

Investor Presentation



锦江环境

JINJIANG ENVIRONMENT

中国垃圾发电产业引领者

15 November 2016

Presentation Team



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JINJIANG ENVIRONMENT



WANG Yuanluo
CEO, Executive Chairman

- Vice President, China Environment Service Industry Association
- Vice President, China Association of Circular Economy
- President, Zhejiang Provincial Renewable Energy and Clean Production Industries Association



XU Yongqiang
Chief Financial Officer

- Accountant
- Rich financial management experience for publicly listed companies



WANG Ruihong
Deputy General Manager, Executive Director

- Accountant
- Senior professional manager for environmental protection



Choo Beng Lor

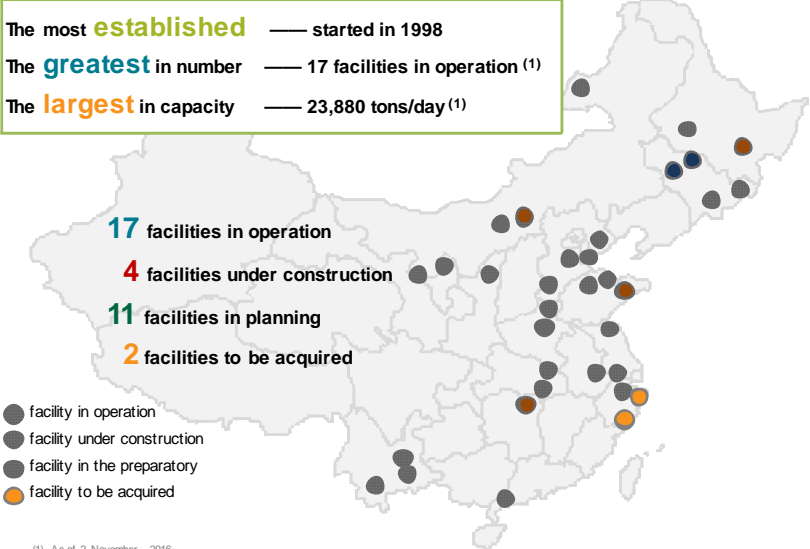
- Financial Controller
- Chartered Accountant of the Institute of Singapore Chartered Accountants

1. Updates on Business Development




We are a pioneer in China's WTE industry

The most **established** — started in 1998
 The **greatest** in number — 17 facilities in operation ⁽¹⁾
 The **largest** in capacity — 23,880 tons/day ⁽¹⁾



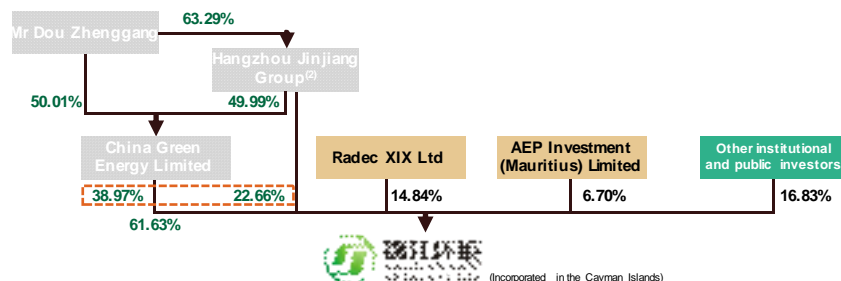
(1) As of 2 November 2016

We are a pioneer in China's WTE industry



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Strong shareholder background provides firm support for company's development⁽¹⁾



China Green Energy Limited

- China Green Energy is a subsidiary of the Hangzhou Jinjiang Group;
- The Jinjiang Group is China's top 500 private enterprise, engaging in environmental protection & energy, non-ferrous metal and chemicals business

Radee XIX Ltd

- A fund co-managed by US-based private equity fund Mount Kellett Capital and Fortress Investment Group

AEP Investment (Mauritius) Limited

- A fund wholly owned and managed by Olympus Capital
- Olympus Capital is US-based private equity, founded in 1997.


