



**CHINA JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED**

中国锦江环境控股有限公司

(Company Registration Number: 245144)

(Incorporated in the Cayman Islands on 8 September 2010)

**Unaudited First Quarter Financial Statements For The Period Ended 31 March 2018**

**Background**

China Jinjiang Environment Holding Company Limited (the “Company” and together with its subsidiaries, the “Group”) was incorporated as an exempted company with limited liability under the laws of the Cayman Islands on 8 September 2010. The Company was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 3 August 2016.

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

The Board of Directors of the Company announces the unaudited financial results of the Group for the first quarter (“1Q”) ended 31 March 2018.

**1(a)(i) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statement of Comprehensive Income**

	<b>Group 1Q2018 RMB'000</b>	<b>Group 1Q2017 RMB'000</b>	<b>Change + / (-) %</b>
Revenue	754,868	557,579	35.4
Cost of sales	(544,257)	(319,891)	70.1
<b>Gross profit</b>	<b>210,611</b>	<b>237,688</b>	<b>(11.4)</b>
Other income and other gains and losses	61,528	26,128	135.5
Share of loss of a joint venture	(17)	-	N.M.
Administrative expenses	(69,124)	(49,989)	38.3
Finance costs	(60,790)	(35,587)	70.8
<b>Profit before tax</b>	<b>142,208</b>	<b>178,240</b>	<b>(20.2)</b>
Income tax expense	(39,454)	(51,835)	(23.9)
<b>Profit and total comprehensive income</b>	<b>102,754</b>	<b>126,405</b>	<b>(18.7)</b>
Profit and total comprehensive income attributable to:			
- owners of the Company	100,847	127,445	(20.9)
- non-controlling interests	1,907	(1,040)	(283.4)
	<b>102,754</b>	<b>126,405</b>	<b>(18.7)</b>

## 1 (a)(ii) Notes to the Consolidated Statement of Comprehensive Income

	Group 1Q2018 RMB'000	Group 1Q2017 RMB'000	Change + / (-) %
<b>Profit before tax has been arrived at after charging (crediting):</b>			
Staff costs (including directors' emoluments)	65,239	52,793	23.6
Cost of inventories recognised as expense	97,864	112,711	(13.2)
Depreciation of property, plant and equipment	74,361	77,908	(4.6)
Amortisation of prepaid leases	2,772	2,913	(4.8)
Amortisation of intangible assets	15,217	7,633	99.4
Total depreciation and amortisation	92,350	88,454	4.4
Government grants and tax refund	9,133	19,308	(52.7)
Bank interest income	535	191	180.1
Gain on sales of scrap materials	6,964	7,939	(12.3)
Foreign exchange gains (losses)	42,184	(1,310)	(3,320.2)
Sludge disposal fee	2,712	-	N.M.
Other income and other gains and losses	61,528	26,128	135.5

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>Group</b> <b>As at 31 Mar</b> <b>2018</b> <b>RMB'000</b>	<b>Group</b> <b>As at 31 Dec</b> <b>2017</b> <b>RMB'000</b>	<b>Company</b> <b>As at 31 Mar</b> <b>2018</b> <b>RMB'000</b>	<b>Company</b> <b>As at 31 Dec</b> <b>2017</b> <b>RMB'000</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5,766,699	5,699,242	-	-
Prepaid leases	265,822	254,759	-	-
Intangible assets	2,305,074	2,020,819	-	-
Investment in associates	53,804	53,804	-	-
Investment in subsidiaries	-	-	1,790,640	1,790,640
Investment in joint ventures	16,002	14,019	5,022	5,039
Service concession receivables	309,190	316,816	-	-
Other receivables	185,423	145,263	-	-
<b>Total non-current assets</b>	<b>8,902,014</b>	<b>8,504,722</b>	<b>1,795,662</b>	<b>1,795,679</b>
<b>Current assets</b>				
Inventories	71,236	58,791	-	-
Prepaid leases	12,233	11,228	-	-
Service concession receivables	34,421	34,421	-	-
Trade and other receivables	777,994	766,163	9,672	9,868
Other tax recoverable	144,795	124,694	-	-
Amounts due from related parties	263,736	354,557	-	-
Amounts due from non-controlling interests	41,662	27,976	-	-
Amounts due from subsidiaries	-	-	1,364,801	1,224,314
Pledged bank deposits	404,118	340,980	232,048	239,556
Bank balances and cash	626,120	1,123,446	117,262	364,360
Assets classified as held for sale	1,728,714	1,397,312	-	-
<b>Total current assets</b>	<b>4,105,029</b>	<b>4,239,568</b>	<b>1,723,783</b>	<b>1,838,098</b>
<b>Total assets</b>	<b>13,007,043</b>	<b>12,744,290</b>	<b>3,519,445</b>	<b>3,633,777</b>
<b>Current liabilities</b>				
Trade and other payables	1,225,624	1,198,941	6,800	12,482
Amounts due to related parties	82,861	115,368	-	-
Amount due to subsidiaries	-	-	1,947	1,947
Income tax liabilities	76,007	102,565	-	-
Other tax liabilities	34,127	49,812	-	-
Dividends payable	1,397	1,397	-	-
Borrowings	1,100,827	1,208,678	-	-
Obligations under finance leases	395,660	385,895	-	-

