



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)

Unaudited Third Quarter And Nine Months Financial Statements For The Period Ended 30 September 2016

Background

China Jinjiang Environment Holding Company Limited (the “Company” and together with its subsidiaries, the “Group”) was incorporated as an exempted company with limited liability under the laws of the Cayman Islands on 8 September 2010. The Company was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 3 August 2016.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

The Board of Directors of the Company announces the unaudited financial results of the Group for the third quarter (“3Q”) and nine months (“9M”) ended 30 September 2016.

1(a)(i) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	Group 3Q2016 RMB'000	Group 3Q2015 RMB'000	Change +/(-) %	Group 9M2016 RMB'000	Group 9M2015 RMB'000	Change +/(-) %
Revenue	596,304	369,444	61.4	1,631,055	1,160,948	40.5
Cost of sales	(321,557)	(215,519)	49.2	(906,812)	(608,653)	49.0
Gross profit	274,747	153,925	78.5	724,243	552,295	31.1
Other income and other gains and losses	7,060	23,622	(70.1)	71,240	44,794	59.0
Administrative expenses	(50,358)	(22,788)	121.0	(125,931)	(98,717)	27.6
Finance costs	(31,669)	(41,092)	(22.9)	(97,067)	(89,865)	8.0
Profit before tax	199,780	113,667	75.8	572,485	408,507	40.1
Income tax expense	(57,922)	(34,024)	70.2	(169,407)	(110,943)	52.7
Profit and total comprehensive income	141,858	79,643	78.1	403,078	297,564	35.5

	Group 3Q2016 RMB'000	Group 3Q2015 RMB'000	Change +/(-) %	Group 9M2016 RMB'000	Group 9M2015 RMB'000	Change +/(-) %
Profit and total comprehensive income attributable to:						
- owners of the Company	138,175	81,434	69.7	394,222	293,514	34.3
- non-controlling interests	3,683	(1,791)	(305.6)	8,856	4,050	118.7
	<u>141,858</u>	<u>79,643</u>	<u>78.1</u>	<u>403,078</u>	<u>297,564</u>	<u>35.5</u>

1 (a)(ii) Notes to the Consolidated Statement of Comprehensive Income

	Group 3Q2016 RMB'000	Group 3Q2015 RMB'000	Change +/(-) %	Group 9M2016 RMB'000	Group 9M2015 RMB'000	Change +/(-) %
Profit before tax has been arrived at after charging (crediting):						
Staff costs (including directors' emoluments)	42,128	22,833	84.5	125,446	91,265	37.5
Cost of inventories recognised as expense	85,096	89,449	(4.9)	195,273	209,506	(6.8)
Depreciation of property, plant and equipment	57,823	49,744	16.2	185,794	147,977	25.6
Amortisation of prepaid leases	2,710	2,549	6.3	8,132	7,923	2.6
Amortisation of intangible assets	4,701	5,344	(12.0)	14,896	10,625	40.2
Total depreciation and amortisation	<u>65,234</u>	<u>57,637</u>	<u>13.2</u>	<u>208,822</u>	<u>166,525</u>	<u>25.4</u>
Overprovision of tax in the prior years	-	-	N.M.	10,261	2,092	390.5
Government grants	16,811	18,902	(11.1)	76,885	35,785	114.9
Exchange loss	(11,370)	-	N.M.	(11,370)	-	N.M.
Bank interest income	218	808	(73.0)	829	1,756	(52.8)
Gain (Loss) on disposal of property, plant and equipment	(38)	3	(1,366.7)	(26)	(4)	550.0
Gain on sales of scrap materials	1,439	3,909	(63.2)	4,922	7,257	(32.2)
Other income and other gains and losses	<u>7,060</u>	<u>23,622</u>	<u>(70.1)</u>	<u>71,240</u>	<u>44,794</u>	<u>59.0</u>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group As at 30 Sep 2016 RMB'000	Group As at 31 Dec 2015 RMB'000	Company As at 30 Sep 2016 RMB'000	Company As at 31 Dec 2015 RMB'000
Assets				
Non-current assets				
Property, plant and equipment	4,631,038	4,488,220	-	-
Prepaid leases	243,463	251,595	-	-
Intangible assets	1,003,266	687,250	-	-
Investment in an associate	43,804	43,804	-	-
Investment in subsidiaries	-	-	1,790,640	1,790,640
Service concession receivables	230,185	171,668	-	-
Other receivables	55,995	55,995	-	-
Total non-current assets	6,207,751	5,698,532	1,790,640	1,790,640
Current assets				
Inventories	33,471	35,065	-	-
Prepaid leases	10,843	10,843	-	-
Service concession receivables	20,252	14,850	-	-
Trade and other receivables	563,127	408,478	-	6,761
Other tax recoverable	89,757	72,380	-	-
Amounts due from related parties	154,782	355,225	50,827	-
Amounts due from non-controlling interests	2,614	11,350	-	-
Bank balances and cash	1,583,264	353,641	847,028	141
Total current assets	2,458,110	1,261,832	897,855	6,902
Total assets	8,665,861	6,960,364	2,688,495	1,797,542

	Group As at 30 Sep 2016 RMB'000	Group As at 31 Dec 2015 RMB'000	Company As at 30 Sep 2016 RMB'000	Company As at 31 Dec 2015 RMB'000
Current liabilities				
Trade and other payables	542,743	574,108	1,676	6
Amounts due to related parties	27,727	43,761	9,037	7,635
Income tax liabilities	66,337	93,027	-	-
Other tax liabilities	12,568	29,878	-	-
Dividends payable	1,397	1,397	-	-
Borrowings	895,501	534,388	-	-
Obligations under finance leases	236,977	115,931	-	-
Deferred grant	33,484	33,484	-	-
Total current liabilities	1,816,734	1,425,974	10,713	7,641
Net current assets (liabilities)	641,376	(164,142)	887,142	(739)
Total assets less current liabilities	6,849,127	5,534,390	2,677,782	1,789,901
Non-current liabilities				
Borrowings	1,419,960	1,671,246	-	-
Obligations under finance leases	622,282	443,712	-	-
Deferred tax liabilities	271,503	203,611	-	-
Deferred grant	87,284	86,175	-	-
Provision for major overhauls	7,896	7,896	-	-
Total non-current liabilities	2,408,925	2,412,640	-	-
Net assets	4,440,202	3,121,750	2,677,782	1,789,901

