



**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 FY2016 revenue and PATMI  
grow by 35.9% and 34.7%**

- Total revenue increased 35.9% year-on-year (“y-o-y”) to RMB2,631.9 million in FY2016 with revenue from WTE business (including BOT construction revenue) increasing 41.2% y-o-y to RMB2,348.6 million
- Final cash dividend of 5.05 Singapore cents per share
- Profit before tax for FY2016 increased by 29.0% y-o-y to RMB830.0 million while EBITDA increased by 29.6% y-o-y to RMB1,306.2 million
- Net attributable profit (or PATMI) for FY2016 increased 34.7% y-o-y to RMB597.6 million

**(SINGAPORE, 1 March 2017) – 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 strong revenue and net profit growth for the fourth quarter (“**4Q2016**”) and full year (“**FY2016**”) ended 31 December 2016.

<b>Group Highlights (RMB'000)</b>	<b>4Q2016</b>	<b>4Q2015</b>	<b>% Change</b>	<b>FY2016</b>	<b>FY2015</b>	<b>% Change</b>
Revenue	777,973	528,465	47.2	2,631,888	1,936,282	35.9
- WTE Business	692,008	452,592	52.9	2,348,571	1,662,908	41.2
- EMC Business	85,964	75,873	13.3	283,317	273,374	3.6
Gross profit	290,608	208,929	39.1	1,049,405	818,989	28.1
Gross profit margin						
- waste-to energy	32.0%	35.7%	-3.7 % pts	42.4%	40.7%	1.7 % pts
- build-operate-transfer	27.8%	11.3%	16.5 % pts	17.2%	12.8%	4.4 % pts
- energy management contracting	84.7%	81.4%	3.3 % pts	78.0%	78.6%	-0.6 % pts

Profit before tax	230,805	182,720	26.3	829,986	643,307	29.0
EBITDA	386,157	280,195	37.8	1,306,200	1,007,522	29.6
PATMI	185,250	116,420	59.1	597,583	443,653	34.7
Earnings per Share (RMB cents)	15.22	11.64	30.8	54.85	44.37	23.6

The Group capped off a year of consistent revenue growth with a 47.2% y-o-y increase in revenue for 4Q2016, driven largely by a 52.9% y-o-y growth of the Group's WTE business (including revenue from construction services provided under BOT concession agreements). The Group's energy management contracting ("**EMC**") business segment registered a 13.3% y-o-y growth. On a full-year basis, FY2016 revenue grew 35.9% y-o-y to RMB2,631.9 million with growth in the WTE business segment as the key driver, increasing 41.2% y-o-y to RMB2,348.6 million.

The Group's profitability remained strong, with FY2016 gross profit increasing 28.1% y-o-y to RMB1,049.4 million and improved gross profit margins for the main WTE business segment. The gross profit margin for the WTE business (excluding construction services provided under BOT concession agreements) increased from 40.7% to 42.4%, and the gross profit margin for construction services provided under BOT concession agreements increased from 12.8% to 17.2%.

EBITDA rose 37.8% y-o-y in 4Q2016 to RMB386.2 million and 29.6% y-o-y in FY2016 to RMB1,306.2 million. 4Q2016 PATMI registered strong growth with a 59.1% y-o-y increase to RMB185.3 million, which contributed to a 34.7% y-o-y increase in PATMI for FY2016 to RMB597.6 million. Earnings per share for FY2016 also registered a healthy 23.6% growth to RMB54.85 cents.

The Directors have recommended a final tax-exempt cash dividend of 5.05 Singapore cents per share.

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 Group's WTE business (excluding construction services provided under BOT concession agreements), which contributed 61.5% of total Group revenue, grew 20.9% y-o-y to RMB1,620.8 million in FY2016, with growth from all segments of the WTE business. Waste treatment revenue grew 15.8% y-o-y to RMB424.7 million driven by increased supply of municipal solid waste and the

commencement of operations of new WTE facilities. Steam sales revenue grew 32.1% y-o-y to RMB253.2 million. The increase in electricity supply fee to RMB0.65 per kWh for several existing WTE facilities, together with the receipt of retrospective payments from the higher fee, drove the increase in electricity supply revenue. Lastly, the acquisition of the Zhuji Bafang WTE Facility and the Wenling Green Energy WTE Facility, which was completed in FY2016, also contributed to the Group's revenue growth.

Driven by the increase in revenue, gross profit grew 26.0% y-o-y to RMB687.2 million in FY2016. Gross profit margin grew from 40.7% in FY2015 to 42.4% in FY2016, mainly due to cost control measures driving a reduction in operational costs, including coal costs and maintenance expenses.

Details of the electricity generated and supplied, steam supplied and waste treated for FY2016 and FY2015 are as follows:

	<b>Group 4Q2016</b>	<b>Group 4Q2015</b>	<b>% Change</b>	<b>Group FY2016</b>	<b>Group FY2015</b>	<b>% Change</b>
Electricity generated ('000 KWh)	626,290	480,940	30.2	2,314,300	1,984,690	16.6
On-grid electricity supplied ('000 KWh)	457,450	351,060	30.3	1,709,690	1,485,770	15.1
Steam supplied ('000 tonnes)	640	467	37.0	1,992	1,468	35.7
Waste treated ('000 tonnes)	2,073	1,750	18.5	8,134	6,928	17.4

In terms of production volume, the increased supply of municipal solid waste to the WTE facilities and additional operations from new facilities led to a 15.1% y-o-y increase in on-grid electricity supplied and a 17.4% y-o-y increase in waste treated.