Other institutional investors⁽²⁾

- Company's shares are subscribed by many renowned institutional investors during IPO, including Great Eastern Life (Malaysia), HOPU Investment, Hailiang International and UOB AM


(1) Based on 1,216,824,200 shares; As of 2 November 2016
 (2) Though wholly-owned subsidiary
 (3) Report no. SGX's annual report - no. 3, August 2016.

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We are a pioneer in China's WTE industry



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	Project Name	Location	Designed Capacity (tons/day)	Model	Latest Progress	
To be acquired	Zhuji Bafang	Zhejiang Zhuji	1,050	BOO	1. Project valuation is completed. The acquisition price will be in total RMB 440 million (SGD 90.2 million).	 Zhuji Bafang 38.6 million RMB in PBT for 2015
	Wenling Green New Energy	Zhejiang Wenling	800	BOT	2. Announcement regarding the acquisition was made on 5 Oct 2016.	
Under construction	Hohhot Jiasheng	Hohhot, Inner Mongolia	1,000	BOO	Expected to complete construction by 2016	 Linzi WTE Expected to commence operation by Oct 2017
	Qitaihe Green Energy	Qitaihe, Heilongjiang	1,000	BOO		
	Gaomi Lilangmingde	Gaomi, Shandong	800	BOT		
Under expansion	Zibo Green New Energy	Linzi, Shandong	2,000	BOO	Expected to complete construction by October 2017	 Expected to complete expansion by 2016
	Wuhu Jinjiang	Wuhu, Anhui	1,000 (new capacity)	BOO	Expected to complete expansion by 2016	
	Lianyungang Chenxing	Lianyungang, Jiangsu	700 (new capacity)	BOO		
	Yinchuan Zhongke	Yinchuan, Ningxia	1,000 (new capacity)	BOT	In planning stage	


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Details of Projects to be Acquired




Zhejiang

Zhejiang Zhuji Bafang Thermal Power Co., Ltd.



Wenling Green New Energy Co., Ltd.



Area: 13.6 Hectares	Area: 7.3 Hectares
Capacity: 1,050 tons/per day	Capacity: 800 tons/per day
BOO Model	BOT Model (Commenced operation in Feb 2016; 29 years concession period)
<p style="text-align: center;"><u>Highlights</u></p> <ul style="list-style-type: none"> ▪ Combination of Resource Utilization & Cogeneration ▪ Zhejiang Province Cycling Economy "991 Action Plan" Project ▪ Top 13 Key Infrastructure Project for Zhuji City in 2003 ▪ 38.6 million RMB in PBT for 2015 	<p style="text-align: center;"><u>Highlights</u></p> <ul style="list-style-type: none"> ▪ Alleviating neighborhood municipal problems and highly valued by the local government ▪ Plan to build an eco-friendly park that integrates WTE, sludge incineration, harmless treatment of animal corpse and kitchen waste ▪ Harmless treatment of animal corpse commenced operation in May 2015 with capacity of 5 tons/day

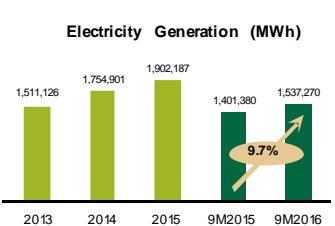
Acquisition Timeline

- To obtain shareholders' approval in the EGM on **15 November 2016**
- After approval, two projects will be consolidated and boost the company's profitability

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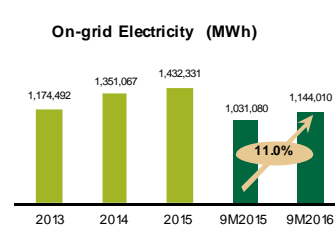
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Electricity Generation (MWh)



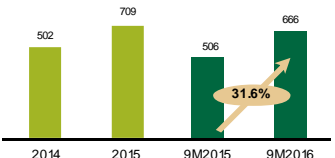
Year	2013	2014	2015	9M2015	9M2016
Value (MWh)	1,511,126	1,754,901	1,902,187	1,401,380	1,537,270