	Group As at 30 Sep 2016 RMB'000	Group As at 31 Dec 2015 RMB'000	Company As at 30 Sep 2016 RMB'000	Company As at 31 Dec 2015 RMB'000
Capital and reserves				
Share capital	81	67	81	67
Reserves	4,292,368	2,943,899	2,677,701	1,789,834
Equity attributable to owners of the company	4,292,449	2,943,966	2,677,782	1,789,901
Non-controlling interests	147,753	177,784	-	-
Total equity	4,440,202	3,121,750	2,677,782	1,789,901

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 Sep 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
1,055,982	76,496	647,523	2,796

Amount repayable after one year

As at 30 Sep 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
2,020,758	21,484	1,708,874	406,084

Details of any collateral

The borrowings are secured by the pledge of electricity tariffs receivables, certain property, plant and equipment, prepaid leases and intangible assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 3Q2016 RMB'000	Group 3Q2015 RMB'000	Group 9M2016 RMB'000	Group 9M2015 RMB'000
Operating activities				
Profit before tax	199,780	113,667	572,485	408,507
Adjustments for:				
Finance costs	31,669	41,092	97,067	89,865
Interest income	(3,446)	(3,869)	(10,513)	(16,643)
Depreciation of property, plant and equipment	57,823	49,744	185,794	147,977
Amortisation of prepaid leases	2,710	2,549	8,132	7,923
Amortisation of intangible assets	4,701	5,344	14,896	10,625
Loss (Gain) on disposal of property, plant and equipment	38	(3)	26	4
Deferred grant recognised	(10,386)	(259)	(26,857)	(1,512)
Operating cash flows before movements in working capital	282,889	208,265	841,030	646,746
(Increase) Decrease in trade and other receivables	(91,804)	42,031	(144,965)	(47,693)
Increase in service concession receivables	(28,756)	(15,346)	(63,919)	(26,529)
Decrease (Increase) in other tax recoverable	21,381	(2,409)	(17,377)	(298)
(Increase) Decrease in inventories	(983)	4,448	1,594	9,662
Increase in intangible assets	(125,796)	(23,160)	(330,912)	(65,846)
(Decrease) Increase in trade and other payables	(26,967)	25,079	(77,953)	38,500
Decrease in other tax liabilities	(26,494)	(4,876)	(17,310)	(10,220)
(Increase) Decrease in amounts due from related parties	(74,939)	(71,617)	99,280	(182,128)
Decrease (Increase) in amounts due from non-controlling interests	3,654	3,261	3,425	(1,370)
Increase (Decrease) in amounts due to related parties	1,483	(5,026)	5,788	(10,239)

	Group 3Q2016 RMB'000	Group 3Q2015 RMB'000	Group 9M2016 RMB'000	Group 9M2015 RMB'000
Cash (used in) generated from operations	(66,332)	160,650	298,681	350,585
Income tax paid	(38,390)	(68,055)	(128,206)	(99,168)
Net cash (used in) from operating activities	(104,722)	92,595	170,475	251,417
Investing activities				
Interest received	218	808	829	1,756
Payments for property, plant and equipment and intangible assets	(78,785)	(265,881)	(276,317)	(510,654)
Proceeds from disposal of property, plant and equipment	8	-	25	-
Payment for prepaid leases	-	(843)	-	(18,882)
Decrease in pledged bank deposits	-	40,000	-	45,000
Net cash used in investing activities	(78,559)	(225,916)	(275,463)	(482,780)
Financing activities				
Proceeds from borrowings	306,039	400,220	821,519	476,220
Proceeds from obligations under finance leases	324,281	285,000	392,796	405,000
Repayment of borrowings	(26,632)	(163,790)	(711,692)	(355,356)
Repayment of obligations under finance leases	(32,009)	(5,184)	(92,535)	(10,326)
Payment of finance costs	(36,816)	(39,925)	(107,875)	(91,219)
Proceeds from issue of shares	963,586	-	963,586	-
Payment for share issue costs	(35,512)	-	(35,512)	-
Dividends paid	-	(7,886)	-	(7,886)
Acquisition of additional interests in a subsidiary	(12,700)	-	(12,700)	-
Advances/Repayment from related parties	-	160,216	126,008	1,050,363
Advances/Repayment to related parties	(14,666)	(423,665)	(36,950)	(1,227,892)
Deferred grants				

	Group 3Q2016 RMB'000	Group 3Q2015 RMB'000	Group 9M2016 RMB'000	Group 9M2015 RMB'000
	6,966	-	27,966	-
Net cash flow from financing activities	1,442,537	204,986	1,334,611	238,904
Net increase in cash and cash equivalent	1,259,256	71,665	1,229,623	7,541
Cash and cash equivalent at beginning of period	324,008	155,987	353,641	220,111
Cash and cash equivalent at end of period represented by bank balances and cash	1,583,264	227,652	1,583,264	227,652

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Attributable to owners of the Company

	Share capital	Capital reserve	Merger	Statutory	Retained		Non-controlling	
	RMB'000	RMB'000	reserves	surplus reserve	earnings	Subtotal	interests	Total
Group			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2016	67	1,143,659	(53,882)	31,488	1,822,634	2,943,966	177,784	3,121,750
Profit and total comprehensive income for the period	-	-	-	-	115,604	115,604	2,311	117,915
At 31 March 2016	67	1,143,659	(53,882)	31,488	1,938,238	3,059,570	180,095	3,239,665
At 1 April 2016	67	1,143,659	(53,882)	31,488	1,938,238	3,059,570	180,095	3,239,665
Profit and total comprehensive income for the period	-	-	-	-	140,443	140,443	2,862	143,305
Acquisition of non-controlling interests	-	-	22,017	-	-	22,017	(24,717)	(2,700)
At 30 June 2016	67	1,143,659	(31,865)	31,488	2,078,681	3,222,030	158,240	3,380,270
At 1 July 2016	67	1,143,659	(31,865)	31,488	2,078,681	3,222,030	158,240	3,380,270
Issuance of shares	14	963,572	-	-	-	963,586	-	963,586
IPO costs	-	(35,512)	-	-	-	(35,512)	-	(35,512)
Profit and total comprehensive income for the period	-	-	-	-	138,175	138,175	3,683	141,858
Acquisition of non-controlling interests	-	-	4,170	-	-	4,170	(14,170)	(10,000)
At 30 September 2016	81	2,071,719	(27,695)	31,488	2,216,856	4,292,449	147,753	4,440,202