(2) Construction services provided under BOT concession agreements

Construction services provided under BOT concession agreements contributed 27.7% of total revenue in FY2016, a y-o-y growth of 126.2% to RMB727.8 million. This was driven largely by the construction of the Songyuan Xinxiang WTE Facility and the Gaomi Lilangmingde WTE Facility, partially offset by a slight decline in financial income from BOT concession agreements. In line with this, gross profit increased 141.1% y-o-y to RMB141.3 million. Gross profit margin increased from 12.8% in FY2015 to 17.2% in FY2016, as optimisation of construction processes resulted in cost reductions.

## **EMC business**

Revenue from the Group's project technical and management services and EMC business, which only commenced expansion in the second half of FY2015, increased a slight 3.6% y-o-y to RMB283.3 million in FY2016 contributing 10.8% to total Group revenue. Notwithstanding higher costs incurred from the expansion of the EMC business driving up manpower and technical upgrading needs, gross profit increased 2.8% y-o-y to RMB220.9 million in FY2016, while gross profit margin decreased slightly from 78.6% in FY2015 to 78.0% in FY2016.

## **Chairman's Comment**

Commenting on the Group's performance in FY2016, Ms. Wang Yuanluo, Executive Chairman and Chief Executive Officer of Jinjiang Environment, said: "We are very encouraged by the achievement of a strong set of results by the Group both in terms of top line and bottom line performance. With the consistent application of our growth strategy and our ability to maintain efficient operations, we were able to harness opportunities brought about by favourable WTE government policies as well as growing demand for electricity supply and waste treatment from the local municipal authorities. Moving forward, the Group is well-positioned for further growth in size and capabilities as a leading WTE player in the PRC. With its extensive pipeline of new WTE facilities in development, it expects to sustain its growth momentum in the coming year. Its newly-listed status will also help open up more opportunities for the Group in terms of capabilities development, funding, and overseas expansion."

## **Outlook and Future Plans**

As part of the 13th five-year plan of the People's Republic of China ("PRC"), the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development had on 31 December 2016 issued the "13th Five-Year national urban solid waste treatment facilities construction plan". The aforesaid plan seeks, to achieve zero usage of landfills for the disposal of municipal solid waste in certain cities and municipalities by the end of 2020, and a harmless treatment incineration capacity of more than 50% of municipal solid waste for certain cities. This will ensure strong momentum for growth and development in relation to the waste treatment industry in the PRC.

The Group had initially expected to complete construction projects at the Hohhot New Energy WTE Facility, the Qitaihe Green Energy WTE Facility, Songyuan Xinxiang WTE Facility and the Gaomi Lilangmingde WTE Facility by the end of 2016. Trial production phase commenced at the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility in August 2016 and January 2017, respectively. Due to the exceptionally harsh climatic conditions in northern China in 2016 which delayed construction works, the Hohhot New Energy WTE Facility and the Qitaihe Green Energy WTE Facility are expected to commence operation in the second quarter of 2017.

As at 31 December 2016, the Group has nineteen WTE facilities in commercial or trial operation. The Group's total installed waste treatment capacity and installed electricity generation capacity is 27,430 t/d and 469 MW/d respectively. Upon completion of the Gaomi Lilangmingde WTE Facility, Hohhot New Energy WTE Facility, Qitaihe Green Energy WTE Facility and the Zibo New Energy WTE Facility which are currently under construction, the total installed waste treatment capacity and installed electricity generation capacity of the Group would be increased by 4,800 t/d and 133 MW/d respectively. In addition, the Group has commenced preparatory work for another fifteen projects for construction or further expansion. The Yinchuan Zhongke WTE Facility, Zhuji Bafang WTE Facility and Wenling Green Energy WTE Facility have commenced preparatory work for expansion of their existing waste treatment capacity and are seeking the relevant approvals. The above projects are expected to increase the Group's installed waste treatment capacity and installed electricity generation capacity by 15,260 t/d and 276 MW/d, respectively, bringing the Group's total installed waste treatment capacity to approximately 47,490 t/d.

The Group also targets projects outside of the PRC, with a specific focus on the South-east Asia market, where the waste composition is likely to be similar to that in the PRC. In addition, the Group will continue to research and adopt advanced pre-treatment technologies to enhance operating efficiency and reduce emissions at its WTE facilities through the continual improvement of its technical capabilities.

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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. It operates 19 WTE facilities in 12 provinces, autonomous regions and centrally-administered municipalities in the PRC, and has an additional (i) four WTE facilities under construction and (ii) 15 WTE facilities in the preparatory stage for construction or further expansion. The facilities in operation have a total installed waste treatment capacity of 27,430 tons/day. The estimated total installed waste treatment capacity of all the WTE facilities, when fully completed and acquired, will be approximately 47,490 tons/day.

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

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***IMPORTANT NOTICE***

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