-
	<u>574,674</u>	<u>550,773</u>	23,901	See Note (1) below
Total comprehensive income for the year:				
Attributable to:				
Owners of the Company	560,246	536,345	23,901	See Note (1) below
Non-controlling interests	9,685	9,685	-	-
	<u>569,931</u>	<u>546,030</u>	23,901	See Note (1) below
Earnings per share:				
- Basic and Diluted (RMB cents)	41.81	40.04	1.77	See Note (1) below

Notes:

- (1) Due to Hangzhou Kesheng, a wholly-owned subsidiary of the Company, retrospectively enjoying a lower corporate income tax rate for a period of three years from 1 January 2018 to 31 December 2020 in connection with the Certification, this resulted in a decrease of approximately RMB23.9 million (equivalent to approximately S\$4.8 million) in income tax expense, and a corresponding increase in profit, total comprehensive income and earnings per share for FY2018 in the Audited Financial Statements, as compared to the Unaudited Financial Statements.

Extract from the Statements of Financial Position

	Group FY2018			
	Audited Financial Statements (RMB'000)	Unaudited Financial Statements (RMB'000)	Adjustment (RMB'000)	Explanation
Total current assets	3,625,046	3,625,046	-	-
Total non-current assets	10,969,128	10,969,128	-	-
Total assets	<u>14,594,174</u>	<u>14,594,174</u>	-	-
Current liabilities				
Income tax liabilities	135,677	159,578	(23,901)	See Note (1) below
Total current liabilities	<u>3,284,669</u>	<u>3,308,570</u>	(23,901)	See Note (1) below
Net current assets	<u>340,377</u>	<u>316,476</u>	23,901	See Note (1) below
Total assets less current liabilities	<u>11,309,505</u>	<u>11,285,604</u>	23,901	See Note (1) below
Total non-current liabilities	<u>5,706,295</u>	<u>5,706,295</u>	-	-
Net assets	<u>5,603,210</u>	<u>5,579,309</u>	23,901	See Note (1) below
Capital and reserves				
Share Capital	95	95	-	-
Reserves	5,485,716	5,461,815	23,901	See Note (1) below
Equity attributable to owners of the Company	5,485,811	5,461,910	23,901	See Note (1) below
Non-controlling interests	117,399	117,399	-	-
Total equity	<u>5,603,210</u>	<u>5,579,309</u>	23,901	See Note (1) below

Notes:

- (1) Due to Hangzhou Kesheng, a wholly-owned subsidiary of the Company, retrospectively enjoying a lower corporate income tax rate for a period of three years from 1 January 2018 to 31 December 2020 in connection with the Certification, this resulted in a decrease of approximately RMB23.9 million (equivalent to approximately S\$4.8 million) in income tax liabilities and total current liabilities, and a corresponding increase in net current assets, total assets less current liabilities, net assets, reserves and equity for FY2018 in the Audited Financial Statements, as compared to the Unaudited Financial Statements.