

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 3Q2022 and 9M2022 Results

- 9M2022 revenue rises 16.9% year-on-year (“y-o-y”) to RMB2,810.0 million
- Core revenue contribution from WTE Business increases 13.9% y-o-y in 9M2022, while contribution from BOT Construction up 110.6%
- 9M2022 gross profit of RMB801.3 million marks 9.44% increase y-o-y

Financial Highlights (RMB'million)	Group					
	3Q2022	3Q2021	Change (%)	9M2022	9M2021	Change (%)
Total Revenue	970.7	790.1	22.9	2,810.0	2,403.3	16.9
- Waste-to-Energy Business	863.8	747.4	15.6	2,379.7	2,090.0	13.9
- BOT Construction	95.1	36.5	160.3	410.0	194.7	110.6
- Project Technical & Management Service, Equipment Selection and Sale and Energy Management Contracting (“EMC”) business	11.8	6.2	90.1	20.3	118.7	(82.9)
PATMI	(45.8)	65.5	N.A.	47.7	259.3	(81.6)
Basic earnings per share (“EPS”) (RMB cents) ^a	(3.15)	4.50	N.A.	3.28	17.83	(81.6)
Net asset value (“NAV”) per share (RMB cents) ^b	-	-	-	454.80 (as at 30 September 2022)	450.12 (as at 31 December 2021)	(3.8)

a) EPS for the third quarter and nine months ended 30 September 2022 and 30 September 2021 were computed based on the weighted average number of Shares for the period.

b) NAV per Share as at 30 September 2022 and 31 December 2021 was computed based on the number of Shares in issue at the end of the period. The total number of issued Shares as at 30 September 2022 and 31 December 2021 were 1,454,024,700.

SINGAPORE, 9 November 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 third quarter (“**3Q2022**”) and nine months ended 30 September 2022 (“**9M2022**”).

Since the beginning of 2022, in the face of complex and challenging domestic and international situations and various uncertainties, the Chinese government maintained strong focus in both pandemic control and economic and social development. The national economy has continued to recover under pressure, achieving a 3.0% y-o-y growth in nominal gross domestic product in 9M2022, and the economy showing a positive recovery trend in general. However, increasing complexities and challenges arising from the international environment, and considering that the prospects for domestic economic recovery are still uncertain, the Chinese government continues to strengthen the foundation for the recovery of economic stability and to ensure the economy operates within a reasonable range.

2022 marks a milestone for the implementation of the "14th Five-Year Plan". In the context of “Carbon Neutrality and Carbon Peaking”, the government's policy to encourage the development of the WTE industry and the entire environmental protection industry remains unchanged. In October 2022, the Report to the 20th National Congress of the Communist Party of China (CPC) listed the promotion of the harmonious coexistence of man and nature as one of the essential requirements of Chinese modernization, stressing once again the principle that lucid waters and lush mountains are invaluable assets, and that harmony between humanity and nature must be maintained in long term development planning.

The Group’s revenue increased 16.9% to RMB2,810.0 million in 9M2022, from RMB2,403.3 million in 9M2021. The Group’s gross profit increased 9.4% to RMB801.3 million in 9M2022, from RMB732.2 million in 9M2021. The Group also recorded a PATMI of RMB47.7 million for the period, due to the appreciation of the United States Dollar against the Chinese Renminbi in 9M2022, which resulted in a substantial unrealised foreign exchange loss of RMB247.7 million in respect of the Group’s net foreign currency liabilities (being mainly syndicated term loan facility and other borrowings of US\$350 million). The profit for 9M2022, excluding the foreign

exchange effects, increased by RMB53.3 million from RMB256.2 million in 9M2021 to RMB309.5 million in 9M2022.

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

In 9M2022, revenue from the Group’s WTE business increased 13.9% from RMB2,090.0 million in 9M2021 to RMB2,379.7 million. This constitutes approximately 84.7% of the Group’s 9M2022 revenue. Gross profit of the Group’s WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased by RMB72.1 million or 11.2% from RMB640.8 million in 9M2021 to RMB712.9 million in 9M2022.

