



锦江环境

JINJIANG ENVIRONMENT

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 Fourth Quarter And Full Year Financial Statements For The Period Ended 31 December 2016

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.

On 29 December 2016, the Group has successfully completed the acquisition of the entire equity interest in Zhejiang Zhuji Bafang Thermal Power Co., Ltd. (“Zhuji Bafang”) and Wenling Green New Energy Co., Ltd. (“Wenling Green Energy”). The Group, including Zhuji Bafang and Wenling Green Energy, is regarded as a continuing entity during the years ended 31 December 2016 (“FY2016”) and 2015 (“FY2015”), as the Group is ultimately controlled by the common shareholder both before and after the acquisition. The Group’s consolidated financial statements have been prepared using the principles of merger accounting on the basis that the acquisition transfers the equity interest in the consolidated entities under the common control to the Company has been effected as at the beginning of FY2015. Therefore, the consolidated financial statements for FY2015 has been restated.

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 fourth quarter (“4Q”) and full year (“FY”) ended 31 December 2016.

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 4Q2016 RMB'000	Group 4Q2015 RMB'000	Change +/(-) %	Group FY2016 RMB'000	Group FY2015 RMB'000 (Restated)	Change +/(-) %
Revenue	777,973	528,465	47.2	2,631,888	1,936,282	35.9
Cost of sales	(487,365)	(319,536)	52.5	(1,582,483)	(1,117,293)	41.6
Gross profit	290,608	208,929	39.1	1,049,405	818,989	28.1
Other income and other gains and losses	69,536	52,986	31.2	145,714	106,247	37.1

	Group 4Q2016 RMB'000	Group 4Q2015 RMB'000	Change +/(-) %	Group FY2016 RMB'000	Group FY2015 RMB'000 (Restated)	Change +/(-) %
Administrative expenses	(68,924)	(44,992)	53.2	(205,402)	(157,849)	30.1
Finance costs	(60,415)	(34,203)	76.6	(159,731)	(124,080)	28.7
Profit before tax	230,805	182,720	26.3	829,986	643,307	29.0
Income tax expense	(62,797)	(69,029)	(9.0)	(240,023)	(197,435)	21.6
Profit and total comprehensive income	168,008	113,691	47.8	589,963	445,872	32.3
Profit and total comprehensive income attributable to:						
- owners of the Company	185,250	116,420	59.1	597,583	443,653	34.7
- non-controlling interests	(17,242)	(2,729)	531.8	(7,620)	2,219	(443.4)
	168,008	113,691	47.8	589,963	445,872	32.3

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

	Group 4Q2016 RMB'000	Group 4Q2015 RMB'000	Change +/(-) %	Group FY2016 RMB'000	Group FY2015 RMB'000 (Restated)	Change +/(-) %
Profit before tax has been arrived at after charging (crediting):						
Staff costs (including directors' emoluments)	64,819	56,137	15.5	198,407	155,166	27.9
Cost of inventories recognised as expense	93,099	57,695	61.4	338,065	320,351	5.5
Depreciation of property, plant and equipment	82,833	55,385	49.6	276,487	213,500	29.5
Amortisation of prepaid leases	2,998	2,986	0.4	11,330	11,109	2.0
Amortisation of intangible assets	9,106	4,901	85.8	28,666	15,526	84.6
Total depreciation and amortisation	94,937	63,272	50.0	316,483	240,135	31.8

	Group 4Q2016 RMB'000	Group 4Q2015 RMB'000	Change +/(-) %	Group FY2016 RMB'000	Group FY2015 RMB'000 (Restated)	Change +/(-) %
Overprovision of tax in the prior years	9,426	-	N.M.	19,687	2,092	841.1
Government grants	81,064	50,066	61.9	161,252	88,770	81.7
Bank interest income	2,569	216	1,089.4	3,433	1,994	72.2
Gain on sales of scrap materials	9,069	2,716	233.9	15,591	16,379	(4.8)
Unrealised exchange losses	11,319	(5)	N.M.	(51)	(885)	(94.2)
Gain (Loss) on disposal of property, plant and equipment	26	(7)	(471.4)	-	(11)	(100.0)
Impairment losses recognised on:						
- trade receivables	(31,391)	-	N.M.	(31,391)	-	N.M.
- property, plant and equipment	(3,120)	-	N.M.	(3,120)	-	N.M.
Other income and other gains and losses	69,536	52,986	31.2	145,714	106,247	37.1

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 As at 31 Dec 2016 RMB'000	Group As at 31 Dec 2015 RMB'000 (Restated)	Group As at 1 Jan 2015 RMB'000 (Restated)	Company As at 31 Dec 2016 RMB'000	Company As at 31 Dec 2015 RMB'000
Assets					
Non-current assets					
Property, plant and equipment	5,525,788	4,942,525	4,234,952	-	-
Prepaid leases	251,915	261,781	252,865	-	-
Intangible assets	1,550,546	1,006,655	653,834	-	-
Investment in an associate	43,804	43,804	-	-	-
Investment in subsidiaries	-	-	-	1,790,640	1,790,640
Service concession receivables	320,438	201,530	133,535	-	-
Other receivables	228,565	61,995	-	-	-
Total non-current assets	7,921,056	6,518,290	5,275,186	1,790,640	1,790,640
Current assets					
Inventories	42,171	38,394	43,093	-	-
Prepaid leases	11,330	11,109	10,398	-	-
Service concession receivables	34,421	18,799	9,399	-	-
Trade and other receivables	679,679	438,360	465,303	-	6,761
Other tax recoverable	90,573	87,249	77,301	-	-
Amounts due from related parties	69,132	260,050	402,435	-	-
Amounts due from subsidiaries	-	-	-	619,667	-
Amounts due from non-controlling interests	19,641	11,350	9,889	-	-
Pledged bank deposits	320,970	-	45,000	251,189	-
Bank balances and cash	540,854	380,511	233,711	30,089	141

	Group As at 31 Dec 2016 RMB'000	Group As at 31 Dec 2015 RMB'000 (Restated)	Group As at 1 Jan 2015 RMB'000 (Restated)	Company As at 31 Dec 2016 RMB'000	Company As at 31 Dec 2015 RMB'000
Total current assets	1,808,771	1,245,822	1,296,529	900,945	6,902
Total assets	9,729,827	7,764,112	6,571,715	2,691,585	1,797,542
Current liabilities					
Trade and other payables	930,190	671,032	649,135	6,007	6
Amounts due to related parties	364,384	174,751	597,755	-	-
Amounts due to subsidiaries	-	-	-	1,947	7,635
Income tax liabilities	90,321	99,034	82,445	-	-
Other tax liabilities	52,762	29,890	22,151	-	-
Dividends payable	1,397	1,397	9,283	-	-
Borrowings	989,650	534,388	843,542	-	-
Obligations under finance leases	267,138	115,931	-	-	-
Deferred grant	4,776	34,649	2,480	-	-
Total current liabilities	2,700,618	1,661,072	2,206,791	7,954	7,641
Net current assets (liabilities)	(891,847)	(415,250)	(910,262)	892,991	(739)
Total assets less current liabilities	7,029,209	6,103,040	4,364,924	2,683,631	1,789,901
Non-current liabilities					
Borrowings	1,369,796	1,806,320	1,029,504	-	-
Obligations under finance leases	637,819	443,712	-	-	-
Deferred tax liabilities	327,261	237,883	186,933	-	-
Deferred grant	92,665	112,104	46,874	-	-

