



**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 2018**

**Background**

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

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

The Board of Directors of the Company announces the unaudited financial results of the Group for the third quarter (“3Q”) and nine months (“9M”) ended 30 September 2018.

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

**Consolidated Statement of Comprehensive Income**

	<b>Group 3Q2018 RMB'000</b>	<b>Group 3Q2017 RMB'000</b>	<b>Change +/(-) %</b>	<b>Group 9M2018 RMB'000</b>	<b>Group 9M2017 RMB'000</b>	<b>Change +/(-) %</b>
Revenue	673,658	580,406	16.1	2,108,847	1,856,439	13.6
Cost of sales	(420,207)	(428,051)	(1.8)	(1,308,212)	(1,174,737)	11.4
<b>Gross profit</b>	<b>253,451</b>	<b>152,355</b>	<b>66.4</b>	<b>800,635</b>	<b>681,702</b>	<b>17.4</b>
Other income and other gains and losses	84,005	25,963	223.6	127,968	89,449	43.1
Gain on disposal of a subsidiary	-	64,981	N.M.	7,700	64,981	(88.2)
Share of gain of an associate	9	-	N.M.	9	-	N.M.
Share of loss of a joint venture	(583)	-	N.M.	(781)	-	N.M.
Administrative expenses	(63,955)	(65,743)	(2.7)	(181,333)	(163,589)	10.8
Finance costs	(71,732)	(43,645)	64.4	(196,241)	(117,952)	66.4
<b>Profit before tax</b>	<b>201,195</b>	<b>133,911</b>	<b>50.2</b>	<b>557,957</b>	<b>554,591</b>	<b>0.6</b>
Income tax expense	(71,165)	(38,364)	85.5	(172,983)	(164,537)	5.1
<b>Profit and total comprehensive income</b>	<b>130,030</b>	<b>95,547</b>	<b>36.1</b>	<b>384,974</b>	<b>390,054</b>	<b>(1.3)</b>
<b>Other comprehensive gain (loss)</b>						
Foreign currency translation	(785)	-	N.M.	(10,590)	-	N.M.
<b>Total comprehensive income for the period</b>	<b>129,245</b>	<b>95,547</b>	<b>35.3</b>	<b>374,384</b>	<b>390,054</b>	<b>(4.0)</b>

Profit and total comprehensive income for the period attributable to:

- owners of the Company	128,482	100,820	27.4	378,775	396,554	(4.5)
- non-controlling interests	1,548	(5,273)	(129.4)	6,199	(6,500)	(195.4)
	<u>130,030</u>	<u>95,547</u>	36.1	<u>384,974</u>	<u>390,054</u>	(1.3)

Total comprehensive income for the period attributable to:

- owners of the Company	127,697	100,820	26.7	368,185	396,554	(7.2)
- non-controlling interests	1,548	(5,273)	(129.4)	6,199	(6,500)	(195.4)
	<u>129,245</u>	<u>95,547</u>	35.3	<u>374,384</u>	<u>390,054</u>	(4.0)

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

	Group 3Q2018 RMB'000	Group 3Q2017 RMB'000	Change +/(-) %	Group 9M2018 RMB'000	Group 9M2017 RMB'000	Change +/(-) %
<b>Profit before tax has been arrived at after charging (crediting):</b>						
Staff costs (including directors' emoluments)	41,723	43,898	(5.0)	156,033	146,530	6.5
Cost of inventories recognised as expense	103,700	118,139	(12.2)	290,269	334,747	(13.3)
Depreciation of property, plant and equipment	73,511	71,311	3.1	216,079	214,930	0.5
Amortisation of prepaid leases	2,772	2,609	6.2	8,316	8,321	(0.1)
Amortisation of intangible assets	14,866	9,717	53.0	45,224	31,752	42.4
Total depreciation and amortisation	<u>91,149</u>	<u>83,637</u>	9.0	<u>269,619</u>	<u>255,003</u>	5.7
Underprovision of tax in the prior years	-	-	N.M.	(13,173)	(5,913)	122.8
Gain on re-measurement of subsidiary on disposal	-	-	N.M.	4,240	-	N.M.
Gain on disposal of associate	7,823	-	N.M.	7,823	-	N.M.
Compensation for closure of plant	103,185	-	N.M.	103,185	-	N.M.
Government grants and tax refund	8,357	17,115	(51.2)	32,655	50,082	(34.8)
Bank interest income	8,479	2,390	254.8	10,210	4,658	119.2
Impairment losses recognised on trade receivables	-	(3,587)	N.M.	-	(3,587)	N.M.
Foreign exchange gains (losses)	(55,059)	725	N.M.	(66,576)	7,425	N.M.
Gain on sales of scrap materials	9,831	6,583	49.3	30,203	13,616	121.8
Sludge outsourcing fee	1,389	2,737	(49.3)	6,228	17,255	(63.9)
Other income and other gains and losses	<u>84,005</u>	<u>25,963</u>	223.6	<u>127,968</u>	<u>89,449</u>	43.1

**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.**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>As at 30 Sep 2018</b>	<b>As at 31 Dec 2017</b>	<b>As at 30 Sep 2018</b>	<b>As at 31 Dec 2017</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6,790,682	5,699,242	-	-
Prepaid leases	346,370	254,759	-	-
Intangible assets	2,366,570	2,020,819	-	-
Investment in associates	12,209	53,804	-	-
Investment in subsidiaries	-	-	1,790,880	1,790,640
Investment in joint ventures	61,422	14,019	5,055	5,039
Service concession receivables	313,866	316,816	-	-
Other receivables	350,710	145,263	-	-
Total non-current assets	<u>10,241,829</u>	<u>8,504,722</u>	<u>1,795,935</u>	<u>1,795,679</u>
<b>Current assets</b>				
Inventories	80,518	58,791	-	-
Prepaid leases	13,745	11,228	-	-
Service concession receivables	34,421	34,421	-	-
Trade and other receivables	1,046,373	766,163	10,014	9,868
Other tax recoverable	191,892	124,694	-	-
Amounts due from related parties	188,228	354,557	-	-
Amounts due from non-controlling interests	46,940	27,976	-	-
Amounts due from subsidiaries	-	-	2,473,405	1,224,314
Pledged bank deposits	451,240	340,980	313,280	239,556
Bank balances and cash	977,048	1,123,446	536,179	364,360
Assets classified as held for sale	1,388,583	1,397,312	-	-
Total current assets	<u>4,418,988</u>	<u>4,239,568</u>	<u>3,332,878</u>	<u>1,838,098</u>
<b>Total assets</b>	<u>14,660,817</u>	<u>12,744,290</u>	<u>5,128,813</u>	<u>3,633,777</u>
<b>Current liabilities</b>				
Trade and other payables	1,139,377	1,198,941	41,265	12,482
Amounts due to related parties	37,243	115,368	-	-
Amount due to subsidiaries	-	-	1,947	1,947
Income tax liabilities	133,162	102,565	-	-
Other tax liabilities	64,813	49,812	-	-
Dividends payable	1,397	1,397	-	-
Borrowings	1,099,614	1,208,678	20,185	-
Obligations under finance leases	427,688	385,895	-	-
Deferred grant	36,814	36,157	-	-
Notes payable	16,793	38,201	16,793	38,201
Liabilities directly associated with assets held for sale	724,129	665,937	-	-
Total current liabilities	<u>3,681,030</u>	<u>3,802,951</u>	<u>80,190</u>	<u>52,630</u>
<b>Net current assets</b>	<u>737,958</u>	<u>436,617</u>	<u>3,252,688</u>	<u>1,785,468</u>
<b>Total assets less current liabilities</b>	<u>10,979,787</u>	<u>8,941,339</u>	<u>5,048,623</u>	<u>3,581,147</u>
<b>Non-current liabilities</b>				
Borrowings	3,107,768	1,601,790	1,330,649	-
Notes payable	1,350,799	1,272,209	1,350,799	1,272,209
Obligations under finance leases	510,272	591,387	-	-

