



## 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's 1H2016 PATMI grows 20.7% to RMB256.0 million

- Total revenue increased 30.7% to RMB1,034.8 million in 1H2016; revenue from WTE business increased 37.4% to RMB911.1 million
- Total waste treated increased 20.0% in 2Q2016 to 2.0 million tons from 2Q2015, bringing total waste treated to 3.7 million tons for 1H2016, an increase of 16.4% from 1H2015
- Electricity generated increased 16.8% in 2Q2016 to 534.9 million kWh from 2Q2015, bringing total electricity generated to 1,007.4 million kWh for 1H2016, an increase of 13.6% from 1H2015
- Profit before tax increased by 26.4% to RMB372.7 million while EBITDA rose by 28.6% to RMB581.7 million for 1H2016
- Pipeline of four facilities under construction, 11 facilities in the preparatory stage and two facilities to be acquired

**(SINGAPORE, 26 August 2016) – 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 its first set financial results for the half year ended 30 June 2016 (**“1H2016”**) after its listing on the Mainboard of the Singapore Exchange Securities Trading Limited on 3 August 2016.

#### Group Highlights

<b>(RMB'000)</b>	<b>2Q2016</b>	<b>2Q2015</b>	<b>% Change</b>	<b>1H2016</b>	<b>1H2015</b>	<b>% Change</b>
Revenue	528,712	416,713	26.9	1,034,751	791,504	30.7
Gross profit	241,322	206,423	16.9	449,496	398,370	12.8
<i>Gross profit margin</i>						
- waste-to energy	53.7%	45.6%	8.1%	49.5%	45.5%	4.0%
- build-operate-transfer	12.8%	10.6%	2.2%	12.9%	10.8%	2.1%
- energy management contracting	72.5%	86.0%	-13.5%	74.2%	84.0%	-9.8%

Profit before tax	207,244	164,843	25.7	372,705	294,840	26.4
EBITDA	314,812	245,895	28.0	581,691	452,501	28.6
PATMI	140,443	121,343	15.7	256,047	212,080	20.7
Earnings per Share						
(RMB cents)	14.04	12.13	15.7	25.60	21.21	20.7

The Group achieved a 30.7% increase in revenue in 1H2016, which was due to an increase in revenue from construction services provided under build-operate-transfer (“**BOT**”) concession agreements and the Group’s WTE business (excluding revenue from construction services provided under BOT concession agreements). As a result of consistent performance in both the WTE and energy management contracting (“**EMC**”) businesses of the Group, profit before tax increased by 26.4% to RMB372.7 million while EBITDA rose by 28.6% to RMB581.7 million for 1H2016. Overall, PATMI grew strongly by 20.7% from RMB212.1 million in 1H2015 to RMB256.0 million in 1H2016.

Jinjiang Environment has two main operating segments: (1) the WTE business, which includes construction services provided under BOT concession agreements, and (2) the EMC business.

### **WTE business**

#### (1) WTE business (excluding construction services provided under BOT concession agreements)

The WTE business (excluding construction services provided under BOT concession agreements) contributed 63% and 62% of total revenue in 2Q2016 and 1H2016 respectively. Its gross profit margin improved by 8.1 percentage points from 45.6% in 2Q2015 to 53.7% in 2Q2016 and by 4.0 percentage points from 45.5% in 1H2015 to 49.5% in 1H2016, due to cost control measures to reduce operational costs, including reduction in coal costs and maintenance expenses.

	<b>Group</b>	<b>Group</b>	<b>Change</b>	<b>Group</b>	<b>Group</b>	<b>Change</b>
	<b>2Q2016</b>	<b>2Q2015</b>	<b>%</b>	<b>1H2016</b>	<b>1H2015</b>	<b>%</b>
Electricity generated ('000 kWh)	534,930	458,130	16.8	1,007,360	887,130	13.6
On-grid electricity supplied ('000 kWh)	406,830	348,750	16.7	752,460	673,100	11.8
Steam supplied ('000 tons)	196	135	45.2	518	355	45.9
Waste treated ('000 tons)	1,959	1,632	20.0	3,733	3,207	16.4

On-grid electricity supplied and waste treated grew 16.7% and 20.0% respectively in 2Q2016 and 11.8% and 16.4% respectively in 1H2016, in line with the increase in the supply of municipal solid waste to the WTE facilities and new facilities becoming operational. Overall, revenue increased by 4.0% from RMB615.6 million in 1H2015 to RMB640.4 million in 1H2016, backed by consistent and strong performance in the WTE services provided.

