



## 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 9M2016 PATMI grows 34.3% to RMB394.2 million

- Total revenue increased 40.5% to RMB1,631.1 million in 9M2016; revenue from WTE business (including BOT construction revenue) increased 48.8% to RMB1,433.7 million
- Total waste treated increased 12.3% in 9M2016 to 5.7 million tons from 9M2015, and total waste treated increased 5.1% in 3Q2016 to 2.0 million tons from 3Q2015
- Electricity generated increased 9.7% in 9M2016 to 1,537.3 million kWh from 9M2015, and electricity generated increased 3.0% in 3Q2016 to 529.9 million kWh from 3Q2015
- Profit before tax increased by 40.1% to RMB572.5 million while EBITDA rose by 32.1% to RMB878.4 million for 9M2016

**(SINGAPORE, 2 November 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 financial results for the third quarter (“3Q2016”) and nine months (“9M2016”) ended 30 September 2016.**

Group Highlights (RMB'000)	3Q2016	3Q2015	% Change	9M2016	9M2015	% Change
Revenue	596,304	369,444	61.4	1,631,055	1,160,948	40.5
Gross profit	274,747	153,925	78.5	724,243	552,295	31.1
<i>Gross profit margin</i>						
- waste-to energy	53.6%	38.5%	15.1%	51.0%	43.4%	7.6%
- build-operate-transfer	12.9%	10.8%	2.1%	12.8%	10.8%	2.0%
- energy management contracting	76.5%	65.4%	11.1%	75.1%	77.5%	-2.4%
Profit before tax	199,780	113,667	75.8	572,485	408,507	40.1
EBITDA	296,683	212,396	39.7	878,374	664,897	32.1
PATMI	138,175	81,434	69.7	394,222	293,514	34.3
Earnings per Share (RMB cents)	12.13	8.14	49.0	37.66	29.35	28.3

The Group achieved a 40.5% increase in revenue in 9M2016, which was primarily due to the growth of the Group's WTE business (including 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 40.1% to RMB572.5 million while EBITDA rose by 32.1% to RMB878.4 million for 9M2016. Overall, PATMI grew strongly by 34.3% from RMB293.5 million in 9M2015 to RMB394.2 million in 9M2016.

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 61% and 62% of total revenue in 3Q2016 and 9M2016 respectively. Its gross profit margin improved by 15.1 percentage points from 38.5% in 3Q2015 to 53.6% in 3Q2016 and by 7.6 percentage points from 43.4% in 9M2015 to 51.0% in 9M2016, primarily due to an increase in the electricity supply fee for certain of the Group's WTE facilities following the release of the Batch Six Renewable Energy Electricity Price Subsidies Catalogue by the authorities.

	<b>Group 3Q2016</b>	<b>Group 3Q2015</b>	<b>% Change</b>	<b>Group 9M2016</b>	<b>Group 9M2015</b>	<b>% Change</b>
Electricity generated ('000 KWh)	529,910	514,250	3.0	1,537,270	1,401,380	9.7
On-grid electricity supplied ('000 KWh)	391,550	357,980	9.4	1,144,010	1,031,080	11.0
Steam supplied ('000 tonnes)	165	151	9.3	666	506	31.6
Waste treated ('000 tonnes)	1,952	1,857	5.1	5,687	5,064	12.3

On-grid electricity supplied and waste treated grew 9.4% and 5.1% respectively in 3Q2016 and 11.0% and 12.3% respectively in 9M2016, 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 14.1% from RMB880.7 million in 9M2015 to RMB1,005.0 million in 9M2016, 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 27% and 26% of total revenue in 3Q2016 and 9M2016 and its gross profit margin inched up by 2.1 and 2.0 percentage points for 3Q2016 and 9M2016 respectively. Revenue from construction services provided under BOT concession agreements significantly increased 418.4% from RMB82.7 million

in 9M2015 to RMB428.7 million in 9M2016 mainly due to the provision of construction services for the Songyuan Xinxiang WTE Facility and the Gaomi Lilangmingde WTE Facility.

The Group is scheduled to complete construction projects at the Hohhot New Energy WTE Facility, the Qitaihe Green Energy WTE Facility and the Gaomi Lilangmingde WTE Facility in the last quarter of 2016. Trial operation phase commenced at the Songyuan Xinxiang WTE Facility in August 2016. Expansion of the waste treatment capacity of the Wuhu Jinjiang WTE Facility and the Lianyungang Sunrise WTE Facility is also expected to be completed by end 2016, which will further increase the Group's installed waste treatment capacity by 1,700 t/d. Together with the acquisition of the entire equity interest in Zhejiang Zhuji Bafang Thermal Power Co., Ltd. and Wenling Green New Energy Co., Ltd., the Group expects the installed waste treatment capacity and installed electricity generation capacity to be 30,230 t/d and 532 MW/d respectively by the end of 2016.

### **EMC business**

The EMC business contributed 12% and 12% of total revenue in 3Q2016 and 9M2016 respectively. Its gross profit margin decreased to 75.1% in 9M2016 mainly due to the expansion of the EMC business. Together with technical upgrading and increases in the number of employees, this resulted in an increase in costs.

Overall, Jinjiang Environment recorded a 34.3% increase in PATMI of RMB394.2 million for 9M2016. Administrative expenses as a percentage of revenue reduced from 8.5% in 9M2015 to 7.7% in 9M2016.

Commenting on the Group's performance in 9M2016, Ms. Wang Yuanluo, Executive Chairman and Chief Executive Officer of Jinjiang Environment, said: "We have built on our encouraging financial performance in the first half of 2016 and have continued to deliver strong growth figures in the third quarter of 2016. Our ability to sustain growth stems from the efficient operation of our WTE facilities throughout the PRC and our extensive pipeline of new WTE facilities projected to commence operations or construction works. We will make unremitting effort to pursue sustained growth in our business, expand into international markets, create optimal returns for our shareholders, customers and employees, and build a stronger, more influential corporate brand."

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 actively expand internationally. Jinjiang Environment will also strive to be a comprehensive waste energy service provider and expand in the WTE value chain. 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 entered into agreements 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 45,000 tons/day.

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### **IMPORTANT NOTICE**

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