	<b>Group</b> <b>As at 31 Mar</b> <b>2018</b> <b>RMB'000</b>	<b>Group</b> <b>As at 31 Dec</b> <b>2017</b> <b>RMB'000</b>	<b>Company</b> <b>As at 31 Mar</b> <b>2018</b> <b>RMB'000</b>	<b>Company</b> <b>As at 31 Dec</b> <b>2017</b> <b>RMB'000</b>
Deferred grant	38,283	36,157	-	-
Notes payable	20,410	38,201	20,410	38,201
Liabilities directly associated with assets held for sale	914,674	665,937	-	-
<b>Total current liabilities</b>	<b>3,889,870</b>	<b>3,802,951</b>	<b>29,157</b>	<b>52,630</b>
<b>Net current assets</b>	<b>215,159</b>	<b>436,617</b>	<b>1,694,626</b>	<b>1,785,468</b>
<b>Total assets less current liabilities</b>	<b>9,117,173</b>	<b>8,941,339</b>	<b>3,490,288</b>	<b>3,581,147</b>
<b>Non-current liabilities</b>				
Borrowings	1,813,090	1,601,790	-	-
Notes payable	1,224,293	1,272,209	1,224,293	1,272,209
Obligations under finance leases	487,871	591,387	-	-
Deferred tax liabilities	413,099	398,030	-	-
Deferred grant	162,676	164,533	-	-
Provision for major overhauls	22,197	22,197	-	-
<b>Total non-current liabilities</b>	<b>4,123,226</b>	<b>4,050,146</b>	<b>1,224,293</b>	<b>1,272,209</b>
<b>Net assets</b>	<b>4,993,947</b>	<b>4,891,193</b>	<b>2,265,995</b>	<b>2,308,938</b>
<b>Capital and reserves</b>				
Share capital	81	81	81	81
Reserves	4,836,061	4,735,214	2,265,914	2,308,857
Equity attributable to owners of the company	4,836,142	4,735,295	2,265,995	2,308,938
Non-controlling interests	157,805	155,898	-	-
<b>Total equity</b>	<b>4,993,947</b>	<b>4,891,193</b>	<b>2,265,995</b>	<b>2,308,938</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 31 Mar 2018		As at 31 Dec 2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
1,514,957	1,940	1,630,834	1,940

**Amount repayable after one year**

As at 31 Mar 2018		As at 31 Dec 2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
3,522,034	3,220	3,462,166	3,220

**Details of any collateral**

The borrowings are secured by the pledge of electricity tariffs receivables, certain property, plant and equipment, prepaid leases and intangible assets.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group 1Q2018 RMB'000</b>	<b>Group 1Q2017 RMB'000</b>
<b>Operating activities</b>		
Profit before tax	142,208	178,240
Adjustments for:		
Finance costs	60,790	35,587
Interest income	(8,157)	(5,549)
Depreciation of property, plant and equipment	74,361	77,908
Amortisation of prepaid leases	2,772	2,913
Amortisation of intangible assets	15,217	7,633
Deferred grant recognised	(4,400)	(4,956)
Share of loss of a joint venture	17	-
Gains (losses) on foreign exchange	(42,184)	1,310
Operating cash flows before movements in working capital	240,624	293,086
Increase in trade and other receivables	(175,571)	(138,801)
Decrease (Increase) in service concession receivables	8,606	(1,602)
Increase in other tax recoverable	(17,541)	(21,234)
(Increase) Decrease in inventories	(12,445)	6,305
Increase in intangible assets	(292,830)	(27,880)
Increase in trade and other payables	277,240	16,220
(Decrease) Increase in other tax liabilities	(25,499)	9,789
Decrease (Increase) in amounts due from related parties	90,821	(3,025)
Increase in amounts due from non-controlling interests	(13,686)	(10,520)
Increase (Decrease) in amounts due to related parties	71,726	(5,388)
<b>Cash generated from operations</b>	<b>151,445</b>	<b>116,950</b>
Income tax paid	(50,943)	(46,567)
<b>Net cash from operating activities</b>	<b>100,502</b>	<b>70,383</b>
<b>Investing activities</b>		
Interest received	535	191
Payments for property, plant and equipment	(712,125)	(277,050)
Payment for acquisition of subsidiaries	-	(366)
Payment for prepaid leases	(11,396)	(342)
Investment in joint ventures	(2,000)	-
Increase in pledged bank deposits	-	(48,233)
<b>Net cash used in investing activities</b>	<b>(724,986)</b>	<b>(325,800)</b>
<b>Financing activities</b>		
Proceeds from borrowings	830,684	835,710

	<b>Group 1Q2018 RMB'000</b>	<b>Group 1Q2017 RMB'000</b>
Proceeds from obligations under finance leases	-	91,188
Repayment of borrowings	(488,933)	(454,035)
Repayment of obligations under finance leases	(104,064)	(62,035)
Payment of finance costs	(83,084)	(29,164)
Payment for notes issue costs	(2,190)	-
Advances/Repayment from related parties	-	-
Advances/Repayment to related parties	(13,227)	(78,122)
Increase in pledged notes	-	(16,000)
Increase in pledged bank deposits	(63,138)	-
Deferred grants	6,369	1,569
<b>Net cash flow from financing activities</b>	<b>82,417</b>	<b>289,111</b>
<b>Net (decrease) increase in cash and cash equivalent</b>	<b>(542,067)</b>	<b>33,694</b>
<b>Cash and cash equivalent at beginning of period</b>	<b>1,276,454</b>	<b>540,854</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>(19,488)</b>	<b>-</b>
<b>Cash and cash equivalent at end of period represented by bank balances and cash **</b>	<b>714,899</b>	<b>574,548</b>