Attributable to owners of the Company

	Share capital RMB'000	Capital reserve RMB'000	Merger reserves RMB'000	Statutory surplus reserve RMB'000	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2015	67	1,280,932	(53,882)	19,257	1,291,018	2,537,392	277,982	2,815,374
Profit and total comprehensive income for the period	-	-	-	-	90,737	90,737	2,176	92,913
Appropriation to reserves	-	-	-	31,488	(31,488)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	(7,167)	(7,167)
Cessation of discontinued operations	-	(139,238)	-	(19,257)	158,495	-	(94,087)	(94,087)
At 31 March 2015	67	1,141,694	(53,882)	31,488	1,508,762	2,628,129	178,904	2,807,033
At 1 April 2015	67	1,141,694	(53,882)	31,488	1,508,762	2,628,129	178,904	2,807,033
Profit and total comprehensive income for the period	-	-	-	-	121,343	121,343	3,665	125,008
At 30 June 2015	67	1,141,694	(53,882)	31,488	1,630,105	2,749,472	182,569	2,932,041
At 1 July 2015	67	1,141,694	(53,882)	31,488	1,630,105	2,749,472	182,569	2,932,041
Profit and total comprehensive income for the period	-	-	-	-	81,434	81,434	(1,791)	79,643
Disposal of partial equity interest in a subsidiary	-	1,965	-	-	-	1,965	35	2,000
At 30 September 2015	67	1,143,659	(53,882)	31,488	1,711,539	2,832,871	180,813	3,013,684

	Share capital RMB'000	Capital reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Company				
At 1 January 2016	67	1,805,112	(15,278)	1,789,901
Profit and total comprehensive income for the period	-	-	(2,926)	(2,926)
At 31 March 2016	67	1,805,112	(18,204)	1,786,975
At 1 April 2016	67	1,805,112	(18,204)	1,786,975
Profit and total comprehensive income for the period	-	-	(5,582)	(5,582)
At 30 June 2016	67	1,805,112	(23,786)	1,781,393
At 1 July 2016	67	1,805,112	(23,786)	1,781,393
Issuance of shares	14	963,572	-	963,586
IPO costs	-	(35,512)	-	(35,512)
Profit and total comprehensive income for the period	-	-	(31,685)	(31,685)
At 30 September 2016	81	2,733,172	(55,471)	2,677,782
At 1 January 2015	67	1,805,112	(14,353)	1,790,826
Profit and total comprehensive income for the period	-	-	(53)	(53)
At 31 March 2015				

	Share capital RMB'000	Capital reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
	67	1,805,112	(14,406)	1,790,773
At 1 April 2015	67	1,805,112	(14,406)	1,790,773
Profit and total comprehensive income for the period	-	-	(89)	(89)
At 30 June 2015	67	1,805,112	(14,495)	1,790,684
At 1 July 2015	67	1,805,112	(14,495)	1,790,684
Profit and total comprehensive income for the period	-	-	(563)	(563)
At 30 September 2015	67	1,805,112	(15,058)	1,790,121

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

On 1 August 2016, the Company issued 204,819,300 ordinary shares ("Shares") pursuant to its initial public offering. The Company was listed on the Mainboard of the SGX-ST on 3 August 2016.

On 5 September 2016, pursuant to the partial exercise of an over-allotment option, the Company issued 12,004,800 Shares.

1(d)(iii) Total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding financial year.

The total number of issued Shares as at 30 September 2016 and 31 December 2015 were 1,216,824,200 and 10,000,001 respectively. The Company has no treasury shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

Not applicable as the Company has no treasury shares.

(2) Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

(3) Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

(4) Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation have been applied in these unaudited financial statements as those applied in the most recently audited financial statements for the year ended 31 December 2015.

(5) If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all accounting standards that are effective from 1 January 2016 but the adopted changes have no material effect.

(6) Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	3Q2016	3Q2015	9M2016	9M2015
Basic earnings per Share (RMB cents)	12.13	8.14	37.66	29.35
Weighted average number of Shares	1,139,196,862	1,000,000,100	1,046,737,699	1,000,000,100
Fully diluted earnings per Share (RMB cents)	12.13	8.14	37.66	29.35
Weighted average number of Shares	1,139,196,862	1,000,000,100	1,046,737,699	1,000,000,100

On 29 June 2016, every one Share was sub-divided into 100 Shares. On 1 August 2016, the Company issued 204,819,300 Shares pursuant to its initial public offering. On 5 September 2016, pursuant to the partial exercise of an over-allotment option, the Company issued 12,004,800 Shares.

The total number of issued Shares as at 30 September 2016 was 1,216,824,200.

The earnings per Share for 3Q2016 and 9M2016 was computed based on the weighted average number of Shares of 1,139,196,862 and 1,046,737,699 respectively.

The earnings per Share for 3Q2015 and 9M2015 was computed based on the weighted average number of Shares sub-divided into 100 Shares for comparison purposes.

(7) Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	As at 30 Sep 2016	As at 31 Dec 2015	As at 30 Sep 2016	As at 31 Dec 2015
Net asset value per Share (RMB cents)	352.76	294.40	220.06	178.99
Number of Shares in issue at the end of the period	1,216,824,200	1,000,000,100	1,216,824,200	1,000,000,100

The net asset value per Share as at 30 September 2016 and 31 December 2015 was computed based on the number of Shares in issue at the end of the period.

(8) A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Income Analysis

3Q2016 vs 3Q2015

Revenue

	Revenue		Revenue		Change %
	3Q2016		3Q2015		
	RMB'000	%	RMB'000	%	
WTE Business					
Sales of electricity	242,665	40.7	164,907	44.7	47.2
Sales of steam	24,677	4.1	22,995	6.2	7.3
Revenue from waste treatment fees	97,238	16.3	77,175	20.9	26.0
Revenue from construction services provided under service concession agreements	154,836	26.0	31,918	8.6	385.1
Financial income under service concession agreements	3,228	0.5	3,282	0.9	(1.6)
Sub-total	522,644	87.6	300,277	81.3	74.1
Project technical and management services and EMC business	73,660	12.4	69,167	18.7	6.5
Total	596,304	100.0	369,444	100.0	61.4

Revenue increased 61.4% from RMB369.4 million in 3Q2015 to RMB596.3 million in 3Q2016, primarily due to an increase in revenue from:-

(a) WTE business (excluding revenue from construction services provided under BOT concession agreements)

