



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 Third Quarter And Nine Months Financial Statements For The Period Ended 30 September 2017

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 third quarter (“3Q”) and nine months (“9M”) ended 30 September 2017.

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

	Group 3Q2017 RMB'000	Group 3Q2016 RMB'000 (Restated)	Change +/-) %	Group 9M2017 RMB'000	Group 9M2016 RMB'000 (Restated)	Change +/-) %
Revenue	580,406	658,396	(11.8)	1,856,439	1,853,916	0.1
Cost of sales	(428,051)	(375,755)	13.9	(1,174,737)	(1,095,118)	7.3
Gross profit	152,355	282,641	(46.1)	681,702	758,798	(10.2)
Other income and other gains and losses	25,963	8,392	209.4	89,449	76,178	17.4
Gain on disposal of a subsidiary	64,981	-	N.M.	64,981	-	N.M.
Administrative expenses	(65,743)	(53,971)	21.8	(163,589)	(136,478)	19.9
Finance costs	(43,645)	(33,918)	28.7	(117,952)	(99,316)	18.8
Profit before tax	133,911	203,144	(34.1)	554,591	599,182	(7.4)
Income tax expense	(38,364)	(59,220)	(35.2)	(164,537)	(177,226)	(7.2)
Profit and total comprehensive income	95,547	143,924	(33.6)	390,054	421,956	(7.6)

Profit and total comprehensive income attributable to:

- owners of the Company	100,820	139,986	(28.0)	396,554	412,333	(3.8)
- non-controlling interests	(5,273)	3,938	(233.9)	(6,500)	9,623	(167.5)
	<u>95,547</u>	<u>143,924</u>	<u>(33.6)</u>	<u>390,054</u>	<u>421,956</u>	<u>(7.6)</u>

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

	Group 3Q2017 RMB'000	Group 3Q2016 RMB'000 (Restated)	Change +/(-) %	Group 9M2017 RMB'000	Group 9M2016 RMB'000 (Restated)	Change +/(-) %
Profit before tax has been arrived at after charging (crediting):						
Staff costs (including directors' emoluments)	43,898	43,731	0.4	146,530	127,588	14.8
Cost of inventories recognised as expense	118,139	79,153	49.3	334,747	216,175	54.9
Share award expense	11,892	-	N.M.	11,892	-	N.M.
Depreciation of property, plant and equipment	71,311	61,604	15.8	214,930	193,654	11.0
Amortisation of prepaid leases	2,609	2,776	(6.0)	8,321	8,331	(0.1)
Amortisation of intangible assets	9,717	9,365	3.8	31,752	19,560	62.3
Total depreciation and amortisation	<u>83,637</u>	<u>73,745</u>	<u>13.4</u>	<u>255,003</u>	<u>221,545</u>	<u>15.1</u>
Underprovision of tax in the prior years	-	(10,261)	(100.0)	(5,913)	(10,261)	(42.4)
Government grants	3,538	6,063	(41.6)	15,021	26,069	(42.4)
Value added tax refund	13,577	11,401	19.1	35,061	54,119	(35.2)
Bank interest income	2,390	229	943.7	4,658	864	439.1
Loss from disposal of property, plant and equipment	-	(38)	(100.0)	-	(26)	(100.0)
Impairment losses recognised on trade receivables	(3,587)	-	N.M.	(3,587)	-	N.M.
Foreign exchange gains (losses)	725	(11,370)	(106.4)	7,425	(11,370)	(165.3)
Gain on sales of scrap materials	6,583	2,107	212.4	13,616	6,522	108.8
Sludge disposal fee	2,737	-	N.M.	17,255	-	N.M.
Other income and other gains and losses	<u>25,963</u>	<u>8,392</u>	<u>209.4</u>	<u>89,449</u>	<u>76,178</u>	<u>17.4</u>

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.

	Group	Group	Company	Company
	As at 30 Sep 2017	As at 31 Dec 2016	As at 30 Sep 2017	As at 31 Dec 2016
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Property, plant and equipment	6,013,574	5,525,788	-	-
Prepaid leases	316,169	251,915	-	-
Intangible assets	1,847,849	1,550,546	-	-
Investment in an associate	43,804	43,804	-	-
Investment in subsidiaries	-	-	1,796,583	1,790,640
Investment in joint ventures	8,480	-	-	-
Service concession receivables	318,601	320,438	-	-
Other receivables	183,923	228,565	-	-
Total non-current assets	8,732,400	7,921,056	1,796,583	1,790,640
Current assets				
Inventories	41,175	42,171	-	-
Prepaid leases	14,253	11,330	-	-
Service concession receivables	34,421	34,421	-	-
Trade and other receivables	772,394	679,679	9,894	-
Other tax recoverable	114,966	90,573	-	-
Amounts due from related parties	306,254	69,132	983,841	619,667
Amounts due from non-controlling interests	40,890	19,641	-	-
Pledged bank deposits	345,002	320,970	247,018	251,189
Bank balances and cash	1,408,084	540,854	653,843	30,089
Total current assets	3,077,439	1,808,771	1,894,596	900,945
Total assets	11,809,839	9,729,827	3,691,179	2,691,585
Current liabilities				
Trade and other payables	754,283	930,190	6	6,007
Amounts due to related parties	336,601	364,384	-	-
Amount due to subsidiaries	-	-	1,947	1,947
Income tax liabilities	68,144	90,321	-	-
Other tax liabilities	60,312	52,762	-	-
Dividends payable	1,397	1,397	-	-
Borrowings	1,340,058	989,650	-	-

Obligations under finance leases	304,743	267,138	-	-
Deferred grant	6,902	4,776	-	-
Total current liabilities	2,872,440	2,700,618	1,953	7,954
Net current assets (liabilities)	204,999	(891,847)	1,892,643	892,991
Total assets less current liabilities	8,937,399	7,029,209	3,689,226	2,683,631
Non-current liabilities				
Borrowings	1,764,438	1,369,796	-	-
Notes payable	1,308,817	-	1,308,817	-
Obligations under finance leases	616,223	637,819	-	-
Deferred tax liabilities	367,119	327,261	-	-
Deferred grant	176,506	92,665	-	-
Provision for major overhauls	10,363	10,363	-	-
Total non-current liabilities	4,243,466	2,437,904	1,308,817	-
Net assets	4,693,933	4,591,305	2,380,409	2,683,631
Capital and reserves				
Share capital	81	81	81	81
Reserves	4,533,148	4,422,611	2,380,328	2,683,550
Equity attributable to owners of the company	4,533,229	4,422,692	2,380,409	2,683,631
Non-controlling interests	160,704	168,613	-	-
Total equity	4,693,933	4,591,305	2,380,409	2,683,631

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

Amount repayable in one year or less, or on demand

As at 30 Sep 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
1,641,393	3,408	1,255,055	1,733

Amount repayable after one year

As at 30 Sep 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
2,377,049	1,312,429	2,002,328	5,287

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.