	Group As at 31 Dec 2016 RMB'000	Group As at 31 Dec 2015 RMB'000 (Restated)	Group As at 1 Jan 2015 RMB'000 (Restated)	Company As at 31 Dec 2016 RMB'000	Company As at 31 Dec 2015 RMB'000
Provision for major overhauls	10,363	8,200	3,840	-	-
Total non-current liabilities	2,437,904	2,608,219	1,267,151	-	-
Net assets	4,591,305	3,494,821	3,097,773	2,683,631	1,789,901
Capital and reserves					
Share capital	81	67	67	81	67
Reserves	4,422,611	3,310,489	2,817,341	2,683,550	1,789,834
Equity attributable to owners of the company	4,422,692	3,310,556	2,817,408	2,683,631	1,789,901
Non-controlling interests	168,613	184,265	280,365	-	-
Total equity	4,591,305	3,494,821	3,097,773	2,683,631	1,789,901

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

Amount repayable in one year or less, or on demand

As at 31 Dec 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000 (Restated)	RMB'000 (Restated)
1,255,055	1,733	647,523	2,796

Amount repayable after one year

As at 31 Dec 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000 (Restated)	RMB'000 (Restated)
2,002,328	5,287	1,843,948	406,084

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 4Q2016 RMB'000	Group 4Q2015 RMB'000	Group FY2016 RMB'000	Group FY2015 RMB'000 (Restated)
Operating activities				
Profit before tax	230,805	182,720	829,986	643,307
Adjustments for:				
Finance costs	60,415	34,203	159,731	124,080
Interest income	(9,699)	(7,273)	(23,037)	(21,872)
Depreciation of property, plant and equipment	82,833	55,385	276,487	213,500
Amortisation of prepaid leases	2,998	2,986	11,330	11,109
Amortisation of intangible assets	9,106	4,901	28,666	15,526
Loss (Gain) on disposal of property, plant and equipment	(26)	7	-	11
Impairment losses recognised on:				
- trade receivables	31,391	-	31,391	-
- property, plant and equipment	3,120	-	3,120	-
Deferred grant recognised	(53,912)	(32,536)	(80,769)	(34,716)
Operating cash flows before movements in working capital	357,031	240,393	1,236,905	950,945
(Increase) Decrease in trade and other receivables	(48,322)	105,532	(250,709)	50,296
Increase in service concession receivables	(70,611)	(10,165)	(134,530)	(56,326)
Decrease (Increase) in other tax recoverable	6,611	(1,657)	(3,324)	(9,905)
(Increase) Decrease in inventories	(944)	(7,209)	(3,777)	4,708
Increase in intangible assets	(156,369)	(76,079)	(572,557)	(271,734)
Increase in trade and other payables	83,031	42,834	147,394	81,401
Increase in other tax liabilities	5,718	18,060	22,872	7,739

	Group 4Q2016 RMB'000	Group 4Q2015 RMB'000	Group FY2016 RMB'000	Group FY2015 RMB'000 (Restated)
Decrease in amounts due from related parties	96,261	207,937	188,971	22,778
(Increase) Decrease in amounts due from non-controlling interests	(186)	976	(743)	(394)
Increase (Decrease) in amounts due to related parties	5,197	(15)	20,786	(10,254)
Cash generated from operations	277,417	520,607	651,288	769,254
Income tax paid	(23,913)	(24,156)	(159,358)	(131,500)
Net cash from operating activities	253,504	496,451	491,930	637,754
Investing activities				
Interest received	2,523	225	3,433	1,994
Payments for property, plant and equipment and intangible assets	(409,452)	(289,484)	(795,715)	(919,968)
Proceeds from disposal of property, plant and equipment	146	4	171	4
Payment for prepaid leases	(1,685)	(1,854)	(1,685)	(20,736)
Consideration payables for acquisition of subsidiaries	(56,220)	(35,000)	(56,220)	(35,000)
Payment for acquisition of subsidiaries	(439,494)	-	(452,194)	-
Net cash outflows arising from acquisition of subsidiaries	-	(47,726)	-	(47,726)
(Increase) Decrease in pledged bank deposits	(85,112)	-	(85,112)	45,000
Net cash used in investing activities	(989,294)	(373,835)	(1,387,322)	(976,432)
Financing activities				
Proceeds from borrowings	150,000	782,992	1,005,262	1,360,517
Proceeds from obligations under finance leases	108,199	110,690	500,995	515,690
Repayment of borrowings	(274,832)	(537,499)	(986,524)	(892,855)
Repayment of obligations under finance leases	(59,718)	(11,750)	(152,253)	(22,076)
Payment of finance costs	(57,118)	(36,931)	(172,046)	(130,570)

	Group 4Q2016 RMB'000	Group 4Q2015 RMB'000	Group FY2016 RMB'000	Group FY2015 RMB'000 (Restated)
Capital contribution	32,530	-	32,530	50,430
Proceeds from issue of shares	-	-	963,586	-
Payment for share issue costs	-	-	(35,512)	-
Dividends paid	(1,675)	(7,167)	(1,675)	(15,053)
Advances/Repayment from related parties	283,647	1,070,457	490,204	1,865,812
Advances/Repayment to related parties	(263,690)	(1,385,802)	(384,431)	(2,284,445)
Deferred grants	3,491	118,510	31,457	132,115
Repayment to non-controlling interests for discontinued operations	-	(94,087)	-	(94,087)
Increase in pledged bank deposits for borrowings	(235,858)	-	(235,858)	-
Net cash flow from financing activities	(315,024)	9,413	1,055,735	485,478
Net (decrease) increase in cash and cash equivalent	(1,050,814)	132,029	160,343	146,800
Cash and cash equivalent at beginning of period	1,591,668	248,482	380,511	233,711
Cash and cash equivalent at end of period represented by bank balances and cash	540,854	380,511	540,854	380,511

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

	Attributable to owners of the Company						Non-controlling interests	Total
	Share capital	Capital reserve	Merger reserves	Statutory surplus reserve	Retained earnings	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group								
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, recognised directly in equity</u>								
Acquisition of non-controlling interests	-	-	22,017	-	-	22,017	(24,717)	(2,700)
At 30 June 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, recognised directly in equity</u>								
Issuance of shares	14	963,572	-	-	-	963,586	-	963,586
Share issue costs	-	(35,512)	-	-	-	(35,512)	-	(35,512)

	Attributable to owners of the Company					Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Merger reserves RMB'000	Statutory surplus reserve RMB'000	Retained earnings RMB'000			
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, 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
At 1 January 2015 (as previously reported)	67	1,280,932	(53,882)	19,257	1,291,018	2,537,392	277,982	2,815,374
Adjustment of acquisition of subsidiaries under common control	-	-	198,000	-	82,016	280,016	2,383	282,399
Profit and total comprehensive income for the period	-	-	-	-	98,192	98,192	2,475	100,667