Deferred tax liabilities	438,554	398,030	-	-
Deferred grant	147,445	164,533	-	-
Provision for major overhauls	22,197	22,197	-	-
Total non-current liabilities	5,577,035	4,050,146	2,681,448	1,272,209
<b>Net assets</b>	<b>5,402,752</b>	<b>4,891,193</b>	<b>2,367,175</b>	<b>2,308,938</b>
<b>Capital and reserves</b>				
Share capital	95	81	95	81
Reserves	5,274,565	4,735,214	2,367,080	2,308,857
Equity attributable to owners of the company	5,274,660	4,735,295	2,367,175	2,308,938
Non-controlling interests	128,092	155,898	-	-
<b>Total equity</b>	<b>5,402,752</b>	<b>4,891,193</b>	<b>2,367,175</b>	<b>2,308,938</b>

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

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

As at 30 Sep 2018		As at 31 Dec 2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
1,542,155	1,940	1,630,834	1,940

#### Amount repayable after one year

As at 30 Sep 2018		As at 31 Dec 2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
4,965,619	3,220	3,462,166	3,220

#### Details of any collateral

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

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

	<b>Group 3Q2018 RMB'000</b>	<b>Group 3Q2017 RMB'000</b>	<b>Group 9M2018 RMB'000</b>	<b>Group 9M2017 RMB'000</b>
<b>Operating activities</b>				
Profit before tax	201,195	133,911	557,957	554,591
Adjustments for:				
Finance costs	71,732	43,645	196,241	117,952
Interest income	(16,101)	(7,828)	(33,075)	(20,972)
Depreciation of property, plant and equipment	73,511	71,311	216,079	214,930
Amortisation of prepaid leases	2,772	2,609	8,316	8,321
Amortisation of intangible assets	14,866	9,717	45,224	31,752
Impairment losses recognised on trade receivables	-	3,587	-	3,587
Deferred grant recognised	(3,642)	745	(45,130)	(4,235)
Share award expense	-	11,892	-	11,892
Gain on disposal of subsidiary	-	(64,981)	(7,700)	(64,981)
Gain on re-measurement of subsidiary on disposal	-	-	(4,240)	-
Gain on disposal of associate	(7,823)	-	(7,823)	-
Share of loss of a joint venture	583	-	781	-
Share of gain of an associate	(9)	-	(9)	-
Foreign exchange losses (gains)	55,059	(725)	66,576	(7,425)
Operating cash flows before movements in working capital	392,143	203,883	993,197	845,412
Increase in trade and other receivables	(224,169)	(1,051)	(315,160)	(259,774)
(Increase) Decrease in service concession receivables	(14,620)	(81)	2,590	1,837
Increase in other tax recoverable	(21,151)	(20,281)	(79,396)	(27,124)
(Increase) Decrease in inventories	(2,331)	6,641	(30,712)	(781)
Increase in intangible assets	(60,713)	(115,467)	(391,468)	(329,055)
Decrease in trade and other payables	(150,226)	(57,229)	(70,427)	(15,931)
Increase in other tax liabilities	23,699	10,907	18,678	7,225
Decrease (Increase) in amounts due from related parties	11,675	49,406	(2,779)	28,497
Decrease (Increase) in amounts due from non-controlling interests	198	(1,793)	(18,964)	(24,349)
(Decrease) Increase in amounts due to related parties	(55,118)	6,916	12,410	83,070
Increase in deferred grants	15,030	47,632	28,699	51,202
<b>Cash (used in) generated from operations</b>	<b>(85,583)</b>	<b>129,483</b>	<b>146,668</b>	<b>360,229</b>
Income tax paid	(22,341)	(50,714)	(101,863)	(146,857)
<b>Net cash (used in) from operating activities</b>	<b>(107,924)</b>	<b>78,769</b>	<b>44,805</b>	<b>213,372</b>
<b>Investing activities</b>				
Interest received	8,479	2,390	10,210	4,658
Payment for property, plant and equipment	(824,182)	(473,950)	(2,112,623)	(919,631)
Payment for prepaid leases	(43,533)	(49,670)	(61,484)	(83,615)
Payment for acquisition of non-controlling interests	-	-	(21,900)	-
Payment for acquisition of subsidiaries	-	-	(7,711)	(66)
Proceeds from disposal of property, plant and equipment	119,001	-	119,001	-
Proceeds from disposal of subsidiary	-	-	25,410	-
Proceeds from disposal of associate	51,627	-	51,627	-
Investment in associates	(2,200)	-	(2,200)	-
Investment in joint ventures	-	(1,000)	(10,944)	(8,480)
(Increase) Decrease in pledged bank deposits	-	(16,104)	-	(24,032)
<b>Net cash used in investing activities</b>	<b>(690,808)</b>	<b>(538,334)</b>	<b>(2,010,614)</b>	<b>(1,031,166)</b>
<b>Financing activities</b>				
Proceeds from borrowings	1,009,859	301,329	2,659,342	1,958,655
Proceeds from obligations under finance leases	-	76,820	290,254	242,780
Repayment of borrowings	(274,574)	(470,541)	(1,062,554)	(1,058,605)
Repayment of obligations under finance leases	(139,763)	(101,106)	(329,636)	(242,392)
Payment of finance costs	(51,683)	(42,920)	(216,686)	(139,739)

Proceeds from issue of bond	-	1,354,880	-	1,354,880
Payment for bond issue costs	-	(31,505)	(2,190)	(31,505)
Proceeds from issue of shares	-	5,592	509,780	5,592
Payment for share issue costs	-	-	-	-
Dividends paid	-	-	(350,705)	(303,500)
Advances/Repayment from related parties	(11,654)	-	264,482	-
Advances/Repayment to related parties	-	(20,473)	(13,227)	(101,142)
Increase in pledged notes	-	-	-	-
Increase in pledged bank deposits	27,878	16,000	(110,260)	-
<b>Net cash flow from financing activities</b>	<b>560,063</b>	<b>1,088,076</b>	<b>1,638,600</b>	<b>1,685,024</b>
<b>Net (decrease) increase in cash and cash equivalent</b>	<b>(238,669)</b>	<b>628,511</b>	<b>(327,209)</b>	<b>867,230</b>
<b>Effect of exchange rate fluctuations</b>	<b>25,458</b>	<b>-</b>	<b>34,285</b>	<b>-</b>
<b>Cash and cash equivalent at beginning of period</b>	<b>1,196,740</b>	<b>779,573</b>	<b>1,276,453</b>	<b>540,854</b>
<b>Cash and cash equivalent at end of period represented by bank balances and cash **</b>	<b>983,529</b>	<b>1,408,084</b>	<b>983,529</b>	<b>1,408,084</b>

\*\* : An amount of RMB6,481,000 is classified under assets held for sale.

