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 delivers stable 9M2017 performance with continued growth in waste treatment capacity and expansion into new projects

- Total revenue for the nine-month period ended 30 September 2017 ("**9M2017**") was largely stable at RMB1.9 billion with WTE business revenue (excluding BOT Construction) increasing 15.0% year-on-year ("**y-o-y**") to RMB1.3 billion. 9M2017 PATMI decreased 3.8% y-o-y to RMB396.6 million
- Jinjiang Environment continued to expand its footprint domestically and overseas with new projects, bringing its total installed and planned waste treatment capacity up to approximately 59,761 t/d, which represents an increase of approximately 4,115 t/d quarter-on-quarter.

(SINGAPORE, 14 November 2017) – China Jinjiang Environment Holding Company Limited ("**Jinjiang Environment**" and together with its subsidiaries, the "**Group**"; Stock Code: BWM), a leading waste-to-energy ("**WTE**") operator in the People's Republic of China ("**PRC**"), registered largely stable revenue and net profits for 9M2017.

Group Highlights (RMB'000)	**3Q2017**	**3Q2016**	**% Change**	**9M2017**	**9M2016**	**% Change**
Revenue	580,406	658,396	(11.8)	1,856,439	1,853,916	0.1
- WTE Business (excluding BOT Construction)	401,866	425,742	(5.6)	1,311,144	1,139,783	15.0
- BOT Construction	128,747	158,991	(19.0)	353,211	516,780	(31.7)
- EMC Business	49,793	73,663	(32.4)	192,084	197,353	(2.7)
Gross profit	152,355	282,641	(46.1)	681,702	758,798	(10.2)
Gross profit margin	26.2%	42.9%	(16.7)% pts	36.7%	40.9%	(4.2)% pts
Profit before tax	133,911	203,144	(34.1)	554,591	599,182	(7.4)
PATMI	100,820	139,986	(28.0)	396,554	412,333	(3.8)
Earnings per Share (RMB cents)	8.28	12.29	(32.6)	32.58	39.39	(17.3)

9M2017 revenue for the Group was RMB1.9 billion, largely unchanged from the same period last year while gross profit decreased 10.2% y-o-y to RMB681.7 million. Profit before tax for the Group decreased 7.4% y-o-y to RMB554.6 million while PATMI decreased 3.8% y-o-y to RMB396.6 million. Earnings per share decreased 17.3% y-o-y to RMB32.58 cents. For the third quarter ended 30 September 2017 ("**3Q2017**"), overall revenue decreased 11.8% y-o-y to RMB580.4 million.

Commenting on the Group's performance, Ms. Wang Yuanluo, Executive Chairman of Jinjiang Environment, said: "During the quarter, we invested time and resources in a series of upgrading works to many of our WTE facilities with the aim of increasing waste treatment capacity, reducing the usage of coal and lowering emission levels of our WTE facilities. While this led to a short-term decrease in our revenue, it sets the stage for a stronger growth trajectory ahead with the enhanced capabilities of our facilities. Meanwhile over the last quarter, we have continued to strengthen our pipeline of new facilities in China by adding 4 projects, while building on the overseas projects we have acquired in India and developing our resource recycling projects further. We expect these developments to provide a boost to our performance, efficiency and treatment capacity over the mid to long term."

Jinjiang Environment has two main operating segments: (1) the WTE business, which includes construction services provided under Build-Operate-Transfer concession agreements ("**BOT Construction**"), and (2) project technical and management services, as well as the energy management contracting business ("**EMC**").

WTE business

(1) WTE business (excluding BOT Construction)

Revenue Breakdown (RMB'000)	**3Q2017**	**3Q2016**	**% Change**	**9M2017**	**9M2016**	**% Change**
Sales of electricity	223,314	266,884	(16.3)	743,090	655,499	13.4
Sales of steam	77,770	51,903	49.8	238,673	166,886	43.0
Waste treatment fees	100,782	106,955	(5.8)	329,381	317,398	3.8
Total WTE revenue (excluding BOT Construction)	**401,866**	**425,742**	**(5.6)**	**1,311,144**	**1,139,783**	**15.0**

	3Q2017	3Q2016	% Change	9M2017	9M2016	% Change
Electricity generated ('000 KWh)	612,012	602,439	1.6	1,879,861	1,688,009	11.4
On-grid electricity supplied ('000 KWh)	437,550	444,836	(1.6)	1,365,759	1,252,240	9.1
Steam supplied ('000 tonnes)	531	419	26.7	1,686	1,352	24.7
Waste treated ('000 tonnes)	2,030	2,092	(3.0)	6,379	6,032	5.8

