

**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 net profit increased significantly in 1H2023

- Total revenue increased 8.3% year-on-year due to the growth of core waste-to-energy business
- Revenue from waste-to-energy business increased 13.3% year-on-year due to the commencement of operation of new and expansion projects, improved technical efficiencies in power plant management, and the expansion of steam supply business
- Profit before tax doubled year-on-year and profit before tax excluding the foreign exchange effect increased 35.9% year-on-year

Financial Highlights (RMB'million)	1H2023	1H2022	Change (%)
Total revenue	1,992.2	1,839.3	8.3
▪ Waste-to-Energy business <sup>^</sup>	1,716.8	1,515.9	13.3
▪ Waste-to-Energy: BOT construction	213.3	314.9	(32.3)
▪ Project technical and management service, equipment selection and sale and EMC business	62.1	8.5	629.5
Gross profit	584.5	515.0	13.5
Profit before tax	365.0	173.2	110.7
Profit attributable to equity holders of the Company ("net profit")	266.3	93.5	184.9
Basic and diluted EPS (RMB cents)	18.32	6.43	184.9

<sup>^</sup> Sales of electricity, sales of steam, and waste treatment

**SINGAPORE, 9 August 2023 – 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"), a leading Waste-to-Energy ("WTE") operator in the People's Republic of China ("PRC" or "China"), has announced its unaudited results for the six months ended 30 June 2023 ("1H2023").

## Results Overview

Zheneng Jinjiang Environment recorded revenue of RMB1.99 billion in 1H2023, a year-on-year (“y-o-y”) increase of 8.3%. Sales from its core WTE business came in at RMB1.72 billion during the period, translating to a 13.3% y-o-y growth. Overall increase in revenue from WTE business due to the technical transformation and optimization of power plant management, savings in production costs, expansion of steam supply business, an increase in revenue from waste treatment, coupled with an increase in the total amount of waste treated.

Build-Operation-Transfer (“**BOT**”) projects under construction progressed according to schedule, and the revenue from BOT construction fell 32.3% y-o-y to RMB213.3 million in 1H2023. Meanwhile, revenue from the project technical and management service, equipment selection and sale and energy management contracting (“**EMC**”) business increased to RMB62.1 million y-o-y driven by the increase in equipment selection and sales.

In line with the top-line growth, 1H2023 gross profit rose 13.5% y-o-y to RMB584.5 million. Gross profit margin expanded by 1.3 percentage points to 29.3% in 1H2023 mainly due to higher efficiency and output following the technical improvements made to our power plant management and expansion of steam supply business.

Profit before tax (“**PBT**”) doubled y-o-y to RMB365.0 million in 1H2023 benefiting from the increase in gross profit of the main business (+RMB69.5 million y-o-y), higher tax refund (+RMB20.6 million y-o-y), higher gain on sales of scrap materials (+RMB19.5 million y-o-y), and lower foreign exchange losses (-RMB89.8 million y-o-y), amongst others. The early repayment of syndicated term loan facility resulted in the exchange gain of RMB17 million in 1H2023 and avoided an exchange loss of RMB38 million on repayment at maturity date. The Group registered a PBT margin of 18.3% in 1H2023, 8.9 percentage points higher than last year.

## Outlook

As China pushes ahead with its goal of Carbon Peaking and Carbon Neutrality, the Chinese Government has, in recent years, been implementing various policies to encourage a further increase in the proportion of renewable energy consumption across the country, therefore the Group anticipates that green certificate trading and carbon asset management, amongst others, will be one of the growth factors for the WTE industry in the years ahead.

In tune with the industry trajectory, the Group has promoted the orderly growth of the WTE projects to further expand its current waste treatment capacity of 42,705 tonnes of waste per day. Among them include three (3) WTE projects under construction as well as 16 WTE projects, three (3) kitchen waste treatment projects, and one (1) waste resource recycling project in the preparatory stage. The estimated total installed waste treatment capacity of all the facilities, when fully completed and acquired, will be 62,220 tonnes/day.

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

“The main focus of the Company's development is in technological innovation and management improvement. Through technological improvements led by digitalisation and further optimisation of management standards to strengthen the stock, and the expansion of capacity in reliance existing capabilities, stable progress in production capacity is achieved. Our early efforts into the improvement of the operational management efficiency of our power plants are now starting to bear fruits in 1H2023. As we continue to explore and improve, we also have a series of initiatives to strengthen the Company's industrial chain, which will progressively consolidate our revenue base over the foreseeable future. On the whole, we are optimistic that we will continue to deliver sustainable growth for our shareholders, leveraging our extensive experience and expertise in the space as well as the Government's efforts to steer this green transition.”

– End –

***IMPORTANT NOTICE***

*This press release should be read in conjunction with the financial statements announced on SGXNET on 9 August 2023. 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) (Stock code: BWM) 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, Singapore, Indonesia and Germany. As at 30 June 2023, it operates 26 WTE facilities, 2 kitchen waste treatment facilities and 9 waste resource recycling facilities in the PRC. It has an additional (i) 3 projects under construction and (ii) 20 projects in the preparatory stage within the PRC and overseas. The facilities in operation have a total installed waste treatment capacity of 42,705 tonnes/day. The estimated total installed waste treatment capacity of all the facilities, when fully completed and acquired, will be 62,220 tonnes/day.

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