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

	Attributable to owners of the Company									Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Merger reserves RMB'000	Statutory surplus reserve RMB'000	Translation reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Subtotal RMB'000		
<b>Group</b>											
<b>At 1 January 2018</b>	81	1,391,627	393,694	(67,642)	103,962	(4,170)	28,152	2,889,591	4,735,295	155,898	4,891,193
Profit for the period	-	-	-	-	-	-	-	100,847	100,847	1,907	102,754
Other comprehensive income for the period	-	-	-	-	-	(10,610)	-	-	(10,610)	-	(10,610)
<b>At 31 March 2018</b>	81	1,391,627	393,694	(67,642)	103,962	(14,780)	28,152	2,990,438	4,825,532	157,805	4,983,337
<b>At 1 April 2018</b>	81	1,391,627	393,694	(67,642)	103,962	(14,780)	28,152	2,990,438	4,825,532	157,805	4,983,337
Profit for the period	-	-	-	-	-	-	-	149,446	149,446	2,744	152,190
Other comprehensive income for the period	-	-	-	-	-	805	-	-	805	-	805
<u>Transactions with owners, recognised directly in equity</u>											
Issue of shares	14	509,766	-	-	-	-	-	-	509,780	-	509,780
Acquisition of non-controlling interests	-	-	-	-	-	-	12,105	-	12,105	(34,005)	(21,900)
Dividends paid	-	(350,705)	-	-	-	-	-	-	(350,705)	-	(350,705)
<b>At 30 June 2018</b>	95	1,550,688	393,694	(67,642)	103,962	(13,975)	40,257	3,139,884	5,146,963	126,544	5,273,507
<b>At 1 July 2018</b>	95	1,550,688	393,694	(67,642)	103,962	(13,975)	40,257	3,139,884	5,146,963	126,544	5,273,507
Profit for the period	-	-	-	-	-	-	-	128,482	128,482	1,548	130,030
Other comprehensive income for the period	-	-	-	-	-	(785)	-	-	(785)	-	(785)
<b>At 30 September 2018</b>	95	1,550,688	393,694	(67,642)	103,962	(14,760)	40,257	3,268,366	5,274,660	128,092	5,402,752
<b>At 1 January 2017</b>	81	1,676,060	393,694	(67,642)	99,012	-	28,152	2,293,335	4,422,692	168,613	4,591,305
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	127,445	127,445	(1,040)	126,405
<b>At 31 March 2017</b>	81	1,676,060	393,694	(67,642)	99,012	-	28,152	2,420,780	4,550,137	167,573	4,717,710

<b>At 1 April 2017</b>	81	1,676,060	393,694	(67,642)	99,012	-	28,152	2,420,780	4,550,137	167,573	4,717,710
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	168,289	168,289	(187)	168,102
<u>Transactions with owners, recognised directly in equity</u>											
Dividends paid	-	(303,500)	-	-	-	-	-	-	(303,500)	-	(303,500)
<b>At 30 June 2017</b>	81	1,372,560	393,694	(67,642)	99,012	-	28,152	2,589,069	4,414,926	167,386	4,582,312
<b>At 1 July 2017</b>	81	1,372,560	393,694	(67,642)	99,012	-	28,152	2,589,069	4,414,926	167,386	4,582,312
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	100,819	100,819	(5,273)	95,546
<u>Transactions with owners, recognised directly in equity</u>											
Issue of shares	-	17,484	-	-	-	-	(13,475)	-	4,009	-	4,009
Share award expense	-	-	-	-	-	-	13,475	-	13,475	-	13,475
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(1,409)	(1,409)
<b>At 30 September 2017</b>	81	1,390,044	393,694	(67,642)	99,012	-	28,152	2,689,888	4,533,229	160,704	4,693,933
<b>At 1 October 2017</b>	81	1,390,044	393,694	(67,642)	99,012	-	28,152	2,689,888	4,533,229	160,704	4,693,933
Profit for the period	-	-	-	-	-	-	-	204,653	204,653	(2,924)	201,729
Other comprehensive income for the period	-	-	-	-	-	(4,170)	-	-	(4,170)	-	(4,170)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	100	100
<u>Transactions with owners, recognised directly in equity</u>											
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	4,488	4,488
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(6,470)	(6,470)
Issue of shares	-	1,583	-	-	-	-	-	-	1,583	-	1,583
Appropriation to reserves	-	-	-	-	4,950	-	-	(4,950)	-	-	-
<b>At 31 December 2017</b>	81	1,391,627	393,694	(67,642)	103,962	(4,170)	28,152	2,889,591	4,735,295	155,898	4,891,193



	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>Company</b>						
<b>At 1 January 2018</b>	81	1,391,627	1,057,112	-	(139,882)	2,308,938
Loss and total comprehensive loss for the period	-	-	-	-	(42,943)	(42,943)
<b>At 31 March 2018</b>	81	1,391,627	1,057,112	-	(182,825)	2,265,995
<b>At 1 April 2018</b>	81	1,391,627	1,057,112	-	(182,825)	2,265,995
Loss and total comprehensive loss for the period	-	-	-	-	(12,302)	(12,302)
<u>Transactions with owners, recognised directly in equity</u>						
Issue of shares	14	509,766	-	-	-	509,780
Dividends paid	-	(350,705)	-	-	-	(350,705)
<b>At 30 June 2018</b>	95	1,550,688	1,057,112	-	(195,127)	2,412,768
<b>At 1 July 2018</b>	95	1,550,688	1,057,112	-	(195,127)	2,412,768
Loss and total comprehensive loss for the period	-	-	-	-	(45,593)	(45,593)
<b>At 30 September 2018</b>	95	1,550,688	1,057,112	-	(240,720)	2,367,175
<b>At 1 January 2017</b>	81	1,676,060	1,057,112	-	(49,622)	2,683,631
Loss and total comprehensive loss for the period	-	-	-	-	(2,934)	(2,934)
<b>At 31 March 2017</b>	81	1,676,060	1,057,112	-	(52,556)	2,680,697
<b>At 1 April 2017</b>	81	1,676,060	1,057,112	-	(52,556)	2,680,697
Profit and total comprehensive profit for the period	-	-	-	-	8,869	8,869
<u>Transactions with owners, recognised directly in equity</u>						
Dividends paid	-	(303,500)	-	-	-	(303,500)
<b>At 30 June 2017</b>	81	1,372,560	1,057,112	-	(43,687)	2,386,066
<b>At 1 July 2017</b>	81	1,372,560	1,057,112	-	(43,687)	2,386,066
Loss and total comprehensive loss for the period	-	-	-	-	(23,141)	(23,141)
<u>Transactions with owners, recognised directly in equity</u>						
Issue of shares	-	17,484	-	(13,475)	-	4,009
Share award expense	-	-	-	13,475	-	13,475
<b>At 30 September 2017</b>	81	1,390,044	1,057,112	-	(66,828)	2,380,409
<b>At 1 October 2017</b>	81	1,390,044	1,057,112	-	(66,828)	2,380,409
Loss and total comprehensive loss for the period	-	-	-	-	(73,054)	(73,054)
<u>Transactions with owners, recognised directly in equity</u>						
Issue of shares	-	1,583	-	-	-	1,583
<b>At 31 December 2017</b>	81	1,391,627	1,057,112	-	(139,882)	2,308,938

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

On 7 September 2018, 7,665,800 share awards were granted under the Jinjiang Environment Performance Share Plan ("Jinjiang Environment PSP"). As at 30 September 2018, there were 7,665,800 (30 September 2017: 0) ordinary shares which may be issued upon the vesting of share awards under the Jinjiang Environment PSP.

The Company had no treasury shares or subsidiary holdings as of 30 September 2018, 31 December 2017 and 30 September 2017.

**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 2018 and 31 December 2017 was 1,435,581,000 and 1,221,581,000 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 2017.

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

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

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

	Group		Group	
	3Q2018	3Q2017	9M2018	9M2017
Basic earnings per Share (RMB cents)	8.95	8.28	28.69	32.58
Weighted average number of Shares	1,435,581,000	1,218,168,513	1,320,350,231	1,217,277,229
Fully diluted earnings per Share (RMB cents)	8.95	8.28	28.69	32.58
Weighted average number of Shares	1,435,581,000	1,218,168,513	1,320,350,231	1,217,277,229

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

The total number of issued Shares as at 30 September 2018 and 31 December 2017 was 1,435,581,000 and 1,221,581,000 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 2018	As at 31 Dec 2017	As at 30 Sep 2018	As at 31 Dec 2017
Net asset value per Share (RMB cents)	367.42	387.64	164.89	189.01
Number of Shares in issue at the end of the period	1,435,581,000	1,221,581,000	1,435,581,000	1,221,581,000

The net asset value per Share as at 30 September 2018 and 31 December 2017 was computed based on the number of Shares in issue at the end of the period.

