

ZHENENG JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED

浙能锦江环境控股有限公司

(Incorporated in the Cayman Islands)

Company Registration Number: 245144

Zheneng Jinjiang Environment Announces 4Q2021 and FY2021 Results

- FY2021 revenue rises 31.6% year-on-year (“y-o-y”) to RMB4,060.4 million.
- Revenue contribution from WTE Business increases 17.2% y-o-y.
- Profit attributable to owners of the Company increases 34.0% y-o-y to RMB438.0 million in FY2021.

Financial Highlights (RMB'million)	Group					
	4Q2021	4Q2020	Change (%)	FY2021	FY2020	Change (%)
Total Revenue	1,657.0	873.8	89.6	4,060.4	3,084.7	31.6
- Waste-to-Energy Business	774.2	650.0	19.1	2,864.2	2,443.1	17.2
- BOT Construction	540.4	162.3	232.9	735.1	429.2	71.3
- Project Technical & Management Service, Equipment Selection and Sale and Energy Management Contracting (“EMC”) business	342.4	61.5	456.5	461.1	212.4	117.1
PATMI	178.7	129.3	38.2	438.0	326.9	34.0
Basic earnings per share (“EPS”) (RMB cents) ^a	12.29	8.89	38.2	30.12	22.48	34.0
Net asset value (“NAV”) per share (RMB cents) ^b	N.A	N.A	N.A	450.12 (as at 31 December 2021)	419.73 (as at 31 December 2020)	7.1

a) EPS for the fourth quarter and full year ended 31 December 2021 and 31 December 2020 were computed based on the weighted average number of Shares for the period.

b) The net asset value per Share as at 31 December 2021 and 31 December 2020 were computed based on the number of Shares in issue at the end of the period. The total number of issued Shares as at 31 December 2021 and 31 December 2020 were 1,454,024,700.

SINGAPORE, 28 February 2022 – Zheneng Jinjiang Environment Holding Company Limited (浙能锦江环境控股有限公司) (“**Zheneng Jinjiang Environment**” or the “**Company**” 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**” or “**China**”), has announced its unaudited results for the fourth quarter (“**4Q2021**”) and full year ended 31 December 2021 (“**FY2021**”).

In 2021, despite facing multiple challenges including the complex and challenging international environment and the domestic spread of the pandemic, China’s economy has been steadily recovering in 2021, with high-quality development attaining new achievements, marking a good start for the 14th Five-Year Plan. In 2021, the nominal gross domestic product of the PRC increased 8.1% year-on-year and the long-term economic fundamentals of China continue to be positive. However, with the increasing uncertainties in the international environment and the pressures and challenges faced by the domestic economy, it is vital to continue promoting economic stability and recovery.

The Group’s growth remains supported by the Chinese government’s stable policy to increase its focus on green energy and encourage development of the WTE industry as well as the entire environmental protection industry. During the 75th Session of the United Nations General Assembly, China commented that it will increase its national independent contributions by adopting more effective policies and measures, strive to reach the carbon dioxide emissions peak by 2030 and achieve carbon neutrality by 2060. In October 2021, the "Opinions of the Central Committee of the Communist Party of China and the State Council on Completely, Accurately and Comprehensively Implementing the New Development Concept and Doing a Good Job in Carbon Peaking and Carbon Neutralization" was issued, outlining systematic plans and overall deployment for carbon peaking and carbon neutralisation.

The Group’s FY2021 revenue increased 31.6% to RMB4,060.4 million, from RMB3,084.7 million in FY2020. The Group’s gross profit increased by 17.9% to RMB1,052.5 million in FY2021, while the profit for the period recorded increased from RMB330.5 million in FY2020 to RMB453.1 million in FY2021. The profit attributable to owners of the Company increased 34.0% to RMB438.0 million. Earnings per share was approximately RMB30.12 cents, up 34.0% from RMB22.48 cents in the same period last year.