On-grid Electricity (MWh)



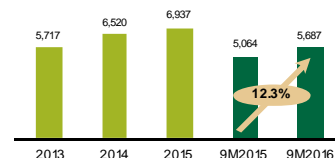
Year	2013	2014	2015	9M2015	9M2016
Value (MWh)	1,174,492	1,351,067	1,432,331	1,031,080	1,144,010

Steam Supply ('000 tons)




Year	2014	2015	9M2015	9M2016
Value ('000 tons)	502	709	506	666

Waste Treatment ('000 tons)



Year	2013	2014	2015	9M2015	9M2016
Value ('000 tons)	5,717	6,520	6,937	5,064	5,687

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Plants in operation

23,880 tons/day
Waste treatment capacity

+

17⁽¹⁾
Plants Facilities

21,950 tons/day⁽²⁾
Waste treatment capacity

=

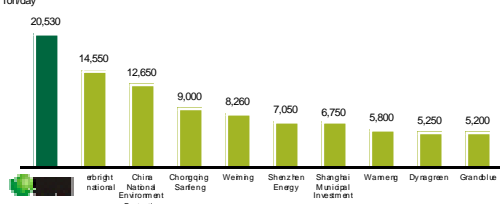
34⁽¹⁾
Total Plants

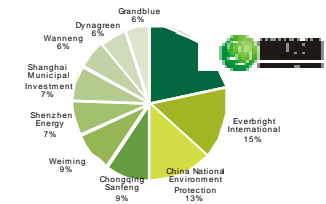
45,830 tons/day⁽³⁾
Waste treatment capacity

With our pipeline facilities commencing operation in the following years, we are able to maintain a fast pace of development and strengthen our market leading position in China's WTE industry

Top 10 WTE Companies by Waste Treatment Capacity⁽³⁾

Ton/day





(1) As of 2 November 2016, pipeline plants include 4 under construction, 11 in planning (framework agreement entered into), and 2 to be acquired
 (2) As of 2 November 2016, waste treatment capacity refers to those of the 4 under construction, 11 in planning (framework agreement entered into), 2 in expansion, and 2 to be acquired
 (3) Data provided by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. as of 31 December 2014. Only plants in operation are included

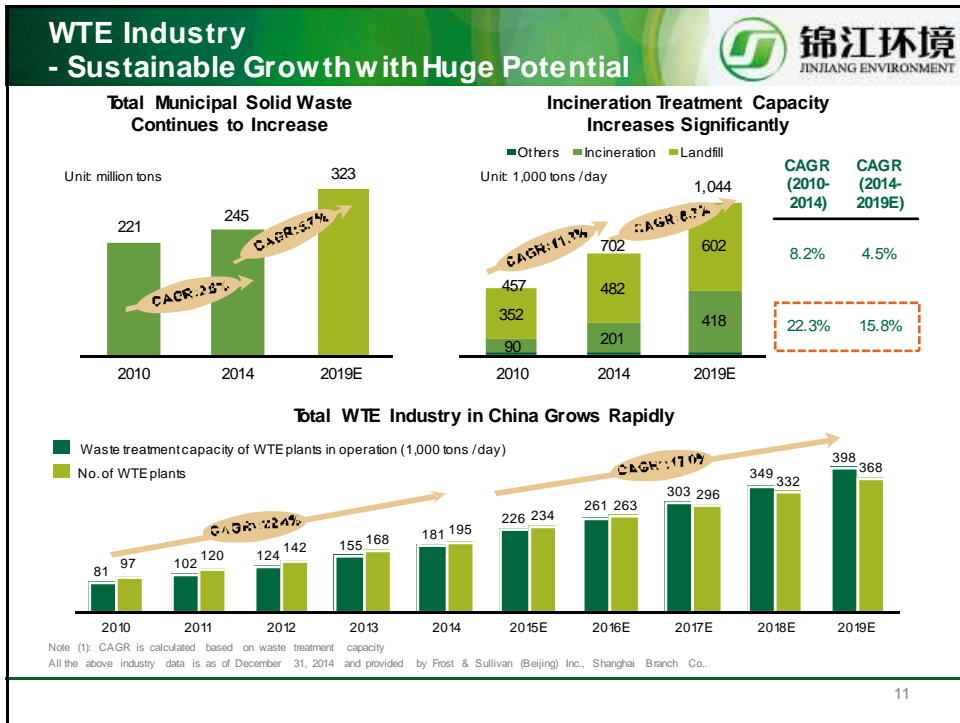
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2. Updates on Industry Development