\*\* : An amount of RMB88,779,000 is classified under assets held for sale.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Merger reserves	Statutory		Other reserves	Retained earnings	Subtotal	Non-controlling interests		
					surplus reserve	Translation reserve						
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>Group</b>												
<b>At 1 January 2018</b>	81	1,391,627	393,694	(67,642)	103,962	(4,170)	28,152	2,889,591	4,735,295		155,898	4,891,193
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	100,847	100,847		1,907	102,754
<b>At 31 March 2018</b>	81	1,391,627	393,694	(67,642)	103,962	(4,170)	28,152	2,990,438	4,836,142		157,805	4,993,947
<b>At 1 January 2017</b>	81	1,676,060	393,694	(67,642)	99,012	-	28,152	2,293,335	4,422,692		168,613	4,591,305
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	127,445	127,445		(1,040)	126,405
<b>At 31 March 2017</b>	81	1,676,060	393,694	(67,642)	99,012	-	28,152	2,420,780	4,550,137		167,573	4,717,710
<b>At 1 April 2017</b>	81	1,676,060	393,694	(67,642)	99,012	-	28,152	2,420,780	4,550,137		167,573	4,717,710
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	168,289	168,289		(187)	168,102
<u>Transactions with owners, recognised directly in equity</u>												
Dividends paid	-	(303,500)	-	-	-	-	-	-	(303,500)		-	(303,500)
<b>At 30 June 2017</b>	81	1,372,560	393,694	(67,642)	99,012	-	28,152	2,589,069	4,414,926		167,386	4,582,312
<b>At 1 July 2017</b>												



	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Merger reserves RMB'000	Statutory		Other reserves RMB'000	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
					surplus	Translation					
					reserve	reserve					
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	81	1,372,560	393,694	(67,642)	99,012	-	28,152	2,589,069	4,414,926	167,386	4,582,312
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	100,819	100,819	(5,273)	95,546
<u>Transactions with owners, recognised directly in equity</u>											
Issue of shares	-	17,484	-	-	-	-	(13,475)	-	4,009	-	4,009
Share award expense	-	-	-	-	-	-	13,475	-	13,475	-	13,475
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(1,409)	(1,409)
<b>At 30 September 2017</b>	<b>81</b>	<b>1,390,044</b>	<b>393,694</b>	<b>(67,642)</b>	<b>99,012</b>	<b>-</b>	<b>28,152</b>	<b>2,689,888</b>	<b>4,533,229</b>	<b>160,704</b>	<b>4,693,933</b>
<b>At 1 October 2017</b>	<b>81</b>	<b>1,390,044</b>	<b>393,694</b>	<b>(67,642)</b>	<b>99,012</b>	<b>-</b>	<b>28,152</b>	<b>2,689,888</b>	<b>4,533,229</b>	<b>160,704</b>	<b>4,693,933</b>
Profit for the period	-	-	-	-	-	-	-	204,653	204,653	(2,924)	201,729
Other comprehensive income for the period	-	-	-	-	-	(4,170)	-	-	(4,170)	-	(4,170)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	100	100
<u>Transactions with owners, recognised directly in equity</u>											
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	4,488	4,488
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(6,470)	(6,470)
Issue of shares	-	1,583	-	-	-	-	-	-	1,583	-	1,583
Appropriation to reserves	-	-	-	-	4,950	-	-	(4,950)	-	-	-
<b>At 31 December 2017</b>	<b>81</b>	<b>1,391,627</b>	<b>393,694</b>	<b>(67,642)</b>	<b>103,962</b>	<b>(4,170)</b>	<b>28,152</b>	<b>2,889,591</b>	<b>4,735,295</b>	<b>155,898</b>	<b>4,891,193</b>

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>Company</b>						
<b>At 1 January 2018</b>	81	1,391,627	1,057,112	-	(139,882)	2,308,938
Loss and total comprehensive loss for the period	-	-	-	-	(42,943)	(42,943)
<b>At 31 March 2018</b>	81	1,391,627	1,057,112	-	(182,825)	2,265,995
<b>At 1 January 2017</b>	81	1,676,060	1,057,112	-	(49,622)	2,683,631
Loss and total comprehensive loss for the period	-	-	-	-	(2,934)	(2,934)
<b>At 31 March 2017</b>	81	1,676,060	1,057,112	-	(52,556)	2,680,697
<b>At 1 April 2017</b>	81	1,676,060	1,057,112	-	(52,556)	2,680,697
Profit and total comprehensive profit for the period	-	-	-	-	8,869	8,869
<u>Transactions with owners, recognised directly in equity</u>						
Dividends paid	-	(303,500)	-	-	-	(303,500)
<b>At 30 June 2017</b>	81	1,372,560	1,057,112	-	(43,687)	2,386,066
<b>At 1 July 2017</b>	81	1,372,560	1,057,112	-	(43,687)	2,386,066
Loss and total comprehensive loss for the period	-	-	-	-	(23,141)	(23,141)
<u>Transactions with owners, recognised directly in equity</u>						
Issue of shares	-	17,484	-	(13,475)	-	4,009
Share award expense	-	-	-	13,475	-	13,475
<b>At 30 September 2017</b>	81	1,390,044	1,057,112	-	(66,828)	2,380,409
<b>At 1 October 2017</b>	81	1,390,044	1,057,112	-	(66,828)	2,380,409
Loss and total comprehensive loss for the period	-	-	-	-	(73,054)	(73,054)
<u>Transactions with owners, recognised directly in equity</u>						
Issue of shares	-	1,583	-	-	-	1,583
<b>At 31 December 2017</b>	81	1,391,627	1,057,112	-	(139,882)	2,308,938

**1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the share capital of the Company in 1Q2018. The Company has no outstanding convertibles, treasury shares or subsidiary holdings.

**1(d)(iii) Total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding financial year.**

The total number of issued Shares as at 31 March 2018 and 31 December 2017 was 1,221,581,000. The Company has no treasury shares.

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as the Company has no treasury shares.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company has no subsidiary holdings.

