



CHINA JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED

中国锦江环境控股有限公司

(Incorporated in the Cayman Islands)

Company Registration Number: 245144

PRESS RELEASE

Jinjiang Environment achieves 6.8% PATMI growth to RMB127.4 million in 1Q2017

- Net attributable profit (or PATMI) for 1Q2017 increased 6.8% year-on-year (“y-o-y”) to RMB127.4 million
- EBITDA increased by 9.2% y-o-y to RMB302.3 million while Profit before tax increased by 4.1% y-o-y to RMB178.2 million
- WTE business revenue (excluding BOT Construction) increased 39.2% y-o-y to RMB469.4 million in 1Q2017 partially offsetting revenue reductions in both the BOT Construction and EMC business segments, with overall revenue decreasing 3.6% y-o-y to RMB557.6 million

(SINGAPORE, 15 May 2017) – China Jinjiang Environment Holding Company Limited (“Jinjiang Environment” and together with its subsidiaries, the “**Group**”), a leading waste-to-energy (“**WTE**”) operator in the People’s Republic of China (“**PRC**”), announces a 6.8% y-o-y growth in PATMI or net attributable profit to RMB127.4 million for the first quarter ended 31 March 2017 (“**1Q2017**”).

Group Highlights (RMB'000)	1Q2017	1Q2016	% Change
Revenue	557,579	578,386	(3.6)
- WTE Business (excluding BOT Construction)	469,369	337,079	39.2
- BOT Construction	35,102	176,078	(80.1)
- EMC Business	53,108	65,229	(18.6)
Gross profit	237,688	217,087	9.5
Gross profit margin	42.6%	37.5%	5.1 % pts
- WTE Business (excluding BOT Construction)	40.0%	41.9%	(1.9) % pts
- BOT Construction	13.0%	12.9%	0.1 % pts
- EMC Business	76.5%	75.7%	0.8 % pts
Profit before tax	178,240	171,271	4.1
EBITDA	302,281	276,875	9.2
PATMI	127,445	119,349	6.8
Earnings per Share (RMB cents)	10.47	11.93	(12.2)

Revenue for the Group's dominant business segment, the WTE business (excluding construction services provided under BOT concession agreements), increased 39.2% y-o-y to RMB469.4 million in 1Q2017. This partially offsets a 80.1% y-o-y reduction in revenue for construction services provided under Build-Operate-Transfer ("**BOT**") concession agreements ("**BOT Construction**") to RMB35.1 million, as well as a 18.6% y-o-y reduction in revenue for the energy management contracting ("**EMC**") business segment to RMB53.1 million. As a result, total revenue for the Group dipped slightly by 3.6% y-o-y to RMB557.6 million.

The Group's gross profit and gross profit margin grew 9.5% and 5.1 percentage points y-o-y to RMB237.7 million and 42.6% in 1Q2017 from RMB217.1 million and 37.5% respectively in the first quarter ended 31 March 2016 ("**1Q2016**").

EBITDA registered a 9.2% y-o-y growth to RMB302.3 million in 1Q2017 while earnings per share decreased 12.2% to RMB10.47 cents.

Jinjiang Environment has two main operating segments: (1) the WTE business, which includes BOT Construction, and (2) the EMC business.

WTE business

(1) WTE business (excluding BOT Construction)

Revenue Breakdown (RMB'000)	1Q2017	1Q2016	% Change
Sales of electricity	265,266	178,343	48.7
Sales of steam	82,052	60,842	34.9
Waste treatment fees	122,051	97,894	24.7
Total WTE (excluding BOT Construction) revenue	469,369	337,079	39.2

The 39.2% jump in revenue y-o-y to RMB469.4 million by the Group's WTE business (excluding BOT Construction) was driven by double-digit growth in all sub-segments. The increased supply of municipal solid waste and the commencement of operations of new WTE facilities led to a 19.5% increase in amount of waste treated and a 23.8% increase in amount of electricity generated. Steam sales revenue also grew from an increased supply of steam. In addition, the Zibo Jinjiang WTE Facility and Zibo Green Energy WTE Facility received the retrospective payments for the increased electricity supply tariff rate of RMB0.65 per kWh. Lastly, the completion of expansion works at several WTE facilities, including the Wuhu Jinjiang WTE Facility and the Zhuji Bafang WTE Facility, contributed to an increased amount of waste treated and electricity supplied.

Gross profit for the segment increased 32.9% y-o-y to RMB187.9 million with gross profit margin dipping slightly from 41.9% in 1Q2016 to 40.0% in 1Q2017, mainly due to two plants, Wenling

Green Energy WTE Facility and Songyuan Xinxiang WTE Facility moving from trial operations into actual operations as well as the commencement of operations of coal-powered units at the Zhuji Bafang post-upgrading.

Details of the electricity generated and supplied, steam supplied and waste treated for 1Q2017 and 1Q2016 are as follows:

	Group 1Q2017	Group 1Q2016	% Change
Electricity generated ('000 KWh)	624,910	504,780	23.8
On-grid electricity supplied ('000 KWh)	455,990	369,500	23.4
Steam supplied ('000 tonnes)	593	496	19.6
Waste treated ('000 tonnes)	2,227	1,864	19.5

Electricity generated and on-grid electricity supplied for 1Q2017 increased 23.8% and 23.4% y-o-y respectively, growing in tandem with the increased supply of municipal solid waste to the Group's existing and new WTE facilities.

