

ZHENENG JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED

浙能锦江环境控股有限公司

(Incorporated in the Cayman Islands)

Company Registration Number: 245144

Zheneng Jinjiang Environment Announces 4Q2022 and FY2022 Results

- FY2022 revenue of RMB4,073.9 million supported by growth in core WTE business
- Excluding foreign exchange effect, FY2022 profit would have increased by 33.5% to RMB540.3 million, driven by a 10.7% increase in gross profit, mainly due to higher contribution from WTE business and its enhanced operational efficiencies
- Supported by governmental policies and subsidies to promote further development of the WTE and environmental protection industries

Financial Highlights (RMB'million)	4Q2022	4Q2021 (Restated)	Change (%)	FY2022	FY2021 (Restated)	Change (%)
Total Revenue	1,263.9	1,672.2	(24.4)	4,073.9	4,101.1	(0.7)
- Waste-to-Energy ("WTE") Business	955.5	789.4	21.1	3,335.2	2,904.9	14.8
- BOT Construction	227.9	540.4	(57.8)	637.9	735.1	(13.2)
- Project Technical & Management Service, Equipment Selection and Sale and Energy Management Contracting ("EMC") business	80.5	342.4	(76.5)	100.8	461.1	(78.1)
Gross Profit	356.5	310.8	14.7	1,157.8	1,046.1	10.7
Profit for the period before foreign exchange effect	230.8	145.3	58.8	540.3	404.6	33.5
PATMI	277.3	170.0	63.1	325.0	432.5	(24.8)
Basic earnings per share ("EPS") (RMB cents) ^a	19.07	11.69	63.1	22.35	29.74	(24.8)
Net Asset Value per share (RMB'cents)^b	-	-	-	472.81 (as at 31 Dec 2022)	449.68 (as at 31 Dec 2021)	5.1

a) EPS for the fourth quarter and full year ended 31 December 2022 and 31 December 2021 were computed based on the weighted average number of Shares for the period.

b) The net asset value per Share as at 31 December 2022 and 31 December 2021 were computed based on the number of Shares in issue at the end of the period. The total number of issued Shares as at 31 December 2022 and 31 December 2021 were 1,454,024,700.

SINGAPORE, 27 February 2023 – Zheneng Jinjiang Environment Holding Company Limited (浙能锦江环境控股有限公司) (“**Zheneng Jinjiang Environment**” or the “**Company**” and together with its subsidiaries, the “**Group**”), a leading Waste-to-Energy (“**WTE**”) operator in the People’s Republic of China (“**PRC**” or “**China**”), has announced its unaudited results for the fourth quarter (“4Q2022”) and full year ended 31 December 2022 (“FY2022”). The Group recorded revenue of RMB4,073.9 million for the FY2022, in-line with FY2021. After factoring in an unrealised foreign exchange loss in relation to the Group’s net foreign currency borrowings during FY2022, the Group recorded a PATMI of RMB325.0 million for the year. Excluding the aforesaid foreign exchange loss, FY2022 profit would have increased by 33.5% year-on-year to RMB540.3 million.

Mr. Wei Dongliang (韦东良), **Executive Chairman of Zheneng Jinjiang Environment**, said: “In 2022, the Group focused on its target and overcame difficulties through effective means such as refined management and digitalisation. The Group has expanded and increased its existing capacity, cooperated with circulation, tapped potential capacity to enhance its efficiency, continuously improved its value creation ability. The profitability of its main business has been enhanced with its profit structure optimization, achieving a higher level of development quality. The new development stage puts forward higher requirements for the construction of ecological civilization. With the continuous promotion of green development by the government, we will continue this trajectory to focus on innovation and deliver high-quality growth for the Group.”

Results Overview

The Group’s FY2022 topline was supported by higher revenue from the WTE business, partially offset by a decline in revenue for the construction services provided under BOT concession agreements (“**BOT Construction**”) and project technical and management services, equipment selection and sale and EMC business. Excluding the foreign exchange loss, earnings before interest, taxes, depreciation and amortization increased by 17.39% in FY2022, due to higher contributions from the WTE business and its enhanced operational efficiencies.