**(2) Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

**(3) Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**(4) Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Apart from what is disclosed in paragraph (5) below, the same accounting policies and methods of computation have been applied in these unaudited financial statements as those applied in the most recently audited financial statements for the year ended 31 December 2017.

**(5) If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all accounting standards that are effective from 1 January 2018 but the adopted changes have no material effect.

**(6) Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Group</b>	
	<b>1Q2018</b>	<b>1Q2017</b>
Basic earnings per Share (RMB cents)	8.26	10.47
Weighted average number of Shares	1,221,581,000	1,216,824,200
Fully diluted earnings per Share (RMB cents)	8.26	10.47
Weighted average number of Shares	1,221,581,000	1,216,824,200

The earnings per Share for 1Q2018 and 1Q2017 was computed based on the weighted average number of Shares for the period.

The total number of issued Shares as at 31 March 2018 and 31 December 2017 was 1,221,581,000.

**(7) Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	<b>Group</b>	
	<b>As at 31 Mar 2018</b>	<b>As at 31 Dec 2017</b>
Net asset value per Share (RMB cents)	395.89	387.64
Number of Shares in issue at the end of the period	1,221,581,000	1,221,581,000

The net asset value per Share as at 31 March 2018 and 31 December 2017 was computed based on the number of Shares in issue at the end of the period.

The total number of issued Shares as at 31 March 2018 and 31 December 2017 was 1,221,581,000.

(8) A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

## Income Analysis

### 1Q2018 vs 1Q2017

#### Revenue

	1Q2018 RMB'000	%	1Q2017 RMB'000	%	Change %
Sales of electricity	205,634	27.2	265,266	47.6	(22.5)
Sales of steam	106,287	14.1	82,052	14.7	29.5
Revenue from waste treatment fees	140,024	18.6	122,051	21.9	14.7
<b>Waste-to-energy business</b>	<u>451,945</u>	59.9	<u>469,369</u>	84.2	(3.7)
Revenue from construction services provided under service concession agreements	260,648	34.5	29,744	5.3	776.3
Financial income under service concession agreements	7,622	1.0	5,358	1.0	42.3
<b>Construction services</b>	<u>268,270</u>	35.5	<u>35,102</u>	6.3	664.3
<b>Project technical and management service and EMC business</b>	<u>34,653</u>	4.6	<u>53,108</u>	9.5	(34.7)
<b>Total</b>	<u>754,868</u>	100.0	<u>557,579</u>	100.0	35.4

Revenue increased 35.4% from RMB557.6 million in 1Q2017 to RMB754.9 million in 1Q2018, primarily due to an increase in revenue from:-

#### Construction services provided under BOT concession agreements

Revenue from construction services provided under build-operate-transfer ("BOT") concession agreements increased by 664.3% from RMB35.1 million in 1Q2017 to RMB268.3 million in 1Q2018 due to an increase in revenue from the provision of construction services under BOT concession agreements from RMB29.7 million in 1Q2017 to RMB260.6 million in 1Q2018, as there were more construction services pertaining to the construction of the WTE facilities in India, which accounted for approximately RMB207.3 million in BOT construction revenue, and the expansion of the Yinchuan Zhongke WTE Facility, Gaomi Lilangmingde WTE Facility and Wenling Green Energy WTE Facility. Finance income increased from 5.4 million in 1Q2017 to 7.6 million in 1Q2018.

This is offset by:

#### (a) Project technical and management services and EMC business

Revenue from project technical and management services and EMC business decreased 34.7% from RMB53.1 million in 1Q2017 to RMB34.7 million in 1Q2018. The revenue from EMC business is recognised based on profit sharing percentage and such percentages usually decrease progressively during the contractual period. As the profit sharing percentage for a major EMC project has decreased to a lower level in 1Q2018 as compared to 1Q2017, and there was less revenue recognised from one-off contracted services provided in 1Q2018 as compared to 1Q2017, this resulted in less revenue recognised from project technical and management services and EMC business in 1Q2018 compared to 1Q2017.

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

Revenue from our waste-to-energy (“WTE”) business (excluding revenue from construction services provided under BOT concession agreements) decreased 3.7% from RMB469.4 million in 1Q2017 to RMB451.9 million in 1Q2018. The decrease was attributable to the eight WTE facilities undergoing expansion and upgrading, resulting in a lower amount of waste treated and leading to lower revenue from sales of electricity, as well as the receipt of a smaller amount of retrospective payments arising from increases in electricity supply fee in 1Q2018 as compared to 1Q2017 when retrospective payments in excess of RMB30 million were received, offset by (i) an increase in revenue from sales of steam from RMB82.1 million in 1Q2017 to RMB106.3 million in 1Q2018 due to the expansion of the coal-fired generation plant at Zhuji Bafang, (ii) an increase in waste treated following the commencement of waste collection and transportation operations for the Lucknow project in India and (iii) an increase in the electricity supply fee for the Zibo Jinjiang WTE Facility and Zibo Green Energy WTE Facility to RMB0.65 per kWh pursuant to the release of the Batch Six Renewable Energy Electricity Price Subsidies Catalogue by the authorities and the receipt of retrospective payments arising from increases in electricity supply fee in 1Q2018. The remaining 12 operational WTE facilities which are not undergoing upgrading remain in stable operation and did not experience a lower amount of revenue in 1Q2018 compared to 1Q2017.

