

**ZHENENG JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED**  
(浙能锦江环境控股有限公司)  
(Incorporated in the Cayman Islands)  
(the “**Company**”)

**MINUTES OF ANNUAL GENERAL MEETING**

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<b>PLACE</b>	: 1 Yinxiu Road, Level 19, Meeting Room 1930, Tower A, Hangyue Commercial Center, Gongshu District, Hangzhou City, Zhejiang Province, People's Republic of China 310011 (浙江省杭州市拱墅区隐秀路1号杭悦商业中心写字楼A座19楼1930会议室 (邮编: 310011)). Notwithstanding the place in which the Annual General Meeting (“ <b>AGM</b> ” or “ <b>Meeting</b> ”) was physically held, other than the Chairman, Directors and/or representatives of the Company present at such location, the AGM was convened and held by way of electronic means pursuant to the Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation and checklist jointly issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation on 13 April 2020 and updated on 27 April 2020, 22 June 2020 and 1 October 2020 (“ <b>Checklist</b> ”), which is based on the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
<b>DATE</b>	: Monday, 26 April 2021
<b>TIME</b>	: 3.00 p.m.
<b>PRESENT</b>	: Per the attendance list maintained by the Company.
<b>IN ATTENDANCE</b>	: Per the attendance list maintained by the Company.
<b>CHAIRMAN</b>	: Mr Wei Dongliang
<b>CHAIRMAN OF THE MEETING</b>	: Mr Ang Swee Tian

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**INTRODUCTION AND QUORUM**

The Chairman declared the Meeting open and introduced the Directors, the Chief Financial Officer and the Company Secretary that were present at the Meeting.

The Meeting was conducted via live webcast and shareholders of the Company were not allowed to attend the Meeting in person but were allowed to view the proceedings through a live webcast.

The share transfer agent of the Company had verified that at least two members of the Company were present by proxy to form a quorum under the Company's Memorandum and Articles of Association.

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**MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 26 APRIL 2021– Page 2**

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**CORPORATE PRESENTATION AND RESPONSES TO QUESTIONS FROM SHAREHOLDERS**

Mr Wang Ruihong, the Executive Director and Deputy General Manager, gave a presentation ("**Presentation**") on the operational and financial highlights of the Company and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2020 ("**FY2020**"), a copy of which had been released together with the announcement of the results of the AGM to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") via SGXNet on 26 April 2021 and is attached to these minutes as Appendix 1. The Company's responses to the substantial and relevant questions which had been submitted by shareholders no later than 3.00 p.m. on 23 April 2021 had been released to the SGX-ST via SGXNet on 25 April 2021, a copy of which is attached to these minutes as Appendix 2.

**NOTICE OF MEETING**

In line with the Checklist, printed copies of the Annual Report for FY2020, the Notice of AGM dated 9 April 2021 ("**Notice of AGM**"), the accompanying Appendix relating to the proposed renewal of the general mandate for interested person transactions (the "**Appendix**") and the proxy forms had not been sent to shareholders. Instead, the Annual Report for FY2020, the Notice of AGM, the Appendix and the proxy forms were sent to members by electronic means via publication on the Company's corporate website and the SGXNet on 9 April 2021.

The Chairman of the Meeting took the Notice of AGM as read.

**VOTING BY WAY OF POLL**

As the live webcast did not allow for online voting, it was noted that a member who wished to exercise his/her/its voting rights at the Meeting should have appointed the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting at least 72 hours before the Meeting. In appointing the Chairman of the Meeting as proxy, such member (whether individual or corporate) must have given specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution would be treated as invalid.

An investor holding shares through relevant intermediaries who wished to vote should have approached his/her relevant intermediary to specify his/her voting instructions. A CPF/SRS investor who had wished to vote should have approached his/her CPF Agent Bank or SRS Operator to submit his/her voting instructions at least 7 working days before the AGM.

The Chairman of the Meeting informed that he had been appointed as proxy on behalf of the shareholders who had directed him to vote for or against certain motions for the Meeting, and that he would be voting in accordance with the wishes of such shareholders on such motions. All resolutions at the Meeting would be voted by way of poll which also complies with the requirement of the Listing Manual of the SGX-ST that all listed companies would have to conduct voting by poll for all general meetings.

It was noted that DrewCorp Services Pte Ltd and Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as Scrutineer and Polling Agent respectively. The Scrutineer had checked the validity of the proxy forms received and prepared a report on the poll results which would be announced after each motion had been formally proposed at the Meeting.