WTE business (excluding revenue from construction services provided under Build-Operate-Transfer (“BOT”) concession agreements)

In FY2021, revenue from the Group’s WTE business increased 17.2% from RMB2,443.1 million in FY2020 to RMB2,864.2 million in FY2021. This constitutes 70.5% of the Group’s FY2021 revenue.

The increase in revenue was mainly due to commencement of operations of the Tangshan Jiasheng WTE Facility in Hebei Province and the New Kunming Wuhua WTE Facility in Yunnan Province (the “**Kunming Wuhua Reconstruction Project**”) in the second half of 2020 which led to a steady increase in waste treatment capacity and power generation. In addition, there was also an increase in contribution per waste treatment unit and increase in waste treatment capacity after the optimisation of power plant management and upgrading of the WTE facilities. The full resumption of operation and production in most areas (except for Suihua and certain other areas) which are no longer materially affected by the COVID-19 pandemic situation, and recovery from the COVID-19 leading to an increase in customers’ demand and an increase in steam supplied by the Zhengzhou Xingjin WTE Facility in Henan Province and Zhuji Bafang WTE Facility in Zhejiang Province, also contributed positively to the increase in revenue for FY2021.

BOT construction

Revenue from the Group’s BOT construction services provided under concession agreements (“**BOT Construction**”) increased 71.3% from RMB429.2 million in FY2020 to RMB735.1 million in FY2021, representing 18.1% of the Group’s FY2021 revenue.

In FY2021, BOT revenue was recorded for the Zhongwei WTE Project in Ningxia Hui Autonomous Region, Linzhou Jiasheng WTE Facility in Henan Province and the expansion project of Yunnan Green Energy WTE Facility while the BOT revenue recorded in FY2020 was largely contributed by the Kunming Wuhua Reconstruction Project.

Project technical and management services, Equipment Selection and Sale and EMC business

Revenue from the Group's project technical and management services and EMC business jumped 117.1% to RMB461.1 million in FY2021. This is due to (a) the increase in revenue generated from the technical services and equipment selection and procurement services provided by our subsidiary Hangzhou Zhenghui Construction Engineering Co., Ltd and (b) the Company and subsidiaries of Jinjiang Group agreed to make a one-time buyout settlement of the future service benefits of five energy management service contracts with contract values totaling RMB51.0 million in 4Q2021, which is partially offset by the reduction in profit-sharing ratio in the later stages of most of the EMC contracts of our subsidiary Hangzhou Kesheng Energy Technology Co., Ltd.

Promoting steady progress in various businesses to show strong resilience

In 4Q2021, the Group maintained normal operations, with project construction proceeding on schedule in an orderly manner.

The first phase of Zhongwei WTE Project (BOT) in Ningxia Hui Autonomous Region, the Baishan Green Energy WTE Facility (BOO) in Jilin Province, the Reconstruction Project of Wuhu Jinjiang WTE Facility (BOO) in Anhui Province and the Shijiazhuang Jinhuan Resource Recycling Project (BOO) in Hebei Province were put into operation in 4Q2021, adding an additional 1,100 tons/day in operational waste treatment capacity.

As of 31 December 2021, the Group has 3 WTE projects and 1 resource recycling projects under construction in China, namely two boilers and two turbines of Shijiazhuang Jiasheng WTE Facility (BOO) in Hebei Province, the expansion project of Yunnan Green Energy WTE Facility in Yunnan Province (BOT), the expansion project of Hohhot New Energy WTE Facility (BOO) in Inner Mongolia and the Songyuan Xinxiang Resource Recycling Project in Jilin Province, which are expected to be put into operation successively in 2022.

In addition, the Group has 14 WTE projects, 4 kitchen waste projects and 1 resource recycling project under preparation in China, which are undertaking preparatory works for construction on

schedule. Among them, the Jinghong Jiasheng WTE Facility in Yunnan Province is expected to start construction in the first half of 2022 and be put into operation in 2023.