	Attributable to owners of the Company					Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Merger reserves RMB'000	Statutory surplus reserve RMB'000	Retained earnings RMB'000			
<u>Transactions with owners, recognised directly in equity</u>								
Capital contribution from owners	-	-	47,530	-	-	47,530	2,900	50,430
Appropriation to reserves	-	-	-	31,488	(31,488)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	(7,167)	(7,167)
Cessation of discontinued operations	-	(139,238)	-	(19,257)	158,495	-	(94,087)	(94,087)
At 31 March 2015	67	1,141,694	191,648	31,488	1,598,233	2,963,130	184,486	3,147,616
At 1 April 2015	67	1,141,694	191,648	31,488	1,598,233	2,963,130	184,486	3,147,616
Profit and total comprehensive income for the period	-	-	-	-	132,992	132,992	3,964	136,956
At 30 June 2015	67	1,141,694	191,648	31,488	1,731,225	3,096,122	188,450	3,284,572
At 1 July 2015	67	1,141,694	191,648	31,488	1,731,225	3,096,122	188,450	3,284,572
Profit and total comprehensive income for the period	-	-	-	-	96,049	96,049	(1,491)	94,558
<u>Transactions with owners, recognised directly in equity</u>								
Disposal of partial equity interest in a subsidiary	-	1,965	-	-	-	1,965	35	2,000
At 30 September 2015	67	1,143,659	191,648	31,488	1,827,274	3,194,136	186,994	3,381,130

	Attributable to owners of the Company					Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Merger reserves RMB'000	Statutory surplus reserve RMB'000	Retained earnings RMB'000			
At 1 October 2015	67	1,143,659	191,648	31,488	1,827,274	3,194,136	186,994	3,381,130
Profit and total comprehensive income for the period	-	-	-	-	116,420	116,420	(2,729)	113,691
At 31 December 2015	67	1,143,659	191,648	31,488	1,943,694	3,310,556	184,265	3,494,821

	Share capital RMB'000	Capital reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Company				
At 1 January 2016	67	1,805,112	(15,278)	1,789,901
Profit and total comprehensive income 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
Profit and total comprehensive income for the period	-	-	(5,582)	(5,582)
At 30 June 2016	67	1,805,112	(23,786)	1,781,393
At 1 July 2016	67	1,805,112	(23,786)	1,781,393
Profit and total comprehensive income 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
At 1 January 2015	67	1,805,112	(14,353)	1,790,826
Profit and total comprehensive income for the period	-	-	(53)	(53)
At 31 March 2015	67	1,805,112	(14,406)	1,790,773
At 1 April 2015	67	1,805,112	(14,406)	1,790,773
Profit and total comprehensive income for the period	-	-	(89)	(89)
At 30 June 2015	67	1,805,112	(14,495)	1,790,684

	Share capital RMB'000	Capital reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 July 2015	67	1,805,112	(14,495)	1,790,684
Profit and total comprehensive income for the period	-	-	(563)	(563)
At 30 September 2015	67	1,805,112	(15,058)	1,790,121
At 1 October 2015	67	1,805,112	(15,058)	1,790,121
Profit and total comprehensive income for the period	-	-	(220)	(220)
At 31 December 2015	67	1,805,112	(15,278)	1,789,901

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

On 1 August 2016, the Company issued 204,819,300 ordinary shares ("Shares") pursuant to its initial public offering. The Company was listed on the Mainboard of the SGX-ST on 3 August 2016.

On 5 September 2016, pursuant to the partial exercise of an over-allotment option, the Company issued 12,004,800 Shares.

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

The total number of issued Shares as at 31 December 2016 and 31 December 2015 were 1,216,824,200 and 10,000,001 respectively. The Company has no treasury shares.

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

Not applicable as the Company has no treasury shares.

(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 2015.

(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 2016 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	
	4Q2016	4Q2015	FY2016	FY2015 (Restated)
Basic earnings per Share (RMB cents)	15.22	11.64	54.85	44.37
Weighted average number of Shares	1,216,824,200	1,000,000,100	1,089,491,683	1,000,000,100
Fully diluted earnings per Share (RMB cents)	15.22	11.64	54.85	44.37
Weighted average number of Shares	1,216,824,200	1,000,000,100	1,089,491,683	1,000,000,100

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 total number of issued Shares as at 31 December 2016 was 1,216,824,200.

The earnings per Share for 4Q2016 and FY2016 was computed based on the weighted average number of Shares of 1,216,824,200 and 1,089,491,683 respectively.

The earnings per Share for 4Q2015 and FY2015 was computed based on the weighted average number of Shares sub-divided into 100 Shares for comparison purposes.

**(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 31 Dec 2016	As at 31 Dec 2015	As at 31 Dec 2016	As at 31 Dec 2015 (Restated)
Net asset value per Share (RMB cents)	363.46	331.06	220.54	178.99
Number of Shares in issue at the end of the period	1,216,824,200	1,000,000,100	1,216,824,200	1,000,000,100

The net asset value per Share as at 31 December 2016 and 31 December 2015 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

4Q2016 vs 4Q2015

Revenue

	4Q2016		Revenue		4Q2015		Change	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
WTE Business								
Sales of electricity	287,401	37.0	216,800	41.0			32.6	
Sales of steam	86,311	11.1	58,533	11.1			47.5	
Revenue from waste treatment fees	107,302	13.8	92,808	17.6			15.6	
Revenue from construction services provided under service concession agreements	203,865	26.2	77,394	14.6			163.4	
Financial income under service concession agreements	7,130	0.9	7,057	1.3			1.0	
Sub-total	692,009	89.0	452,592	85.6			52.9	
Project technical and management service and EMC business	85,964	11.0	75,873	14.4			13.3	
Total	777,973	100.0	528,465	100.0			47.2	

Revenue increased 47.2% from RMB528.5 million in 4Q2015 to RMB778.0 million in 4Q2016, primarily due to an increase in revenue from:-

(a) 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) increased 30.7% from RMB368.1 million in 4Q2015 to RMB481.0 million in 4Q2016. The increase was attributable to (i) an increase in revenue from waste treatment fees from RMB92.8 million in 4Q2015 to RMB107.3 million in 4Q2016 which was primarily due to (a) an increase in the supply of municipal solid waste to our WTE facilities, resulting in an increase in sales of electricity and (b) the commencement of commercial operation of the Suihua Green Energy WTE Facility and Zibo Green Energy WTE Facility, (ii) an increase in revenue from sales of steam from RMB58.5 million in 4Q2015 to RMB86.3 million in 4Q2016, (iii) an increase in the electricity supply fee for the Zibo Jinjiang WTE Facility, Zibo Green Energy WTE Facility, Jilin Xinxiang WTE Facility, Wuhan Jinjiang WTE Facility and Yinchuan Zhongke 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 by the Jilin Xinxiang WTE Facility and Yinchuan Zhongke WTE Facility of retrospective payments arising from increases in electricity supply fee FY2015 in 4Q2016 and (iv) the acquisition of the Zhuji Bafang WTE Facility and the Wenling Green Energy WTE Facility .