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**MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 26 APRIL 2021– Page 3**

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**ORDINARY BUSINESS:**

**ORDINARY RESOLUTION 1:**

**TO RECEIVE AND ADOPT THE DIRECTORS' STATEMENT AND THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE AUDITORS' REPORT THEREON**

The meeting proceeded to receive and adopt the Directors' Statement and Audited Financial Statements for FY2020 together with the Auditors' Report thereon.

Following the proposal of the motion for Ordinary Resolution 1 by the Chairman of the Meeting, the following results of the poll were verified by the Scrutineer:

	<b>Votes</b>	<b>%</b>
No. of shares for:	1,363,333,500	100.00
No. of share against:	0	0.00

Based on the results of the poll, the Chairman of the Meeting declared the motion carried and it was **RESOLVED:**

"That the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Auditors' Report be and are hereby received and adopted."

**ORDINARY RESOLUTION 2:**

**TO RE-ELECT MR ANG SWEE TIAN, A DIRECTOR RETIRING PURSUANT TO ARTICLE 127 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

As Ordinary Resolution 2 dealt with the re-election of the Chairman of the Meeting, the chairmanship of the Meeting was passed to Mr Tan Huay Lim.

Mr Ang Swee Tian, who was retiring pursuant to Article 127 of the Company's Articles of Association, had consented to continue in office.

It was noted that Mr Ang Swee Tian would, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee, a member of the Audit and Risk Management Committee and the Remuneration Committee.

Following the proposal of the motion for Ordinary Resolution 2 by Mr Tan Huay Lim, the following results of the poll were verified by the Scrutineer:

	<b>Votes</b>	<b>%</b>
No. of shares for:	887,234,575	65.08
No. of shares against:	476,098,925	34.92

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**MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 26 APRIL 2021– Page 4**

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Based on the results of the poll, the Chairman of the Meeting declared the motion carried and it was **RESOLVED**:

"That Mr Ang Swee Tian who retires pursuant to Article 127 of the Company's Articles of Association, and being eligible for re-election, be and is hereby re-elected as a Director of the Company."

The chairmanship of the Meeting was returned to Mr Ang Swee Tian to resume the conduct of the proceedings.

**ORDINARY RESOLUTION 3:**  
**TO RE-ELECT MR NI MINGJIANG, A DIRECTOR RETIRING PURSUANT TO ARTICLE 127 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

Mr Ni Mingjiang, who was retiring pursuant to Article 127 of the Company's Articles of Association, had consented to continue in office.

It was noted that Mr Ni Mingjiang would, upon re-election as a Director of the Company, remain as a member of the Nominating Committee and the Remuneration Committee.

Following the proposal of the motion for Ordinary Resolution 3 by the Chairman of the Meeting, the following results of the poll were verified by the Scrutineer:

	<b>Votes</b>	<b>%</b>
No. of shares for:	1,363,333,500	100.00
No. of share against:	0	0.00

Based on the results of the poll, the Chairman of the Meeting declared the motion carried and it was **RESOLVED**:

"That Mr Ni Mingjiang who retires pursuant to Article 127 of the Company's Articles of Association, and being eligible for re-election, be and is hereby re-elected as a Director of the Company."

**ORDINARY RESOLUTION 4:**  
**TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF S\$420,000 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

The Board had recommended the payment of Directors' fees of S\$420,000 for FY2020.

Following the proposal of the motion for Ordinary Resolution 4 by the Chairman of the Meeting, the following results of the poll were verified by the Scrutineer:

	<b>Votes</b>	<b>%</b>
No. of shares for:	1,363,333,500	100.00
No. of share against:	0	0.00

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**MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 26 APRIL 2021– Page 5**

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Based on the results of the poll, the Chairman of the Meeting declared the motion carried and it was **RESOLVED**:

"That the payment of S\$420,000 as Directors' fees for the financial year ended 31 December 2020 be and is hereby approved."

**ORDINARY RESOLUTION 5:  
TO RE-APPOINT MESSRS PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S AUDITORS  
AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

The Meeting noted that the next item on the agenda was to approve the re-appointment of the Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. Messrs PricewaterhouseCoopers LLP had expressed their willingness to continue in office.