Revenue from our waste-to-energy ("WTE") business (excluding revenue from construction services provided under BOT concession agreements) increased 37.5% from RMB265.1 million in 3Q2015 to RMB364.6 million in 3Q2016. The increase was attributable to (i) an increase in revenue from sales of electricity from RMB164.9 million in 3Q2015 to RMB242.7 million in 3Q2016 which was due to an increase in electricity output and an increase in the electricity supply fee for the Zibo Jinjiang WTE Facility, Zibo Green Energy WTE Facility and Yinchuan Zhongke WTE Facility to RMB0.65 per kWh from RMB0.4729 per kWh, RMB0.4729 per kWh and RMB0.3597 per kWh, respectively. The supply fee was updated after the release of the Batch Six Renewable Energy Electricity Price Subsidies Catalogue by the authorities, (ii) an increase in revenue from waste treatment fees from RMB77.2 million in 3Q2015 to RMB97.2 million in 3Q2016 which was primarily due to (a) an increase in the supply of municipal solid waste to our WTE facilities by the relevant local governments and (b) the commencement of commercial operation of the Suihua Green Energy WTE Facility and Zibo Green Energy WTE Facility and (iii) an increase in revenue from sales of steam from RMB23.0 million in 3Q2015 to RMB24.7 million in 3Q2016.

Details of the electricity generated and supplied, steam supplied and waste treated for 3Q2016 and 3Q2015 are as follows:

	Group 3Q2016	Group 3Q2015	Change %
Electricity generated ('000 kWh)	529,910	514,250	3.0
On-grid electricity supplied ('000 kWh)	391,550	357,980	9.4
Steam supplied ('000 tons)	165	151	9.3
Waste treated ('000 tons)	1,952	1,857	5.1

On-grid electricity supplied and waste treated increased 9.4% and 5.1% in 3Q2016 as compared to 3Q2015. This is in line with the increase in the supply of municipal solid waste to the WTE facilities and new facilities becoming operational.

(b) Construction services provided under BOT concession agreements

Revenue from construction services provided under build-operate-transfer ("BOT") concession agreements increased by 349.1% from RMB35.2 million in 3Q2015 to RMB158.1 million in 3Q2016 due to an increase in revenue from the provision of construction services under BOT concession agreements from RMB31.9 million in 3Q2015 to RMB154.8 million in 3Q2016, which was attributable to the construction of the Songyuan Xinxiang WTE Facility and the Gaomi Lilangmingde WTE Facility, partially offset by a decrease in financial income under BOT concession agreements from RMB3.3 million in 3Q2015 to RMB3.2 million in 3Q2016.

Revenue from project technical and management services and EMC business increased 6.5% from RMB69.2 million in 3Q2015 to RMB73.7 million in 3Q2016 due to more EMC revenue recognised.

Cost of sales

Cost of sales increased 49.2% from RMB215.5 million in 3Q2015 to RMB321.6 million in 3Q2016, due to an increase in the cost of sales from:-

(a) Construction services provided under BOT concession agreements

The cost of sales from construction services provided under BOT concession agreements increased 373.3% from RMB28.5 million in 3Q2015 to RMB134.9 million in 3Q2016 due to the provision of construction services under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility.

(b) WTE business (excluding revenue from construction services provided under BOT concession agreements)

The cost of sales from our WTE business (excluding cost of sales from construction services provided under BOT concession agreements) increased 3.8% from RMB163.1 million in 3Q2015 to RMB169.3 million in 3Q2016. The increase is due to the commencement of commercial operations of the Suihua Green Energy WTE Facility and Zibo Green Energy WTE Facility, which resulted in increased operating costs arising from larger amounts of electricity generated and waste treated. Operating costs include raw materials costs, labour, depreciation, amortization, maintenance and other costs. This increase is offset by cost control measures to reduce operational costs, including reduction in coal costs and maintenance expenses.

This was offset by a decrease in the cost of sales from project technical and management services and our EMC business, which decreased 27.9% from RMB24.0 million in 3Q2015 to RMB17.3 million in 3Q2016, primarily due to the fact that 3Q2015 saw the expansion of our EMC business which resulted in higher costs in 3Q2015, while 3Q2016 saw the EMC business remaining stable. Cost of sales for 2Q2015 was RMB8.2 million and this increased to RMB24.0 million in 3Q2015, while cost of sales for 2Q2016 and 3Q2016 were RMB16.1 million and RMB17.3 million respectively.

Gross profit and gross profit margin

	Gross Profit (RMB million)		Gross Profit Margin	
	3Q2016	3Q2015	3Q2016	3Q2015
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	195.3	102.0	53.6%	38.5%
Construction services provided under BOT concession agreements	23.1	6.7	12.9%	10.8%
Project technical and management service and EMC business	56.3	45.2	76.5%	65.4%
Total	274.7	153.9	46.1%	41.7%

As a result of the foregoing, the gross profit increased 78.5% from RMB153.9 million in 3Q2015 to RMB274.7 million in 3Q2016, which was driven by an increase in the gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements), construction services provided under BOT concession agreements and project technical and management services and our EMC business. Our gross profit margin increased from 41.7% in 3Q2015 to 46.1% in 3Q2016, which was due to an increase in the gross profit margin of (i) our WTE business (excluding gross profit from construction services provided under BOT concession agreements) from 38.5% in 3Q2015 to 53.6% in 3Q2016, (ii) construction services provided under BOT concession agreements from 10.8% in 3Q2015 to 12.9% in 3Q2016 and (iii) project technical and management services and our EMC business from 65.4% in 3Q2015 to 76.5% in 3Q2016.

Gross profit and gross profit margin of our WTE business (excluding gross profit from construction services provided under BOT concession agreements)

The gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased 91.5% from RMB102.0 million in 3Q2015 to RMB195.3 million in 3Q2016, primarily due to an increase in the revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) from RMB265.1 million in 3Q2015 to RMB364.6 million in 3Q2016, partially offset by an increase in the cost of sales from our WTE business (excluding the cost of sales from construction services provided under BOT concession agreements) from RMB163.1 million in 3Q2015 to RMB169.3 million in 3Q2016. The gross profit margin of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased from 38.5% in 3Q2015 to 53.6% in 3Q2016, which was primarily due to an increase in the electricity supply fee for the Zibo Jinjiang WTE Facility, Zibo Green Energy WTE Facility and Yinchuan Zhongke WTE Facility to RMB0.65 per kWh from RMB0.4729 per kWh, RMB0.4729 per kWh and RMB0.3597 per kWh, respectively.