The total number of issued Shares as at 30 September 2018 and 31 December 2017 was 1,435,581,000 and 1,221,581,000 respectively.

(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

### 3Q2018 vs 3Q2017

#### **Revenue**

	3Q2018		3Q2017		Change
	RMB'000	%	RMB'000	%	%
Sales of electricity	211,753	31.4	223,314	38.5	(5.2)
Sales of steam	94,080	14.0	77,770	13.4	21.0
Revenue from waste treatment fees	135,247	20.1	100,782	17.4	34.2
<b>Waste-to-energy business</b>	<b>441,080</b>	<b>65.5</b>	<b>401,866</b>	<b>69.3</b>	<b>9.8</b>
Revenue from construction services provided under service concession agreements	104,561	15.5	123,309	21.2	(15.2)
Financial income under service concession agreements	7,622	1.1	5,438	0.9	40.2
<b>Construction services</b>	<b>112,183</b>	<b>16.6</b>	<b>128,747</b>	<b>22.1</b>	<b>(12.9)</b>
<b>Project technical and management service and EMC business</b>	<b>120,395</b>	<b>17.9</b>	<b>49,793</b>	<b>8.6</b>	<b>141.8</b>
<b>Total</b>	<b>673,658</b>	<b>100.0</b>	<b>580,406</b>	<b>100.0</b>	<b>16.1</b>

Revenue increased 16.1% from RMB580.4 million in 3Q2017 to RMB673.7 million in 3Q2018, primarily due to an increase in revenue from the waste-to-energy ("WTE") business (excluding revenue from construction services provided under build-operate-transfer ("BOT") concession agreements) and project technical and management services and energy management contracting ("EMC") business, partially offset by a decrease in revenue from construction services provided under BOT concession agreements.

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

Revenue from the WTE business (excluding revenue from construction services provided under BOT concession agreements) increased 9.8% from RMB401.9 million in 3Q2017 to RMB441.1 million in 3Q2018. The increase was attributable to (i) an increase in waste treated following the commencement of waste collection and transportation operations for the Lucknow, Gurgaon and Gwalior projects in India by RMB28.0 million, (ii) an increase in revenue from sales of steam as a result of more steam generated and more users from Zhuji Bafang WTE Facility after its upgrading, and through cogeneration, the increased in power supply, offset by a decrease in revenue due to the eight WTE facilities undergoing expansion and upgrading, resulting in a lower amount of waste treated and leading to lower revenue from sales of electricity

Details of the electricity generated and supplied, steam supplied and waste treated for 3Q2018 and 3Q2017 are as follows:

	Group 3Q2018	Group 3Q2017	Change %
Electricity generated ('000 KWh)	557,994	612,012	(8.8)
On-grid electricity supplied ('000 KWh)	391,167	437,550	(10.6)
Steam supplied ('000 tonnes)	674	531	26.9
Waste treated ('000 tonnes)	2,034	2,030	0.2

On-grid electricity supplied and waste treated (excluding waste collection and transportation operations in India) decreased 10.6% and 11.0% in 3Q2018 as compared to 3Q2017, due to the eight WTE facilities undergoing expansion and upgrading. Including waste collection and transportation operations in India, waste treated increased by 0.2% in 3Q2018 as compared to 3Q2017, as compared to a decrease of 3.7% in 2Q2018. The increase in steam supplied is due to additional coal-fired generation facilities and the completion of laying the heat pipes of the Zhuji Bafang WTE Facility.

#### Construction services provided under BOT concession agreements

Revenue from construction services provided under BOT concession agreements decreased by 12.9% from RMB128.7 million in 3Q2017 to RMB112.2 million in 3Q2018 due to a decrease in revenue from the provision of construction services under BOT concession agreements from RMB123.3 million in 3Q2017 to RMB104.6 million in 3Q2018. In 3Q2018, BOT revenue was recorded for Yinchuan Zhongke WTE Facility, Wenling Green Energy WTE Facility, Suihua Green Energy WTE Facility and the projects in India but for 3Q2017, BOT revenue is derived from Yinchuan Zhongke WTE Facility and Gaomi Lilangmingde WTE Facility. Financial income increased from RMB5.4 million in 3Q2017 to RMB7.6 million in 3Q2018.

#### Project technical and management services and our EMC business

Revenue from project technical and management services and our EMC business increased 141.8% from RMB49.8 million in 3Q2017 to RMB120.4 million in 3Q2018 due to (i) an increase in revenue from technical and management services including equipment selection and sales, as a result of a larger number of contracts, including new contracts signed by the Group in 2018, and revenue is recognised based on contractual terms and (ii) existing contracts which the Group took over following its acquisition of Hangzhou Zhenghui Construction Engineering Co., Ltd.

#### **Cost of sales**

Cost of sales decreased 1.8% from RMB428.1 million in 3Q2017 to RMB420.2 million in 3Q2018, due to a decrease in the cost of sales from our WTE business (excluding cost of sales from construction services provided under BOT concession agreements) and construction services provided under BOT concession agreements, offset by an increase in the cost of sales from project technical and management services and our EMC business.

#### 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) decreased 1.3% from RMB305.0 million in 3Q2017 to RMB301.0 million in 3Q2018. The decrease arises through the use of waste dehydrating equipment in some facilities, the calorific value of the waste increased which decreased the usage of coal offset by (i) an increase in use of coal by Zhuji Bafang WTE Facility and (ii) an increase in costs due to the commencement of waste collection and transportation operations for the projects in India by RMB25.7 million. The net decrease in coal usage amounted to approximately RMB18.0 million.

#### Construction services provided under BOT concession agreements

The cost of sales from construction services provided under BOT concession agreements decreased 17.3% from RMB106.6 million in 3Q2017 to RMB88.2 million in 3Q2018 due to less construction services under BOT concession agreements in 3Q2018, and hence less costs were recorded in 3Q2018.

#### Project technical and management services and our EMC business

The cost of sales from project technical and management services and our EMC business increased 88.9% from RMB16.4 million in 3Q2017 to RMB31.0 million in 3Q2018, due to more services provided arising from more technical and management services including equipment selection and sales and existing contracts which the Group took over following its acquisition of Hangzhou Zhenghui Construction Engineering Co., Ltd., and more investment into research and development.

### **Gross profit and gross profit margin**

	<b>Gross Profit (RMB'000)</b>		<b>Gross Profit Margin</b>	
	<b>3Q2018</b>	<b>3Q2017</b>	<b>3Q2018</b>	<b>3Q2017</b>
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	140,083	96,855	31.8%	24.1%
Construction services provided under BOT concession agreements	16,391	16,709	15.7%	13.6%
Project technical and management service and EMC business	89,355	33,353	74.2%	67.0%
Finance	7,622	5,438	N.A.	N.A.
<b>Total</b>	<b>253,451</b>	<b>152,355</b>	<b>37.6%</b>	<b>26.2%</b>

As a result of the foregoing, the gross profit increased 66.4% from RMB152.4 million in 3Q2017 to RMB253.5 million in 3Q2018.

#### 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 44.7% from RMB96.9 million in 3Q2017 to RMB140.1 million in 3Q2018.

Revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) increased from RMB401.9 million in 3Q2017 to RMB441.1 million in 3Q2018, primarily due to an increase in waste treated following the commencement of waste collection and transportation operations for the Lucknow, Gurgaon and Gwalior projects in India, and an increase in revenue from sales of steam from Zhuji Bafang WTE Facility, offset by a decrease in revenue due to the eight WTE facilities undergoing expansion and upgrading.