Revenue from the Group's WTE business segment (excluding BOT Construction) increased 15.0% y-o-y to RMB1.3 billion in 9M2017, mainly due to new facilities like the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility becoming operational, as well as the increase in the supply of municipal solid waste for the first half of 2017. The completion of expansion of the coal-fired generation plant at Zhuji Bafang contributed to an increase in electricity generated and steam supplied of 11.4% and 24.7% y-o-y respectively for 9M2017, and a consequent revenue increase from electricity and steam sales. In addition, an increase in the electricity supply fee to RMB0.65 per kWh last year for the Zibo Jinjiang WTE Facility and Zibo Green Energy WTE Facility and the receipt of retrospective payments for the increased electricity fee, also led to an increase in revenue.

On-grid electricity supplied, amount of steam supplied and amount of waste treated increased 9.1%, 24.7% and 5.8% respectively in 9M2017. The increase in supply of municipal solid waste as well as the operation of new facilities led to the higher increase in on-grid electricity and steam supplied, while the completed expansion of the coal-fired generation plant at Zhuji Bafang contributed to growth in electricity generated and steam supplied.

Excluding the one-off receipt of retrospective payment of electricity supply fees for the first half of 2016 in 3Q2016, for which there was no corresponding retrospective payment in 3Q2017, amounting to RMB32.5 million, the revenue for 3Q2016 would be RMB393.2 million, and this represents an increase in revenue of 2.2% in 3Q2017. The completion of the expansion of the coal-fired generation plant at Zhuji Bafang led to a 26.7% y-o-y increase steam supplied in 3Q2017, and consequently a 49.8% y-o-y increase in revenue from sales of steam.

(2) BOT Construction

In 9M2017, revenue from construction services under BOT concession agreements was RMB353.2 million, a 31.7% decrease from the same period last year. This was because

construction of the Wenling Green Energy WTE Facility, Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility had taken place during 9M2016 whilst in 9M2017, only the second phase expansion of the Yinchuan Zhongke WTE Facility was under construction.

Revenue from construction services under BOT concession agreements drove a 19.0% y-o-y decease in BOT Construction revenue to RMB128.7 million in 3Q2017, mainly due to the completion of the construction of the Gaomi Lilangminde WTE Facility and Songyuan Xinxiang WTE Facility in January 2017 and August 2016. On the other hand, a decrease in cost of sales in construction services led to an improvement in gross profit margin from 15.1% in 3Q2016 to 17.2% in 3Q2017.

EMC business

Revenue from EMC business segment decreased 2.7% y-o-y to RMB192.1 million in 9M2017, mainly due to a decrease in its energy management contracting revenue from lower number of contracts. However, a decrease in cost of sales drove a slight improvement in gross profit margin from 75.1% in 9M2016 to 75.5% in 9M2017.

For 3Q2017, a decrease in revenue from the energy management contracting business led to a 32.4% y-o-y decrease in EMC business segment revenue to RMB49.8 million. This was due to majority of the energy management contracting projects in 3Q2017 being in the later stages where there is a decreased profit sharing percentage.

Outlook and Future Plans

As of 30 September 2017, the Group has twenty WTE facilities in commercial or trial operation (following disposal of PLT Energy during 3Q2017), with a total installed waste treatment capacity and installed electricity generation capacity of 27,980 t/d and 509 MW/d, respectively. The Hohhot New Energy WTE Facility and Zibo New Energy WTE Facility are under construction and expected to commence trial operations by end 2017 to early 2018. The expansion of the Zhuji Bafang WTE Facility and Yinchuan Zhongke WTE Facility are expected to be completed by end 2017 and the second quarter of 2018 respectively. Upon completion, these four projects under construction are expected to add 4,000 t/d and 131 MW/d to the Group's total installed waste treatment capacity and installed electricity generation capacity, respectively.