Details of the electricity generated and supplied, steam supplied and waste treated for 1Q2018 and 1Q2017 are as follows:

	<b>Group 1Q2018</b>	<b>Group 1Q2017</b>	<b>Change %</b>
Electricity generated ('000 KWh)	515,379	624,910	(17.5)
On-grid electricity supplied ('000 KWh)	355,433	455,990	(22.1)
Steam supplied ('000 tonnes)	778	593	31.2
Waste treated ('000 tonnes)	2,005	2,227	(10.0)

On-grid electricity supplied and waste treated decreased 22.1% and 10.0% in 1Q2018 as compared to 1Q2017, due to the eight WTE facilities undergoing expansion and upgrading. The decrease in the amount of waste treated was partially offset by the waste collection and transportation operations by the Group in India in 1Q2018 following the securing of the Indian projects by the Group. The remaining 12 operational WTE facilities which are not undergoing upgrading remain in stable operation and did not experience a lower amount of waste treated and electricity generated and supplied in 1Q2018 as compared to 1Q2017. The increase in steam supplied is due to additional coal-fired generation facilities of the Zhuji Bafang WTE Facility becoming operational in 2017.

Assuming all other operating and macroeconomic conditions (save for the progress of the Upgrading Project) remain constant, in line with the schedule for the upgrading of incineration furnaces under the Upgrading Project, the Company expects to see an improvement in the amount of waste treated, the amount of electricity generated and supplied, and the revenue from the WTE business (excluding BOT construction revenue) towards the end of 2018.

**Cost of sales**

Cost of sales increased 70.1% from RMB319.9 million in 1Q2017 to RMB544.3 million in 1Q2018, due to an increase in the cost of sales from:-

(a) Construction services provided under BOT concession agreements

The cost of sales from construction services provided under BOT concession agreements increased 734.9% from RMB25.9 million in 1Q2017 to RMB216.1 million in 1Q2018 due to more construction services under BOT concession agreements in 1Q2018, and hence more costs were recorded in 1Q2018.

(b) Project technical and management services and EMC business

The cost of sales from project technical and management services and our EMC business increased 94.0% from RMB12.5 million in 1Q2017 to RMB24.3 million in 1Q2018, primarily due to more investment into research and development in 1Q2018.

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

The cost of sales from our WTE business (excluding cost of sales from construction services provided under BOT concession agreements) increased 8.0% from RMB281.5 million in 1Q2017 to RMB303.9 million in 1Q2018. The increase is due to (i) the commencement of waste collection and transportation operations for the Lucknow project in India, which accounted for 89.0% of the increase in cost of sales and (ii) an increase in coal prices.

**Gross profit and gross profit margin**

	Gross Profit (RMB million)		Gross Profit Margin	
	1Q2018	1Q2017	1Q2018	1Q2017
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	148,048.0	187,858.0	32.8%	40.0%
Construction services provided under BOT concession agreements	44,548.0	3,864.0	17.1%	13.0%
Project technical and management service and EMC business	10,393.0	40,608.0	30.0%	76.5%
Financial income under service concession agreements	7,622.0	5,358.0	N.A.	N.A.
Total	210,611.0	237,688.0	27.9%	42.6%

As a result of the foregoing, the gross profit decreased 11.4% from RMB237.7 million in 1Q2017 to RMB210.6 million in 1Q2018, which was driven by a decrease in gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) and project technical and management services and our EMC business, and partially offset by an increase in the gross profit from construction services provided under BOT concession agreements.

Gross profit and gross profit margin of our WTE business (excluding gross profit from construction services provided under BOT concession agreements)

The gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) decreased 21.2% from RMB187.9 million in 1Q2017 to RMB148.0 million in 1Q2018, primarily due to a decrease in the revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) from RMB469.4 million in 1Q2017 to RMB451.9 million in 1Q2018, mainly due to the eight WTE facilities undergoing expansion and upgrading and an increase in the cost of sales from our WTE business (excluding the cost of sales from construction services provided under BOT concession agreements) from RMB281.5 million in 1Q2017 to RMB303.9 million in 1Q2018, due to the commencement of waste collection and transportation operations in India as well as increase in coal prices. The gross profit margin of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) decreased from 40.0% in 1Q2017 to 32.8% in 1Q2018.

Gross profit and gross profit margin of project technical and management services and our EMC business

The gross profit from project technical and management services and our EMC business decreased 74.4% from RMB40.6 million in 1Q2017 to RMB10.4 million in 1Q2018, due to a decrease in the revenue from project technical and management services and our EMC business from RMB53.1 million in 1Q2017 to RMB34.7 million in 1Q2018, and an increase in the cost of sales from project technical and management services and our EMC business from RMB12.5 million in 1Q2017 to RMB24.3 million in 1Q2018. Accordingly, the gross profit margin of project technical and management services and our EMC business decreased from 76.5% in 1Q2017 to 30.0% in 1Q2018. The reduction in profit sharing percentage resulted in a decrease in revenue, with no corresponding decrease in cost of sales. Cost of sales, on the other hand, increased due to more investment into research and development and hence contributed to the decrease in gross profit margin in 1Q2018.

### Gross profit and gross profit margin of construction services provided under BOT concession agreements

The gross profit from construction services provided under BOT concession agreements increased 466.0% from RMB9.2 million in 1Q2017 to RMB52.2 million in 1Q2018, due to an increase in the revenue recognised from construction services provided under BOT concession agreements from RMB29.7 million in 1Q2017 to RMB260.6 million in 1Q2018 and an increase in the cost of sales from construction services provided under BOT concession agreements from RMB25.9 million in 1Q2017 to RMB216.1 million in 1Q2018. The increase is due to more construction services pertaining to the construction of WTE facilities in India, which accounted for gross profit of approximately RMB37.3 million, and the expansion of Yinchuan Zhongke WTE Facility, Gaomi Lilangmingde WTE Facility, Wenling Green New Energy WTE Facility. Finance income increased from 5.4 million in 1Q2017 to 7.6 million in 1Q2018. The gross profit margin increased from 13.0% in 1Q2017 to 17.1% in 1Q2018. The gross profit margin for the India project is 18.0% and thus resulted in an increase in gross profit margin as compared to 1Q2017.