Following the proposal of the motion for Ordinary Resolution 5 by the Chairman of the Meeting, the following results of the poll were verified by the Scrutineer:

	<b>Votes</b>	<b>%</b>
No. of shares for:	887,234,575	65.08
No. of shares against:	476,098,925	34.92

Based on the results of the poll, the Chairman of the Meeting declared the motion carried and it was **RESOLVED**:

"That Messrs PricewaterhouseCoopers LLP, be re-appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

**ANY OTHER ORDINARY BUSINESS**

As no notification was received by the Company of any other items of ordinary business for transaction at the Meeting, the Chairman of the Meeting proceeded to deal with the items under the special business.

**SPECIAL BUSINESS:**

**ORDINARY RESOLUTION 6:  
THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON  
TRANSACTIONS**

Ordinary Resolution 6 was proposed to seek shareholders' approval for the proposed renewal of the general mandate for interested person transactions (hereinafter referred to as the "**IPT General Mandate**"). The IPT General Mandate, if approved, would enable the Group to enter in the ordinary course of business into mandated transactions with specified classes of interested persons, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The details and the Directors' recommendation for the proposed renewal of the IPT General Mandate were set out in Paragraph 2 of the Appendix. The full text of the resolution could be found in item 6 of the Notice of AGM.

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**MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 26 APRIL 2021– Page 6**

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Each of (i) Zheneng Group; and (ii) Mr Dou Zhenggang, Ms Wei Xuefeng and Ms. Jennifer Wei, together with their respective associates (if any), had abstained, and had undertaken to ensure that their respective associates would abstain, from voting on Ordinary Resolution 6 relating to the proposed renewal of the IPT General Mandate.

Following the proposal of the motion for Ordinary Resolution 6 by the Chairman of the Meeting, the following results of the poll were verified by the Scrutineer:

	<b>Votes</b>	<b>%</b>
No. of shares for:	560,772,925	100.00
No. of share against:	0	0.00

Based on the results of the poll, the motion was declared carried and it was **RESOLVED**

"**THAT:-**

- (1) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" (as that term is used in Chapter 9), or any of them to enter into any of the transactions falling within the types of Mandated Transactions described in the Appendix to the Notice of Annual General Meeting dated 9 April 2021 (the "**Appendix**") with any party who is of the class of Mandated Interested Persons described in the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (2) the approval given in paragraph (1) above (the "**IPT General Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and
- (3) the Directors of the Company and/or any of them be and are and/or is hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

The summary of the poll results for Ordinary Resolutions 1 to 6 was also shown on the screen for the shareholders' reference.

**CONCLUSION**

There being no other business to transact, the Chairman of the Meeting declared the Meeting closed at 3.45 p.m. and thanked everyone for their attendance.

Confirmed as True Record of Proceedings Held

Ang Swee Tian  
Chairman of the Meeting



26 April 2021

# FY2020 Annual General Meeting Corporate Presentation



**浙能锦江环境**  
ZHENENG JINJIANG ENVIRONMENT

# Important Notice

This document has been prepared by **Zheneng Jinjiang Environment Holding Company Limited** ( "**Zheneng Jinjiang Environment**" or the "**Company**"), solely as presentation materials to be used by the Company's management. It may contain projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct.

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# Contents

1. Company Overview
2. FY2020 Operational Highlights
3. FY2020 Financial Highlights
4. AGM Resolutions



# Company Overview



# About Zheneng Jinjiang Environment

- First mover and leader in PRC's Waste-To-Energy (WTE) industry, as well as one of the first WTE operators in the PRC
- Established PRC's first WTE plant using Circulating Fluidised Bed (CFB) incineration technology in 1998 and built a track record spanning over 20 years
- Listed on the mainboard of the Singapore Exchange on 3 August 2016

## WTE BUSINESS

- Treatment of municipal solid waste and generation of steam and electricity

### 3 main revenue streams:

- 1) **Waste treatment fees** (contracted with local government)
  - 2) **Sales of electricity** (tariffs decided by central and local governments)
  - 3) **Sales of steam** (fee decided by local government or company)
- Projects are ~65% Build-Own-Operate (BOO) model; ~35% Build-Operate-Transfer (BOT) model

## EMC BUSINESS

- **Revenue from Provision of Energy Management Contracting (EMC) services** to Metallurgical, chemical and power generation companies since 2014

### *Scope of services include:*

- Energy saving and residual heat utilisation
- Operational optimisation and equipment selection advisory
- Management and operational support
- Technical advisory on energy saving

# Extensive Network in China and Overseas

## CHINA

**22** WTE facilities\* &  
**1** Organic Waste Treatment project &  
**6** Resource Recycling projects  
in Operation

*In 13 provinces autonomous regions and centrally-administered municipalities in the PRC*