In addition, the Group has commenced preparatory work for the construction or expansion of the waste treatment capacity of another 21 projects in the PRC , which includes four additional WTE projects recently secured in the PRC, located in (i) Tangshan, Hebei Province, (ii) Taigu County, Shanxi Province, (iii) Yan'an, Shaanxi Province, and (iv) Kunming, Yunnan Province. The relevant preparatory work has been completed, and approvals obtained, for the Shijiazhuang Jiasheng WTE Facility, Kunming Wuhua WTE

Facility, Tangshan Jiasheng WTE Facility, Linzhou Jiasheng WTE Facility, and expansion of the Wenling Green Energy WTE Facility, for which construction is expected to begin by end 2017 or early 2018. The relevant governmental approvals are in the process of being sought for the Yulin Green Energy WTE Facility, Zhongwei Green Energy WTE Facility, Wudi Jinhuan WTE Facility and the Yan'an Guojin WTE Facility. In aggregate, the aforesaid 21 pipeline projects are expected to increase the Group's total installed waste treatment capacity and installed electricity generation capacity by 21,350 t/d and 456 MW/d, respectively.

In addition, the Group will continue to focus on the development of its resource recycling projects. The Group has commenced construction or preparatory work for seven resource recycling projects in Jiangsu, Shandong, Hebei, Hubei and Heilongjiang, which upon completion, will increase the installed waste treatment capacity of the Group by 3,160 t/d.

As of 30 September 2017, the Group has secured three overseas projects in India. The Group had acquired a subsidiary in India, Ecogreen Energy Private Limited, in 1Q2017, which subsequently secured WTE projects in Lucknow, India and Gwalior, India in 2Q2017. The Group further secured a third project in Gurgaon, India in 3Q2017. Construction of these projects are expected to commence in the first half of 2018 and when completed, are expected to add 3,271 t/d and 55 MW/d to the Group's total installed waste treatment capacity and installed electricity generation capacity, respectively.

Taking into consideration all the projects under construction, to be constructed or expanded and new potential projects, both in the PRC and overseas, the Group's total installed waste treatment capacity is expected to reach approximately 59,761 t/d upon the completion of these projects, which represents an increase of approximately 4,115 t/d as compared to the estimated total installed waste treatment capacity in the previous quarter.

Due to constraints in the availability of land resources in urban areas for physical expansion and the need to calibrate WTE boilers to handle municipal solid waste of a higher calorific value following pre-treatment, the Group has been undertaking and will continue to undertake a large-scale technical upgrading project involving approximately half of its presently operating WTE facilities (especially for older WTE facilities with higher daily waste treatment capacity). When completed, the upgrading project is expected to expand the waste treatment capacity of each WTE facility by approximately 600 t/d to 1,000 t/d and increase operational efficiency, whilst also reducing emission levels and the proportion of coal used at the Group's WTE facilities. To minimise downtime and disruption at its WTE facilities, the technical upgrading works will be carried out in stages. The capital expenditure required in respect of the aforesaid technical upgrading project will be financed through internally generated operating cash flow, borrowings and/or future equity or debt fund raising.

Ms Wang added: “The Group will regularly evaluate our strategies and plans and continuously strengthen our management of the business, through the organic and inorganic growth opportunities in order to maintain a leading market position. We will further enhance operational efficiency through technological advancement, through continuous research and development and adoption of foreign advanced technology and equipment. At the same time, we will step up our research and development for efficient resource recycling and achieve better environmental emission targets. The Group will leverage on the "One-Belt-One-Road" initiative through increased bidding for projects and mergers and acquisitions both within the PRC and in international markets.”

- End –

ABOUT JINJIANG ENVIRONMENT

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 and Singapore. As at 30 September 2017, it operates 20 WTE facilities in 12 provinces, autonomous regions and centrally-administered municipalities in the PRC, and has an additional (i) four WTE projects under construction and (ii) 21 WTE projects in the preparatory stage. The facilities in operation have a total installed waste treatment capacity of 27,980 tons/day. The estimated total installed waste treatment capacity of all the WTE facilities, when fully completed and acquired, will be approximately 59,761 tons/day.

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

August Consulting
Tel: 65 6733 8873
Jeremy Sing, jeremysing@august.com.sg
Serene Chia, serenechia@august.com.sg

Strategic Financial Relations (China) Limited
Tel: 852 2527 1628
Email: sprg-cje@sprg.com.hk
Terence Wong, Terence.wong@sprg.com.hk
Gloria Huang, gloria.huang@sprg.com.hk
Tommy Chan, tommy.chan@sprg.com.hk

IMPORTANT NOTICE

This press release should be read in conjunction with the financial statements announced on SGXNET on 14 November 2017. This press release is for information only and may contain forward-looking statements that involve assumptions, risks and uncertainties.