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New policies unleash more potential of WTE industry



More opportunities backed by the Paper jointly issued by four ministries of China⁽¹⁾ to strengthen the incineration treatment of municipal waste

Paper w.r.t. further strengthening the work of municipal solid waste incineration"

5 Nov. 2016

Setting Goals

- The incineration treatment of municipal waste to be the major technical route of the country
- By 2020, 50% of municipal waste to be treated through incineration
- **As the market leader, the Company can capitalize on the growth of the industry during the 13th Five-Year-Plan to achieve development**

Strengthening Development

- Land for WTE projects and facilities to be included in the priority list in urban planning
- To encourage the improvement and expansion of existing WTE plants
- **This favors the continuous increase in Company's business scale and capacity**

Clean Incineration

- To adopt advanced technologies and tighter quality control measures to prevent and control fly ash pollution
- To establish clean incineration standards and evaluation system by 2017
- **The company implements clean incineration and will gain first-mover advantage**

Neighbourhood-friendly

- To centralize control and build facilities that benefit the neighborhood households
- To turn short-term compensation to long-term sustainable development, and achieve mutual gains

Comprehensive Supervision

- To strictly manage bidding process and reduce unhealthy competition among bidders
- To enforce information transparency, make operation & emission data available, and allow the public to monitor
- **Company always bids rationally and promotes healthy competition, and needs to practice more self-discipline.**

(1): Paper No. 227 Jiancheng [2016]. Four ministries are Ministry Housing & Urban-Rural Development, National Development and Reform Commission, Ministry of Land & Resources and Ministry of Environmental Protection

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3. Updates on Financial Performance



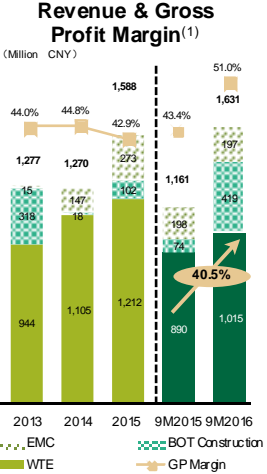
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Steady Rise in Revenue & Profitability

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Revenue & Gross Profit Margin⁽¹⁾

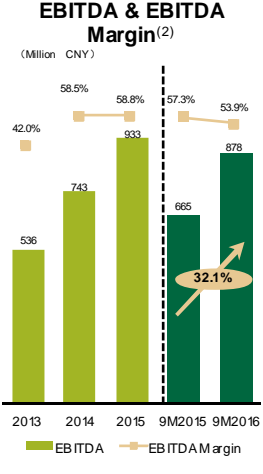
(Million CNY)



Year	WTE	BOT Construction	EMC	Total Revenue	GP Margin
2013	944	318	15	1,277	44.0%
2014	1,105	147	18	1,270	44.8%
2015	1,212	102	273	1,588	42.9%
9M2015	890	71	158	1,119	43.4%
9M2016	1,015	499	197	1,711	51.0%

EBITDA & EBITDA Margin⁽²⁾

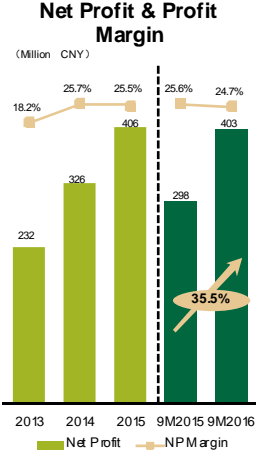
(Million CNY)