### ***Other income and other gains and losses***

Other income and other gains and losses increased 135.5% from RMB26.1 million in 1Q2017 to RMB61.5 million in 1Q2018, due primarily to foreign exchange gains of RMB42.2 million, arising mainly from monies held in United States Dollars and income from the disposal of sludge, offset by a decrease in one-time government subsidy.

### ***Administrative expenses***

Administrative expenses increased 38.3% from RMB50.0 million in 1Q2017 to RMB69.1 million in 1Q2018, mainly due to administrative expenses attributable to the WTE project under construction in Lucknow, India as well as the increase in salaries and social security costs attributable to the Qitaihe Green Energy WTE Facility and Gaomi Lilangmingde WTE Facility commencing commercial operation. Administrative expenses as a percentage of revenue increased from 9.0% in 1Q2017 to 9.2% in 1Q2018.

### ***Finance costs***

Finance costs increased 70.8% from RMB35.6 million in 1Q2017 to RMB60.8 million in 1Q2018, primarily increase in bank borrowings as well as expensing of interest for projects that commenced operations.

### ***Profit before tax***

As a result of the foregoing, profit before tax decreased 20.2% from RMB178.2 million in 1Q2017 to RMB142.2 million in 1Q2018.

### ***Income tax expense***

Income tax expense decreased 23.9% from RMB51.8 million in 1Q2017 to RMB39.5 million in 1Q2018 due to the decrease in taxable profit.

### ***Profit for the period***

As a result of the foregoing, profit for the period decreased 18.7% from RMB126.4 million in 1Q2017 to RMB102.8 million in 1Q2018.



**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Financial Position**

As at 31 March 2018, total assets amounted to RMB13,007.0 million, an increase of RMB262.7 million or 2.1% as compared to total assets of RMB12,744.3 million as at 31 December 2017.

### **Non-current assets**

Non-current assets increased 4.7% by RMB397.3 million from RMB8,504.7 million as at 31 December 2017 to RMB8,902.0 million as at 31 March 2018.

The increase is attributable to more projects being constructed which resulted in (i) property, plant and equipment increasing 1.2% by RMB67.5 million from RMB5,699.2 million as at 31 December 2017 to RMB5,766.7 million as at 31 March 2018 and (ii) intangible assets increasing 14.1% by RMB284.3 million from RMB2,020.8 million as at 31 December 2017 to RMB2,305.1 million as at 31 March 2018. The aforesaid projects include the expansion of the Yinchuan Zhongke WTE Facility, Gaomi Lilangmingde WTE Facility, Wenling Green Energy WTE Facility and the construction of the pipeline projects in India. Other receivables increased 27.6% by RMB40.1 million from RMB145.3 million as at 31 December 2017 to RMB185.4 million as at 31 March 2018, as a result of increase in advances and prepayment for equipment.

### **Current assets**

Current assets decreased 3.2% by RMB134.6 million from RMB4,239.6 million as at 31 December 2017 to RMB4,105.0 million as at 31 March 2018.

The decrease is mainly due to (i) bank balances decreasing 44.3% by RMB497.3 million from RMB1,123.4 million as at 31 December 2017 to RMB626.1 million as at 31 March 2018 due to more progress payments and repayment of borrowings and (ii) amount due from related parties decreasing 25.6% by RMB90.8 million from RMB354.6 million as at 31 December 2017 to RMB263.8 million as at 31 March 2018 due to repayments from related parties, offset by (i) pledged deposits increasing 18.5% by RMB63.1 million from RMB341.0 million as at 31 December 2017 to RMB404.1 million as at 31 March 2018 due to bank guarantees issued for overseas projects, (ii) trade and other receivables increasing 1.5% by RMB11.8 million from RMB766.2 million as at 31 December 2017 to RMB778.0 million as at 31 March 2018 due mainly to the revenue increase from our WTE business and prepayments for coal purchase and (iii) assets classified as held for sale increasing 23.7% by RMB331.4 million from RMB1,397.3 million as at 31 December 2017 to RMB1,728.7 million as at 31 March 2018 due to certain reclassifications made.

### **Current liabilities**

Current liabilities increased 2.3% by RMB86.9 million from RMB3,803.0 million as at 31 December 2017 to RMB3,889.9 million as at 31 March 2018.

The increase is mainly due to (i) obligations under finance leases increasing 2.5% by RMB9.8 million from RMB385.9 million as at 31 December 2017 to RMB395.7 million as at 31 March 2018 due to more obligations under finance leases being classified from long term to short term, (ii) trade and other payables increasing 2.2% by RMB26.7 million from RMB1,198.9 million as at 31 December 2017 to RMB1,225.6 million as at 31 March 2018 due to higher payables recorded in 1Q2018 in accordance with contractual payment terms and (iii) liabilities associated with assets classified as held for sale increasing 37.4% by RMB248.8 million from RMB665.9 million as at 31 December 2017 to RMB914.7 million as at 31 March 2018 due to certain reclassifications made, offset by (i) borrowings decreasing 8.9% by RMB107.9 million from RMB1,208.7 million as at 31 December 2017 to RMB1,100.8 million as at 31 March 2018 due to repayment of borrowings, (ii) amounts due to related parties decreasing 28.2% by RMB32.5 million from RMB115.4 million as at 31 December 2017 to RMB82.9 million as at 31 March 2018 due to the repayments of the amounts due to related parties on the books of the Zhuji Bafang WTE Facility and Wenling Green Energy WTE Facility after their acquisition by the Group.