The WTE business recorded revenue of RMB3,335.2 million in FY2022, up 14.8% and representing approximately 81.9% of the Group's turnover. This was mainly due to higher revenue from waste treatment and sales of electricity as Linzhou Jiasheng WTE Facility in Henan Province and Leting WTE Facility in Hebei Province commenced official operations during the year and technical optimisation of the existing facilities. The Group also saw strong steam sales in FY2022. The WTE segment's gross profit margin improved by 1.88 percentage points to 30.48% in FY2022, mainly due to the higher operational efficiency and higher steam sales and other factors.

Revenue from BOT construction fell by 13.2% to RMB637.9 million in FY2022, which was mainly impacted by the construction investment value and the progress of projects under construction. Gross profit and gross profit margin for this segment stood at RMB118.5 million and 18.58% respectively.

The Group's project technical and management services and EMC business recorded revenue and gross profit of RMB100.8 million and RMB22.7 million respectively in FY2022. The decline was mainly due to a one-time buyout settlement of the EMC future service benefits in the fourth quarter ended 31 December ("4Q") 2021, which led to a significant reduction of scale of the EMC business.

Operational Updates

In 4Q2022, the Group continued to strengthen technological innovation to improve competitiveness. In 4Q2022, seven of the Group's subsidiaries were accredited as "National High-tech Enterprises" and two subsidiaries were also awarded the title of Provincial-level Specialized Enterprise. To-date, 15 subsidiaries have been accredited as "National High-tech Enterprises" and 5 subsidiaries have been awarded the title of Provincial-level Specialized Enterprise. Meanwhile, the Group's project construction continued to progress in an orderly manner. The Group began construction of the Reconstruction Project of Tianjin Sunrise WTE Facility in 4Q2022, and this is expected to be completed in 2024.

In 4Q2022, Zheneng Jinjiang Environment was also awarded "Top 50 Environmental Enterprises in China" by the Environment Chamber of Commerce of the All-China Federation of Industry and Commerce, and the "Top 10 Influential Enterprises of Solid Waste in 2022" by E20 Environmental platform.

Outlook

2023 will be the first year of the full implementation of the guiding principles of the 20th Communist Party of China (“**CPC**”) National Congress, which advocates sustainability and environmental protection. Against the backdrop of “Carbon Neutrality and Carbon Peaking”, the Group’s growth remains supported by the favourable governmental policy to encourage the development of the WTE industry and the entire environmental protection industry.

Recently, the Group has received a large sum of National Renewable Subsidies (“**National Subsidies**”) pursuant to relevant environmental policies in China. The Group’s 15 WTE facilities published in the National Subsidies list realized a recovery of RMB369 million and RMB461 million in national subsidies in the fourth quarter and full year of 2022 respectively. During FY2022 and January 2023, the Group had recovered a total of RMB583 million of national subsidies.

– End –

IMPORTANT NOTICE

This press release should be read in conjunction with the financial statements announced on SGXNET on 27 February 2023. This press release is for information only and may contain forward-looking statements that involve assumptions, risks and uncertainties.

ABOUT ZHENENG JINJIANG ENVIRONMENT

Zheneng Jinjiang Environment Holding Company Limited (浙能锦江环境控股有限公司) (Stock code: BWM) is one of the first and leading WTE operators in the PRC in terms of 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 also established a presence in India, Singapore, Indonesia and Germany. As at 31 December 2022, it operates 25 WTE facilities, 2 kitchen waste treatment facilities and 9 waste resource recycling facilities in the PRC. It has an additional (i) 5 projects under construction and (ii) 19 projects in the preparatory stage within the PRC and overseas. The facilities in operation have a total installed waste treatment capacity of 41,955 tonnes/day. The estimated total installed waste treatment capacity of all the facilities, when fully completed and acquired, will be 62,220 tonnes/day.

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