This is offset by a decrease in the cost of sales from our WTE business (excluding the cost of sales from construction services provided under BOT concession agreements) from RMB305.0 million in 3Q2017 to RMB301.0 million in 3Q2018, due to the use of waste dehydrating equipment in some facilities, which decreased the usage of coal and hence lower cost of sales, offset by an increase in use of coal by Zhuji Bafang WTE Facility and higher costs arising from the commencement of waste collection and transportation operations for the projects in India.

The gross profit margin of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased from 24.1% in 3Q2017 to 31.8% in 3Q2018.

#### 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 8.3% from RMB22.1 million in 3Q2017 to RMB24.0 million in 3Q2018, due to an increase in finance income from RMB5.4 million in 3Q2017 to RMB7.6 million in 3Q2018, offset by a decrease in gross profit from construction services by RMB0.3 million. The gross profit margin increased from 17.2% in 3Q2017 to 21.4% in 3Q2018.

### 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 167.8% from RMB33.4 million in 3Q2017 to RMB89.4 million in 3Q2018, due to an increase in revenue from technical and management services including equipment selection and sales, as a result of a larger number of contracts and existing contracts which the Group took over following its acquisition of Hangzhou Zhenghui Construction Engineering Co., Ltd. There is a corresponding increase in cost of sales and more investment into research and development. Accordingly, the gross profit margin of project technical and management services and our EMC business increased from 67.0% in 3Q2017 to 74.2% in 3Q2018.

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

Other income and other gains and losses increased 223.6% from RMB26.0 million in 3Q2017 to RMB84.0 million in 3Q2018, due to the receipt in 3Q2018 of a portion of the compensation for the closure of Hangzhou Yuhang WTE Facility amounting to approximately RMB103.2 million and the increase in interest income arising from proceeds from issuance of placement shares and syndicated loans not yet utilized and sales of scrap materials, partially offset by foreign exchange losses of RMB55.8 million, arising mainly from the depreciation of the Chinese Renminbi against the United States Dollar, a decrease in government subsidies and value added tax refund by RMB8.8 million.

### ***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 Inner Mongolia Pulate Transportation Energy WTE Facility for an aggregate consideration of RMB67.2 million in 3Q2017. There is no such gain in 3Q2018.

### ***Administrative expenses***

Administrative expenses decreased 2.7% from RMB65.7 million in 3Q2017 to RMB64.0 million in 3Q2018. If the expense arising from the grant of share awards to employees under the Jinjiang Environment Performance Share Plan in 3Q2017 is excluded, administrative expenses would have increased by RMB10.1 million, due to the increase in salaries and social security costs and increased management costs from India's collection and transportation business.

### ***Finance costs***

Finance costs increased 64.4% from RMB43.6 million in 3Q2017 to RMB71.7 million in 3Q2018, primarily due to increase in bank borrowings and the syndicated loan from Standard Chartered Bank and interest-bearing notes.

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

As a result of the foregoing, profit before tax increased 50.2% from RMB133.9 million in 3Q2017 to RMB201.2 million in 3Q2018.

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

Income tax expense increased 85.5% from RMB38.4 million in 3Q2017 to RMB71.2 million in 3Q2018 due to increase in taxable profit, tax accrued for the compensation received for Hangzhou Yuhang WTE Facility and deferred tax liability for BOT projects.

### ***Total comprehensive income for the period***

As a result of the foregoing, profit for the period increased 35.3% from RM95.5 million in 3Q2017 to RM129.2 million in 3Q2018.

## 9M2018 vs 9M2017

### Revenue

	9M2018		9M2017		Change
	RMB'000	%	RMB'000	%	%
Sales of electricity	625,676	29.7	743,090	40.0	(15.8)
Sales of steam	300,480	14.2	238,673	12.9	25.9
Revenue from waste treatment fees	411,885	19.5	329,381	17.7	25.0
<b>Waste-to-energy business</b>	<b>1,338,041</b>	<b>63.4</b>	<b>1,311,144</b>	<b>70.6</b>	<b>2.1</b>
Revenue from construction services provided under service concession agreements	392,320	18.6	336,897	18.1	16.5
Financial income under service concession agreements	22,865	1.1	16,314	0.9	40.2
<b>Construction services</b>	<b>415,185</b>	<b>19.7</b>	<b>353,211</b>	<b>19.0</b>	<b>17.5</b>
<b>Project technical and management service and EMC business</b>	<b>355,621</b>	<b>16.9</b>	<b>192,084</b>	<b>10.4</b>	<b>85.1</b>
<b>Total</b>	<b>2,108,847</b>	<b>100.0</b>	<b>1,856,439</b>	<b>100.0</b>	<b>13.6</b>

Revenue increased 13.6% from RMB1,856.4 million in 9M2017 to RMB2,108.8 million in 9M2018, 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 2.1% from RMB1,311.1 million in 9M2017 to RMB1,338.0 million in 9M2018. The increase was attributable to (i) an increase in waste treated following the commencement of waste collection and transportation operations for the Lucknow, Gurgaon and Gwalior projects in India by RMB76.0 million, (ii) an increase in revenue from sales of steam as a result of more steam generated and more users from Zhuji Bafang WTE Facility after its upgrading, and through cogeneration, the increased in power supply, offset by a decrease in revenue due to the eight WTE facilities undergoing expansion and upgrading, resulting in a lower amount of waste treated and leading to lower revenue from sales of electricity.

Details of the electricity generated and supplied, steam supplied and waste treated for 9M2018 and 9M2017 are as follows:

	Group	Group	Change
	9M2018	9M2017	%
Electricity generated ('000 KWh)	1,627,022	1,879,861	(13.4)
On-grid electricity supplied ('000 KWh)	1,136,699	1,365,759	(16.8)
Steam supplied ('000 tonnes)	2,169	1,686	28.6
Waste treated ('000 tonnes)	6,082	6,379	(4.7)

On-grid electricity supplied and waste treated (excluding waste collection and transportation operations in India) decreased 16.8% and 14.5% in 9M2018 as compared to 9M2017, due to the eight WTE facilities undergoing expansion and upgrading. Including waste collection and transportation operations in India, waste treated decreased by 4.7% in 9M2018 as compared to 9M2017, as compared to a decrease of 6.9% in 1H2018. The increase in steam supplied is due to additional coal-fired generation facilities of the Zhuji Bafang WTE Facility.



#### Construction services provided under BOT concession agreements

Revenue from construction services provided under BOT concession agreements increased 17.5% from RMB353.2 million in 9M2017 to RMB415.2 million in 9M2018 due to an increase in revenue from the provision of construction services under BOT concession agreements from RMB336.9 million in 9M2017 to RMB392.3 million in 9M2018. In 9M2018, BOT revenue was recorded for Yinchuan Zhongke WTE Facility, Wenling Green Energy WTE Facility, Gaomi Lilangmingde WTE Facility, Suihua Green Energy WTE Facility and the projects in India but for 9M2017, BOT revenue is derived from Yinchuan Zhongke WTE Facility and Gaomi Lilangmingde WTE Facility. Financial income increased from RMB16.3 million in 9M2017 to RMB22.9 million in 9M2018.

#### Project technical and management services and our EMC business

Revenue from project technical and management services and our EMC business increased 85.1% from RMB192.1 million in 9M2017 to RMB355.6 million in 9M2018 due to due to (i) an increase in revenue from technical and management services including equipment selection and sales, as a result of a larger number of contracts, including new contracts signed by the Group in 2018, and revenue is recognised based on contractual terms and (ii) existing contracts which the Group took over following its acquisition of Hangzhou Zhenghui Construction Engineering Co., Ltd.

