



## 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's revenue expands 11.6% in FY2018 from higher revenue generated by robust growth in all business segments

- Total revenue rises to RMB3,030.8 million in FY2018 driven by higher revenues from all of the Group's business segments.
- Records PATMI of RMB541.1 million.

Financial Highlights (RMB 'million)	12 months ended 31 Dec		
	FY2018	FY2017	Change (%)
<b>Total Revenue</b>	<b>3,030.8</b>	2,715.1	11.6
– Waste-to-Energy Business	1,808.4	1,767.7	2.3
– BOT Construction	644.8	556.3	15.9
– Project Technical & Management Service and EMC business	577.6	391.1	47.7
<b>PATMI</b>	<b>541.1</b>	601.2	(10.0)
<b>Basic earnings per share ("EPS") (RMB cents)<sup>a</sup></b>	<b>40.04</b>	49.35	(18.9)
<b>Net asset value ("NAV") per share (RMB cents)<sup>b</sup></b>	<b>378.45</b> (as at 31 December 2018)	387.64 (as at 31 December 2017)	(2.4)

a) EPS is calculated based on the weighted average number of ordinary shares in issue in FY2018 and FY2017, being 1,351,284,896 and 1,218,362,015 shares, respectively.

b) NAV is calculated based on the number of ordinary shares in issue at 31 December 2018 and 31 December 2017, being 1,443,246,800 and 1,221,581,000 shares, respectively.

**SINGAPORE, 3 March 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 (**“PRC”**), has announced its unaudited results for the financial year ended 31 December 2018 (**“FY2018”**). During FY2018, the Group maintained a steady momentum in its expansion and upgrading plans while intensifying the efforts on internationalising the business and enhancing its strategies on overseas expansion, leading to concurrent revenue growth in all its business segments. The Group achieved an 11.6% year-on-year (**“YOY”**) expansion in FY2018 revenue to RMB3,030.8 million. FY2018 gross profit achieved was RMB1,043.2 million while PATMI was RMB541.1 million. Basic earnings per share achieved was RMB40.04 cents.

### **Steady overall revenue growth achieved from concurrent growth in all business segments**

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

During FY2018, the Group made advancements on its upgrading plans with its eight **WTE** facilities undergoing upgrading, increasing their waste treatment capacity and the completion of upgrading works at the Zhuji Bafang WTE Facility, enabling steam and electricity cogeneration and hence an increase in revenue. At the Hangzhou Xiaoshan and Zibo Jinjiang WTE Facilities, electricity tariffs were raised and the waste collection and transportation operations in India also experienced revenue growth. In view of the above, revenue from the Group’s WTE Business achieved a YOY increase of 2.3% to RMB1,808.4 million from RMB1,767.7 million generated in the corresponding 12 months ended 31 December 2017 (**“FY2017”**).

The Group generated 2.23 billion kWh of electricity and supplied 1.56 billion kWh of on-grid electricity in FY2018, a dip of 8.4% YOY and 10.5% YOY respectively compared to FY2017. Total amount of waste treated dipped 1.7% YOY to 8.253 million tons. The upgrading of the eight WTE facilities resulted in less waste treated and electricity generated. The contribution from the waste collection and transportation operations in India increased, for excluding this, total amount of waste treated would be 9.6% less in FY2018 compared to FY2017. Post-upgrading, the newly-commissioned Zhuji Bafang WTE Facility which cogenerates steam and electricity, contributed to higher steam supply, specifically a 21.3% YOY increase to 2.916 million tons in FY2018.

#### BOT Construction

The Group’s construction services provided under build-operate-transfer concession agreements (**“BOT Construction”**) generated strong double-digit growth in revenue, which rose 15.9% YOY to RMB644.8 million in FY2018. This was mainly due to additional revenue from expansion of the Yinchuan Zhongke WTE Facility, Wenling Green Energy WTE Facility, Gaomi Lilangmingde WTE Facility and Suihua Green Energy WTE Facility and the Kunming Wuhua reconstruction project, as well as new revenue from the advancement of the projects in India in FY2018. Gross profit for this segment rose 25.6% YOY to RMB126.8 million in FY2018 in line with the higher

revenue. Financial income recognised under the service concession agreements increased from RMB29.1 million in FY2017 to RMB37.8 million in FY2018.

