



锦江环境
JINJIANG ENVIRONMENT

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 steady growth in 1H2017, reinforces industry leadership and actively expands into overseas markets

- Total revenue increased 6.7% year-on-year (“y-o-y”) to RMB1.3 billion for the half year period ended 30 June 2017 (“1H2017”) with WTE business revenue (excluding BOT Construction) increasing 27.3% y-o-y to RMB909.3 million
- 1H2017 profit before tax increased 6.2% y-o-y to RMB420.7 million
- 1H2017 PATMI increased 8.6% y-o-y to RMB295.7 million
- Jinjiang Environment took its first step in overseas expansion with the acquisition of Ecogreen Energy Private Limited (“**Ecogreen Energy**”) and the securing of two WTE projects in India

(SINGAPORE, 14 August 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**”), announces its results for the half year ended 30 June 2017 (“**1H2017**”), in which it registered continued steady growth in total revenue and profits.

Group Highlights (RMB'000)	1H2017	1H2016	%Change
Revenue	1,276,033	1,195,520	6.7
- WTE Business (excluding BOT Construction)	909,278	714,041	27.3
- BOT Construction	224,464	357,789	(37.3)
- EMC Business	142,291	123,690	15.0
Gross profit	529,347	476,157	11.2
Gross profit margin	41.5%	39.8%	1.7 % pts
Profit before tax	420,680	396,038	6.2
PATMI	295,734	272,347	8.6
Earnings per Share (RMB cents)	24.30	27.23	(10.8)

The Group achieved a 6.7% y-o-y growth in overall revenue to RMB1.3 billion in 1H2017 with gross profit increasing 11.2% y-o-y to RMB529.3 million. PATMI for 1H2017 increased 8.6% y-o-y to RMB295.7 million while earnings per share decreased 10.8% y-o-y to RMB 24.30 cents.

Commenting on the Group’s performance, Ms. Wang Yuanluo, Executive Chairman and Chief Executive Officer of Jinjiang Environment, said: “We are very encouraged by the Group’s results achieved in the first half of the year. Through the effective use of our own resources and technology, the Group has been able to expand the scale of its operations in a sustainable way and gain a foothold in new markets, with a view to meeting increasing demand for waste management and electricity supply in the PRC and elsewhere. Its status as a listed company on the Singapore Exchange since August 2016, has certainly helped the Group achieve steady expansion in all business segments and grow its overseas footprint. In particular, it has secured its first two WTE projects in India during this period.”

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) the energy management contracting (“**EMC**”) business.

WTE business

(1) WTE business (excluding BOT Construction)

Revenue Breakdown (RMB’000)	1H2017	1H2016	% Change
Sales of electricity	519,776	388,615	33.8
Sales of steam	160,903	114,983	39.9
Waste treatment fees	228,599	210,443	8.6
Total WTE revenue (excluding BOT Construction)	909,278	714,041	27.3

During 1H2017, the increased supply of municipal solid waste and the commencement of operations of new WTE facilities led to an increase in waste treatment fees and sales of electricity generated. The completion of expansion works at the Zhuji Bafang WTE Facility has also contributed to increased revenue from electricity generated and steam supplied. In addition, the Zibo Jinjiang WTE Facility and Zibo Green Energy WTE Facility received retrospective payments for the increased electricity supply tariff rate of RMB0.65 per kWh, while the electricity supply fee for the Zibo Jinjiang WTE Facility and Yinchuan Zhongke WTE Facility also increased to RMB0.65 per kWh. As a segment, WTE revenue (excluding revenue from BOT Construction) grew 27.3% to RMB909.3 million, while gross profit rose 14.1% to RMB377.5 million with gross profit margin increasing by 1.7 percentage points to 41.5%.

	Group 1H2017	Group 1H2016	% Change
Electricity generated ('000 KWh)	1,267,849	1,085,570	16.8
On-grid electricity supplied ('000 KWh)	928,209	807,404	15.0
Steam supplied ('000 tonnes)	1,155	933	23.8
Waste treated ('000 tonnes)	4,349	3,940	10.4

Total electricity generated, on-grid electricity supplied, steam supplied and waste treated increased 16.8%, 15.0%, 23.8% and 10.4% respectively for 1H2017, due to the increase in supply of municipal solid waste to the WTE facilities and new facilities becoming operational. The higher increase in on-grid electricity and steam supplied as compared to the increase in waste treated is due to the coal-fired generation facilities becoming operational.