#### **Cost of sales**

Cost of sales increased 11.4% from RMB1,174.7 million in 9M2017 to RMB1,308.2 million in 9M2018, 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 3.2% from RMB836.8 million 9M2017 to RMB863.9 million in 9M2018. The increase is due to (i) an increase in use of coal by Zhuji Bafang WTE Facility and (ii) an increase in costs due to the commencement of waste collection and transportation operations for the projects in India, offset by a decrease through the use of waste dehydrating equipment in some facilities, the calorific value of the waste increased which decreased the usage of coal. The net decrease in coal usage amounted to approximately RMB44.0 million.

#### Construction services provided under BOT concession agreements

The cost of sales from construction services provided under BOT concession agreements increased 12.4% from RMB290.9 million in 9M2017 to RMB327.1 million in 9M2018 due to more construction services provided under BOT concession agreements in 9M2018, and hence higher costs were recorded.

#### Project technical and management services and EMC business

The cost of sales from project technical and management services and our EMC business increased 149.4% from RMB47.0 million in 9M2017 to RMB117.2 million in 9M2018, due to more services provided arising from more technical and management services including equipment selection and sales and existing contracts which the Group took over following its acquisition of Hangzhou Zhenghui Construction Engineering Co., Ltd., and more investment into research and development.

### **Gross profit and gross profit margin**

	<b>Gross Profit (RMB'000)</b>		<b>Gross Profit Margin</b>	
	<b>9M2018</b>	<b>9M2017</b>	<b>9M2018</b>	<b>9M2017</b>
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	474,129	474,297	35.4%	36.2%
Construction services provided under BOT concession agreements	65,220	45,997	16.6%	13.7%
Project technical and management service and EMC business	238,421	145,094	67.0%	75.5%
Finance	22,865	16,314	N.A.	N.A.
Total	800,635	681,702	38.0%	36.7%

As a result of the foregoing, the gross profit increased 17.4% from RMB681.7 million in 9M2017 to RMB800.6 million in 9M2018.

#### 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 0.1% from RMB474.3 million in 9M2017 to RMB474.1 million in 9M2018.

Revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) increased from RMB1,311.1 million in 9M2017 to RMB1,338.0 million in 9M2018, due to an increase in waste treated following the commencement of waste collection and transportation operations for the Lucknow, Gurgaon and Gwalior projects in India, and an increase in revenue from sales of steam from Zhuji Bafang WTE Facility, offset by a decrease in revenue due to the eight WTE facilities undergoing expansion and upgrading.

This is 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 RMB836.8 million 9M2017 to RMB863.9 million in 9M2018, due to an increase in use of coal by Zhuji Bafang WTE Facility and higher costs arising from the commencement of waste collection and transportation operations for the projects in India, offset by a decrease through the use of waste dehydrating equipment in some facilities, which decreased the usage of coal and hence lower cost of sales.

The gross profit margin of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) decreased from 36.2% in 9M2017 to 35.4% in 9M2018.

#### 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 41.5% from RMB62.3 million in 9M2017 to RMB88.1 million in 9M2018, due to the expansion phase of the Yinchuan Zhongke WTE Facility and Gaomi Lilangmingde WTE Facility and revenue from the construction for Suihua Green Energy WTE Facility and the BOT projects in India. In 9M2017, there is only construction for Yinchuan Zhongke WTE Facility and Gaomi Lilangmingde WTE Facility. Finance income increased from RMB16.3 million in 9M2017 to RMB22.9 million in 9M2018. The gross profit margin increased from 17.6% in 9M2017 to 21.2% in 9M2018.

### 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 64.3% from RMB145.1 million in 9M2017 to RMB238.4 million in 9M2018, due to an increase in revenue from technical and management services including equipment selection and sales, as a result of a larger number of contracts and existing contracts which the Group took over following its acquisition of Hangzhou Zhenghui Construction Engineering Co., Ltd. There is a corresponding increase in cost of sales and more investment into research and development. Accordingly, the gross profit margin of project technical and management services and our EMC business decreased from 75.5% in 9M2017 to 67.0% in 9M2018.

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

Other income and other gains and losses increased 43.1% from RMB89.4 million in 9M2017 to RMB128.0 million in 9M2018, due to the receipt in 9M2018 of a portion of the compensation for the closure of Hangzhou Yuhang WTE Facility amounting to approximately RMB103.2 million and the increase in interest income arising from proceeds from issuance of placement shares and syndicated loans not yet utilized and sales of scrap materials, partially offset by (i) foreign exchange losses increased by RMB74.0 million, arising mainly from the depreciation of the Chinese Renminbi against the United States Dollar, and (ii) a decrease in government subsidies and value added tax refund by RMB17.4 million.

### ***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 Inner Mongolia Pulate Transportation Energy Co., Ltd. for an aggregate consideration of RMB67.2 million in 9M2017. In 9M2018, the gain on disposal of 70% equity interest in Hohhot New Energy WTE Facility amounted to RMB7.7 million. As a result, the one-time gain of disposal reduced by RMB57.3 million.

### ***Administrative expenses***

Administrative expenses increased 10.8% from RMB163.6 million in 9M2017 to RMB181.3 million in 9M2018. If the expense arising from the grant of share awards to employees under the Jinjiang Environment Performance Share Plan in 9M2017 is excluded, administrative expenses would have increased by RMB29.6 million, due to the increase in salaries and social security costs and increased management costs from India's collection and transportation business.

### ***Finance costs***

Finance costs increased 66.4% from RMB118.0 million in 9M2017 to RMB196.2 million in 9M2018, due to increase in bank borrowings and the syndicated loan from Standard Chartered Bank and the interest on outstanding notes being payable for the entire 9M2018 as opposed to only about two months in 9M2017.

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

As a result of the foregoing, profit before tax increased 0.6% from RMB554.6 million in 9M2017 to RMB558.0 million in 9M2018.

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

Income tax expense increased 5.1% from RMB164.5 million in 9M2017 to RMB173.0 million in 9M2018 due to increase in taxable profit, tax accrued for the compensation received for Hangzhou Yuhang WTE Facility and deferred tax liability for BOT projects.

### **Total comprehensive income for the period**

As a result of the foregoing, profit for the period decreased 1.3% from RM390.1 million in 9M2017 to RM385.0 million in 9M2018.

### **(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 2018, total assets amounted to RMB14,660.8 million, an increase of RMB1,916.5 million or 15.0% as compared to total assets of RMB12,744.3 million as at 31 December 2017.

#### **Non-current assets**

Non-current assets increased 20.4% by RMB1,737.1 million from RMB8,504.7 million as at 31 December 2017 to RMB10,241.8 million as at 30 September 2018.

The increase is attributable to new and BOT projects being constructed which resulted in increases in property, plant and equipment and intangible assets. Property, plant and equipment increased 19.2% by RMB1,091.5 million from RMB5,699.2 million as at 31 December 2017 to RMB6,790.7 million as at 30 September 2018 due to upgrading and expansion of facilities. Intangible assets increased 17.1% by RMB345.8 million from RMB2,020.8 million as at 31 December 2017 to RMB2,366.6 million as at 30 September 2018, arising from the expansion of the Yinchuan Zhongke WTE Facility, Gaomi Lilangmingde WTE Facility, Wenling Green Energy WTE Facility, Suihua Green Energy WTE Facility and the construction of the projects in India. Other receivables increased from RMB145.3 million as at 31 December 2017 to RMB350.7 million as at 30 September 2018, as a result of increase in advances and prepayment for equipment due to the upgrading of existing facilities and construction of new facilities.

#### **Current assets**

Current assets increased 4.2% by RMB179.4 million from RMB4,239.6 million as at 31 December 2017 to RMB4,419.0 million as at 30 September 2018.