Year	EBITDA	EBITDA Margin
2013	536	42.0%
2014	743	58.5%
2015	933	58.8%
9M2015	665	57.3%
9M2016	878	53.9%

Net Profit & Profit Margin

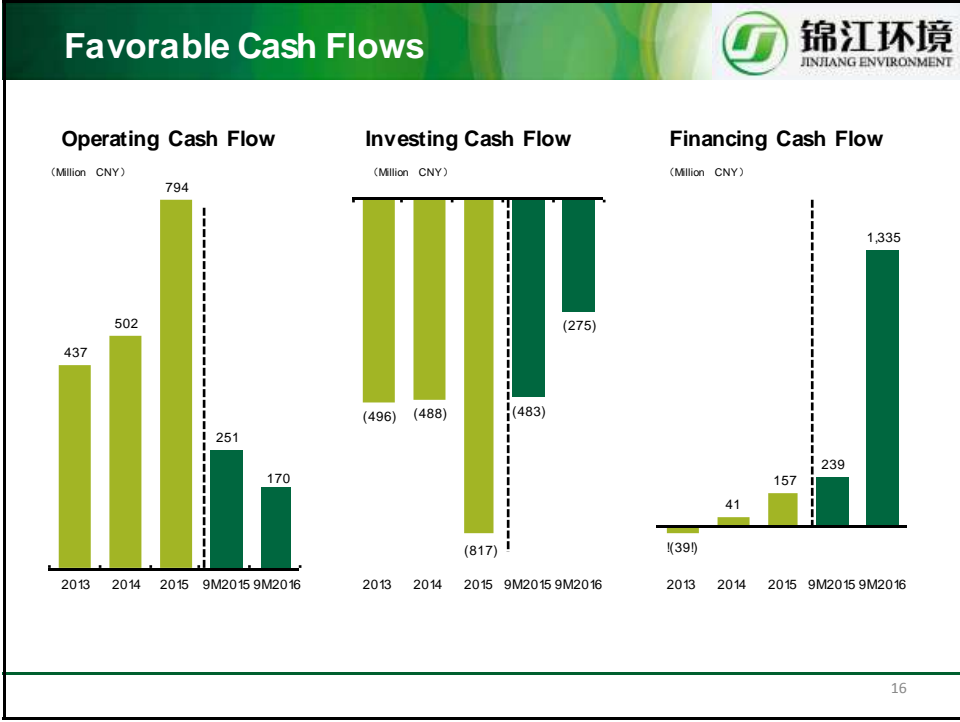
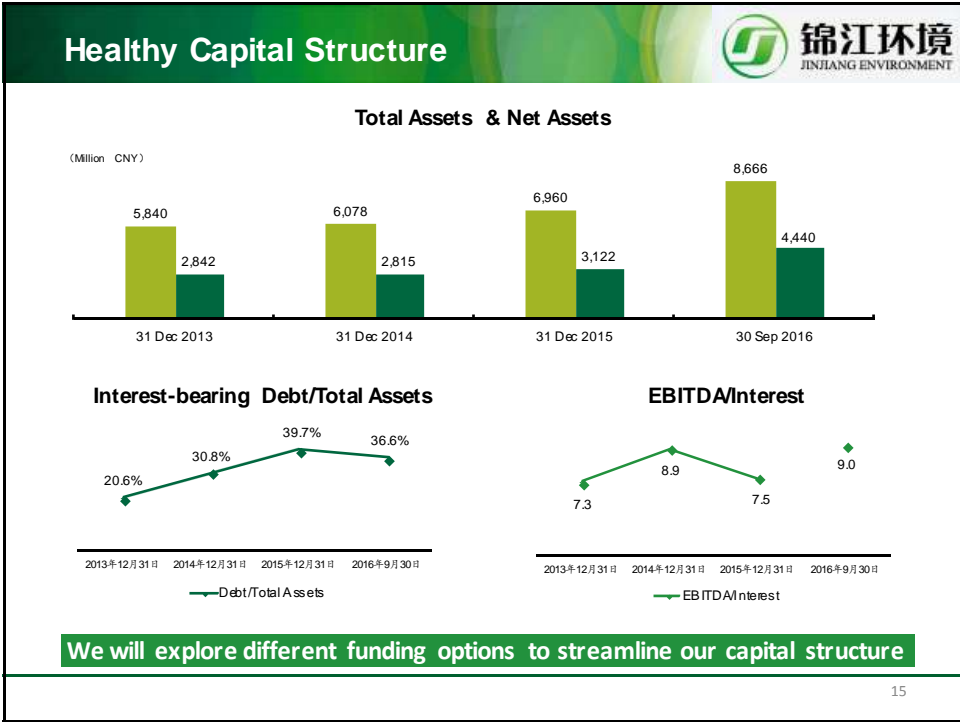
(Million CNY)