Details of the electricity generated and supplied, steam supplied and waste treated for 4Q2016 and 4Q2015 are as follows:

	Group 4Q2016	Group 4Q2015	Change %
Electricity generated ('000 KWh)	626,290	480,940	30.2
On-grid electricity supplied ('000 KWh)	457,450	351,060	30.3
Steam supplied ('000 tonnes)	640	467	37.0
Waste treated ('000 tonnes)	2,073	1,750	18.5

On-grid electricity supplied and waste treated increased 30.3% and 18.5% in 4Q2016 as compared to 4Q2015. This is in line with the increase in the supply of municipal solid waste to the WTE facilities and new facilities becoming operational and being acquired by the Group.

(b) Construction services provided under BOT concession agreements

Revenue from construction services provided under build-operate-transfer (“BOT”) concession agreements increased by 149.7% from RMB84.5 million in 4Q2015 to RMB211.0 million in 4Q2016 due to an increase in revenue from the provision of construction services under BOT concession agreements from RMB77.4 million in 4Q2015 to RMB203.9 million in 4Q2016, which was mainly attributable to the construction of the Songyuan Xinxiang WTE Facility and the Gaomi Lilangmingde WTE Facility.

Revenue from project technical and management services and EMC business increased 13.3% from RMB75.9 million in 4Q2015 to RMB86.0 million in 4Q2016 due to more technical and management services revenue recognised.

Cost of sales

Cost of sales increased 52.6% from RMB319.5 million in 4Q2015 to RMB487.4 million in 4Q2016, due to an increase in the cost of sales from:-

(a) 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 38.1% from RMB236.7 million in 4Q2015 to RMB327.0 million in 4Q2016. The increase is due to (i) the commencement of commercial operations of the Suihua Green Energy WTE Facility and Zibo Green Energy WTE Facility, which resulted in increased operating costs arising from larger amounts of electricity generated, steam generated and waste treated, amounting to approximately RMB21.1 million or about 8.9% increase, (ii) increase in operating costs including raw materials costs, labour, depreciation, amortization, maintenance and other costs due to increase in operations by about 21.0% and (iii) increase in prices of raw material amounting to approximately 8.0%.

(b) Construction services provided under BOT concession agreements

The cost of sales from construction services provided under BOT concession agreements increased 114.3% from RMB68.7 million in 4Q2015 to RMB147.2 million in 4Q2016 due to the provision of construction services under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility.

This was partially offset by a decrease in the cost of sales from project technical and management services and our EMC business, which decreased 6.4% from RMB14.1 million in 4Q2015 to RMB13.2 million in 4Q2016, primarily due to cost control measures implemented by the Group.

Gross profit and gross profit margin

	Gross Profit (RMB million)		Gross Profit Margin	
	4Q2016	4Q2015	4Q2016	4Q2015
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	154.0	131.4	32.0%	35.7%
Construction services provided under BOT concession agreements	56.7	8.7	27.8%	11.3%
Project technical and management service and EMC business	72.8	61.7	84.7%	81.4%
Financial income under service concession arrangements	7.1	7.1	N.A.	N.A.
Total	290.6	208.9	37.4%	39.5%

As a result of the foregoing, the gross profit increased 39.1% from RMB208.9 million in 4Q2015 to RMB290.6 million in 4Q2016, which was driven by an increase 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. Our gross profit margin decreased from 39.5% in 4Q2015 to 37.4% in 4Q2016, which was mainly due to the decrease in the gross profit margin of the WTE business (excluding gross profit from construction services provided under BOT concession agreements) from 35.7% in 4Q2015 to 32.0% in 4Q2016, partially offset by (i) an increase in the gross profit margin of construction services provided under BOT concession agreements from 11.3% in 4Q2015 to 27.8% in 4Q2016 and (ii) an increase in the gross profit margin of project technical and management services and our EMC business from 81.4% in 4Q2015 to 84.7% in 4Q2016.

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) increased 15.4% from RMB131.4 million in 4Q2015 to RMB154.0 million in 4Q2016, primarily due to an increase in the revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) from RMB368.1 million in 4Q2015 to RMB481.0 million in 4Q2016, partially 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 RMB236.7 million in 4Q2015 to RMB327.0 million in 4Q2016. The gross profit margin of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) decreased from 35.7% in 4Q2015 to 32.0% in 4Q2016, which was primarily due to higher costs of sales described under the cost of sales section 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 increased 551.7% from RMB8.7 million in 4Q2015 to RMB56.7 million in 4Q2016, due to an increase in the revenue recognised from construction services provided under BOT concession agreements from RMB77.4 million in 4Q2015 to RMB203.9 million in 4Q2016 due to the provision of construction services under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility, partially offset by an increase in the cost of sales from construction services provided under BOT concession agreements from RMB68.9 million in 4Q2015 to RMB147.2 million in 4Q2016. The gross profit margin increased from 11.3% in 4Q2015 to 27.8% in 4Q2016, as (i) the differential in electricity supply fee for the Yinchuan Zhongke WTE Facility relating to its trial operation period and was offset against BOT construction costs for the current quarter, and (ii) less costs were incurred as a result of more optimised construction processes.

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 increased 18.0% from RMB61.7 million in 4Q2015 to RMB72.8 million in 4Q2016, due to (i) an increase in the revenue from project technical and management services and our EMC business from RMB75.9 million in 4Q2015 to RMB86.0 million in 4Q2016 and (ii) a decrease in the cost of sales from project technical and management services and our EMC business from RMB14.1 million in 4Q2015 to RMB13.2 million in 4Q2016, primarily due to the continued expansion of our EMC business and the implementation of cost control measures by the Group. Accordingly, the gross profit margin of project technical and management services and our EMC business increased from 81.4% in 4Q2015 to 84.7% in 4Q2016.

Other income and other gains and losses

Other income and other gains and losses increased 31.2% from RMB53.0 million in 4Q2015 to RMB69.5 million in 4Q2016, due primarily to (i) an increase of 61.9% in VAT refund and government subsidy from RMB50.1 million in 4Q2015 to RMB81.1 million in 4Q2016, (ii) an unrealised exchange gain of RMB11.3 million, arising mainly from monies held in United States Dollars and (iii) increases in bank interest of RMB2.4 million and gain on sales of scrap materials of RMB6.4 million, partially offset by provision for impairment of trade receivables and property, plant and equipment amounting to RMB34.5 million.

Administrative expenses

Administrative expenses increased 53.2% from RMB45.0 million in 4Q2015 to RMB68.9 million in 4Q2016, mainly due to the expansion of the Group's operations, accruals of audit fees and directors' fees and increase in social security costs attributable to more WTE facilities commencing operations. Administrative expenses as a percentage of revenue increased from 8.5% in 4Q2015 to 8.9% in 4Q2016.