The increase is mainly due to (i) pledged deposits increasing 32.3% by RMB110.2 million from RMB341.0 million as at 31 December 2017 to RMB451.2 million as at 30 September 2018 due to bank guarantees issued for local and overseas projects, and (ii) trade and other receivables increasing 36.6% by RMB280.2 million from RMB766.2 million as at 31 December 2017 to RMB1,046.4 million as at 30 September 2018 due mainly to the revenue increase from our WTE business, receivables from government due to the closure of Hangzhou Yuhang WTE Facility, receivables from Hangzhou Zhenghui after its acquisition and more prepayments made. This is offset by (i) bank balances decreasing 13.0% by RMB146.3 million from RMB1,123.4 million as at 31 December 2017 to RMB977.1 million as at 30 September 2018, (ii) amount due from related parties decreasing 46.9% by RMB166.4 million from RMB354.6 million as at 31 December 2017 to RMB188.2 million as at 30 September 2018 due to repayments from related parties as receipt of the sales proceeds of Inner Mongolia Pulate Transportation Energy Co., Ltd, and (iii) assets classified as held for sale decreasing 0.6% by RMB8.7 million from RMB1,397.3 million as at 31 December 2017 to RMB1,388.6 million as at 30 September 2018 due to certain additions and reclassifications made for Zibo New Energy WTE Facility and the sale of shares in Hohhot Jiasheng New Energy WTE Facility.

### **Current liabilities**

Current liabilities decreased 3.2% by RMB122.0 million from RMB3,803.0 million as at 31 December 2017 to RMB3,681.0 million as at 30 September 2018.

The decrease is mainly due to (i) current borrowings decreasing 9.0% by RMB109.1 million from RMB1,208.7 million as at 31 December 2017 to RMB1,099.6 million as at 30 September 2018 due to repayment of borrowings, (ii) trade and other payables decreasing 5.0% by RMB59.5 million from RMB1,198.9 million as at 31 December 2017 to RMB1,139.4 million as at 30 September 2018 due to lower payables recorded in accordance with contractual payment terms, and (iii) amounts due to related parties decreasing 67.7% by RMB78.2 million from RMB115.4 million as at 31 December 2017 to RMB37.2 million as at 30 September 2018 due to the repayments of the amounts due to related parties. This is offset by (i) obligations under finance leases increasing 10.8% by RMB41.8 million from RMB385.9 million as at 31 December 2017 to RMB427.7 million as at 30 September 2018 due to more obligations under finance leases being reclassified and (ii) liabilities associated with assets classified as held for sale increasing 8.7% by RMB58.2 million from RMB665.9 million as at 31 December 2017 to RMB724.1 million as at 30 September 2018 due to certain additions and reclassifications made for Zibo New Energy WTE Facility and the sale of shares in Hohhot Jiasheng New Energy WTE Facility.

### **Non-current liabilities**

Non-current liabilities increased 37.7% by RMB1,526.9 million from RMB4,050.1 million as at 31 December 2017 to RMB5,577.0 million as at 30 September 2018.

The increase is mainly due to (i) notes payable increasing 6.2% by RMB78.6 million from RMB1,272.2 million as at 31 December 2017 to RMB1,350.8 million as at 30 September 2018 due to reclassification and exchange rate fluctuations, (ii) non-current borrowings increasing 94.0% by RMB1,506.0 million from RMB1,601.8 million as at 31 December 2017 to RMB3,107.8 million as at 30 September 2018 due to syndicated loan from Standard Chartered Bank and new borrowings for the Gaomi Lilangmingde WTE Facility and Tangshan Jiasheng WTE Facility, offset by certain classification into short term borrowings, and (iii) deferred tax liabilities increasing 10.2% by RMB40.5 million from RMB398.0 million as at 31 December 2017 to RMB438.5 million as at 30 September 2018 arising from construction services provided under the BOT concession agreements and tax provision for dividends.

### **Capital and reserves**

As at 30 September 2018, capital and reserves amounted to RMB5,402.8 million, an increase of 10.5% or approximately RMB511.6 million as compared to total net assets of RMB4,891.2 million as at 31 December 2017, due to the retained earnings for 9M2018 and the proceeds from placement of new shares, net of dividend payments and acquisition of non-controlling interests.

### **Cashflow Review**

Operating cashflow decreased by RMB186.7 million from RMB78.8 million inflow in 3Q2017 to RMB107.9 million outflow in 3Q2018. This is due to (i) profit for 3Q2018, (ii) increase in trade and other receivables and amounts due from related parties and payment of trade payables, (iii) investment in BOT projects amounting to RMB60.7 million.

Operating cashflow decreased by RMB168.6 million from RMB213.4 million inflow in 9M2017 to RMB44.8 million inflow in 9M2018. This is due to (i) profit for 9M2018, (ii) increase in trade and other receivables and payment of trade payables, (iii) increase in investment in BOT projects amounting to RMB391.5 million.

Investing cash outflow increased by RMB152.5 million from RMB538.3 million outflow in 3Q2017 to RMB690.8 million outflow in 3Q2018. This is due to (i) upgrading of the eight existing operational facilities, (ii) prepayment for equipment and construction for Shijiazhuang Jiasheng WTE Facility and Tangshan Jiasheng WTE Facility, (iii) preparatory and project costs for both local and overseas projects and (iv) receipt of compensation for the closure of Hangzhou Yuhang WTE Facility.

Investing cash outflow increased by RMB979.4 million from RMB1,031.2 million outflow in 9M2017 to RMB2,010.6 million outflow in 9M2018. This is due to (i) upgrading of the eight existing operational facilities, (ii) prepayment for equipment and construction for Shijiazhuang Jiasheng WTE Facility, Tangshan Jiasheng WTE Facility and Kunming Wuhua reconstruction project, (iii) preparatory and project costs for both local and overseas projects and (iv) receipt of compensation for the closure of Hangzhou Yuhang WTE Facility.

Financing cashflow decreased by RMB528.0 million from RMB1,088.1 million inflow in 3Q2017 to RMB560.1 million inflow in 3Q2018. This is due to borrowings for Tangshan Jiasheng WTE Facility and the syndicated loan from Standard Chartered Bank, net of repayment of borrowings and interest.

Financing cashflow decreased by RMB46.4 million from to RMB1,685.0 million inflow in 9M2017 to RMB1,638.6 million inflow in 9M2018. This is due to (i) borrowings for Gaomi Lilangmingde WTE Facility, Wuhu Jinjiang WTE Facility and Tangshan Jiasheng WTE Facility, the syndicated loan from Standard Chartered Bank and finance lease for Hankou Jinjiang WTE Facility, (ii) proceeds of issuance of shares and payment of dividend and (iii) repayment of borrowings and interest.

Bank balances and cash as at 30 September 2018 is RMB977.0 million, excluding cash related to assets held for sale.

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

Not applicable.

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

**(A) Economic Outlook and Environmental Policies in the PRC**

The PRC's gross domestic product grew by 6.5% in the third quarter of 2018, which was slightly lower than the 6.8% and 6.7% growth recorded in the first and second quarters of 2018 respectively but on par with the PRC government's annual growth target of around 6.5%, signaling steady expansion even in the face of increasing external uncertainties.

The Group operates in a regulatory environment where the PRC government encourages the development of the WTE industry. For example, the 13<sup>th</sup> Five-Year Plan of the PRC (i) targets the harmless treatment of over 95% of municipal solid waste and effectively disposing over 90% waste in rural areas, (ii) targets for more than 50% and 60% of harmless waste treatment in certain cities and the eastern region respectively, to be by way of incineration, (iii) seeks to achieve zero use of landfills for the disposal of municipal solid waste in eligible municipalities, planned cities and provincial capital cities (built-up area) by end-2020 and (iv) makes clean energy projects a priority.

Nevertheless, external uncertainties increased with regard to the continued development of China's economy, with the reduced momentum of global economic growth, the slow down in world trade expansion and the recent volatility in the international financial markets.