(2) BOT Construction

Revenue from BOT Construction decreased 37.3% y-o-y to RMB224.5 million in 1H2017 with gross profit at RMB40.1 million. This is mainly due to the timing of construction of the Group's WTE facilities operated under the BOT model, with the construction of the Wenling Green Energy WTE Facility and Songyuan Xinxiang WTE Facility having been completed at the end of 2016. Currently, only the second phase expansion of Yinchuan Zhongke WTE Facility is in progress.

EMC business

Revenue from the EMC business segment has increased 15.0% y-o-y to RMB142.3 million in 1H2017. Together with better cost control measures by the Group, the revenue increase drove a 21.7% y-o-y increase in gross profit to RMB111.7 million. Gross profit margin improved to 78.5% in 1H2017 from 74.2% in 1H2016. Cost of sales for the segment decreased from RMB31.9 million in 1H2016 to RMB30.6 million in 1H2017. The revenue from our EMC business, which is recognised based on contracted profit sharing percentage, has remained stable for 1H2017 as compared to 1H2016.

Outlook and Future Plans

The National Development and Reform Commission's Thirteenth Five Year Plan for Urban Waste Treatment recently reported that the total capacity of waste treatment in China is targeted to increase by 46% over the next five years as the government continues to push for waste treatment due to rapid urbanisation and its aim to create a better living environment for its people. With increased demand for WTE services in sight, Jinjiang Environment will be well positioned to capture the growth opportunities it brings.

The Group currently has four projects under construction, namely, the Hohhot New Energy WTE Facility and Zibo New Energy WTE Facility, and the expansion of the Zhuji Bafang WTE Facility and Yinchuan Zhongke WTE Facility. These four projects are expected to be completed and commence trial operations by end 2017 to early 2018. 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 17 projects in the PRC, out of which five projects were secured in 2017. The relevant preparatory work has been completed, and approvals obtained, for the Shijiazhuang Jiasheng WTE Facility, Tangshan Jiasheng WTE Facility and Wenling Green Energy WTE Facility, for which construction is expected to begin in the second half of 2017. The Henan Linzhou project and Ningxia Zhongwei project are in the process of seeking the relevant governmental approvals.

The Group has started to develop overseas projects since its listing and following its acquisition of Ecogreen Energy, as of 30 June 2017, it has secured two overseas projects in Lucknow, India and Gwalior, India, with a planned total installed waste treatment capacity and installed electricity generation capacity of 2,106 t/d and 29 MW/d, respectively. To-date, the Group has also secured an additional concession for a WTE project in Gurgaon, India. Moving forward, the Group will continue to step up its pace in exploring potential mergers and acquisitions opportunities and WTE projects for bidding, focusing on markets where the waste composition is likely to be similar to that in the PRC.

In addition, the Group will continue to focus on the development of its resource recycling projects and expand the scope of its waste treatment services. The Group has commenced construction or preparatory work for seven resource recycling projects in Jiangsu, Shandong, Hebei, Hubei and Inner Mongolia. When completed, the Group's resource recycling projects located in (i) Kunshan, Jiangsu Province, (ii) Wuhan, Hubei Province and (iii) Tuyouqi, Inner Mongolia Autonomous Region will increase the installed waste treatment capacity of the Group by 3,410 t/d. In addition, following the completion of four resource recycling facilities in Shijiazhuang, Hebei Province and Zibo, Shandong Province, the quality of the waste transported to the Group's WTE facilities located in Shijiazhuang and Zibo would be enhanced.

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 55,600 t/d when these projects are completed.

Ms Wang added: "Looking ahead, the Group will continue to explore new markets, expand and grow its WTE business and project technical and management services and EMC business, and strive to maintain its industry-leading position. At the same time, leveraging the influence of China's 'One Belt One Road' policy, the Group will seek to widen its overseas reach further. The Group will also continue to adopt the most advanced technologies, concepts and equipment from various countries to strengthen its independent research and development, utilise its waste resources more efficiently and achieve better

environmental emissions standards. Lastly, the Group will continue to strengthen its operational management, including safety and health management, environmental protection management, internal controls and to improve overall management efficiency, bringing it one step closer to being a world-class WTE operator.”

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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. As at 30 June 2017, it operates 21 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) 17 WTE projects in the preparatory stage. The facilities in operation have a total installed waste treatment capacity of 29,230 tons/day. The estimated total installed waste treatment capacity of all the WTE facilities, when fully completed and acquired, will be approximately 55,600 tons/day.

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

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IMPORTANT NOTICE

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