Finance costs

Finance costs increased 76.6% from RMB34.2 million in 4Q2015 to RMB60.4 million in 4Q2016, primarily increase in bank borrowings as well as expensing of interest for projects that commenced operations.

Profit before tax

As a result of the foregoing, profit before tax increased 26.3% from RMB182.7 million in 4Q2015 to RMB230.8 million in 4Q2016.

Income tax expense

Income tax expense decreased 9.0% from RMB69.0 million in 4Q2015 to RMB62.8 million in 4Q2016. The decrease was primarily attributable to a tax exemption applicable to the retrospective payments received from the authorities following the revision of the electricity supply fee for the Yinchuan Zhongke WTE Facility.

Profit for the period

As a result of the foregoing, profit for the period increased 47.8% from RMB113.7 million in 4Q2015 to RM168.0 million in 4Q2016.

FY2016 vs FY2015

Revenue

	Revenue		Revenue		Change %
	FY2016 RMB'000	%	FY2015 RMB'000 (Restated)	%	
WTE Business					
Sales of electricity	942,899	35.8	782,768	40.4	20.5
Sales of steam	253,197	9.6	191,715	9.9	32.1
Revenue from waste treatment fees	424,700	16.1	366,650	19.0	15.8
Revenue from construction services provided under service concession agreements	708,171	26.9	301,897	15.6	134.6
Financial income under service concession agreements	19,604	0.8	19,878	1.0	(1.4)
Sub-total	2,348,571	89.2	1,662,908	85.9	41.2
Project technical and management service and EMC business	283,317	10.8	273,374	14.1	3.6
Total	2,631,888	100.0	1,936,282	100.0	35.9

Revenue increased 35.9% from RMB1,936.3 million in FY2015 to RMB2,631.9 million in FY2016, due to an increase in revenue from:-

- (a) 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) increased 20.9% from RMB1,341.1 million in FY2015 to RMB1,620.8 million in FY2016. The increase was attributable to (i) an increase in revenue from waste treatment fees from RMB366.7 million in FY2015 to RMB424.7 million in FY2016 which was primarily due to (a) an increase in the supply of municipal solid waste to our WTE facilities, resulting in an increase in sales of electricity and (b) the commencement of commercial operation of the Suihua Green Energy WTE Facility and Zibo Green Energy WTE Facility, (ii) an increase in revenue from sales of steam from RMB191.7 million in FY2015 to RMB253.2 million in FY2016, (iii) an increase in the electricity supply fee for the Zibo Jinjiang WTE Facility, Zibo Green Energy WTE Facility, Jilin Xinxiang WTE Facility, Wuhan Jinjiang WTE Facility and Yinchuan Zhongke 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 by the Jilin Xinxiang WTE Facility and Yinchuan Zhongke WTE Facility of retrospective payments arising from increases in electricity supply fee FY2015 in FY2016. and (iv) the acquisition of the Zhuji Bafang WTE Facility and the Wenling Green Energy WTE Facility.

Details of the electricity generated and supplied, steam supplied and waste treated for FY2016 and FY2015 are as follows:

	Group FY2016	Group FY2015 (Restated)	Change %
Electricity generated ('000 KWh)	2,314,300	1,984,690	16.6
On-grid electricity supplied ('000 KWh)	1,709,690	1,485,770	15.1
Steam supplied ('000 tonnes)	1,992	1,468	35.7
Waste treated ('000 tonnes)	8,134	6,928	17.4

On-grid electricity supplied and waste treated increased 15.1% and 17.4% in FY2016 as compared to FY2015. This is in line with the increase in the supply of municipal solid waste to the WTE facilities and new facilities becoming operational and being acquired by the Group.

(c) Construction services provided under BOT concession agreements

Revenue from construction services provided under build-operate-transfer (“BOT”) concession agreements increased by 126.2% from RMB321.8 million in FY2015 to RMB727.8 million in FY2016 due to an increase in revenue from the provision of construction services under BOT concession agreements from RMB301.9 million in FY2015 to RMB708.2 million in FY2016, which was attributable to the construction of the Songyuan Xinxiang WTE Facility and the Gaomi Lilangmingde WTE Facility, offset by a slight decrease in financial income under BOT concession agreements from RMB19.9 million in FY2015 to RMB19.6 million in FY2016.

Revenue from project technical and management services and EMC business increased slightly by 3.6% from RMB273.4 million in FY2015 and RMB283.3 million in FY2016.

Cost of sales

Cost of sales increased 41.6% from RMB1,117.3 million in FY2015 to RMB1,582.5 million in FY2016, due to an increase in the cost of sales from:-

(a) 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 17.4% from RMB795.5 million in FY2015 to RMB933.6 million in FY2016. The increase is due to the commencement of commercial operations of the Suihua Green Energy WTE Facility and Zibo Green Energy WTE Facility and the acquisition of the Zhuji Bafang WTE Facility and the Wenling Green Energy WTE Facility, which resulted in increased operating costs arising from larger amounts of electricity generated, steam generated and waste treated.

(b) Construction services provided under BOT concession agreements

The cost of sales from construction services provided under BOT concession agreements increased 122.3% from RMB263.2 million in FY2015 to RMB586.5 million in FY2016 due to the provision of construction services under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility.

(c) Project technical and management services and our EMC business

The cost of sales from project technical and management services and our EMC business increased 6.5% from RMB58.6 million in FY2015 to RMB62.4 million in FY2016, primarily due to the expansion of our EMC business, which commenced in 3Q2015 and was completed in FY2016, which resulted in higher costs in FY2016. Whilst the Group has implemented cost control measures in respect of our EMC business, the expansion of our EMC business and increases in the number of employees has also resulted in higher manpower and related costs.

Gross profit and gross profit margin

	Gross Profit (RMB million)		Gross Profit Margin	
	FY2016	FY2015 (Restated)	FY2016	FY2015
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	687.2	545.6	42.4%	40.7%
Construction services provided under BOT concession agreements	121.7	38.7	17.2%	12.8%
Project technical and management service and EMC business	220.9	214.8	78.0%	78.6%
Financial income under service concession arrangements	19.6	19.9	N.A.	N.A.
Total	1,049.4	819.0	39.9%	42.3%

As a result of the foregoing, the gross profit increased 28.1% from RMB819.0 million in FY2015 to RMB1,049.4 million in FY2016, which was driven by an increase 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 partially offset by a decrease in the gross profit from project technical and management services and our EMC business. Our gross profit margin decreased from 42.3% in FY2015 to 39.9% in FY2016, which was due to a decrease in the gross profit margin of project technical and management services and our EMC business from 78.6% in FY2015 to 78.0% in FY2016, offset by an increase in the gross profit margin of (i) our WTE business (excluding gross profit from construction services provided under BOT concession agreements) from 40.7% in FY2015 to 42.4% in FY2016 and (ii) construction services provided under BOT concession agreements from 12.8% in FY2015 to 17.2% in FY2016.

