



**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

## China Jinjiang Environment Announces First Quarter 2019 Results

(SINGAPORE, 15 May 2019) - 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 (the “PRC”), has announced its unaudited results for the first quarter of its financial year ended 31 March 2019 (“**1Q2019**”).

Jinjiang Environment's total revenue in 1Q2019 was approximately RMB697.0 million. During the first quarter of 2019, following the Group's partial completion of its expansion and upgrading works to some of its WTE facilities; and (ii) a steady increase in output from Zhuji Bafang WTE Facility in Zhejiang Province, the Group treated a higher amount of waste and generated a higher amount of electricity, which resulted in an increased revenue of approximately RMB478.4 million from its WTE business, a 5.8% increase from the corresponding period in year 2018 (“**1Q2018**”).

Revenue from the Group's construction services provided under build-operate-transfer (“**BOT**”) concession agreements was approximately RMB171.3 million in 1Q2019. The Group continued to benefit from the increase in revenue from its technical and management services as a result of a larger number of contracts, following the Group’s acquisition of Hangzhou Zhenghui Construction Engineering Co., Ltd. Revenue from the Group's project technical and management services and energy management contracting (“**EMC**”) business was RMB47.3 million in 1Q2019, a significant increase of 36.6% from its revenue in 1Q2018. Overall, in 1Q2019, the Group's gross profit increased by 2.5% from 1Q2018 to RMB 215.9 million. PATMI grew 3.3% YOY to RMB104.2 million for 1Q2019, and the Group's basic earnings per share was 7.22 RMB cents.

During the first quarter of 2019, the Group continued to promote sustainable growth and development by continuing its efforts to expand its capacities and prepare for new projects while concurrently actively tendering for and securing new projects.

As at 31 March 2019, the Group has (i) 20 WTE facilities in commercial or trial operation and five operational resource recycling projects, with a total installed waste treatment capacity and installed electricity generation capacity of 29,240 t/d and 574 MW, and (ii) 6 WTE projects under construction, which will add 8,670 t/d (including 220 tons of organic waste) and 219 MW to the Group's total installed waste treatment capacity and installed electricity generation capacity, respectively.

The Group continued to make progress in its upgrading project involving eight of the Group's operational WTE facilities which are older and have potential to handle a higher volume of waste requiring treatment, in Zichuan, Shandong, and Wuchang Hubei (the "**Upgrading Project**"). As at 31 March 2019, the upgrading of the Zibo Green Energy WTE Facility and Wuhan Jinjiang WTE Facility has been essentially completed. A portion of the boilers for the other six WTE facilities which are in the process of being upgraded will be put into operation in the second quarter of 2019, together with the remaining boilers that were upgraded and put into operation. The complementary waste recycling systems and upgrading of the waste depot are expected to be completed in the third and fourth quarters of 2019 respectively. Currently, the upgraded equipment that has been put into operation has led to improved results in capacity and efficiency. Accordingly, the Group expects to see a gradual and continuous improvement in the WTE operational indicators and revenue in 2019.

During the quarter under review, the Group continued to secure new projects and increased its presence within its domestic market in the PRC. In March 2019, the Group successfully tendered for and secured a concession to construct, own and operate a WTE facility located in Gaobeidian City, Hebei Province, PRC, which was an important milestone in its overall strategic layout and coordinated regional development in the Hebei Province. In the same month, the Group also signed a service concession agreement to operate a WTE Facility located in Bayanniao'er City, Inner Mongolia Autonomous Region, PRC.

Jinjiang Environment is actively undertaking preparation work on 17 domestic pipeline WTE projects, which are on track to commence as planned. Upon completion, these projects are expected to add 16,100 tons/day to the Group's total installed waste treatment capacity and 326 MW to its installed electrical generation capacity.

While steadily pursuing new projects, the Group is also committed to actively liaising with the relevant local government authorities at different levels. In the midwestern region of the PRC, the Kunming Wuhua WTE Facility reconstruction project received a subsidy of RMB135.0 million from the funds from central government budget in March 2019. Through sustained communication with the relevant local government, the waste treatment fee for the Xiaoshan Jinjiang WTE Facility in Hangzhou City, Zhejiang Province was approved and raised from RMB70.2/ton to RMB113/ton, and the subsidy for fly ash disposal was raised from RMB1,300/ton to RMB1,645/ton.

During the quarter, the Group further entrenched its leading industry position and enhanced technology R&D in line with national industry standards. The group's wholly-owned subsidiary Hangzhou Kesheng Energy Technology Co., Ltd. (杭州科晟能源技术有限公司) ("**Hangzhou Kesheng**"), was awarded the prestigious title of "National High-Tech Enterprise". The company was recognised by the PRC in the fields of scientific and technological innovation, transformation of technological achievements and core independent intellectual property rights. With this achievement, Hangzhou Kesheng will enjoy preferential income tax rates for a three-year period from 1 January 2018 to 31 December 2020.

Jinjiang Environment will devote itself to building benchmark projects locally and overseas to achieve its long-term goal of becoming an internationally recognised and world-renowned solid waste management company. The Group has secured five overseas projects thus far, including three in Lucknow, Gwalior and Gurgaon in India, one project in São Paulo in Brazil and one project in Palembang, Indonesia. Upon completion of all projects (including recycling projects) throughout the PRC and abroad, the Group's total installed waste treatment capacity is expected to reach approximately 67,106 tons/day.

**Ms. Wang Yuanluo, Non-Executive, Non-Independent Chairman of Jinjiang Environment**, said: *“The Group remains committed to heeding the PRC government’s call to prevent and solve pollution issues. While contributing to improving the availability of such infrastructure domestically and abroad, we are also focused on advancing our technology and R&D and we actively participate in driving and raising national environmental standards in line with our role as an industry leader. In 2019, the Group will continue to consolidate its main WTE business, refine our management, actively study and conduct vertical industrial expansion while ensuring stable operation. We will also integrate and consolidate all resources, comprehensively and sequentially advance all other WTE facilities under construction or preparation, realise collaborative waste treatment and try to form more environmentally sustainable industrial parks. Meanwhile, we will continue to introduce and adopt advanced foreign technology, experience and management systems and adhere to the strategy of serving the domestic market as well as exporting our strategy to our key markets abroad. Through independent technology research and development, we hope to release new vitality, make steady progress, and promote the sustainable and healthy development of Jinjiang Environment.”*

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#### **IMPORTANT NOTICE**

*This press release should be read in conjunction with the financial statements announced on SGXNET on 15 May 2019. This press release is for information only and may contain forward-looking statements that involve assumptions, risks and uncertainties.*

#### **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 is a leading WTE operator 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, Brazil, Singapore, Indonesia and Germany. As at 31 March 2019, it operates 20 WTE facilities and five resource recycling projects in 12 provinces, autonomous regions and centrally-administered municipalities in the PRC. It has an additional (i) six WTE facilities under construction and (ii) 17 WTE facilities in the preparatory stage within the PRC and overseas. The facilities in operation have a total installed waste treatment capacity of 29,240 tons/day. The estimated total installed waste treatment capacity of all the facilities, when fully completed and acquired (including expansion and upgrading), will be 67,106 tons/day.

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

**August Consulting**

Tel: 65 6733 8873

Wrisney Tan, [wrisneytan@august.com.sg](mailto:wrisneytan@august.com.sg)

Alan Lee, [alanlee@august.com.sg](mailto:alanlee@august.com.sg)