Treatment  
Capacity:  
38,060 tons/day

**7** WTE facilities &  
**3** Resource Recycling projects  
Under Construction & Expansion

Treatment  
Capacity:  
6,250 tons/day

**15** WTE facilities & Kitchen Waste  
treatment projects  
**1** Resource Recycling project  
in Preparation

Treatment  
Capacity:  
13,800 tons/day

*\*As at 31 December 2020, 15 of the 23 facilities  
operated in a BOO business model*

## OVERSEAS

*Presence in India, Brazil & Indonesia*

Treatment  
Capacity:  
5,096 tons/day

**1** facility under Construction  
**4** facilities in Preparation

*When fully completed,  
total capacity to reach **63,206 tons/day***

*As at 31 December 2020*

# China – Our Extensive Footprint

## Installed Capacity (tons/day)

● In Operation ● Under Preparation ● Under Construction or Expansion ● Waste recycling projects

### Hebei

Tangshan Jiasheng	BOO, 1000
Shijiazhuang Jiasheng	BOO, 2,400
Leting Jinhuan	BOO, 500
Tangshan Guye	BOO, 1,600
Shijiazhuang Jiasheng Wuji Resource Recycling	BOO, 1,000
Shijiazhuang Gaocheng Resource Recycling	BOO, 2,000
Tangshan Qianxi Resource Recycling	300
Luannan Resource Recycling	BOT, 600
Gaobeidian Resource Recycling	BOO, 600

### Shaanxi

Yulin Green Energy	TBC, 1,300
Yan'an	BOT, 1,300

### Ningxia

Yinchuan Zhongke	BOT, 2,000
Zhongwei Green New Energy (Phase 2)	BOT, 500
Zhongwei Green New Energy (Phase 1)	BOT, 500
Zhongwei Kitchen Waste	100

### Shanxi

Shanxi Taigu	BOT, 400
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### Henan

Zhengzhou Xingjin	BOO, 2,840
Linzhou Jiasheng (Phase 1)	BOT, 500
Linzhou Jiasheng (Phase 2)	BOT, 500

### Hubei

Wuhan Jinjiang	BOO, 2,600
Hankou Jinjiang	BOO, 2,600
Wuhan Resource Recycling	BOO, 3,000
Wuhan Jinjiang Reconstruction	
Wuchang Kitchen Waste Treatment	500

### Yunnan

Yunnan Wuhua	BOO, 2,250
Yunnan Green Energy	BOT, 1,000
Yunnan Jinde	BOO, 1,000
Jinghong Jiasheng	BOT, 1,200
Yunnan Green Energy Expansion	BOT, 750

### Inner Mongolia

Hohhot New Energy	BOO, 1,000
Bayannao'er Jingpengyun	BOT, 700
Hohhot Jiasheng New Energy Expansion	BOO, 750

### Heilongjiang

Suihua Green Energy	BOO, 800
Qitaihe Green Energy	BOO, 1,000
Suihua Green Energy Lanxi	BOT, 240

### Jilin

Jilin Xinxiang	BOO, 2,700
Songyuan Xinxiang	BOT, 1,050
Baishan Green New Energy	BOO, 600
Hunchun Green New Energy	BOO, 800
Songyuan Kitchen Waste Treatment	150
Songyuan Xinxiang New Energy Resource Recycling	BOO, 300

### Tianjin

Tianjin Sunrise	BO, 1,100
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### Shandong

Zibo Green Energy	BOO, 1,600
Gaomi Lilangmingde	BOT, 800
Zibo Green New Energy	BOO, 4,000
Zibo Gaoqing Resource Recycling	500
Zichuan Resource Recycling	400

### Jiangsu

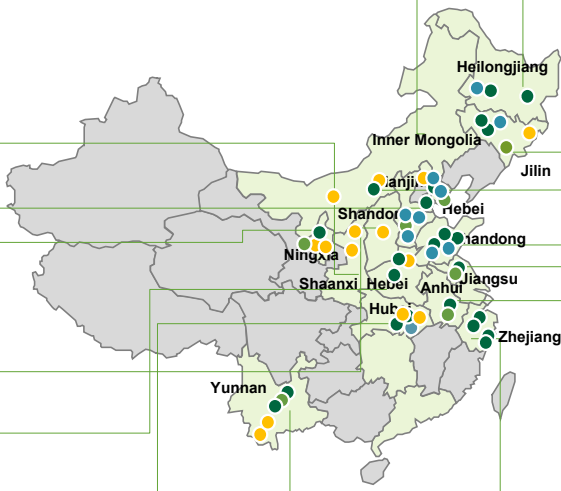
Lianyungang Sunrise	BOO, 1,450
Lianyungang Upgrading	1,500