Gross profit and gross profit margin of 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) increased 26.0% from RMB545.6 million in FY2015 to RMB687.2 million in FY2016, primarily due to an increase in the revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) from RMB1,341.1 million in FY2015 to RMB1,620.8 million in FY2016, and an increase in the cost of sales from our WTE business (excluding revenue from construction services provided under BOT concession agreements) from RMB795.5 million in FY2015 to RMB933.6 million in FY2016. The gross profit margin of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased from 40.7% in FY2015 to 42.4% in FY2016 which was primarily due to cost control measures to reduce operational costs, including reduction in coal costs and maintenance expenses, offset by increases in costs due to increases in the amount of electricity generated and waste treated arising from the commencement of operations of the Suihua Green Energy WTE Facility and the Zibo Green Energy WTE Facility and the acquisition of the Zhuji Bafang WTE Facility and the Wenling Green Energy WTE Facility.

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

The gross profit from construction services provided under BOT concession agreements increased 214.5% from RMB38.7 million in FY2015 to RMB121.7 million in FY2016, due to an increase in the revenue recognised from construction services provided under BOT concession agreements from RMB301.9 million in FY2015 to RMB708.2 million in FY2016, which was attributable to the provision of construction services under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility, partially offset by a slight decrease in financial income from BOT concession agreements from RMB19.9 million in FY2015 to RMB19.6 million in FY2016, and an increase in the cost of sales from construction services provided under BOT concession agreements from RMB263.2 million in FY2015 to RMB586.5 million in FY2016. The gross profit margin of construction services provided under BOT concession agreements increased from 12.8% in FY2015 to 17.2% in FY2016, as (i) the differential in electricity supply fee for the Yinchuan Zhongke WTE Facility relating to its trial operation period and was offset against BOT construction costs for the current year, and (ii) less costs were incurred as a result of more optimised construction processes.

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 increased 2.8% from RMB214.8 million in FY2015 to RMB220.9 million in FY2016, due to (i) the slight increase in the revenue from project technical and management services and our EMC business from RMB273.4 million in FY2015 to RMB283.3 million in FY2016, partially offset by an increase in the cost of sales from project technical and management services and our EMC business from RMB58.7 million in FY2015 to RMB62.4 million in FY2016, primarily due to the fact that we commenced the expansion our EMC business in the latter half of FY2015, which resulted in higher costs in FY2016. Accordingly, the gross profit margin of project technical and management services and our EMC business decreased from 78.6% in FY2015 to 78.0% in FY2016.

Other income and other gains and losses

Other income and other gains and losses increased 37.2% from RMB106.2 million in FY2015 to RMB145.7 million in FY2016 due primarily to (i) an increase of 81.7% in VAT refund and government subsidy from RMB88.8 million in FY2015 to RMB161.3 million in FY2016 and (ii) an increase in bank interest of RMB1.4 million, partially offset by provision for impairment of trade receivables and property, plant and equipment amounting to RMB34.5 million.

Administrative expenses

Administrative expenses increased 30.2% from RMB157.8 million in FY2015 to RMB205.4 million in FY2016, mainly due to listing expenses of RMB27.0 million, the expansion of the Group's operations, accruals of audit fees, directors' fees and increase in social security costs attributable to more facilities commencing operations. Administrative expenses as a percentage of revenue decreased from 8.2% in FY2015 to 7.8% in FY2016.

Finance costs

Finance costs increased 28.7% from RMB124.1 million in FY2015 to RMB159.7 million in FY2016, primarily due to increase in bank borrowings and finance leases as well as expensing of interest for projects that commenced operations

Profit before tax

As a result of the foregoing, profit before tax increased 29.0% from RMB643.3 million in FY2015 to RMB830.0 million in FY2016.

Income tax expense

Income tax expense increased 21.6% from RMB197.4 million in FY2015 to RMB240.0 million in FY2016. The increase was primarily attributable to an increase in current tax expense due to (i) the increase in profit before tax and (ii) a RMB30.0 million tax provision for dividends, partially offset by a tax exemption applicable to the retrospective payments received from the authorities following the revision of the electricity supply fee for the Yinchuan Zhongke WTE Facility.

Profit for the period

As a result of the foregoing, profit for the period increased 32.3% from RMB445.9 million in FY2015 to RM590.0 million in FY2016.

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

Financial Position

As at 31 December 2016, total assets amounted to RMB9,729.8 million, an increase of RMB1,965.7 million or 25.3% as compared to total assets of RMB7,764.1 million as at 31 December 2015. The increase in total assets is due to an increase in non-current assets of RMB1,233.8 million and an increase in current assets of RMB 731.9 million.

Non-current assets

Non-current assets increased 21.5% by RMB1,402.8 million from RMB6,518.3 million as at 31 December 2015 to RMB7,921.1 million as at 31 December 2016.

The increase is mainly attributable to the construction services provided under the service concession agreements, which resulted in (i) property, plant and equipment increasing 11.8% by RMB583.3 million from RMB4,942.5 million as at 31 December 2015 to RMB5,525.8 million as at 31 December 2016, (ii) intangible assets increasing 54.0% by RMB543.8 million from RMB1,006.7 million as at 31 December 2015 to RMB1,550.5 million as at 31 December 2016, (iii) service concession receivables increasing 59.0% by RMB118.9 million from RMB201.5 million as at 31 December 2015 to RMB320.4 million as at 31 December 2016 and (iv) other receivables increasing 268.7% by RMB 166.6 million from RMB 62.0 million as at 31 December 2015 to RMB 228.6 million as at December 2016.

Current assets

Current assets increased 45.2% by RMB 563.0 million from RMB1,245.8 million as at 31 December 2015 to RMB1,808.8 million as at 31 December 2016.

The increase is mainly due to (i) bank balances and cash and pledged deposits increasing 126.5% by RMB481.3 million from RMB380.5 million as at 31 December 2015 to RMB861.8 million as at 31 December 2016 due to the receipt of IPO proceeds, (ii) trade and other receivables increasing 55.1% by RMB241.3 million from RMB438.4 million as at 31 December 2015 to RMB679.7 million as at 31 December 2016 as our WTE business expanded, partially offset by amounts due from related parties decreasing 73.4% by RMB191.0 million from RMB260.1 million as at 31 December 2015 to RMB69.1 million as at 31 December 2016 due to repayment by related parties for our EMC business.

Current liabilities

Current liabilities increased 62.6% by RMB1,039.5 million from RMB1,661.1 million as at 31 December 2015 to RMB2,700.6 million as at 31 December 2016.

The increase is mainly due to (i) borrowings increasing 85.2% by RMB455.3 million from RMB534.4 million as at 31 December 2015 to RMB989.7 million as at 31 December 2016 due to the construction of new WTE facilities and (ii) obligations under finance leases increasing 130.4% by RMB151.2 million from RMB115.9 million as at 31 December 2015 to RMB267.1 million as at 31 December 2016 due to new finance leases at the Xiaoshan Jinjiang WTE Facility, Wuhan Jinjiang WTE Facility, Lianyungang WTE Facility and the Hankou Jinjiang WTE Facility, (iii) amounts due to related parties increasing 108.5% by RMB189.6 million from RMB174.8 million as at 31 December 2015 to RMB364.4 million as at 31 December 2016 due to the amounts due to related parties on the books of Zhuji Bafang WTE Facility and Wenling Green Energy WTE Facility and (iv) trade and other payables increasing 38.6% by RMB259.2 million from RMB671.0 million as at 31 December 2015 to RMB930.2 million as at 31 December 2016 due to in the expansion of the Group's operations and the construction and/or expansion of the Zhuji Bafang WTE Facility, Gaomi Lilangmingde and Hohhot New Energy WTE Facility.