	Group 3Q2017 RMB'000	Group 3Q2016 RMB'000 (Restated)	Group 9M2017 RMB'000	Group 9M2016 RMB'000 (Restated)
Operating activities				
Profit before tax	133,911	203,144	554,591	599,182
Adjustments for:				
Finance costs	43,645	33,918	117,952	99,316
Interest income	(7,828)	(4,387)	(20,972)	(13,338)
Depreciation of property, plant and equipment	71,311	61,604	214,930	193,654
Amortisation of prepaid leases	2,609	2,776	8,321	8,331
Amortisation of intangible assets	9,717	9,365	31,752	19,560
Loss from disposal of property, plant and equipment	-	38	-	26
Impairment losses recognised on trade receivables	3,587	-	3,587	-
Deferred grant recognised	745	12,094	(4,235)	(26,857)
Share award expense	11,892	-	11,892	-
Gains on disposal of a subsidiary	(64,981)	-	(64,981)	-
Operating cash flows before movements in working capital	204,608	318,552	852,837	879,874
Increase in trade and other receivables	(1,776)	(119,012)	(267,199)	(202,387)
(Increase) Decrease in service concession receivables	(81)	(4,104)	1,837	(63,919)
(Increase) Decrease in other tax recoverable	(20,281)	18,900	(27,124)	(9,935)
Decrease (Increase) in inventories	6,641	(2,459)	(781)	(2,833)
Increase in intangible assets	(115,467)	(145,401)	(329,055)	(416,188)
Increase (Decrease) in trade and other payables	(57,229)	(11,398)	(15,931)	64,363
Increase (Decrease) in other tax liabilities	10,907	(15,006)	7,225	17,154
(Increase) Decrease in amounts due from related parties	49,406	(109,808)	28,497	92,710
(Increase) Decrease in amounts due from non-controlling interests	(1,793)	2,327	(24,349)	(557)
Increase in amounts due to related parties	6,916	4,750	83,070	15,589

Decrease in deferred grants	47,632	9,881	51,202	27,966
Cash generated from operations	129,483	(52,778)	360,229	401,837
Income tax paid	(50,714)	(51,421)	(146,857)	(135,445)
Net cash from (used in) operating activities	78,769	(104,199)	213,372	266,392
Investing activities				
Interest received	2,390	275	4,658	910
Payment for property, plant and equipment	(473,950)	(132,032)	(919,631)	(329,182)
Proceeds from disposal of property, plant and equipment	-	(61)	-	25
Payable for acquisition of subsidiaries	-	452,194	-	452,194
Payment for acquisition of subsidiaries	-	(452,194)	(66)	(452,194)
Payment for prepaid leases	(49,670)	843	(83,615)	-
Investment in joint ventures	(1,000)	-	(8,480)	-
(Increase) Decrease in pledged bank deposits	(16,104)	166,077	(24,032)	166,077
Net cash (used in) from investing activities	(538,334)	35,102	(1,031,166)	(162,170)
Financing activities				
Proceeds from borrowings	301,329	367,070	1,958,655	855,262
Proceeds from obligations under finance leases	76,820	335,647	242,780	392,796
Repayment of borrowings	(470,541)	(7,832)	(1,058,605)	(711,692)
Repayment of obligations under finance leases	(101,106)	(17,572)	(242,392)	(92,535)
Payment of finance costs	(42,920)	(29,763)	(139,739)	(114,928)
Proceeds from issue of bond	1,354,880	-	1,354,880	-
Payment for bond issue costs	(31,505)	-	(31,505)	-
Proceeds from issue of shares	5,592	963,586	5,592	963,586
Payment for share issue costs	-	(35,512)	-	(35,512)
Dividends paid	-	-	(303,500)	-
Advances/Repayment from related parties	-	(283,648)	-	206,556
Advances/Repayment to related parties	(20,473)	263,691	(101,142)	(120,741)
Increase in pledged notes	16,000	-	-	-
Increase in pledged bank deposits	-	(235,858)	-	(235,858)
Net cash flow from financing activities	1,088,076	1,319,809	1,685,024	1,106,934

Net increase in cash and cash equivalent	628,511	1,250,712	867,230	1,211,156
Cash and cash equivalent at beginning of period	779,573	340,955	540,854	380,511
Cash and cash equivalent at end of period represented by bank balances and cash	<u>1,408,084</u>	<u>1,591,667</u>	<u>1,408,084</u>	<u>1,591,667</u>

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

	Share capital	Capital reserve	Merger reserves	Statutory surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group								
At 1 January 2017	81	2,071,719	(41,455)	99,012	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
At 31 March 2017	81	2,071,719	(41,455)	99,012	2,420,780	4,550,137	167,573	4,717,710
At 1 April 2017	81	2,071,719	(41,455)	99,012	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
Dividends paid	-	-	-	-	(303,500)	(303,500)	-	(303,500)
At 30 September 2017	81	2,071,719	(41,455)	99,012	2,285,569	4,414,926	167,386	4,582,312
At 1 July 2017	81	2,071,719	(41,455)	99,012	2,285,569	4,414,926	167,386	4,582,312
Profit and total comprehensive income for the period	-	-	-	-	100,819	100,819	(5,273)	95,546
Issuance of share awards	-	17,484	-	-	-	17,484	-	17,484
Disposal of subsidiary	-	-	-	-	-	-	(1,409)	(1,409)
At 30 September 2017	81	2,089,203	(41,455)	99,012	2,386,388	4,533,229	160,704	4,693,933
At 1 January 2016	67	1,143,659	191,648	31,488	1,943,694	3,310,556	184,265	3,494,821
Profit and total comprehensive income for the period	-	-	-	-	119,349	119,349	2,567	121,916
At 31 March 2016	67	1,143,659	191,648	31,488	2,063,043	3,429,905	186,832	3,616,737
At 1 April 2016	67	1,143,659	191,648	31,488	2,063,043	3,429,905	186,832	3,616,737
Profit and total comprehensive income for the period	-	-	-	-	152,998	152,998	3,118	156,116