### **Non-current liabilities**

Non-current liabilities increased 1.8% by RMB73.1 million from RMB4,050.1 million as at 31 December 2017 to RMB4,123.2 million as at 31 March 2018.

The increase is mainly due to borrowings increasing 13.2% by RMB211.3 million from RMB1,601.8 million as at 31 December 2017 to RMB1,813.1 million as at 31 March 2018 due to (i) new borrowings for the Gaomi Lilangmingde WTE Facility, offset by certain classification into short term borrowings, and (ii) deferred tax liabilities increasing 3.8% by RMB15.1 million from RMB398.0 million as at 31 December

2017 to RMB413.1 million as at 31 March 2018 arising from construction services provided under the BOT concession agreements and tax provision for dividends, offset by notes payable decreasing 3.8% by RMB47.9 million from RMB1,272.2 million as at 31 December 2017 to RMB1,224.3 million as at 31 March 2018.

### **Capital and reserves**

As at 31 March 2018, capital and reserves amounted to RMB4,993.9 million, an increase of 2.1% or approximately RMB102.7 million as compared to total net assets of RMB4,891.2 million as at 31 December 2017, due to the retained earnings for 1Q2018.

### **Cashflow Review**

Operating cashflow increased by RMB30.1 million from RMB70.4 million in 1Q2017 to RMB100.5 million in 1Q2018. The increase is mainly due to faster collection of trade and other receivables in 1Q2018 as compared to 1Q2017 and profit before tax for 1Q2018, offset by an increase in intangible assets due to construction services under BOT concession agreements in 1Q2018.

Investing cash outflow increased by RMB399.2 million from RMB325.8 million outflow in 1Q2017 to RMB725.0 outflow million in 1Q2018. The increase is mainly due to more payment for property, plant and equipment and intangible assets for both local and overseas projects and prepaid leases for the Shijiazhuang and Tangshan projects.

Financing cashflow decreased by RMB206.7 million from RMB289.1 million in 1Q2017 to RMB82.4 million in 1Q2018 due to the net decrease in borrowings and obligations under finance leases.

Bank balances and cash as at 31 March 2018 is RMB714.9 million.

### **(9) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

### **(10) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

#### **(A) WTE Facilities**

As of 31 March 2018, the Group has twenty WTE facilities in commercial or trial operation (excluding the Hangzhou Yuhang WTE Facility which had voluntarily ceased operations in August 2017), with a total installed waste treatment capacity and installed electricity generation capacity of 28,280 t/d and 521 MW/d, respectively. Three WTE projects of the Group under construction, namely, the Zibo New Energy WTE Facility, expansion of the Yinchuan Zhongke WTE Facility and second phase expansion of the Zhuji Bafang WTE Facility are expected to commence trial operations by the second quarter of 2018, the second quarter of 2018 and the third quarter of 2018 respectively. Upon completion, these three projects are expected to add 3,000 t/d and 107 MW/d to the Group's total installed waste treatment capacity and installed electricity generation capacity, respectively.

In addition, as disclosed in the Company's IPO prospectus and in prior announcements of the results of the Company, due to constraints in the availability of land resources in urban areas for physical expansion to meet the growing demand for waste treatment and the need to calibrate WTE boilers to handle municipal solid waste of a higher calorific value following pre-treatment, the Group has been undertaking a large-scale technical upgrading project ("Upgrading Project"). The Upgrading Project involves eight of the Group's operational WTE facilities which are older and have potential to handle a higher volume of waste requiring treatment. When completed, the aforesaid technical upgrading project is expected to expand the waste treatment capacity of the Group by approximately 5,000 t/d, whilst also reducing emission levels and the proportion of coal used at the Group's WTE facilities.

As disclosed in prior announcements of the results of the Company, due to changes in the land use planning and environmental policies of the relevant local governments, the Group had signed a letter of intent with the relevant local authorities in charge of the Hangzhou Yuhang WTE Facility for it to be shut down and disposed of in the first half of 2018. Negotiations with the relevant local authorities regarding compensation payments for the closure of the Hangzhou Yuhang WTE Facility are expected to conclude by

the end of the first half of 2018, and the Group has already received approximately RMB35 million, with the final compensation amount expected to be close to the book value of the Hangzhou Yuhang WTE Facility. As previously announced, the Group may also be required to close or cease operations at another two of its older WTE facilities, namely the Zibo Jinjiang WTE Facility and Kunming Jinjiang WTE Facility. The Zibo Jinjiang WTE Facility and Kunming Jinjiang WTE Facility are currently operating as per normal, and the timeline for any such closure or cessation of operations will be determined based on the progress of completion of new WTE facilities which the Group is constructing in the same locations as the Zibo Jinjiang WTE Facility and Kunming Jinjiang WTE Facility. The Group's intention is for the waste currently treated by the Zibo Jinjiang WTE Facility and Kunming Jinjiang WTE Facility to be treated by the new facilities when they are completed. Management will actively review the situation and liaise with the relevant local governments to manage the procedures for any closures that may be required and the corresponding compensation.

In addition, the Group has commenced preparatory work for the construction or expansion of the waste treatment capacity of another 21 projects in the PRC. The relevant preparatory work has been completed, and approvals obtained, for the Shijiazhuang Jiasheng WTE Facility and Tangshan Jiasheng WTE Facility, for which construction is expected to begin in the second quarter of 2018. The relevant governmental approvals are in the process of being sought for the Kunming Wuhua WTE Facility, expansion of the Wenling Green Energy WTE Facility, Linzhou Jiasheng WTE Facility, Yan'an Guojin WTE Facility and Zhongwei Green Energy WTE Facility. In aggregate, the aforesaid 21 pipeline projects are expected to increase the Group's total installed waste treatment capacity and installed electricity generation capacity by 21,550 t/d and 462 MW/d, respectively.

