



ZHENENG JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED

浙能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 ZIBO JINJIANG WTE FACILITY

The Board of Directors (the “**Board**”) of Zheneng 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 third quarter ended 30 September 2019 dated 14 November 2019 (the “**Announcement**”). As disclosed in the Announcement, the waste-to-energy (“**WTE**”) facility (the “**Zibo Jinjiang WTE Facility**”) owned and operated by the wholly-owned subsidiary of the Company, Zibo Environmental Energy Co., Ltd. (淄博环保能源有限公司) (“**Zibo Jinjiang**”) had ceased incineration in July 2018, the local government in Zibo City, Shandong Province had determined the compensation amount based on a third-party asset evaluation report, and that the compensation agreement will be signed by the parties in due course.

The Board wishes to announce that Zibo Jinjiang has signed a compensation agreement (“**Compensation Agreement**”) with the local government, pursuant to which Zibo Jinjiang will receive a total compensation amount of RMB225,011,400 (equivalent to approximately S\$44,783,700¹) which includes, among others, land compensation and compensation for employee wages. Under the terms of the Compensation Agreement, the compensation is expected to be paid to the Group by 31 December 2021.

Based on the audited financial statements of Zibo Jinjiang for the financial year ended 31 December 2018, the registered capital and net asset value of Zibo Jinjiang as at 31 December 2018 is RMB88.0 million and approximately RMB185.0 million, respectively.

The Zibo Jinjiang WTE Facility, which started operations in 2007, has a daily waste treatment capacity of 2,000 tons. As disclosed in prior announcements of the results of the Company, given that the Zibo Jinjiang WTE Facility is located where a future high-speed rail hub is planned, such location may no longer be suitable for the operation and development of a waste incineration plant. Accordingly, the Group had ceased incineration at the Zibo Jinjiang WTE Facility from July 2018 onwards in view of ongoing negotiations with the local government and the Group. The Group’s Zibo New Energy WTE Facility, which is also located in Zibo City, has been treating the waste previously treated by the Zibo Jinjiang WTE Facility.

As disclosed in the Announcement, 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.

¹ Renminbi (“**RMB**”) amounts in this announcement have been translated into Singapore dollars, based on the closing exchange rate of S\$1.00 : RMB5.0244 quoted by Bloomberg L.P. on the market day preceding the date of this announcement.

BY ORDER OF THE BOARD

Wei Dongliang
Executive Chairman

18 February 2020

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