The increase in revenue was mainly attributable to waste treated (including waste collection and transportation operations in India) increasing by 6.4% in 9M2022 as compared to 9M2021, which was due to commencement of operations of the Linzhou Jiasheng WTE Facility in Henan Province and Leting Jinhuan New Energy WTE Facility in Hebei Province and the technical transformation and optimization of the power plant management, which resulted in revenue from waste treatment and sales of electricity increasing by RMB123.4 million. In addition, there was an increase in the unit price of heat supply at Zhuji Bafang WTE Facility in Zhejiang Province due to higher coal prices and an increase in steam supplied in 9M2022 as compared to 9M2021, which resulted in the increase in sales of steam by a total of RMB166.2 million.

Construction services provided under BOT concession agreements

Revenue from the Group’s construction services provided under BOT concession agreements (“**BOT Construction**”) surged 110.6% from RMB194.7 million in 9M2021 to RMB410.0 million in 9M2022, representing 14.6% of its 9M2022 revenue.

The gross profit from construction services provided under BOT concession agreements (including financial income) increased RMB27.8 million from RMB55.8 million in 9M2021 to RMB83.5 million in 9M2022. The gross profit from the construction services provided under BOT concession agreements increased RMB29.6 million in 9M2022 as compared to 9M2021 and the gross profit from financial income under service concession agreements decreased by RMB1.9 million. Due to the decrease in the proportion of financial income, the gross profit margin including financial income has decreased from 28.64% in 9M2021 to 20.37% in 9M2022. In 9M2022, BOT

revenue was recorded for Songyuan Xinxiang Resource Recycling Project in Jilin Province, Expansion Project of Yunnan Green Energy WTE Facility and Jinghong Jiasheng WTE Project in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province and others. The BOT revenue in 9M2022, based on the construction investment amount and progress of the aforesaid projects, is higher than in 9M2021.

Project technical and management services, equipment selection and sale and EMC business

Revenue from the Group's project technical and management services, equipment selection and sale and EMC business decreased 82.9% to RMB20.3 million in 9M2022, constituting 0.7% of the Group's 9M2022 revenue.

The gross profit from project technical and management services, equipment selection and sale and EMC business decreased 86.3% or RMB30.7 million from RMB35.6 million in 9M2021 to RMB4.9 million in 9M2022. This was mainly due to the Company having agreed a one-time buyout settlement of the future service benefits in 4Q2021 and the reduction in profit-sharing ratio in the later stages of most of the EMC contracts.

Stabilising and rationalising operational structure

In 3Q2022, with a view towards ensuring normal and stable operations, the Group's operating companies actively approached the local governments for subsidies, to facilitate its development. In July 2022, the fiscal subsidy for fly ash disposal of Xiaoshan Jinjiang WTE Facility in Hangzhou, Zhejiang Province was adjusted from RMB1,746 per tonne to RMB1,900 per tonne. In August 2022, the Qitaihe Green Energy WTE Facility in Heilongjiang Province signed a waste supply and settlement agreement with a local third party with the waste treatment fee RMB50 per tonne, which was higher than the RMB35 per tonne agreed in the service concession agreement. In September 2022, Wuhu Jinjiang WTE Facility in Anhui Province received RMB10.16 million in subsidies from the new industrialization policy in support of the enterprise technology transformation project.

Meanwhile the Group's project construction is progressing on schedule in an orderly manner. In July 2022, the Expansion Project of Yunnan Green Energy WTE Facility in Yunnan Province was

put into operation, increasing the Group's waste treatment capacity by 750 tonnes per day and promoting the environment protection of Kunming City. The Linzhou Kitchen Waste Treatment Project in Henan Province entered into trial operations smoothly, increasing the Group's waste treatment capacity by 45 tonnes per day, turning kitchen waste into urban mineral resources, and promoting the establishment of a more environmentally-friendly and resource-conscious society in Linzhou City. In September 2022, the Songyuan Xinxiang Resource Recycling Project in Jilin Province was officially put into operation, which contributed to the improvement in concentration rate of waste collection and transportation, and to the enhancement of synergic disposal effects with the Songyuan Xinxiang WTE Facility.