<u>Transactions with owners,</u> <u>recognised directly in equity</u>								
Acquisition of non-controlling interests	-	-	22,017	-	-	22,017	(24,717)	(2,700)
At 30 September 2016	67	1,143,659	213,665	31,488	2,216,041	3,604,920	165,233	3,770,153
At 1 July 2016	67	1,143,659	213,665	31,488	2,216,041	3,604,920	165,233	3,770,153
Profit and total comprehensive income for the period	-	-	-	-	139,986	139,986	3,937	143,923
<u>Transactions with owners,</u> <u>recognised directly in equity</u>								
Issuance of shares	14	963,572	-	-	-	963,586	-	963,586
Share issue costs	-	(35,512)	-	-	-	(35,512)	-	(35,512)
Acquisition of non-controlling interests	-	-	4,170	-	-	4,170	(14,170)	(10,000)
At 30 September 2016	81	2,071,719	217,835	31,488	2,356,027	4,677,150	155,000	4,832,150
At 1 October 2016	81	2,071,719	217,835	31,488	2,356,027	4,677,150	155,000	4,832,150
Profit and total comprehensive income for the period	-	-	-	-	185,250	185,250	(17,242)	168,008
<u>Transactions with owners,</u> <u>recognised directly in equity</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	32,530	32,530
Acquisition of subsidiaries under common control	-	-	(259,290)	-	(180,418)	(439,708)	-	(439,708)
Appropriation to reserves	-	-	-	67,524	(67,524)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,675)	(1,675)
At 31 December 2016	81	2,071,719	(41,455)	99,012	2,293,335	4,422,692	168,613	4,591,305

	Share capital RMB'000	Capital reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Company				
At 1 January 2017	81	2,733,172	(49,622)	2,683,631
Loss and total comprehensive loss for the period	-	-	(2,934)	(2,934)
At 31 March 2017	81	2,733,172	(52,556)	2,680,697
At 1 April 2017	81	2,733,172	(52,556)	2,680,697
Profit and total comprehensive profit for the period	-	-	8,869	8,869
Dividends paid	-	-	(303,500)	(303,500)
At 30 September 2017	81	2,733,172	(347,187)	2,386,066
At 1 July 2017	81	2,733,172	(347,187)	2,386,066
Profit and total comprehensive profit for the period	-	-	(23,141)	(23,141)
Issuance of share awards	-	17,484	-	17,484
At 30 September 2017	81	2,750,656	(370,328)	2,380,409
At 1 January 2016	67	1,805,112	(15,278)	1,789,901
Loss and total comprehensive loss for the period	-	-	(2,926)	(2,926)
At 31 March 2016	67	1,805,112	(18,204)	1,786,975
At 1 April 2016	67	1,805,112	(18,204)	1,786,975
Loss and total comprehensive loss for the period	-	-	(5,582)	(5,582)
At 30 September 2016	67	1,805,112	(23,786)	1,781,393
At 1 July 2016	67	1,805,112	(23,786)	1,781,393
Loss and total comprehensive loss for the period	-	-	(31,685)	(31,685)
<u>Transactions with owners, recognised directly in equity</u>				
Issuance of shares	14	963,572	-	963,586
Share issue costs	-	(35,512)	-	(35,512)
At 30 September 2016	81	2,733,172	(55,471)	2,677,782
At 1 October 2016	81	2,733,172	(55,471)	2,677,782
Profit and total comprehensive income for the period	-	-	5,849	5,849
At 31 December 2016	81	2,733,172	(49,622)	2,683,631

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.

On 5 September 2017, pursuant to the vesting of share awards granted under the Jinjiang Environment Performance Share Plan, the Company issued and allotted an aggregate of 4,756,800 new ordinary shares ("Shares").

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 30 September 2017 and 31 December 2016 was 1,221,581,000 and 1,216,824,200 respectively. 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 2016.

(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 2017 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.

	Group		Group	
	3Q2017	3Q2016	9M2017	9M2016
Basic earnings per Share (RMB cents)	8.28	12.29	32.58	39.39
Weighted average number of Shares	1,218,168,513	1,139,196,862	1,217,277,229	1,046,737,699
Fully diluted earnings per Share (RMB cents)	8.28	12.29	32.58	39.39
Weighted average number of Shares	1,218,168,513	1,139,196,862	1,217,277,229	1,046,737,699

On 29 June 2016, every one Share was sub-divided into 100 Shares. On 1 August 2016, the Company issued 204,819,300 Shares pursuant to its initial public offering. On 5 September 2016, pursuant to the partial exercise of an over-allotment option, the Company issued 12,004,800 Shares. The earnings per Share for 3Q2016 and 9M2016 were computed based on the weighted average number of Shares sub-divided into 100 Shares for comparison purposes.

On 5 September 2017, pursuant to the vesting of share awards granted under the Jinjiang Environment Performance Share Plan, the Company issued and allotted an aggregate of 4,756,800 new Shares.

The total number of issued Shares as at 30 September 2017 and 31 December 2016 was 1,221,581,000 and 1,216,824,200 respectively.

(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.**

	Group		Company	
	As at 30 Sep 2017	As at 31 Dec 2016	As at 30 Sep 2017	As at 31 Dec 2016
Net asset value per Share (RMB cents)	371.10	363.46	194.86	220.54
Number of Shares in issue at the end of the period	1,221,581,000	1,216,824,200	1,221,581,000	1,216,824,200

The net asset value per Share as at 30 September 2017 and 31 December 2016 was computed based on the number of Shares in issue at the end of the period.

(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

3Q2017 vs 3Q2016

Revenue

	3Q2017		Revenue		3Q2016		Change %
	RMB'000	%	RMB'000	%	RMB'000	%	
Sales of electricity	223,314	38.5	266,884	40.5			(16.3)
Sales of steam	77,770	13.4	51,903	7.9			49.8
Revenue from waste treatment fees	100,782	17.3	106,955	16.3			(5.8)
Waste-to-energy business	401,866	69.2	425,742	64.7			(5.6)
Revenue from construction services provided under service concession agreements	123,309	21.2	154,833	23.5			(20.4)
Financial income under service concession agreements	5,438	1.0	4,158	0.6			30.8
Construction services	128,747	22.2	158,991	24.1			(19.0)
Project technical and management service and EMC business	49,793	8.6	73,663	11.2			(32.4)
Total	580,406	100.0	658,396	100.0			(11.8)

Revenue decreased 11.8% from RMB658.4 million in 3Q2016 to RMB580.4 million in 3Q2017, primarily due to a decrease in revenue from:-

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 5.6% from RMB425.7 million in 3Q2016 to RMB401.9 million in 3Q2017. The decrease was attributable to an increase in the electricity supply fee for the Zibo Jinjiang WTE Facility, Zibo Green Energy WTE Facility and Yinchuan Zhongke WTE Facility to RMB0.65 per kWh starting from 3Q2016 and the one-off receipt of retrospective payment of electricity supply fees for the first half of 2016 in 3Q2016, for which there was no corresponding retrospective payment in 3Q2017, amounting to RMB32.5 million. Excluding the retrospective payment in 3Q2016, the revenue for 3Q2016 would be RMB393.2 million, and this represents an increase in revenue of 2.2% in 3Q2017.