Achieving epidemic prevention and production to ensure business continuity

Despite a series of local COVID-19 outbreaks in China which affected more than ten provinces including the locations where the Group's headquarters and some of its subsidiaries including the Xiaoshan Jinjiang WTE Facility and Yinchuan Zhongke WTE Facility are located, the Group's facilities in China have maintained normal and stable operations, with local waste processed in a timely manner and disposal standards achieved as a result of the Group's quick response in making prevention and control arrangements. In addition, some subsidiaries are also responsible for receiving the household waste and medical waste at isolation areas and carrying out emergency harmless treatment for them as required by the local government.

The Group's waste collection and transportation work in India has also been operating as usual, while adhering strictly to pandemic prevention and control rules and regulations. Special vehicles are also arranged to transport medical and domestic waste generated in high-risk areas such as isolation points and hospitals, with collected waste classified and processed according to the risk level.

Conscientiously implementing various favorable policies to enhance social recognition

The Group continued to actively strive for subsidies in accordance with national policies. In particular, the first phase of Tangshan Jiasheng WTE Facility in Hebei Province was included in the National Renewable Energy Subsidy Listing in 4Q2021 and five of the Group's newly commissioned WTE facilities (including expansion and reconstruction project) are in the process of applying for such subsidy.

In addition, the Group received several awards in 4Q2021 in recognition of its strong corporate citizenship including the "Social Benefit Contribution Award" granted by Polaris Environmental Protection Network and "Top Ten Influential Solid Waste Enterprises" granted by E20 Environmental Platform. The Group's subsidiary Yunnan Green Energy WTE Facility in Kunming City, Yunnan Province was also awarded as an intelligent benchmarking enterprise granted by E20 Environmental Platform, while the Jilin Xinxiang WTE Facility in Jilin Province was awarded

the "Excellent Power Plant Open to the Public" granted by Polaris Environmental Protection Network. The Zhuji Bafang WTE Facility in Shaoxing City, Zhejiang Province was also included in the list of the eleventh batch of ecological civilization education bases in Zhejiang Province announced by the Zhejiang Provincial Department of Ecology and Environmental Protection, which indicates the strong affirmation of the Group's efforts in educating the community on environmental protection.

Mr. Wei Dongliang (韦东良), Executive Chairman of Zheneng Jinjiang Environment, said:

"We are pleased to present a strong and resilient set of financials in FY2021. Moving ahead, on the back of China's increasing focus on green and low-carbon transformation and favourable policies by the Chinese government that will support the growth and development of the WTE industry, the Group will continue to leverage on resources and markets, give full play to the advantages of synergistic circulation and strive to extend the industrial chain to capture new opportunities and fulfil our mission of 'making the city more beautiful and making the environment more natural'. In addition, we will continue to strengthen our core operational capabilities, focus on digital reform, strive to become an outstanding environmental guardian through management improvement and technological innovation, and unswervingly making the high-quality development featuring ecological priority, green and low-carbon."

– End –

IMPORTANT NOTICE

This press release should be read in conjunction with the financial statements announced on SGXNET on 28 February 2022. This press release is for information only and may contain forward-looking statements that involve assumptions, risks and uncertainties.

ABOUT ZHENENG JINJIANG ENVIRONMENT

Zheneng Jinjiang Environment Holding Company Limited (浙能锦江环境控股有限公司) is one of the first and leading WTE operators 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 2021, it operates 25 WTE facilities, 1 organic waste treatment facility and 8 resource recycling facilities in the PRC. It has an additional (i) 5 projects under construction and (ii) 22 projects in the preparatory stage within the PRC and overseas. The facilities in operation have a total installed waste treatment capacity of 40,410 tons/day. The estimated total installed waste treatment capacity of all the facilities, when fully completed and acquired, will be 62,645 tons/day.

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