The Group will also continue to build up its pipeline of new projects and accelerate the Group's expansion of its network of WTE facilities in China and elsewhere. In the first quarter of 2018, the Group had established project companies in Bayannaoer, Inner Mongolia Autonomous Region, and Wuhan, Hubei Province, the latter of which has secured a WTE and resource recycling project with a total planned waste treatment capacity of 3,000 t/d.

The Group secured three overseas projects in Lucknow, Gwalior and Gurgaon, India in 2017. Construction of these projects are expected to commence in the first half of 2018 and when completed, are expected to add 3,271 t/d and 55 MW/d to the Group's total installed waste treatment capacity and installed electricity generation capacity, respectively. In addition, the Group has agreed to invest for a 51% stake in a project company in Brazil, Foxx URE-BA Ambiental Ltda, which will construct and operate a WTE project located in Barueri, São Paulo, Brazil with a planned waste treatment capacity of 825 t/d. When completed, this would be the first ever WTE project in Brazil and is also the first public-private partnership in the WTE industry in Brazil.

#### (B) Recycling and Environmental Protection Projects

In addition, the Group will continue to focus on the development of its resource recycling projects. The Group has commenced construction or preparatory work for seven resource recycling projects in Jiangsu, Shandong, Hebei, Hubei and Heilongjiang, which upon completion, will increase the installed waste treatment capacity of the Group by 3,160 t/d.

In order to integrate European advanced drying and sorting technology with the Group's circulating fluidised bed technology, the Group, through its indirect, wholly-owned subsidiary Gevin Limited has incorporated a wholly-owned subsidiary, Waste Tec GmbH, in Solms, Germany, securing a foothold for the Group in the environmental protection market in Europe and adopting proven waste dehydration and sorting technologies in synergy with the Group's own suite of integrated waste-to-energy technologies.

Taking into consideration all the projects (including the above resource recycling projects) under construction, to be constructed or expanded and new potential projects, both in the PRC and overseas, the Group's total installed waste treatment capacity is expected to reach approximately 65,086 t/d upon the completion of these projects.

#### (C) Construction Capability

Furthermore, in view of the increasing number of overseas projects secured by the Group and the Group's extensive pipeline of waste-to-energy and related projects in the PRC, the Group has acquired the entire equity interest in Hangzhou Zhenghui Construction Engineering Co., Ltd., together with its existing engineering and management team, in the second quarter of 2018. The acquisition would enable the Group to establish an in-house platform with integrated design, engineering, procurement and construction

capabilities, which would assist to mitigate design, construction, procurement and engineering risks and increase efficiency in terms of the design, construction, engineering and management of projects. This also serves as a platform for further technical-related collaboration with third parties both within and outside the PRC and would upgrade the WTE technological and equipment capabilities of the Group.

(D) The Upgrading Project

The Upgrading Project has affected the financial performance of the Group for 1Q2018. Even though the Group has seen positive performance for the other parts of its business, the reduction in capacity and increase in costs brought about by the Upgrading Project are expected to continue to affect the Group's financial performance until towards the end of 2018. The Upgrading Project, which is expected to be completed in 2019, is currently progressing as scheduled and the Group expects its financial performance to improve as the upgraded plants recommence operation in due course. In line with the schedule for the upgrading of incineration furnaces under the Upgrading Project, the Company expects to see an improvement in the amount of waste treated, the amount of electricity generated and supplied, and the revenue from the WTE business (excluding BOT construction revenue) towards the end of 2018.

The Group is also in the process of exploring and diversifying its funding options to meet the needs of the Group's expansion plan (including the Upgrading Project) as set out above.

Nonetheless, the Group expects to complete its proposed dividend payment of 5.10 Singapore cents per share subject to approval by shareholders at the upcoming annual general meeting of the Company to be held on 30 April 2018.

**(11) If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividends have been declared or recommended for the current reporting period.

**(b)(i) Amount per share (cents)**

Not applicable.

**(b)(ii) Previous corresponding period (cents)**

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) Books closure date**

Not applicable.

**(12) If no dividend has been declared (recommended), a statement to that effect.**

No dividends have been declared or recommended for the current financial period reported on.

**(13) If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) RMB'000
<b>Purchases of coal from:</b>		
Linan Huawang Reneng Co., Ltd.	26,724	-
<b>Construction services contracts awarded to:</b>		
Zhejiang Jinxin Construction Engineering Co., Ltd.	-	1,469
<b>Project technical and management services provided to:</b>		
Shanxi Xiaoyi Xing'an Chemical Co., Ltd.	-	492
<b>Energy management contracting services provided to:</b>		
Shanxi Xiaoyi Xing'an Chemical Co., Ltd.	-	23,217
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	-	2,785
<b>Total</b>	<b>26,724</b>	<b>27,963</b>

**(14) Negative Confirmation by the Board pursuant to Rule 705(5).**

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group for the first quarter ended 31 March 2018 to be false or misleading in any material respect.

**(15) Confirmation pursuant to Rule 720 (1) of the Listing Manual.**

The Company confirms that it has procured the undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Wang Yuanluo  
Non-Executive, Non-Independent Chairman

22 April 2018

China International Capital Corporation (Singapore) Pte. Limited was the sole issue manager, global coordinator, bookrunner and underwriter (the "**Sole Issue Manager, Global Coordinator, Bookrunner and Underwriter**") for the initial public offering of China Jinjiang Environment Holding Company Limited. The Sole Issue Manager, Global Coordinator, Bookrunner and Underwriter assumes no responsibility for the contents of this announcement.