Details of the electricity generated and supplied, steam supplied and waste treated for 3Q2017 and 3Q2016 are as follows:

	Group 3Q2017	Group 3Q2016	Change %
Electricity generated ('000 KWh)	612,012	602,439	1.6
On-grid electricity supplied ('000 KWh)	437,550	444,836	(1.6)
Steam supplied ('000 tonnes)	531	419	26.7
Waste treated ('000 tonnes)	2,030	2,092	(3.0)

On-grid electricity supplied and waste treated decreased 1.6% and 3.0% in 3Q2017 as compared to 3Q2016, respectively, due to the voluntary cessation of operations at the Hangzhou Yuhang WTE Facility in 3Q2017, further details of which are set out in paragraph (10) below. The increase in steam supplied is due to additional coal-fired generation facilities of the Zhuji Bafang WTE Facility becoming operational following expansion.

Construction services provided under BOT concession agreements

Revenue from construction services provided under build-operate-transfer (“BOT”) concession agreements decreased by 19.0% from RMB159.0 million in 3Q2016 to RMB128.7 million in 3Q2017 due to a decrease in revenue from the provision of construction services under BOT concession agreements from RMB154.8 million in 3Q2016 to RMB123.3 million in 3Q2017, which was primarily attributable to the completion of construction of the Gaomi Lilangminde WTE Facility and Songyuan Xinxiang WTE Facility in January 2017 and August 2016. For 3Q2017, revenue arose from the second phase construction for Yinchuan Zhongke WTE Facility. Financial income increased from RMB4.2 million in 3Q2016 to RMB5.4 million in 3Q2017.

Project technical and management services and our EMC business

Revenue from project technical and management services and our EMC business decreased 32.4% from RMB73.7 million in 3Q2016 to RMB49.8 million in 3Q2017 due to a decrease in revenue from our EMC business, which is recognised based on contracted profit sharing percentage. The decrease in revenue in our EMC business in 3Q2017 was attributable to the majority of EMC projects in 3Q2017 being in the later stages where there is a decreased profit sharing percentage.

Cost of sales

Cost of sales increased 13.9% from RMB375.8 million in 3Q2016 to RMB428.1 million in 3Q2017, due to an increase in the cost of sales from:-

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 36.5% from RMB223.5 million in 3Q2016 to RMB305.0 million in 3Q2017. The increase is due to (i) the expansion of Zhuji Bafang WTE facility which resulted in increased utilisation of coal upon the commencement of operations of the additional coal-fired generation units as well as an increase in coal prices and (ii) the commencement of operations of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility in August 2016 and January 2017, respectively, as well as the increased operating costs such as depreciation and materials, arising from larger amounts of waste treated, electricity and steam generated.

Construction services provided under BOT concession agreements

The cost of sales from construction services provided under BOT concession agreements decreased 21.0% from RMB134.9 million in 3Q2016 to RMB106.6 million in 3Q2017 due to fewer construction services provided under BOT concession agreements in 3Q2017 following the completion of construction of the Songyuan Xinxiang WTE Facility in August 2016 and the Gaomi Lilangminde WTE Facility in January 2017, and hence less costs were recorded in 3Q2017, which is mainly from the second phase construction for Yinchuan Zhongke WTE Facility.

Project technical and management services and our EMC business

The cost of sales from project technical and management services and our EMC business decreased 5.0% from RMB17.3 million in 3Q2016 to RMB16.4 million in 3Q2017, primarily due to decrease in project technical and management services.

Gross profit and gross profit margin

	Gross Profit (RMB million)		Gross Profit Margin	
	3Q2017	3Q2016	3Q2017	3Q2016
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	96,855.0	202,187.0	24.1%	47.5%
Construction services provided under BOT concession agreements	16,709.0	19,933.0	13.6%	12.9%
Project technical and management service and EMC business	33,353.0	56,363.0	67.0%	76.5%
Finance	5,438.0	4,158.0	N.A.	N.A.
Total	152,355.0	282,641.0	26.2%	42.9%

As a result of the foregoing, the gross profit decreased 46.1% from RMB282.6 million in 3Q2016 to RMB152.4 million in 3Q2017, which was driven mainly by a decrease in the gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements), construction services provided under BOT concession agreements and project technical and management services and our EMC business.

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 52.1% from RMB202.2 million in 3Q2016 to RMB96.9 million in 3Q2017, primarily due to a decrease in the revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) from RMB425.7 million in 3Q2016 to RMB401.9 million in 3Q2017 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 RMB223.5 million in 3Q2016 to RMB305.0 million in 3Q2017. The gross profit margin of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) decreased from 47.5% in 3Q2016 to 24.1% in 3Q2017, which was primarily due to lower revenue and higher costs of sales described above. Excluding the retrospective payment of RMB32.5 million in 3Q2016, the gross profit for 3Q2016 would be RMB169.7 million, and the normalised gross profit would be 39.9%.

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 decreased 8.3% from RMB24.1 million in 3Q2016 to RMB22.1 million in 3Q2017, due to a decrease in the revenue recognised from construction services provided under BOT concession agreements from RMB154.8 million in 3Q2016 to RMB123.3 million in 3Q2017, offset by a decrease in the cost of sales from construction services provided under BOT concession agreements from RMB134.9 million in 3Q2016 to RMB106.6 million in 3Q2017. Finance income increased from RMB4.2 million in 3Q2016 to RMB5.4 million in 3Q2017. The gross profit margin increased from 15.1% in 3Q2016 to 17.2% in 3Q2017.