#### Project technical and management services and EMC business

The acquisition of Hangzhou Zhenghui Construction Engineering Co., Ltd. brought a larger number of contracts which led to significantly higher revenue from technical and management services including equipment selection and sales. The Project Technical and Management Services and Energy Management Contracting (“EMC”) Business put in a convincing performance in FY2018 with a 47.7% leap in revenue to RMB577.6 million in FY2018. In line with higher sales, gross profit for this segment rose 25.1% YOY to RMB361.0 million in FY2018.

#### **Establishing a strong business footprint, intensifying overseas expansion**

Jinjiang Environment has a robust project pipeline and several corporate initiatives and developments that are expected to contribute positively to revenue in the coming years.

As of 31 December 2018, the Group has 20 WTE facilities in commercial or trial operation and four operational resource recycling projects in the PRC, with a total installed waste treatment capacity and installed electricity generation capacity of 29,240 tons/day and 574 MW. The Group has six more WTE projects under construction, which will add 8,670 tons/day (including 220 tons/day of organic waste) and 219 MW to the Group's total installed waste treatment capacity and installed electricity generation capacity, respectively, and 18 other domestic pipeline WTE projects actively undertaking preparation work, which are expected to increase the Group's total installed waste treatment capacity and installed electricity generation capacity by 16,250 tons/day and 334.5 MW, respectively.

During the year in review, the Group made progress on the growth of its portfolio of facilities as well as the expansion of the capacities of the facilities. Overseas project acquisitions were made in Brazil and Indonesia and in Singapore, we secured an engineering, procurement and construction contract for Singapore's first mechanical-biological waste treatment project. In India, waste collection and transportation operations commenced successfully, positively impacting revenue. Following the completion of the WTE facilities in India, Brazil and Indonesia, the Group will gain an additional waste treatment capacity of 5,096 tons/day and electricity generation capacity of 100 MW.

Taking into consideration all its projects in operation, under construction and in the planning phase, both in the PRC and overseas, the Group's total installed waste treatment capacity is expected to reach 67,256 tons/day upon the completion of these projects. Moving forward, the Group will actively enforce its strategies tied to the government's 'Belt and Road Initiative' and Thirteenth Five-Year Plan. It will acquire and adapt advanced

technologies and knowledge from overseas markets, set new standards in its operations and enhance its technical expertise to strengthen its competitive positioning in overseas markets, with the longer term goal of being recognised as a global leader in the field of municipal solid waste management.

**Ms. Wang Yuanluo, Non-Executive, Non-Independent Chairman of Jinjiang Environment, said:**

*“2018 is Jinjiang Environment's 20<sup>th</sup> year in the environmental protection business. During the year, the Group continued to seek optimisation of how each business segment operates and strive for stability. We enhanced our management practices, and delivered results on the capacity expansion and transformation of our facilities. We focussed on technical research and enhanced our independent research and development capabilities, growing each business segment concurrently. Looking back at the WTE industry over the last 20 years, our technology has had a long history of development. Jinjiang Environment has independently developed a complete technology and system based on the Circulating Fluidised Bed (“CFB”) concept and is committed to the application and integration of this technology to CFB systems as well as moving grade technology systems.”*

*“The commissioning of the Shandong Linzi WTE Facility which started operating in 2018 is the benchmark project for domestic SRF (Solid Recovered Fuel) technology. The fuel preparation and high-parameter and high-capacity energy conversion technologies have established a milestone in WTE technology. During the year, the Group was also involved in the field of comprehensive organic waste disposal. The commencement of the comprehensive organic waste disposal project in Wenling City marked the opening of a new journey for the Group's collaboration in the Ecological Vein Industrial Park. Currently, the Group will continue with the expansion of the capacities of some of its domestic facilities, which is expected to be completed by the end of 2019. In order to grow the Group's various businesses more sustainably, the Board of Directors has adopted the management's recommendation not to issue dividends for FY2018. Moving forward, Jinjiang Environment will focus on cultivating high-quality projects, paying close attention to the building of management teams, steadily improving operational efficiency, refining its management practices, turning challenges into opportunities and maximising value for shareholders.”*

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**IMPORTANT NOTICE**

*This press release should be read in conjunction with the financial statements announced on SGXNET on 1 March 2019. This press release is for information only and may contain forward-looking statements that involve assumptions, risks and uncertainties.*

## **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 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 December 2018, it operates 20 WTE facilities and four 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) 18 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 67,256 tons/day.

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

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