Non-current liabilities

Non-current liabilities decreased 6.5% by RMB170.3 million from RMB2,608.2 million as at 31 December 2015 to RMB2,437.9 million as at 31 December 2016.

The decrease is mainly due to borrowings decreasing 24.2% by RMB436.5 million from RMB1,806.3 million as at 31 December 2015 to RMB1,369.8 million as at 31 December 2016 due to repayment of long term borrowings and classification into short term borrowings, offset by (i) obligations under finance leases increasing 43.7% by RMB194.1 million from RMB443.7 million as at 31 December 2015 to RMB637.8 million as at 31 December 2016 due to new finance leases at Xiaoshan Jinjiang WTE Facility, Wuhan Jinjiang WTE Facility, Lianyungang WTE Facility and the Hankou Jinjiang WTE Facility and (ii) deferred tax liabilities increasing 37.6% by RMB89.4 million from RMB237.9 million as at 31 December 2015 to RMB327.3 million as at 31 December 2016 arising from construction services provided under the BOT concession agreements in respect of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility and tax provision for dividends.

Capital and reserves

As at 31 December 2016, capital and reserves amounted to RMB4,591.3 million, an increase of 31.4% or approximately RMB1,096.5 million as compared to total net assets of RMB3,494.8 million as at 31 December 2015. The increase is mainly due to the receipt of the Company's IPO proceeds, the acquisition of the Zhuji Bafang WTE Facility and Wenling Green Energy WTE Facility and the retained earnings for the period.

Cashflow Review

Operating cashflow decreased by RMB243.0 million from RMB496.5 million in 4Q2015 to RMB253.5 million in 4Q2016. Operating cashflow decreased by RMB145.9 million from RMB637.8 million in FY2015 to RMB491.9 million in FY2016. The decrease is mainly due to (i) the construction of the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility, which are BOT projects for which the Group does not receive any payments during the construction phase, and higher prepayments for new equipment purchases for new construction projects and (ii) slower collection of trade and other receivables in FY2016 and 4Q2016 as compared to FY2015 and 4Q2016, respectively.

Investing cash outflow increased by RMB615.5 million from RMB373.8 million outflow in 4Q2015 to RMB989.3 outflow million in 4Q2016. Investing cash outflow increased by RMB410.9 million from RMB976.4 million outflow in FY2015 to RMB1,387.3 million outflow in FY2016. The decrease is mainly due to the acquisition of the Zhuji Bafang WTE Facility and Wenling Green Energy WTE Facility and payment for property, plant and equipment and intangible assets.

Financing cashflow decreased by RMB324.4 million from RMB9.4 million inflow in 4Q2015 to RMB315.0 million outflow in 4Q2016. Financing cashflow increased by RMB570.2 million from RMB485.5 million in FY2015 to RMB1,055.7 million in FY2016. The decrease in 4Q2016 is due to reduction in borrowings and increase in pledged bank deposits for borrowings, while the increase in FY2016 is mainly due to the receipt of the IPO proceeds and reduction in borrowings.

Bank balances and cash as at 31 December 2016 is RMB540.9 million.

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

Not applicable.

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

As part of the 13th five-year plan of the People's Republic of China ("PRC"), the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development had on 31 December 2016 issued the "13th Five-Year national urban solid waste treatment facilities construction plan". The aforesaid plan seeks, to achieve zero usage of landfills for the disposal of municipal solid waste in certain cities and municipalities by the end of 2020, and a harmless treatment incineration capacity of more than 50% of municipal solid waste for certain cities. This will ensure strong momentum for growth and development in relation to the waste treatment industry in the PRC.

The Group had initially expected to complete construction projects at the Hohhot New Energy WTE Facility, the Qitaihe Green Energy WTE Facility, Songyuan Xinxiang WTE Facility and the Gaomi Lilangmingde WTE Facility by the end of 2016. Trial production phase commenced at the Songyuan Xinxiang WTE Facility and Gaomi Lilangmingde WTE Facility in August 2016 and January 2017, respectively. Due to the exceptionally harsh climatic conditions in northern China in 2016 which delayed construction works, the Hohhot New Energy WTE Facility and the Qitaihe Green Energy WTE Facility are expected to commence operation in the second quarter of 2017.

As at 31 December 2016, the Group has nineteen WTE facilities in commercial or trial operation. The Group's total installed waste treatment capacity and installed electricity generation capacity is 27,430 t/d and 469 MW/d respectively. Upon completion of the Gaomi Lilangmingde WTE Facility, Hohhot New Energy WTE Facility, Qitaihe Green Energy WTE Facility and the Zibo New Energy WTE Facility which are currently under construction, the total installed waste treatment capacity and installed electricity generation capacity of the Group would be increased by 4,800 t/d and 133 MW/d respectively. In addition, the Group has commenced preparatory work for another fifteen projects for construction or further expansion. The Yinchuan Zhongke WTE Facility, Zhuji Bafang WTE Facility and Wenling Green Energy WTE Facility have commenced preparatory work for expansion of their existing waste treatment capacity and are seeking the relevant approvals. The above projects are expected to increase the Group's installed waste treatment capacity and installed electricity generation capacity by 15,260 t/d and 276 MW/d, respectively, bringing the Group's total installed waste treatment capacity to approximately 47,490 t/d.

The Group also targets projects outside of the PRC, with a specific focus on the South-east Asia market, where the waste composition is likely to be similar to that in the PRC. In addition, the Group will continue to research and adopt advanced pre-treatment technologies to enhance operating efficiency and reduce emissions at its WTE facilities through the continual improvement of its technical capabilities.

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

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

Yes, a final cash dividend has been recommended.

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

5.05 Singapore cents per ordinary share (based on approximately 50% of the profit and total comprehensive income attributable to owners of the Company and using an exchange rate of RMB4.87:SGD1.00 as at the date of this announcement)

(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).

The dividend is tax exempt in the hands of the shareholders.

(d) The date the dividend is payable.

The date for dividend payment will be announced at a later date, subject to approval by shareholders at the forthcoming annual general meeting.

(e) Books closure date

To be announced at a later date.

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

Not applicable.