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 40.8% from RMB56.4 million in 3Q2016 to RMB33.4 million in 3Q2017, due to (i) a decrease in the revenue from project technical and management services and our EMC business from RMB73.7 million in 3Q2016 to RMB49.8 million in 3Q2017 and (ii) a decrease in the cost of sales from project technical and management services and our EMC business from RMB17.3 million in 3Q2016 to RMB16.4 million in 3Q2017. Accordingly, the gross profit margin of project technical and management services and our EMC business decreased slightly from 76.5% in 3Q2016 to 67.0% in 3Q2017.

Other income and other gains and losses

Other income and other gains and losses increased 209.4% from RMB8.4 million in 3Q2016 to RMB26.0 million in 3Q2017, due primarily to a foreign exchange difference of RMB12.1 million, arising mainly from monies held in United States Dollars, increase in interest income as well as income from the disposal of sludge by the Shijiazhuang Jiasheng WTE Facility.

Gain on disposal of a subsidiary

Gain on disposal of a subsidiary, amounting to RMB65.0 million, arose from the disposal of the Group's 42.0% equity interest in the PLT Energy WTE Facility for an aggregate consideration of RMB67.2 million, further details of which are set out in the Company's announcement dated 14 November 2017.

Administrative expenses

Administrative expenses increased 21.8% from RMB54.0 million in 3Q2016 to RMB65.7 million in 3Q2017, mainly due to an expense of RMB11.9 million arising from the grant of share awards to employees under the Jinjiang Environment Performance Share Plan and better cost control measures. Other administrative expenses have remained fairly stable.

Finance costs

Finance costs increased 28.7% from RMB33.9 million in 3Q2016 to RMB43.6 million in 3Q2017, primarily due to the interest from the issuance of notes by the Company, with gross proceeds of approximately US\$198.7 million.

Profit before tax

As a result of the foregoing, profit before tax decreased 34.1% from RMB203.1 million in 3Q2016 to RMB133.9 million in 3Q2017.

Income tax expense

Income tax expense decreased 35.2% from RMB59.2 million in 3Q2016 to RMB38.4 million in 3Q2017 due to decrease in taxable profit.

Profit for the period

As a result of the foregoing, profit for the period decreased 33.6% from RMB143.9 million in 3Q2016 to RM95.5 million in 3Q2017 and profit attributable to owners of the Company decreased 28.0% from RMB140.0 million in 3Q2016 to RMB100.8 million in 3Q2017.

9M2017 vs 9M2016

Revenue

	Revenue				
	9M2017 RMB'000	%	9M2016 RMB'000	%	Change %
Sales of electricity	743,090	40.0	655,499	35.4	13.4
Sales of steam	238,673	12.9	166,886	9.0	43.0
Revenue from waste treatment fees	329,381	17.8	317,398	17.1	3.8
Waste-to-energy business	1,311,144	70.7	1,139,783	61.5	15.0
Revenue from construction services provided under service concession agreements	336,897	18.1	504,306	27.2	(33.2)
Financial income under service concession agreements	16,314	0.9	12,474	0.7	30.8
Construction services	353,211	19.0	516,780	27.9	(31.7)
Project technical and management service and EMC business	192,084	10.3	197,353	10.6	(2.7)
Total	1,856,439	100.0	1,853,916	100.0	0.1

Revenue increased 0.1% from RMB1,853.9 million in 9M2016 to RMB1,856.4 million in 9M2017, primarily due to an increase in revenue from:-

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

Revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) increased 15.0% from RMB1,139.8 million in 9M2016 to RMB1,311.1 million in 9M2017. The increase was attributable to:

- (i) an increase in the supply of municipal solid waste to our WTE facilities for the first half of 2017 and the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility becoming operational, resulting in an increase in sales of electricity;
- (ii) an increase in revenue from sales of steam from RMB166.9 million in 9M2016 to RMB238.7 million in 9M2017 due to the expansion of the coal-fired generation component of Zhuji Bafang; 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 the first half of 2017.

This was offset by a decrease in the amount of waste treated and on-grid electricity supplied in 3Q2017 due to the voluntarily cessation of operations at the Hangzhou Yuhang WTE Facility from August 2017 onwards in view of ongoing negotiations with the local government and the Group, which resulted in a negative overall impact of approximately RMB7.5 million to revenue.

Details of the electricity generated and supplied, steam supplied and waste treated for 9M2017 and 9M2016 are as follows:

	Group 9M2017	Group 9M2016	Change %
Electricity generated ('000 KWh)	1,879,861	1,688,009	11.4
On-grid electricity supplied ('000 KWh)	1,365,759	1,252,240	9.1
Steam supplied ('000 tonnes)	1,686	1,352	24.7
Waste treated ('000 tonnes)	6,379	6,032	5.8

On-grid electricity supplied, steam supplied and waste treated increased 9.1%, 24.7% and 5.8% in 9M2017 as compared to 9M2016, due to the increase in the supply of municipal solid waste to the WTE facilities and new facilities becoming operational. The higher increase in on-grid electricity and steam supplied as compared to the increase in waste treated is due to additional coal-fired generation facilities of Zhuji Bafang becoming operational following expansion.

Construction services provided under BOT concession agreements

Revenue from construction services provided under BOT concession agreements decreased 31.7% from RMB516.8 million in 9M2016 to RMB353.2 million in 9M2017 due to a decrease in revenue from the provision of construction services under BOT concession agreements from RMB504.3 million in 9M2016 to RMB336.9 million in 9M2017. Construction of the Wenling Green Energy WTE Facility, Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility had taken place during 9M2016 whilst in 9M2017, only the second phase expansion of the Yinchuan Zhongke WTE Facility is under construction. Financial income increased from RMB12.5 million in 9M2016 to RMB16.3 million in 9M2017.

Project technical and management services and our EMC business

Revenue from project technical and management services and our EMC business decreased 2.7% from RMB197.3 million in 9M2016 to RMB192.1 million in 9M2017 due to a decrease in revenue from our EMC business which was partially offset by an increase technical and management services. The revenue from our EMC business, which is recognised based on contracted profit sharing percentage. The decrease in revenue in our EMC business in 3Q2017 was attributable to the majority of EMC projects in 3Q2017 being in the later stages where there is a decreased profit sharing percentage.

Cost of sales

Cost of sales increased 7.3% from RMB1,095.1 million in 9M2016 to RMB1,174.7 million in 9M2017, due to an increase in the cost of sales from:-

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 37.9% from RMB606.6 million in 9M2016 to RMB836.8 million in 9M2017. The increase is due to (i) the expansion of Zhuji Bafang WTE facility which resulted in increased utilisation of coal upon the commencement of operations of the additional coal-fired generation units as well as an increase in coal prices and (ii) the commencement of operations of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility in August 2016 and January 2017, respectively, as well as the increased operating costs such as depreciation and materials, arising from larger amounts of waste treated, electricity and steam generated.