Gross profit and gross profit margin of construction services provided under BOT concession agreements

The gross profit from construction services provided under BOT concession agreements increased 244.8% from RMB6.7 million in 3Q2015 to RMB23.1 million in 3Q2016, due to an increase in the revenue recognised from construction services provided under BOT concession agreements from RMB31.9 million in 3Q2015 to RMB154.8 million in 3Q2016 due to the provision of construction services under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility, partially offset by (i) a decrease in financial income from BOT concession agreements from RMB3.3 million in 3Q2015 to RMB3.2 million in 3Q2016, and (ii) an increase in the cost of sales from construction services provided under BOT concession agreements from RMB28.5 million in 3Q2015 to RMB134.9 million in 3Q2016 due to the provision of construction services under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility. The gross profit margin of construction services provided under BOT concession agreements increased slightly from 10.8% in 3Q2015 to 12.9% in 3Q2016, as less costs was incurred as a result of more optimized construction process.

Gross profit and gross profit margin of project technical and management services and our EMC business

The gross profit from project technical and management services and our EMC business increased 24.6% from RMB45.2 million in 3Q2015 to RMB56.3 million in 3Q2016, due to (i) an increase in the revenue from project technical and management services and our EMC business from RMB69.2 million in 3Q2015 to RMB73.7 million in 3Q2016 and (ii) a decrease in the cost of sales from project technical and management services and our EMC business from RMB24.0 million in 3Q2015 to RMB17.3 million in 3Q2016, primarily due to the fact that 3Q2015 saw the expansion of our EMC business which resulted in higher costs in 3Q2015, while 3Q2016 saw the EMC business remaining stable. Accordingly, the gross profit margin of project technical and management services and our EMC business increased from 65.4% in 3Q2015 to 76.5% in 3Q2016.

Other income and other gains and losses

Other income and other gains and losses decreased 70.1% from RMB23.6 million in 3Q2015 to RMB7.1 million in 3Q2016, due primarily to (i) a decrease in government grant and subsidy from RMB18.9 million in 3Q2015 to RMB16.8 million in 3Q2016 which was primarily attributable to lesser VAT subsidies received, (ii) an unrealised exchange loss of RMB11.4 million, arising mainly from the IPO proceeds held in Singapore Dollars and (iii) a decrease in gain on sales of scrap materials from RMB3.9 million in 3Q2015 to RMB1.4 million in 3Q2016.

Administrative expenses

	Group 3Q2016	Group 3Q2015	Change %
Administrative expenses	50,358	22,788	121.0
Less share issue expense	(27,014)	-	N.M.
	<u>23,344</u>	<u>22,788</u>	2.4
Administrative expenses as a percentage of revenue	<u>8.4%</u>	<u>6.2%</u>	

Administrative expenses increased 121.0% from RMB22.8 million in 3Q2015 to RMB50.4 million in 3Q2016, mainly due to listing expenses of RMB27.0 million. Excluding the listing expenses, administrative expenses remained consistent for 3Q2015 and 3Q2016. Administrative expenses as a percentage of revenue increased from 6.2% in 3Q2015 to 8.4% in 3Q2016.

Finance costs

Finance costs decreased 22.9% from RMB41.1 million in 3Q2015 to RMB31.7 million in 3Q2016, primarily due to repayment of bank borrowings as well as an improved financing structure.

Profit before tax

As a result of the foregoing, profit before tax increased 75.8% from RMB113.7 million in 3Q2015 to RMB199.8 million in 3Q2016.

Income tax expense

Income tax expense increased 70.2% from RMB34.0 million in 3Q2015 to RMB57.9 million in 3Q2016. The increase was primarily attributable to an increase in current tax expense due to (i) the increase in profit before tax, (ii) the Hankou Jinjiang WTE Facility, Wuhan Jinjiang WTE Facility and Lianyungang Sunrise WTE Facility being subject to a tax rate of 25% for 3Q2016 (12.5% for 3Q2015) following the expiry of a preferential tax treatment scheme in respect of the aforementioned WTE facilities on 31 December 2015 and (iii) a RMB7.2 million tax provision for dividends.

Profit for the period

As a result of the foregoing, profit for the period increased 78.1% from RMB79.6 million in 3Q2015 to RM141.9 million in 3Q2016.

9M2016 vs 9M2015**Revenue**

	Revenue				Change %
	9M2016		9M2015		
	RMB'000	%	RMB'000	%	
WTE Business					
Sales of electricity	612,693	37.5	538,450	46.4	13.8
Sales of steam	99,399	6.1	78,896	6.8	26.0
Revenue from waste treatment fees	292,895	18.0	263,360	22.7	11.2
Revenue from construction services provided under service concession agreements	419,031	25.7	73,639	6.3	469.0
Financial income under service concession agreements	9,684	0.6	9,102	0.8	6.4
Sub-total	1,433,702	87.9	963,447	83.0	48.8
Project technical and management services and EMC business	197,353	12.1	197,501	17.0	(0.1)
Total	1,631,055	100.0	1,160,948	100.0	40.5

Revenue increased 40.5% from RMB1,160.9 million in 9M2015 to RMB1,631.1 million in 9M2016, due to an increase in revenue from:-.

(a) WTE business (excluding revenue from construction services provided under BOT concession agreements)

Revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) increased 14.1% from RMB880.7 million in 9M2015 to RMB1,005.0 million in 9M2016. The increase was attributable to (i) an increase in revenue from sales of electricity from RMB538.5 million in 9M2015 to RMB612.7 million in 9M2016 which was due to an increase in electricity output and an increase in the electricity supply fee for the Zibo Jinjiang WTE Facility, Zibo Green Energy WTE Facility and Yinchuan Zhongke WTE Facility to RMB0.65 per kWh from RMB0.4729 per kWh, RMB0.4729 per kWh and RMB0.3597 per kWh, respectively. The supply fee was updated after the release of the Batch Six Renewable Energy Electricity Price Subsidies Catalogue by the authorities, (ii) an increase in revenue from waste treatment fees from RMB263.4 million in 9M2015 to RMB292.9 million in 9M2016 which was primarily due to (a) an increase in the supply of municipal solid waste to our WTE facilities by the relevant local governments and (b) the commencement of commercial operation of the Suihua Green Energy WTE Facility and Zibo Green Energy WTE Facility and (iii) an increase in revenue from sales of steam from RMB78.9 million in 9M2015 to RMB99.4 million in 9M2016.

