



Establishment of Joint Venture Engineering Company for Waste Incineration Power Plant in China

– Will Use JFE Engineering's Environmental Technologies –

JFE Engineering Corporation (Head Office: Chiyoda-ku, Tokyo; President and CEO: Hisanori Kanou) has agreed with local Chinese companies on the establishment of a joint venture, Dongjie Environmental Technology Co., Ltd (Head Office: Shanghai, P.R. China), to perform engineering work for a stoker-type waste incineration power plant in China.

Capital for Dongjie Environmental Technology Co., Ltd will be subscribed by JFE Engineering (50%) and Chinayong Environmental and New Energy Co., Ltd. (50%) (Head Office: Beijing, P.R. China; President: Ming Wenping), which was established by 3 Chinese companies.

Chinayong Environmental and New Energy Co., Ltd. is a company that was established by Dongfeng Design Institute Co., Ltd., a member of the Dongfeng Motor Corporation Group, which is a leading car manufacturer in China, and two other companies,^{*1} for the purpose of promoting new waste management businesses, and also acquires advanced plant technologies through the joint venture with JFE Engineering.

Dongjie Environmental Technology Co., Ltd will start its business subject to completion of necessary procedures, including regulatory clearance.

Demand for waste incineration power plants in China is already more than 10 times greater than that in Japan and further expansion is expected in the future. In addition, a number of regulations are also being developed in response to the demand from the local community and society for environmental protection. In this situation, the provision of plants to solve these issues is an urgent need, and there are requirements for JFE's total engineering capability to meet this challenge.

The joint venture established through this agreement will carry out all work locally as an integrated process, under licensing of the technology from JFE Engineering, from design to production of a stoker-type incinerator, which simultaneously suppresses emissions of both dioxins and nitrogen oxides (NOx).

As a leading company in the field of urban environmental plants, the JFE Engineering Group is contributing to create a recycling-oriented society by promoting the localization suited to each region in the world.

*1: A total of 3 Chinese companies will establish an operating company, Chinayong Environmental and New Energy Co., Ltd., to carry out the waste management business, and thus will invest indirectly in the joint venture. In addition to the Dongfeng Design Institute Co., Ltd. which is a member of the Dongfeng Motor Corporation Group, the other companies are the Center International Group Co., Ltd., which is a steel frame engineering company, and the China Golden Future Inc., an investment company.

【Outline of Dongjie Environmental Technology Co., Ltd】

1. Location: Shanghai, P.R. China
2. Capitalization: ¥700 million (approx.)
3. Date established: August 2015 (scheduled)
4. Investors: JFE Engineering (50%), Chinayong Environmental and New Energy Co., Ltd. (50%)
5. Line of business: Waste power plant engineering

【Outline of Chinayong Environmental and New Energy Co., Ltd.】

1. Location: Beijing, P.R. China
2. Capitalization: ¥2000 million (100 million RMB)
3. Date established: May 2015
4. Investors: Dongfeng Design Institute Co., Ltd. (60%), Center International Group Co., Ltd. (30%), China Golden Future Inc. (10%)
5. Line of business: Waste management business

【Outline of investors in Chinayong Environmental and New Energy Co., Ltd.】

1. Name: Dongfeng Design Institute Co., Ltd.
 2. Line of business: Engineering company in the Dongfeng Motor Corporation Group, which is a major automobile manufacturer in China. Has an extensive record of automobile plants and other machinery and equipment plants in China.
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1. Name: Center International Group Co., Ltd.
 2. Line of business: Major steel frame engineering company engaged integrated design, production, and construction of steel frames. Work record includes railway stations, airports, stadiums, and other large public works construction projects.
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1. Name: China Golden Future Inc.
 2. Line of business: Governmental investment company. Invests in industrial projects which contribute to the development of China.

■ Scene at the signing ceremony on June 2, 2015



(From left,) President Ming Wenping (Chinayong Environmental and New Energy Co., Ltd.),
President Liu Aisen (Center International Group Co., Ltd.), President Kanou (JFE Engineering Corporation),
President Chen Yan (China Golden Future Inc.), Vice President Kang Lihua (Dongfeng Design Institute Co., Ltd.)

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