Construction services provided under BOT concession agreements

The cost of sales from construction services provided under BOT concession agreements decreased 33.8% from RMB439.3 million in 9M2016 to RMB290.9 million in 9M2017 due to fewer construction services provided under BOT concession agreements in 9M2017, following the completion of construction of the Songyuan Xinxiang WTE Facility in August 2016 and the Gaomi Lilangmingde WTE Facility in January 2017, and hence lower costs were recorded in 9M2017, which is mainly from the second phase construction for Yinchuan Zhongke WTE Facility.

Project technical and management services and EMC business

The cost of sales from project technical and management services and our EMC business decreased 4.5% from RMB49.2 million in 9M2016 to RMB47.0 million in 9M2017, primarily due to tighter cost controls.

Gross profit and gross profit margin

	Gross Profit (RMB million)		Gross Profit Margin	
	9M2017	9M2016	9M2017	9M2016
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	474,297.0	533,195.0	36.2%	46.8%
Construction services provided under BOT concession agreements	45,997.0	65,006.0	13.7%	12.9%
Project technical and management service and EMC business	145,094.0	148,123.0	75.5%	75.1%
Finance	16,314.0	12,474.0	N.A.	N.A.
Total	681,702.0	758,798.0	36.7%	40.9%

As a result of the foregoing, the gross profit decreased 10.2% from RMB758.8 million in 9M2016 to RMB681.7 million in 9M2017, which was driven mainly by a decrease in the gross profit of our WTE business and project technical and management services and our EMC business.

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 11.0% from RMB533.2 million in 9M2016 to RMB474.3 million in 9M2017, primarily due to an increase in the revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) from RMB1,139.8 million in 9M2016 to RMB1,311.1 million in 9M2017, offset by 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 RMB606.6 million in 9M2016 to RMB836.8 million in 9M2017. The gross profit margin of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) decreased from 46.8% in 9M2016 to 36.2% in 9M2017, which was primarily due to lower revenue and higher costs of sales described above.

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 decreased 19.7% from RMB77.5 million in 9M2016 to RMB62.3 million in 9M2017, due to a decrease in the revenue

recognised from construction services provided under BOT concession agreements from RMB504.3 million in 9M2016 to RMB336.9 million in 9M2017 and a decrease in the cost of sales from construction services provided under BOT concession agreements from RMB439.3 million in 9M2016 to RMB290.9 million in 9M2017. Finance income increased from RMB12.5 million in 9M2016 to RMB16.3 million in 9M2017. The gross profit margin increased marginally from 15.0% in 9M2016 to 17.6% in 9M2017.

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 2.0% from RMB148.1 million in 9M2016 to RMB145.1 million in 9M2017, due to a decrease in revenue from our EMC business which was partially offset by an increase technical and management services, from RMB197.3 million in 9M2016 to RMB192.1 million in 9M2017, offset by a decrease in the cost of sales from project technical and management services and our EMC business from RMB49.2 million in 9M2016 to RMB47.0 million in 9M2017. Accordingly, the gross profit margin of project technical and management services and our EMC business increased from 75.1% in 9M2016 to 75.5% in 9M2017.

Other income and other gains and losses

Other income and other gains and losses increased 17.4% from RMB76.2 million in 9M2016 to RMB89.4 million in 9M2017, due primarily to an increase in foreign exchange gain, arising mainly from monies held in United States Dollars as well as income from the disposal of sludge by the Shijiazhuang Jiasheng WTE Facility. This is offset by a decrease in value added tax refund from RMB54.1 million in 9M2016 to RMB35.1 million in 9M2017 as more equipment purchases were made for new projects which resulted in reduced VAT paid to the government and hence there is lesser VAT for refund, as well as decrease in government subsidy from RMB26.1 million in 9M2016 to RMB15.0 million in 9M2017. Government subsidies are given for WTE business development which can be irregular in nature.

Gain on disposal of a subsidiary

Gain on disposal of a subsidiary, amounting to RMB65.0 million, arose from the disposal of the Group's 42.0% equity interest in the PLT Energy WTE Facility for an aggregate consideration of RMB67.2 million, further details of which are set out in the Company's announcement dated 14 November 2017.

Administrative expenses

Administrative expenses increased 19.9% from RMB136.5 million in 9M2016 to RMB163.6 million in 9M2017, mainly due to (i) the increase in salaries and social security costs, (ii) more WTE facilities in commercial operation and increased costs from various valuation and audit services, and (iii) expenses of RMB11.9 million arising from the grant of share awards to employees under the Jinjiang Environment Performance Share Plan.

Finance costs

Finance costs increased 18.8% from RMB99.3 million in 9M2016 to RMB118.0 million in 9M2017, primarily increase in bank borrowings and finance leases, expensing of interest for projects that commenced operations and interest from the issuance of notes by the Company, with gross proceeds of approximately US\$198.7 million.

Profit before tax

As a result of the foregoing, profit before tax decreased 7.4% from RMB599.2 million in 9M2016 to RMB554.6 million in 9M2017.

Income tax expense

Income tax expense decreased 7.2% from RMB177.2million in 9M2016 to RMB164.5 million in 9M2017 due to decrease in taxable profit.

Profit for the period

As a result of the foregoing, profit for the period decreased 7.6% from RMB422.0 million in 9M2016 to RM390.1 million in 9M2017 and profit attributable to owners of the Company decreased 3.8% from RMB412.3 million in 9M2016 to RMB396.6 million in 9M2017.

(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 30 September 2017, total assets amounted to RMB11,809.8 million, an increase of RMB2,080.0 million or 21.4% as compared to total assets of RMB9,729.8 million as at 31 December 2016. The increase in total assets is due to an increase in non-current assets of RMB811.3 million and an increase in current assets of RMB1,268.7 million.

Non-current assets

Non-current assets increased 10.2% by RMB811.3 million from RMB7,921.1 million as at 31 December 2016 to RMB8,732.4 million as at 30 September 2017.