(2) BOT Construction

Due to the commencement of most new BOT Construction projects only in or after the second quarter ending 30 June 2017 ("**2Q2017**"), revenue from BOT Construction decreased from RMB176.1 million in 1Q2016 to RMB35.1 million in 1Q2017. In particular, revenue from construction services provided under BOT concession agreements decreased from RMB171.9 million in 1Q2016 to RM29.7 million in 1Q2017, offset partially by an increase in financial income under the service concession agreements from RMB4.2 million in 1Q2016 to RMB5.4 million in 1Q2017. Although gross profit including finance income fell 65.0% to RMB9.2 million in 1Q2017 from RMB26.4 million in 1Q2016, gross profit margin rose to 13.0% from 12.9% for the same period.

EMC business

Revenue for the Group's EMC business in 1Q2017 decreased 18.6% y-o-y to RMB53.1 million, mainly because according to the terms of the EMC service contract, the Group's share of the agreed profit sharing percentage reduces over time. This profit-sharing model is consistent with industry practices. Meanwhile, gross profit decreased 17.7% y-o-y to RMB40.6 million in 1Q2017. However, better cost control led to a slight improvement in gross profit margin from 75.7% in 1Q2016 to 76.5% in 1Q2017.

As at 31 March 2017, the Group had 20 WTE facilities in operation with a total waste treatment capacity of approximately 28,230 tons/day and installed electricity generation capacity of 493 MW/day. Currently under construction are four WTE projects, namely the Qitaihe Green Energy WTE Facility in Heilongjiang, the Hohhot New Energy WTE Facility in Inner Mongolia, and the Zibo New Energy WTE Facility in Linzi,

Shandong, which are expected to be completed in the second half of 2017, and the waste pre-treatment and WTE facility in Lucknow, India, which is expected to commence operations in April 2019. These three projects will add 4,000 tons/day of waste treatment capacity and 109MW/day of electricity generation capacity to the Group's total output.

Among the Group's 16 construction and expansion projects in the preparatory phase, preparatory work and approvals have been completed for the Tangshan Jiasheng WTE Facility, Shijiazhuang Jiasheng WTE Facility and the Yinchuan Zhongke WTE Facility, and construction work will commence in 2Q2017. Preparatory work and the seeking of relevant approvals for the Zhuji Bafang WTE Facility and Wenling Green Energy WTE Facility continues to pick up pace. The above projects are expected to increase the Group's installed waste treatment capacity and installed electricity generation capacity by over 15,260 tons/day and 276 MW/day, respectively, bringing the Group's total installed waste treatment capacity to approximately 47,490 tons/day.

Commenting on the Group's performance in 1Q2017, Ms. Wang Yuanluo, Executive Chairman and Chief Executive Officer of Jinjiang Environment, said: "I am pleased that our financial year is off to a good start. With market developments in our favour and our continued operational expansion, our key WTE business segment has registered double-digit growth during the quarter. We will expect to see a further boost to our results when our BOT Construction projects commence. Leveraging supportive government WTE policies, we will ride on our growth strategy to raise our operational capacity and solidify our position as a leader in the WTE market in the PRC. Our status as a listed company has also reaped benefits in the acquisition of our first and second overseas WTE projects in Lucknow, India and Gwalior, India, and we intend to continue exploring more overseas opportunities within Asia as we take a step forward towards being an international WTE player."

Outlook and Future Plans

The Group will continue to expand its footprint by adding new potential projects in the PRC which are expected to raise its waste treatment capacity to approximately 52,690 tons/day. Meanwhile, the Group has also established good relationships with the local government and enterprises in provincial cities like Luliang in Shanxi Province, Yucheng in Shandong Province, Xinglong in Hebei Province and Tonghe and Shangzhi in Heilongjiang Province, among others.

While continuing to strengthen its operational base in the PRC, the Group will build on the expansion momentum achieved in 1Q2017, following its first and second overseas waste management projects in India, to target projects outside of China, particularly in India and Southeast Asia. It will actively explore these markets for potential mergers and acquisitions and opportunities in new WTE projects. In addition, the Group will continue to research and adopt the latest WTE technologies worldwide to raise its own technological standards.

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ABOUT JINJIANG ENVIRONMENT

Established in 1998, Jinjiang Environment (中国锦江环境控股有限公司) is the first private WTE operator in the PRC and continues to be the leading WTE operator in the PRC with the largest waste treatment capacity in operation. The Group's business primarily focuses on the planning, development, construction, operation and management of WTE facilities in the PRC, and has established a presence in India. It operates 20 WTE facilities in 12 provinces, autonomous regions and centrally-administered municipalities in the PRC, and has an additional (i) four WTE facilities under construction and (ii) 16 WTE projects in the preparatory stage. The facilities in operation have a total installed waste treatment capacity of 28,230 tons/day. The estimated total installed waste treatment capacity of all the WTE facilities, when fully completed and acquired, will be approximately 49,500 tons/day.

Issued for and on behalf of China Jinjiang Environment Holding Company Limited

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IMPORTANT NOTICE

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