(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 from listing date to 31 December 2016 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	RMB'000	RMB'000
Purchases of coal from:		
Ningbo Daxie Deran Trading Co., Ltd.	-	6,358
Construction services contracts awarded to:		
Zhejiang Jinxin Construction Engineering Co., Ltd.	-	15,867
	-	22,225
Project technical and management services provided to:		
Shanxi Fusheng Aluminium Industry Co., Ltd.	-	1,151
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	-	2,264
Kuitun Jinjiang Chemical Engineering Co., Ltd.	-	1,321
Kuitun Jinjiang Thermal Electricity Co., Ltd.	-	1,321
Guangxi Tiandong Jinsheng Chemical Engineering Co., Ltd.	-	2,910
Zhejiang Jiyang Thermal Power Co., Ltd.	-	1,521
Henan Jinrong Cement Co., Ltd.	-	26,973
Baotou Green Energy Jincheng Environment Co., Ltd.	5,661	-
Wuhan Jinhongde Shengwu Energy Co., Ltd.	585	-
	6,246	37,461
Energy management contracting services provided to:		
Shanxi Xiaoyi Xing'an Chemical Co., Ltd.	-	98,738
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	-	3,618
Zhongning Jinning Aluminium Magnesium New Material Co., Ltd.	-	1,152
Guangxi Tiandong Jinsheng Chemical Engineering Co., Ltd.	-	339
	-	103,847
Total	6,246	163,533

(14) Use of Proceeds

The gross proceeds from the issuance of new shares in the Company amounted to approximately S\$195.1 million. After deducting an aggregate of approximately S\$12.8 million in underwriting and placement commissions and other offering expenses, the net proceeds amounted to approximately S\$182.3 million.

As of the date of this announcement, the net proceeds from the Offering and Cornerstone Tranche have been completely utilised as follows:

Use of Net Proceeds	Estimated amount allocated (S\$ million)	Amount utilised (S\$ million)	Balance (S\$ million)
Investment in certain of the Group's WTE facilities under construction:			
Qitaihe Green Energy WTE Facility	10.3	10.3	-
Hohhot New Energy WTE Facility	10.3	10.3	-
Gaomi Lilangmingde WTE Facility	12.4	12.4	-
Investment in technical alterations to the Group's existing WTE facilities in relation to the pre-treatment of municipal solid waste.	18.3	18.3	-
Technical upgrading works at the Group's existing WTE facilities	8.2	8.2	-
Sub-Total	59.5	59.5	-
The acquisition of Zhuji Bafang and Wenling Green Energy	88.2	88.2	-
Repayment of borrowings of the Group	14.4	14.4	-
Working capital and general corporate purposes	20.2	20.2	-
Total	182.3	182.3	-

The amount of proceeds allocated under working capital and general corporate purposes have been utilised for purchases of equipment for the Zibo Green New Energy WTE Facility via letter of credit.

(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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(16) Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group's reportable and operating segments are as follows:

- (1) Waste-to-energy project construction and operation
 - Comprise sales of electricity and steam, waste treatment and provision of construction services and financial income under service concession arrangements.
- (2) Project technical and management service and EMC business
 - Comprise of service income

31 December 2016

	Waste-to-energy project construction and services RMB '000	Project technical and management services and EMC business RMB '000	Total RMB '000
Segment revenue			
External revenue	2,348,571	283,317	2,631,888
Inter-segment revenue	-	59,410	59,410
	2,348,571	342,727	2,691,298
Elimination	-	(59,410)	(59,410)
Revenue	2,348,571	283,317	2,631,888
Segment profit	828,464	220,941	1,049,405
Government grants	160,925	327	161,252
Other income (expense)			(15,538)
Administrative expenses			(205,402)
Finance costs			(159,731)
Profit before tax			829,986
Assets and Liabilities			
Segment assets	8,475,644	288,456	8,764,100
Unallocated			965,727
Consolidated total assets			9,729,827
Segment liabilities	4,085,017	312,097	4,397,114
Unallocated			741,408
Consolidated total liabilities			5,138,522
Other segment information	Waste-to-energy project construction and services RMB '000	Project technical and management services and EMC business RMB '000	Total RMB '000
Depreciation and amortisation	288,695	27,788	316,483
Additions to non-current assets	1,405,907	31,377	1,437,284

	Waste-to-energy project construction and services RMB '000 (Restated)	Project technical and management services and EMC business RMB '000	Total RMB '000 (Restated)
Segment revenue			
External revenue	1,662,908	273,374	1,936,282
Inter-segment revenue	-	24,222	24,222
	1,662,908	297,596	1,960,504
Elimination	-	(24,222)	(24,222)
Revenue	1,662,908	273,374	1,936,282
Segment profit			
Government grants	88,770	-	88,770
Other income			17,477
Administrative expenses			(157,849)
Finance costs			(124,080)
Profit before tax			643,307
Assets and Liabilities			
Segment assets	7,245,793	42,830	7,288,623
Unallocated			475,489
Consolidated total assets			7,764,112
Segment liabilities	3,709,240	33,768	3,743,008
Unallocated			526,283
Consolidated total liabilities			4,269,291
Other segment information			
	Waste-to-energy project construction and services RMB '000 (Restated)	Project technical and management services and EMC business RMB '000	Total RMB '000 (Restated)
Depreciation and amortisation	219,610	20,525	240,135
Additions to non-current assets	1,279,282	30,890	1,310,172

Geographical information

All of the Group's revenue is generated from sales and the provision of services in the PRC based on where products are sold or services are rendered, and all of the Group's identifiable assets and liabilities are located in the PRC.

Information about major customers

- (1) Waste-to-energy project construction and operation
In 2016, no single customer accounted for 10% or more of the Group's revenue. In 2015, a major customer accounted for approximately 11.1% of the Group's revenue.
- (2) Project technical and management service and EMC business
In 2016, no single customer accounted for 10% or more of the Group's revenue. In 2015, a major customer accounted for approximately 11.4% of the Group's revenue.

(17) In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to notes 8 and 17.

(18) A breakdown of sales as follows:-

	Group 31 Dec 2016 RMB '000	Group 31 Dec 2015 RMB '000 (Restated)	% Increase / (Decrease)
(a) Sales reported for first half	1,195,519	946,324	26.3
(b) Operating profit after tax before deducting minority interests reported for first half year	278,031	237,624	17.0
(c) Sales reported for second half	1,436,369	989,958	45.1
(d) Operating profit after tax before deducting minority interests reported for second half year	311,932	208,248	49.8

(19) A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	31 Dec 2016 S\$	31 Dec 2015 S\$
Ordinary	61,449,622.10	Nil
Preference	Nil	Nil
	61,449,622.10	Nil

(20) Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholders	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
王元玲 (Wang Yuenling)	71	Sister of Wang Yuanluo	Position: Senior Executive Officer for Gevin Limited and Prime Gain Investments Limited Duties: To manage the administrative affairs, provide administrative support and other adhoc duties. Appointed on 16 November 2016	NA

陈志雄 (Chen Zhixiong)	71	Brother in law of Wang Yuanluo	Position: Director and General Project Manager for Gevin Limited and Prime Gain Investments Limited Duties include: 1) Manage internal resources and liaise with third parties to ensure the implementation of the project 2) Establish and maintain business relations with third parties 3) Execute project risk management to minimize project risk 4) Maintain project documentation 5) Ensure that all projects are completed within the specified time, scope and budget Appointed on 16 November 2016	NA
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BY ORDER OF THE BOARD

Wang Yuanluo
Executive Chairman and Chief Executive Officer

1 March 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.