Details of the electricity generated and supplied, steam supplied and waste treated for 9M2016 and 9M2015 are as follows:

	Group 9M2016	Group 9M2015	Change %
Electricity generated ('000 KWh)	1,537,270	1,401,380	9.7
On-grid electricity supplied ('000 KWh)	1,144,010	1,031,080	11.0
Steam supplied ('000 tonnes)	666	506	31.6
Waste treated ('000 tonnes)	5,687	5,064	12.3

On-grid electricity supplied and waste treated increased 11.0% and 12.3% in 9M2016 as compared to 9M2015. This is in line with the increase in the supply of municipal solid waste to the WTE facilities and new facilities becoming operational.

(c) Construction services provided under BOT concession agreements

Revenue from construction services provided under build-operate-transfer (“BOT”) concession agreements increased by 418.4% from RMB82.7 million in 9M2015 to RMB428.7 million in 9M2016 due to an increase in revenue from the provision of construction services under BOT concession agreements from RMB73.6 million in 9M2015 to RMB419.0 million in 9M2016, which was attributable to the construction of the Songyuan Xinxiang WTE Facility and the Gaomi Lilangmingde WTE Facility and the increase financial income under BOT concession agreements from RMB9.1 million in 9M2015 to RMB9.7 million in 9M2016.

Revenue from project technical and management services and EMC business remained relatively stable at RMB197.5 million in 9M2015 and RMB197.4 million in 9M2016.

Cost of sales

Cost of sales increased 49.0% from RMB608.7 million in 9M2015 to RMB906.8 million in 9M2016, due to an increase in the cost of sales from:-

(a) Construction services provided under BOT concession agreements

The cost of sales from construction services provided under BOT concession agreements increased 455.9% from RMB65.7 million in 9M2015 to RMB365.2 million in 9M2016 due to the provision of construction services under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility.

(b) Project technical and management services and EMC business

The cost of sales from project technical and management services and EMC business increased 10.6% from RMB44.5 million in 9M2015 to RMB49.2 million in 9M2016, primarily due to the expansion of our EMC business, which commenced in 3Q2015 and was completed in 9M2016, which resulted in higher costs in 9M2016.

This was offset by a decrease in the cost of sales from our WTE business (excluding cost of sales from construction services provided under BOT concession agreements), which decreased 1.2% from RMB498.6 million in 9M2015 to RMB492.4 million in 9M2016. The decrease was primarily due to cost control measures to reduce operational costs, including reduction in coal costs and maintenance expenses, offset by increases in costs due to increases in the amount of electricity generated and waste treated arising from the commencement of commercial operations of the Suihua Green Energy WTE Facility and Zibo Green Energy WTE Facility.

Gross profit and gross profit margin

	Gross Profit (RMB million)		Gross Profit Margin	
	9M2016	9M2015	9M2016	9M2015
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	512.6	382.1	51.0%	43.4%
Construction services provided under BOT concession agreements	63.5	17.1	12.8%	10.8%
Project technical and management service and EMC business	148.1	153.1	75.1%	77.5%
Total	724.2	552.3	44.4%	47.6%

As a result of the foregoing, the gross profit increased 31.1% from RMB552.3 million in 9M2015 to RMB724.2 million in 9M2016, which was driven by an increase in the gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) and construction services provided under BOT concession agreements, partially offset by a decrease in the gross profit of project technical and management services and our EMC business. Our gross profit margin decreased from 47.6% in 9M2015 to 44.4% in 9M2016, which was due to a decrease in the gross profit margin of project technical and management services and our EMC business from 77.5% in 9M2015 to 75.1% in 9M2016, partially offset by an increase in the gross profit margin of (i) our WTE business (excluding gross profit from construction services provided under BOT concession agreements) from

43.4% in 9M2015 to 51.0% in 9M2016 and (ii) construction services provided under BOT concession agreements from 10.8% in 9M2015 to 12.8% in 9M2016.

Gross profit and gross profit margin of WTE business (excluding gross profit from construction services provided under BOT concession agreements)

The gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased 34.2% from RMB382.1 million in 9M2015 to RMB512.6 million in 9M2016, primarily due to an increase in the revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) from RMB880.7 million in 9M2015 to RMB1,005.0 million in 9M2016, and a decrease in the cost of sales from our WTE business (excluding revenue from construction services provided under BOT concession agreements) from RMB498.6 million in 9M2015 to RMB492.4 million in 9M2016. The gross profit margin of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased from 43.4% in 9M2015 to 51.0% in 9M2016, which was primarily due to an increase in the electricity supply fee for the Zibo Jinjiang WTE Facility, Zibo Green Energy WTE Facility and Yinchuan Zhongke WTE Facility to RMB0.65 per kWh from RMB0.4729 per kWh, RMB0.4729 per kWh and RMB0.3597 per kWh, respectively.

Gross profit and gross profit margin of construction services provided under BOT concession agreements

The gross profit from construction services provided under BOT concession agreements increased 271.3% from RMB17.1 million in 9M2015 to RMB63.5 million in 9M2016, due to an increase in the revenue recognised from construction services provided under BOT concession agreements from RMB73.6 million in 9M2015 to RMB419.0 million in 9M2016, which was attributable to the provision of construction services under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility, and an increase in financial income from BOT concession agreements from RMB9.1 million in 9M2015 to RMB9.7 million in 9M2016, offset by an increase in the cost of sales from construction services provided under BOT concession agreements from RMB65.7 million in 9M2015 to RMB365.2 million in 9M2016 due to the provision of construction services under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility. The gross profit margin of construction services provided under BOT concession agreements increased from 10.8% in 9M2015 to 12.8% in 9M2016, as less costs was incurred as a result of more optimized construction process.

Gross profit and gross profit margin of project technical and management services and our EMC business

The gross profit from project technical and management services and our EMC business decreased 3.3% from RMB153.1 million in 9M2015 to RMB148.1 million in 9M2016, due to (i) the slight decrease in the revenue from project technical and management services and our EMC business from RMB197.5 million in 9M2015 to RMB197.4 million in 9M2016 and (ii) an increase in the cost of sales from project technical and management services and our EMC business from RMB44.5 million in 9M2015 to RMB49.2 million in 9M2016, primarily due to the fact that 9M2016 saw the expansion of our EMC business which resulted in higher costs in 9M2016, while such expansion had only commenced towards the end of 9M2015. Accordingly, the gross profit margin of project technical and management services and our EMC business decreased from 77.5% in 9M2015 to 75.1% in 9M2016.