Year	Net Profit	NPM Margin
2013	232	18.2%
2014	326	25.7%
2015	406	25.5%
9M2015	298	25.6%
9M2016	403	24.7%

Note: (1) Gross profit margin calculated for WTE business (excluding revenue from construction services provided, project technical and management and EMC business)
 (2) EBITDA = Profit before tax + Interest expense + Depreciation & Amortisation; (3) Figures above all from continuing operations only

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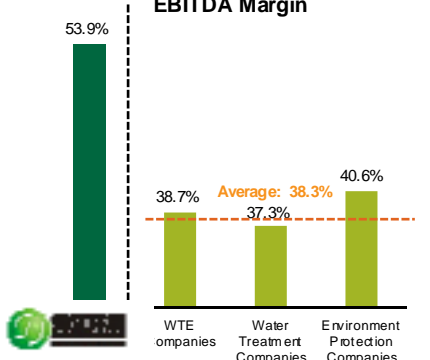


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Stronger Financials to Support Returns

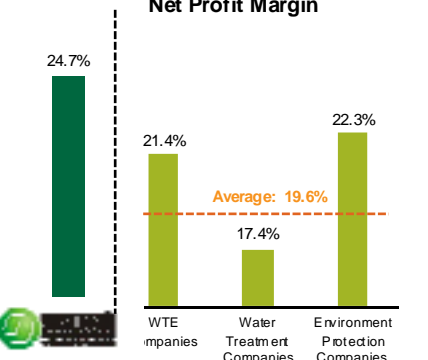
Compared to peers, Jinjiang Environment achieved better margins.

EBITDA Margin



Category	Margin (%)
Jinjiang Environment	53.9%
WTE companies	38.7%
Water Treatment Companies	37.3%
Environment Protection Companies	40.6%
Average	38.3%

Net Profit Margin



Category	Margin (%)
Jinjiang Environment	24.7%
WTE companies	21.4%
Water Treatment Companies	17.4%
Environment Protection Companies	22.3%
Average	19.6%

Dividend Policy

For FY2016 and FY2017, 50% of net profit after tax attributable to shareholders is to be distributed as cash dividends

Note: Calculated based on latest FY2016 Quarterly Reports of listed companies, including (1) Dynagreen Environment and Carvest Environment in WTE ; (2) CITIC environment, SICC Environment and China Everbright Water in water treatment ; (3) China Everbright International in environment protection

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4. Future Strategies



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In the future, we will ...

1. Maintain market leading position

- Expanding waste treatment capacity of existing facilities
- Through organic and inorganic growth opportunities

4. Expand internationally

- Specific focus on Southeast Asia and other developing countries
- Enhancing our brand image and international recognition

2. Continuously improve technical capabilities

- Adopting advanced pre-treatment technologies from Europe, in synergy with our own
- Enhancing operating efficiency and reduce emissions at our WTE facilities

3. Diversifying in the WTE value chain

- Expanding our WTE business to related areas such as sludge treatment
- Growing our EMC and third party project management businesses



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Thank you!

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