In addition, the Group is also continuing to follow up on the progress of compensation for the closure of the Old Kunming Wuhua WTE Facility in Kunming, Yunnan Province. The local government has engaged a third-party asset appraisal company to conduct an overall appraisal of the assets of the Old Kunming Wuhua WTE Facility. At present, the Group has communicated with the local government on the status of the closure of the Old Kunming Wuhua WTE Facility. The land repurchase and reserve and execution of the compensation agreement is expected to complete by the end of 2022. The Group has separately engaged another third-party asset appraisal company to provide a valuation report on the assets. Based on the valuation report, the Group does not expect any impairment arising from the closure of the Old Kunming Wuhua WTE Facility.

As of 30 September 2022, the Group invests in 25 operational WTE facilities, 2 kitchen waste treatment facility and 9 waste resource recycling facilities in the PRC with a total installed waste treatment capacity of 41,955 tonnes per day. Besides, the Group has 4 WTE projects under construction, 16 WTE projects, 3 kitchen waste treatment projects and 1 waste resources project in preparation in China and overseas, which are undergoing active preparatory work. Taking into consideration all its projects in operation, under construction and in the planning phase, the Group's total installed waste treatment capacity is expected to reach 62,220 tonnes per day upon the completion of these projects.

Adhering to pandemic prevention and control rules

In 3Q2022, there were a series of localised COVID-19 outbreaks in several areas of China. In the face of severe challenges of pandemic prevention and control, the Group adhered to pandemic

prevention and control rules, made active deployments according to the development of the pandemic and adapted swiftly to changing policies. As of 30 September 2022, the Group's domestic facilities have maintained normal and stable operations, processing the local waste in a timely manner and in accordance with the disposal standards.

The Group's waste collection and transportation in India is still operating normally while adhering strictly to the relevant pandemic prevention and control rules and regulations.

The Group will continue to closely monitor the COVID-19 situation and will take preventive and control measures in strict accordance with the requirements of the local government, which has helped ensure the safety of Group's employees. The Company will announce any material developments regarding its business and operations in a timely manner in compliance with Rule 703 of the Listing Manual.

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

“Despite the prolonged challenges induced by the pandemic, Zheneng Jinjiang Environment will continue to benefit from the government’s unchanged stance which encourages the development of the WTE and environmental protection industries, particularly in the context of carbon neutrality and carbon peaking. I am also pleased to announce that the Group was named one of the Top 500 Global New Energy Companies. This is testament to the Group’s hard work and commitment towards providing reliable alternative energy options and further solidifies our position as a leading WTE operator in the PRC. Moving forward, we will continue to adhere to the vision of ‘Beautifying the Cities and Making the Environment more Natural’, focus on the improvement of operation management and the application of new technology, and explore new synergistic cycle effect, to achieve green, high-quality and sustainable development.”

– End –

IMPORTANT NOTICE

This press release should be read in conjunction with the financial statements announced on SGXNET on 9 November 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, Singapore, Indonesia and Germany. As at 30 September 2022, it operates 25 WTE facilities, 2 organic waste treatment facility and 9 resource recycling facilities in the PRC. It has an additional (i) 4 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 41,955 tonnes/day. The estimated total installed waste treatment capacity of all the facilities, when fully completed and acquired, will be 62,220 tonnes/day.

ISSUED FOR AND ON BEHALF OF	:	Zheneng Jinjiang Environment Holding Company Limited
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd 158 Cecil Street, #05-01 Singapore 069545
CONTACT	:	Ms Chia Hui Kheng / Ms Jass Lim at +65 6534 5122
EMAIL	:	zhenengjinjiang@citigatedewerogerson.com