Other income and other gains and losses

Other income and other gains and losses increased 59.0% from RMB44.8 million in 9M2015 to RMB71.2 million in 9M2016. The increase was primarily due to an increase in government grant and subsidy from RMB35.8 million in 9M2015 to RMB76.9 million in 9M2016 which was primarily attributable to fly ash treatment and VAT subsidies received, partially offset by a decrease in gains on sales of scrap materials from RMB7.3 million in 9M2015 to RMB4.9 million in 9M2016 and an unrealised exchange loss of RMB11.4 million in 9M2016, arising mainly from the IPO proceeds held in Singapore Dollars.

Administrative expenses

	Group 9M2016	Group 9M2015	Change %
Administrative expenses	125,931	98,717	27.6
Less share issue expense	(27,014)	-	N.M.
	<u>98,917</u>	<u>98,717</u>	0.2
Administrative expenses as a percentage of revenue	<u>7.7%</u>	<u>8.5%</u>	

Administrative expenses increased 27.6% from RMB98.7 million in 9M2015 to RMB125.9 million in 9M2016, mainly due to listing expenses of RMB27.0 million. Excluding the listing expenses, administrative expenses remained consistent for 9M2015 and 9M2016. Administrative expenses as a percentage of revenue decreased from 8.5% in 9M2015 to 7.7% in 9M2016.

Finance costs

Finance costs increased 8.0% from RMB89.9 million in 9M2015 to RMB97.1 million in 9M2016, primarily due to more interest expense from WTE projects becoming operational, offset by the repayment of bank borrowings as well as an improved financing structure.

Profit before tax

As a result of the foregoing, profit before tax increased 40.1% from RMB408.5 million in 9M2015 to RMB572.5 million in 9M2016.

Income tax expense

Income tax expense increased 52.7% from RMB110.9 million in 9M2015 to RMB169.4 million in 9M2016. The increase was primarily attributable to an increase in current tax expense due to (i) the increase in profit before tax, (ii) the Hankou Jinjiang WTE Facility, Wuhan Jinjiang WTE Facility and Lianyungang Sunrise WTE Facility being subject to a tax rate of 25% for 9M2016 (12.5% for 9M2015) following the expiry of a preferential tax treatment scheme in respect of the aforementioned WTE facilities on 31 December 2015 and (iii) a RMB20.2 million tax provision for dividends.

Profit for the period

As a result of the foregoing, profit for the period increased 35.5% from RMB297.6 million in 9M2015 to RMB403.1 million in 9M2016.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Financial Position

As at 30 September 2016, total assets amounted to RMB8,665.9 million, an increase of RMB1,705.5 million or 24.5% as compared to total assets of RMB6,960.4 million as at 31 December 2015. The increase in total assets is due to an increase in non-current assets by RMB1,196.3 million and an increase in current assets by RMB 509.2 million.

Non-current assets

Non-current assets increased 8.9% by RMB509.3 million from RMB5,698.5 million as at 31 December 2015 to RMB6,207.8 million as at 30 September 2016.

The increase is mainly attributable to the construction services provided under the service concession agreements, which resulted in (i) property, plant and equipment increasing 3.2% by RMB142.8 million from RMB4,488.2 million as at 31 December 2015 to RMB4,631.0 million as at 30 September 2016, (ii) intangible assets increasing 46.0% by RMB316.0 million from RMB687.3 million as at 31 December 2015 to RMB1,003.3 million as at 30 September 2016 and (iii) service concession receivables increasing 34.1% by RMB58.5 million from RMB171.7 million as at 31 December 2015 to RMB230.2 million as at 30 September 2016.

Current assets

Current assets increased 94.8% by RMB1,196.3 million from RMB1,261.8 million as at 31 December 2015 to RMB2,458.1 million as at 30 September 2016.

The increase is mainly due to (i) bank balances and cash increasing 347.8% by RMB1,229.7 million from RMB353.6 million as at 31 December 2015 to RMB1,583.3 million as at 30 September 2016 due to the IPO proceeds received in August 2016, (ii) trade and other receivables increasing 37.8% by RMB154.6 million from RMB408.5 million as at 31 December 2015 to RMB563.1 million as at 30 September 2016 as our WTE business expanded and the Zibo Green Energy WTE Facility commenced commercial operations in 2016, offset by amounts due from related parties decreasing 56.4% by RMB200.4 million from RMB355.2 million as at 31 December 2015 to RMB154.8 million as at 30 September 2016 due to repayment by related parties for EMC business.

Current liabilities

Current liabilities increased 27.4% by RMB390.7 million from RMB1,426.0 million as at 31 December 2015 to RMB1,816.7 million as at 30 September 2016.

The increase is mainly due to (i) borrowings increasing 67.6% by RMB361.1 million from RMB534.4 million as at 31 December 2015 to RMB895.5 million as at 30 September 2016 due to the construction of new WTE facilities and (ii) obligations under finance leases increasing 104.5% by RMB121.1 million from RMB115.9 million as at 31 December 2015 to RMB237.0 million as at 30 September 2016 due to new finance leases at the Xiaoshan Jinjiang WTE Facility and the Hankou Jinjiang WTE Facility, offset by income tax liabilities decreasing 28.7% by RMB26.7 million from RMB93.0 million as at 31 December 2015 to RMB66.3 million as at 30 September 2016 due to payment of taxes in 9M2016.

Non-current liabilities

Non-current liabilities decreased 0.2% by RMB3.7 million from RMB2,412.6 million as at 31 December 2015 to RMB2,408.9 million as at 30 September 2016.

The decrease is mainly due to borrowings decreasing 15.0% by RMB251.2 million from RMB1,671.2 million as at 31 December 2015 to RMB1,420.0 million as at 30 September 2016 due to a decreased amount of long term borrowings, offset by (i) obligations under finance leases increasing 40.3% by RMB178.6 million from RMB443.7 million as at 31 December 2015 to RMB622.3 million as at 30 September 2016 due to new finance leases at the Xiaoshan Jinjiang WTE Facility and the Hankou Jinjiang WTE Facility and (ii) deferred tax liabilities increasing 33.3% by RMB67.9 million from RMB203.6 million as at 31 December 2015 to RMB271.5 million as at 30 September 2016 arising from construction services provided under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility and tax provision for dividends.

Capital and reserves

As at 30 September 2016, capital and reserves amounted to RMB4,440.2 million, an increase of 42.2% or approximately RMB1,318.4 million as compared to total assets of RMB3,121.8 million as at 31 December 2015. The increase is mainly due to the Company's IPO proceeds in August 2016 and the retained earnings for the period.