The increase is attributable to (i) property, plant and equipment increasing 8.8% by RMB487.8 million from RMB5,525.8 million as at 31 December 2016 to RMB6,013.6 million as at 30 September 2017 due to construction of the Zibo New Energy WTE Facility and Hohhot New Energy WTE Facility, (ii) intangible assets increasing 19.2% by RMB297.3 million from RMB1,550.5 million as at 31 December 2016 to RMB1,847.8 million as at 30 September 2017 due to construction services provided under service concession agreement for the second phase expansion of the Yinchuan Zhongke WTE Facility and (iii) prepaid leases increasing 25.5% by RMB64.3 million from RMB251.9 million as at 31 December 2016 to RMB316.2 million as at 30 September 2017 arising from the land use rights for Zibo New Energy WTE Facility and Hohhot New Energy WTE Facility, which is offset by other receivables decreasing 19.6% by RMB44.6 million from RMB228.6 million as at 31 December 2016 to RMB183.9 million as at 30 September 2017 as a result of the prepayment for equipment for the Zibo New Energy WTE Facility and Lianyungang Sunrise WTE Facility being reclassified into property, plant and equipment.

Current assets

Current assets increased 70.1% by RMB1,268.7 million from RMB1,808.8 million as at 31 December 2016 to RMB3,077.4 million as at 30 September 2017.

The increase is mainly due to (i) bank balances increasing 160.3% by RMB867.2 million from RMB540.9 million as at 31 December 2016 to RMB1,408.1 million as at 30 September 2017 due to the receipt of the net proceeds from the issuance of notes by the Company, more bank borrowings and retained profits for 9M2017, (ii) pledged deposits increasing 7.5% by RMB24.0 million from RMB321.0 million as at 31 December 2016 to RMB345.0 million as at 30 September 2017 due to issuance of performance bonds for overseas projects, (iii) amount due from related parties increasing 243.3% by RMB237.2 million from RMB69.1 million as at 31 December 2016 to RMB306.3 million as at 30 September 2017, including proceeds from the disposal of a subsidiary and settled subsequently and, (iv) trade and other receivables increasing 13.6% by RMB92.7 million from RMB679.7 million as at 31 December 2016 to RMB772.4 million as at 30 September 2017 due mainly to the revenue increase from our operations in 9M2017.

Current liabilities

Current liabilities increased 6.4% by RMB171.8 million from RMB2,700.6 million as at 31 December 2016 to RMB2,872.4 million as at 30 September 2017.

The increase is mainly due to (i) borrowings increasing 35.4% by RMB350.4 million from RMB989.7 million as at 31 December 2016 to RMB1,340.1 million as at 30 September 2017 due to more bank borrowings by the Gevin Limited and long term borrowings reclassified into short term borrowings, and (ii) obligations under finance leases increasing 14.1% by RMB37.6 million from RMB267.1 million as at 31 December 2016 to RMB304.7 million as at 30 September 2017 due to new finance leases at the Lianyungang Sunrise WTE Facility, Wenling Green Energy WTE Facility and Qitaihe Green Energy WTE Facility. This is offset by (i) trade and other payables decreasing 18.9% by RMB175.9 million from RMB930.2 million as at 31 December 2016 to RMB754.3 million as at 30 September 2017 due to more payments in accordance with contract terms and, (ii) amounts due to related parties decreasing 7.6% by RMB27.8 million from RMB364.4 million as at 31 December 2016 to RMB336.6 million as at 30 September 2017, 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 74.1% by RMB1,805.6 million from RMB2,437.9 million as at 31 December 2016 to RMB4,243.5 million as at 30 September 2017.

The increase is mainly due to (i) the issuance of notes by the Company amounting to RMB1,308.8 million, (ii) borrowings increasing 28.8% by RMB394.6 million from RMB1,369.8 million as at 31 December 2016 to RMB1,764.4 million as at 30 September 2017 due to more long term borrowings by the Zhuji Bafang

WTE Facility and Yinchuan Zhongke WTE Facility, offset by certain classification into short term borrowings, (iii) deferred tax liabilities increasing 12.2% by RMB39.9 million from RMB327.3 million as at 31 December 2016 to RMB367.1 million as at 30 September 2017 arising from construction services provided under the BOT concession agreements and tax provision for dividends and, (iv) deferred grant increasing 90.5% by RMB83.8 million from RMB92.7 million as at 31 December 2016 to RMB176.5 million as at 30 September 2017, arising from the amortization of grants received for Songyuan Xinxiang WTE Facility and Yinchuan Zhongke WTE Facility.

Capital and reserves

As at 30 September 2017, capital and reserves amounted to RMB4,693.9 million, an increase of approximately RMB102.6 million as compared to total net assets of RMB4,591.3 million as at 31 December 2016, due to the retained earnings for 9M2017, offset by the payment of RMB305.0 million dividends.

Cashflow Review

Operating cashflow increased by RMB183.0 million from RMB104.2 million outflow in 3Q2016 to RMB78.8 million inflow in 3Q2017 and decreased by RMB53.0 million from RMB266.4 million inflow in 9M2016 to RMB213.4 million inflow in 9M2017. The increase is mainly due to more prompt collection of amounts due from related parties and receipt of government grants for Songyuan Xinxiang WTE Facility and Yinchuan Zhongke WTE Facility.

Investing cash outflow increased by RMB573.4 million from RMB35.1 million inflow in 3Q2016 to RMB538.3 million outflow in 3Q2017 and increased by RMB869.0 million from RMB162.2 million outflow in 9M2016 to RMB1,031.2 million outflow in 9M2017. The increase is mainly due to more payment for property, plant and equipment and preparatory costs for both local and overseas projects and prepaid leases for Zibo New Energy WTE Facility and Hohhot New Energy WTE Facility.

Financing cashflow decreased by RMB231.7 million from RMB1,319.8 million inflow in 3Q2016 to RMB1,088.1 million inflow in 3Q2017 and increased by RMB578.1 million from RMB1,106.9 million inflow in 9M2016 to RMB1,685.0 million inflow in 9M2017 due mainly to the receipt of the net proceeds from the issuance of notes by the Company, increased borrowings and obligations under finance leases.

Bank balances and cash as at 30 September 2017 is RMB1,408.1 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.

As of 30 September 2017, the Group has twenty WTE facilities in commercial or trial operation (following disposal of PLT Energy during 3Q2017), with a total installed waste treatment capacity and installed electricity generation capacity of 27,980 t/d and 509 MW/d, respectively. The Hohhot New Energy WTE Facility and Zibo New Energy WTE Facility are under construction and expected to commence trial operations by end 2017 to early 2018. The expansion of the Zhuji Bafang WTE Facility and Yinchuan Zhongke WTE Facility are expected to be completed by end 2017 and the second quarter of 2018 respectively. Upon completion, these four projects under construction are expected to add 4,000 t/d and 131 MW/d to the Group's total installed waste treatment capacity and installed electricity generation capacity, respectively.