**(B) Operational Projects, Projects Under Construction, Pipeline Projects and Upgrading Projects in PRC**

As of 30 September 2018, the Group has (i) twenty WTE facilities in commercial or trial operation and two operational resource recycling projects, with a total installed waste treatment capacity and installed electricity generation capacity of 29,240 t/d and 574 MW, (ii) five WTE projects under construction, which will add 8,450 t/d and 215 MW to the Group's total installed waste treatment capacity and installed electricity generation capacity, respectively, and (iii) 17 domestic pipeline WTE projects actively undertaking preparation work as scheduled, which are expected to increase the Group's total installed waste treatment capacity and installed electricity generation capacity by 16,200 t/d and 339 MW,

respectively.

The Group is still in the process of undertaking the upgrading project (“Upgrading Project”) involving eight of the Group’s operational WTE facilities which are older and have potential to handle a higher volume of waste requiring treatment. The Upgrading Project, when completed, is expected to expand the waste treatment capacity of the Group by approximately 5,000 t/d, whilst also reducing emission levels and the proportion of coal used at the Group’s WTE facilities. The Upgrading Project, which is expected to be completed in 2019, is currently progressing as scheduled. Currently, the upgraded units under the Upgrading Project that have been put into operation are running steadily, and this has resulted in a marked increase in waste treatment capacity, higher boiler operation efficiency, and more stable emissions. Accordingly, the adverse impact of the Upgrading Project on the Group’s financial performance is less pronounced in 3Q2018 as compared to previous quarters. The Group expects to see a continued gradual improvement in the amount of waste treated, the amount of electricity generated and supplied, and the revenue from the WTE business (excluding BOT construction revenue) towards the end of 2018.

The Group is actively following up with the relevant local authorities on the closure or cessation of operations of the Hangzhou Yuhang WTE Facility, Zibo Jinjiang WTE Facility and Kunming Jinjiang WTE Facility. Hangzhou Yuhang WTE Facility has signed a compensation agreement with the local government in the third quarter of 2018, under which Hangzhou Yuhang WTE Facility will receive total compensation of approximately RMB290 million (equivalent to approximately S\$58 million), which is in excess of the net asset value of Hangzhou Yuhang WTE Facility. As of 30 September 2018, the Group has received approximately RMB145 million of the compensation and the remaining amount is expected to be received by the end of 2018.

The Zibo Jinjiang WTE Facility had also ceased incineration in early July and the Group is still in negotiations with the local government regarding compensation payments. The waste previously treated by the Zibo Jinjiang WTE Facility is now treated by the Zibo New Energy WTE Facility which commenced trial operations in July 2018. The Kunming Jinjiang WTE Facility is currently operating as per normal, and the timeline for any closure or cessation of operations will be determined based on the progress of completion of Kunming Wuhua reconstruction project, which has started construction in September 2018.

In the third quarter, Shandong Linzi WTE Facility commenced trial operation and was successfully connected to the power grid. The Wenling Green Energy WTE Facility second phase expansion project and the Kunming Wuhua reconstruction project has also commenced construction and the Group successfully secured the PPP project of Yunnan Jinghong WTE Facility. The Group, in accordance with the established plan, is working steadily to push forward with project construction and project acquisition. In September, the Group has transferred its entire shareholdings in Yucheng Project in Shandong Province and Yueyang Project in Hunan Province. These were undertaken to enable the Group to focus on its other pipeline WTE projects and the Group could more reasonably arrange financial and capital resources.

#### (C) Overseas Projects and Opportunities

The Group intends to leverage on the “One-Belt-One-Road” initiative through bidding for projects and mergers and acquisitions in overseas markets with a focus on the South-east Asian region and other developing countries, to achieve its long-term goal of being internationally recognised as a renowned global waste management company.

The Group has secured a total of five overseas projects, with three projects located in Lucknow, Gwalior and Gurgaon, India. Construction of the Gurgaon project has commenced in the first half of 2018 and is expected to be completed in the second quarter of 2019, while the Group is actively undertaking preparation work for the construction of the Lucknow, and Gwalior facilities. In addition, the Group is also undertaking preparation work for the pipeline WTE projects in Barueri, São Paulo, Brazil and Palembang, Indonesia facilities.

Taking into consideration all its projects in operation, under construction and in the planning phase, both in the PRC and overseas, the Group’s total installed waste treatment capacity is expected to reach approximately 66,210 t/d upon the completion of these projects.

(D) EMC Business and Other Services

Currently, the Group's subsidiary, Hangzhou Kesheng Energy Technology Co., Ltd., has two main business models: (i) energy management contracting or EMC; and (ii) project technical and management consulting services. As at 30 September 2018, a total of 66 business contracts have been implemented, including 31 energy contracting projects including 8 ongoing EMC contracts and 35 consulting projects including 1 in the process of signing the contract. With the exception of 8 ongoing EMC projects, all other projects have enjoyed the benefits arising from energy saving or consulting services.

**(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 financial 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.



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

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) RMB'000
<b>Purchases of coal from:</b>		
Linan Huawang Reneng Co., Ltd.	26,724	9,173
<b>Construction services contracts awarded to:</b>		
Zhejiang Jinxin Construction Engineering Co., Ltd.	-	94,438
<b>Project technical and management services, including equipment selection and sale, provided to:</b>		
Guangxi Tiandong Jinsheng Chemical Engineering Co., Ltd.	-	65,553
Guangxi Tiandong Jinxin Chemical Engineering Co., Ltd.	-	11,844
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	-	2,290
Cayman Lvye Sanmenxia Co., Ltd.	-	19,400
Taizhou Jinneng New Energy Co., Ltd.	-	2,172
Shanxi Xiaoyi Xing'an Chemical Co., Ltd.	-	1,001
Guangxi Tiandong Jinfu Shiye Co., Ltd.	-	1,183
Hohhot Jiasheng New Energy Co., Ltd.	-	3,000
PT Borneo Alumindo Prima	-	5,091
Hangzhou Jinjiang Group Co., Ltd.	-	1,373
Kunshan Zhiqimei Materials Technology Co., Ltd.	-	650
<b>Energy management contracting services provided to:</b>		
Shanxi Xiaoyi Xing'an Chemical Co., Ltd.	-	116,661
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	-	3,862
Guangxi Tiandong Jinsheng Chemical Engineering Co., Ltd.	-	874
<b>Acquisition of equity interest in PT. Indo Green Power:</b>		
H C Asia Pacific Holdings Pte. Ltd. and Top Celestial Holdings Pte. Ltd.	11,194	-
<b>Technical services obtained from:</b>		
Henan Jujiang Jixie Equipment Installation Engineering Co., Ltd.	8,766	-

**Sales of goods to:**Zhejiang Jinxin Construction Engineering Co.,  
Ltd.

5,244

-

**Total**

51,928

338,565

**(14) Use of Proceeds**

The gross proceeds from the private placement of 214,000,000 new shares in the Company (“**Placement**”), which was completed on 28 May 2018, amounted to S\$107.0 million. After deducting approximately S\$0.1 million in expenses, the net proceeds from the Placement amounted to approximately S\$106.9 million.

As of the date of this announcement, the net proceeds from the Placement have been fully utilised as follows:

<b>Use of Net Proceeds</b>	<b>Estimated amount allocated (S\$ million)</b>	<b>Amount utilised (S\$ million)</b>	<b>Balance (S\$ million)</b>
Technical upgrading works at eight of the Group’s existing WTE facilities	106.9	106.9	0
<b>Total</b>	<b>106.9</b>	<b>106.9</b>	<b>0</b>

**(15) 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 2018 to be false or misleading in any material respect.

**(16) 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**

Zhang Chao  
Executive Director and Chief Executive Officer

12 November 2018