(2) Construction services provided under BOT concession agreements

Construction services provided under BOT concession agreements contributed 26% and 26% of total revenue in 2Q2016 and 1H2016 and its gross profit margin inched up by 2.2 and 2.1 percentage points for 2Q2016 and 1H2016 respectively. Revenue from construction services provided under BOT concession agreements significantly increased 468.7% from RMB47.6 million in 1H2015 to RMB270.7 million in 1H2016 mainly due to the provision of construction services for two projects in 2H2016.

**EMC business**

The EMC business contributed 11% and 12% of total revenue in 2Q2016 and 1H2016 respectively. Its gross profit margin decreased to 74.2% in 1H2016 mainly due to the expansion of the EMC business. Together with technical upgrading and increases in the number of employees, this also resulted in an increase in administrative costs.

Overall, with administrative cost control measures, Jinjiang Environment recorded a 20.7% increase in PATMI of RMB256.0 million for 1H2016. Administrative expenses as a percentage of revenue reduced from 9.6% in 1H2015 to 7.3% in 1H2016.

Commenting on the Group's performance in 1H2016, Ms. Wang Yuanluo, Executive Chairman and Chief Executive Officer of Jinjiang Environment, said: "We have delivered encouraging growth figures shortly after our successful listing on 3 August 2016. Our ability to sustain growth stems from our stable portfolio of WTE facilities across the PRC which continues to increase due to operational ramp up and selective capacity expansion, and having a pipeline of new WTE facilities to be added to our portfolio. We have commenced trial operations at the Songyuan Xinxiang WTE Facility in August 2016, and expect to complete construction at the Hohhot New Energy WTE Facility, Qitaihe WTE Facility and Gaomi Lilangminde WTE Facility in the second half of 2016. We have commenced construction at the Zibo New Energy WTE Facility and have an additional 11 WTE facilities in the preparatory stage. We also intend to acquire the Zhuji Bafang WTE Facility and the Wenling Green Energy WTE Facility in the second half of 2016, for which we will convene an extraordinary general meeting to seek the approval of our shareholders. By end of 2016, we expect to increase our daily treatment capacity by 7,150 tons, an increase of 31% as compared to 30 June 2016. Looking forward, we will make unremitting effort to continue sustainable growth in our business, and create optimal returns for our shareholders."

Going forward, Jinjiang Environment will strive to expand its scale of operations, consolidate its position as a leader in the WTE industry in the PRC and adapt its technologies internationally. Jinjiang Environment will also strive to be a comprehensive waste energy service provider through expansion into

other verticals in the WTE industry. Jinjiang Environment hopes to achieve this through the following strategies and future plans:-

- maintaining its market leading position through organic and inorganic growth opportunities;
- further improve its technical capabilities to enhance its operating efficiency;
- diversify in the WTE value chain and establish itself as an integrated waste management services provider offering a comprehensive suite of waste collection, transportation, pre-treatment and treatment services;
- leverage on its market position and experience to grow its EMC and third party project management business; and
- expand its business internationally, with a specific focus on South-east Asia and other developing countries.

As disclosed in its IPO Prospectus, Jinjiang Environment intends to recommend and distribute dividends of 50% of its net profit after tax attributable to its shareholders (excluding exceptional items) for FY2016 and FY2017 to reward its shareholders.

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## **ABOUT JINJIANG ENVIRONMENT**

Jinjiang Environment 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. Jinjiang Environment's business primarily focuses on the planning, development, construction, operation and management of WTE facilities in the PRC. It operates 17 WTE facilities in 12 provinces, autonomous regions and centrally-administered municipalities in the PRC, and has an additional (i) four WTE facilities under construction, (ii) 11 WTE facilities in the preparatory stage and (iii) two WTE facilities over which it has an option to acquire. The facilities in operation have a total installed waste treatment capacity of 23,880 tons/day. The estimated total installed waste treatment capacity of all the WTE facilities, when fully completed and acquired, will be in excess of 44,000 tons/day.

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## **IMPORTANT NOTICE**

*This press release should be read in conjunction with the financial statements announced on SGXNET on 26 August 2016. This press release is for information only and may contain forward-looking statements that involve assumptions, risks and uncertainties.*