Cashflow Review

Operating cashflow decreased by RMB197.3 million from RMB92.6 million inflow in 3Q2015 to RMB104.7 million outflow in 3Q2016. Operating cashflow decreased 32.2% by RMB80.9 million from RMB251.4 million in 9M2015 to RMB170.5 million in 9M2016. The decrease is mainly due to (i) the construction of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility, which are BOT projects for which the Group does not receive any payments during the construction phase, and (ii) slower collection of trade and other receivables in 9M2016 and 3Q2016 as compared to 9M2015 and 3Q2016, respectively.

Investing cashflow decreased 65.2% by RMB147.3 million from RMB225.9 million in 3Q2015 to RMB78.6 million in 3Q2016. Investing cashflow decreased 42.9% by RMB207.3 million from RMB482.8 million in 9M2015 to RMB275.5 million in 9M2016. The decrease is mainly due to lower payments made for property, plant and equipment and intangible assets in 9M2016 and 3Q2016 as compared to 9M2015 and 3Q2016, respectively.

Financing cashflow increased 603.7% by RMB1,237.5 million from RMB205.0 million in 3Q2015 to RMB1,442.5 million in 3Q2016. Financing cashflow increased 458.6% by RMB1,095.7 million from RMB238.9 million in 9M2015 to RMB1,334.6 million in 9M2016. The increase is mainly due to the IPO proceeds in August 2016.

Bank balances and cash as at 30 September 2016 is RMB1,583.3 million.

(9) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

(10) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In the fourth quarter of 2016, the Group is scheduled to complete construction projects at the Hohhot New Energy WTE Facility, the Qitaihe Green Energy WTE Facility and the Gaomi Lilangmingde WTE Facility. Trial operation phase commenced at the Songyuan Xinxiang WTE Facility in August 2016. Expansion of the waste treatment capacity of the Wuhu Jinjiang WTE Facility and the Lianyungang Sunrise WTE Facility is also expected to be completed by end 2016, which will further increase the Group's installed waste treatment capacity by 1,700 t/d.

Moving forward, as disclosed in the Company's announcement dated 5 October 2016, the Company's wholly-owned subsidiary Gevin Limited ("Gevin") had on 5 October 2016 entered into conditional sale and purchase agreements with Hangzhou Jinjiang Group Co., Ltd., a controlling shareholder of the Company, for the acquisition by Gevin, or any of its wholly owned subsidiaries, of the entire equity interest in Zhejiang Zhuji Bafang Thermal Power Co., Ltd. ("Zhuji Bafang") and Wenling Green New Energy Co., Ltd. ("Wenling Green Energy"), which, subject to the approval of the Company's shareholders under Chapter 9 of the Listing Manual of the SGX-ST ("Listing Manual"), is expected to be completed within FY2016. Under the terms of the respective sale and purchase agreements entered into by Gevin, all undistributed profit (including profit for the year for FY2016) of Zhuji Bafang and Wenling Green Energy, prior to the closing date of the acquisition, shall belong to Gevin or such wholly-owned subsidiary of Gevin.

Accordingly, we expect that our installed waste treatment capacity and installed electricity generation capacity to be 30,230 t/d and 532 MW/d respectively by the end of 2016.

The Group also targets projects outside of China, with a specific focus on South-east Asia market, where the waste composition is likely to be similar to that in China. In addition, the Group will continue to research and adopt advanced pre-treatment technologies to enhance operating efficiency and reduce emissions at its WTE facilities through the continual improvement of its technical capabilities.

(11) If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividends have been declared or recommended for the current reporting period.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Books closure date

Not applicable.

(12) If no dividend has been declared (recommended), a statement to that effect.

No dividends have been declared or recommended for the current financial period reported on.

(13) If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	RMB'000	RMB'000
Purchases of coal from:		
Ningbo Daxie Deran Trading Co., Ltd.	-	4,462
Construction services contracts awarded to:		
Zhejiang Jinxin Construction Engineering Co., Ltd.	-	508
	-	4,970
Project technical and management services provided to:		
Shanxi Fusheng Aluminium Industry Co., Ltd.	-	377
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	-	1,094
Kuitun Jinjiang Chemical Engineering Co., Ltd.	-	425
Kuitun Jinjiang Thermal Electricity Co., Ltd.	-	425
Guangxi Tiandong Jinsheng Chemical Engineering Co., Ltd.	-	750
Zhejiang Zhuji Bafang Thermal Power Co., Ltd.	-	134
Henan Jinrong Cement Co., Ltd.	-	26,973
	-	30,178
Energy management contracting services provided to:		
Shanxi Xiaoyi Xing'an Chemical Co., Ltd.	-	26,828
Zhongning Jinning Aluminium Magnesium New Material Co., Ltd.	-	1,152
Guangxi Tiandong Jinsheng Chemical Engineering Co., Ltd.	-	339
	-	28,319
Total	-	63,467

(14) Use of Proceeds

The gross proceeds from the issuance of new shares in the Company amounted to approximately S\$195.1 million. After deducting an aggregate of approximately S\$12.8 million in estimated underwriting and placement commissions and other estimated offering expenses, the net proceeds amounted to approximately S\$182.3 million.

As of the date of this announcement, the S\$182.3 million of the net proceeds from the Offering and Cornerstone Tranche were used as follows:

Use of Net Proceeds	Estimated amount allocated (S\$ million)	Amount utilised (S\$ million)	Balance (S\$ million)
Investment in certain of the Group's WTE facilities under construction:			
Qitaihe Green Energy WTE Facility	10.3	10.3	-
Hohhot New Energy WTE Facility	10.3	10.3	-
Gaomi Lilangmingde WTE Facility	12.4	12.4	-
Investment in technical alterations to the Group's existing WTE facilities in relation to the pre-treatment of municipal solid waste.	18.3	-	18.3
Technical upgrading works at the Group's existing WTE facilities	8.2	-	8.2
Sub-Total	59.5	33.0	26.5
The acquisition of Zhuji Bafang and Wenling Green Energy	88.2	-	88.2
Repayment of borrowings of our Group	14.4	-	14.4
Working capital and general corporate purposes	20.2	-	20.2
Total	182.3	33.0	149.3

(15) Negative Confirmation by the Board pursuant to Rule 705(5).

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group for the third quarter and nine months ended 30 September 2016 to be false or misleading in any material respect.

(16) Confirmation pursuant to Rule 720 (1) of the Listing Manual.

The Company confirms that it has procured the undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Wang Yuanluo
Executive Chairman and Chief Executive Officer

2 November 2016

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 China Jinjiang Environment Holding Company Limited. The Sole Issue Manager, Global Coordinator, Bookrunner and Underwriter assumes no responsibility for the contents of this announcement.