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, which includes four additional WTE projects recently secured in the PRC, located in (i) Tangshan, Hebei Province, (ii) Taigu County, Shanxi Province, (iii) Yan'an, Shaanxi Province, and (iv) Kunming, Yunnan Province.

The relevant preparatory work has been completed, and approvals obtained, for the Shijiazhuang Jiasheng WTE Facility, Kunming Wuhua WTE Facility, Tangshan Jiasheng WTE Facility, Linzhou Jiasheng WTE Facility, and expansion of the Wenling Green Energy WTE Facility, for which construction is expected to begin by end 2017 or early 2018. The relevant governmental approvals are in the process of being sought for the Yulin Green Energy WTE Facility, Zhongwei Green Energy WTE Facility, Wudi Jinhuan WTE Facility

and the Yan'an Guojin 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 21,350 t/d and 456 MW/d, respectively.

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.

As of 30 September 2017, the Group has secured three overseas projects in India. The Group had acquired a subsidiary in India, Ecogreen Energy Private Limited, in 1Q2017, which subsequently secured WTE projects in Lucknow, India and Gwalior, India in 2Q2017. The Group further secured a third project in Gurgaon, India in 3Q2017. 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.

Taking into consideration all the 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 59,761 t/d upon the completion of these projects, which represents an increase of approximately 4,115 t/d as compared to the estimated total installed waste treatment capacity in the previous quarter.

Due to constraints in the availability of land resources in urban areas for physical expansion 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 and will continue to undertake a large-scale technical upgrading project involving approximately half of its presently operating WTE facilities (especially for older WTE facilities with higher daily waste treatment capacity). When completed, the upgrading project is expected to expand the waste treatment capacity of each WTE facility by approximately 600 t/d to 1,000 t/d and increase operational efficiency, whilst also reducing emission levels and the proportion of coal used at the Group's WTE facilities. To minimise downtime and disruption at its WTE facilities, the technical upgrading works will be carried out in stages. The capital expenditure required in respect of the aforesaid technical upgrading project will be financed through internally generated operating cash flow, borrowings and/or future equity or debt fund raising.

Due to changes in the land use planning and environmental policies of the relevant local governments, the Group may also be required to close or cease operations at three of its older WTE facilities, namely the Hangzhou Yuhang WTE Facility, Zibo Jinjiang WTE Facility and Kunming Jinjiang WTE Facility. The Group had voluntarily ceased operations at the Hangzhou Yuhang WTE Facility from August 2017 onwards in view of ongoing negotiations with the local government and the Group. The Hangzhou Yuhang WTE Facility, which was completed in 1998, has an installed waste treatment capacity of 700 t/d and is located where the future Hangzhou West Corridor is to be situated and is west of Hangzhou's future transport hub. Therefore, the location may no longer be suitable for the operation and development of a waste incineration plant. Due to similar reasons, the Zibo Jinjiang WTE Facility, which was completed in 2007 and has a total installed waste treatment capacity of 2,000 t/d, may be required to cease operations in the first quarter of 2018. The Group currently has two operational WTE facilities in Zibo, namely, the Zibo Jinjiang WTE Facility and the Zibo Green Energy WTE Facility, and is currently constructing an additional WTE facility in Zibo, the Zibo New Energy WTE Facility, which has a total designed treatment capacity of 2,000 t/d. The Zibo New Energy WTE Facility will commence trial operations before the closure of the Zibo Jinjiang WTE Facility. The waste currently treated by the Zibo Jinjiang WTE Facility will be instead treated by the Zibo New Energy WTE Facility, which has a larger scale and potentially better economic benefits as compared to the Zibo Jinjiang WTE Facility.

The third affected facility is the Kunming Jinjiang WTE Facility, which had commenced operations in 2008 and has a total installed waste treatment capacity of 1,200 t/d. The Group is required by the local authorities to relocate the Kunming Jinjiang WTE Facility and is currently in the process of seeking the relevant governmental approvals for a new WTE facility in Kunming, which will commence operations before the Kunming Jinjiang WTE Facility is shut down. The installed waste treatment capacity of the new facility is expected to be 2,250 t/d, which far exceeds the current installed waste treatment capacity of 1,200 t/d. In view of the above, the Group has established working teams to actively liaise with the relevant local governments to clarify and manage the timetable, policies and related procedures for any closures that may be required, to ensure that these do not affect the Group's daily operations. Management is monitoring the ongoing negotiations closely and will make the relevant judgments as to any impairment of assets once definitive terms have been agreed with the relevant local governments as to the closure of the WTE facilities (if required) and the corresponding compensation.

The Group will regularly evaluate its strategies and plans and continuously strengthen its management of the business, through the organic and inorganic growth opportunities in order to maintain a leading market position in an increasingly competitive marketplace. The Group will further enhance operational efficiency through technological advancement, continuous research and development and adoption of advanced technology and equipment. At the same time, the Group will step up its research and development for efficient resource recycling and comply with more stringent environmental emission targets. The Group intends to leverage on the "One-Belt-One-Road" initiative through increased bidding for projects and mergers and acquisitions both within the PRC and in the international markets.

(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 9M2017 (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
Purchases of coal from:		
Linan Huawang Reneng Co., Ltd.	51,363	-
Construction services contracts awarded to:		
Zhejiang Jinxin Construction Engineering Co., Ltd.	-	161,115
Sales of goods to:		
Zhejiang Jinxin Construction Engineering Co., Ltd.	4,714	-
Registered capital paid up in WTE project company pursuant to entrustment agreement with:		
Hangzhou Jinjiang Group Co., Ltd.	1,000	-
Capital paid up in joint venture with:		
Zhejiang Jinxin Construction Engineering Co., Ltd.	6,000	-
Disposal of equity interest in a subsidiary to:		
Zhejiang Kangrui Investment Co., Ltd.	67,200	-
	130,277	161,115
Project technical and management services provided to:		
Shanxi Fusheng Aluminium Industry Co., Ltd.	-	1,509
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	-	750
Zhejiang Jinxin Construction Engineering Co., Ltd.	3,774	-
	3,774	2,259
Energy management contracting services provided to:		
Shanxi Xiaoyi Xing'an Chemical Co., Ltd.	-	146,785
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	-	6,656
Guangxi Tiandong Jinsheng Chemical Engineering Co., Ltd.	-	1,680
	-	155,121
Total	134,051	318,495

(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 third quarter ended 30 September 2017 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
Executive Chairman

14 November 2017

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.