### Anhui

Wuhu Jinjiang	BOO, 3,000
Wuhu Jinjiang Reconstruction	

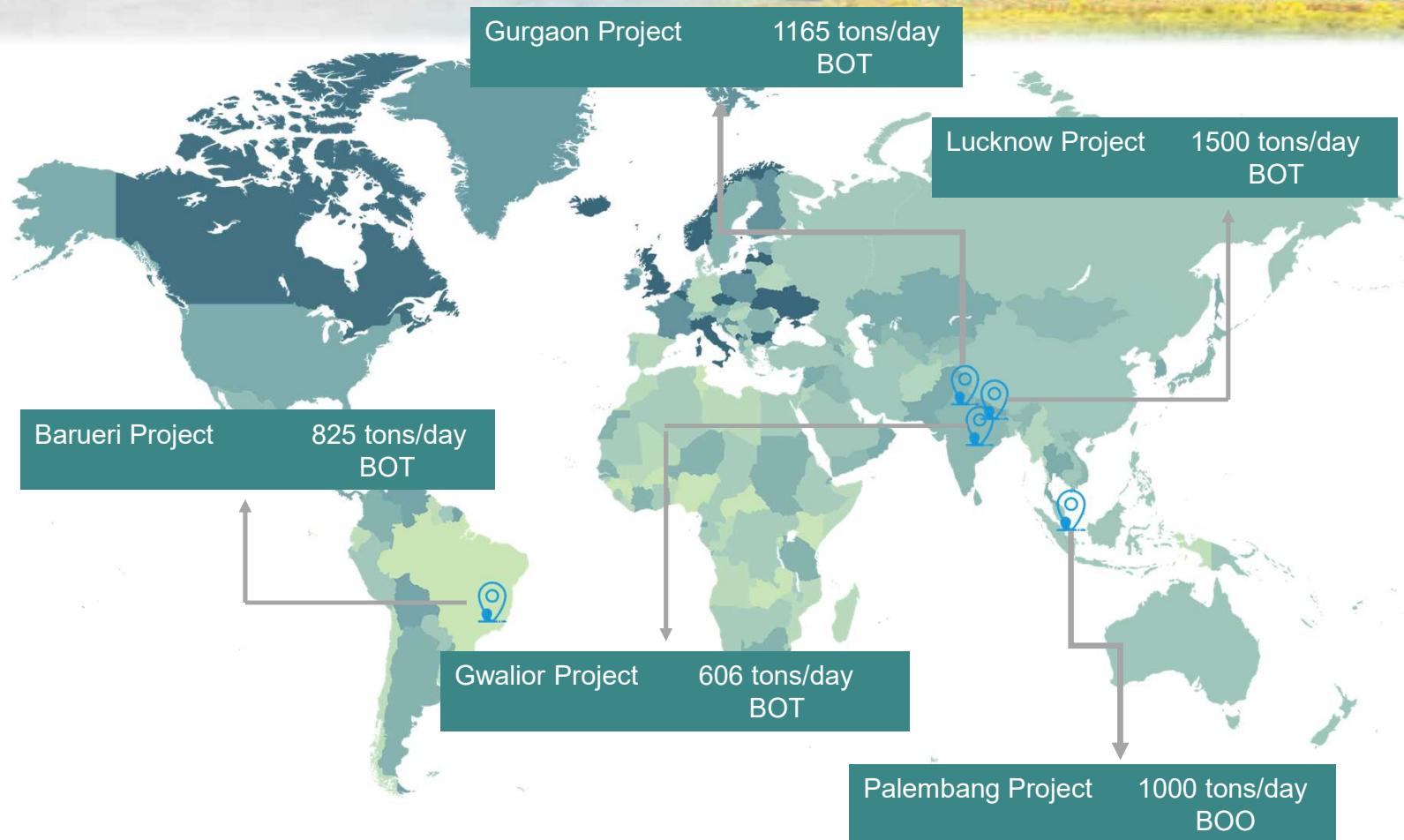
### Zhejiang

Xiaoshan Jinjiang	BOO, 1,900
Zhejiang Zhuji	BOO, 1,050
Wenling Green Energy	BOT, 1,600
Wenling Organic Waste Project	BOT, 220



As at 31 December 2020

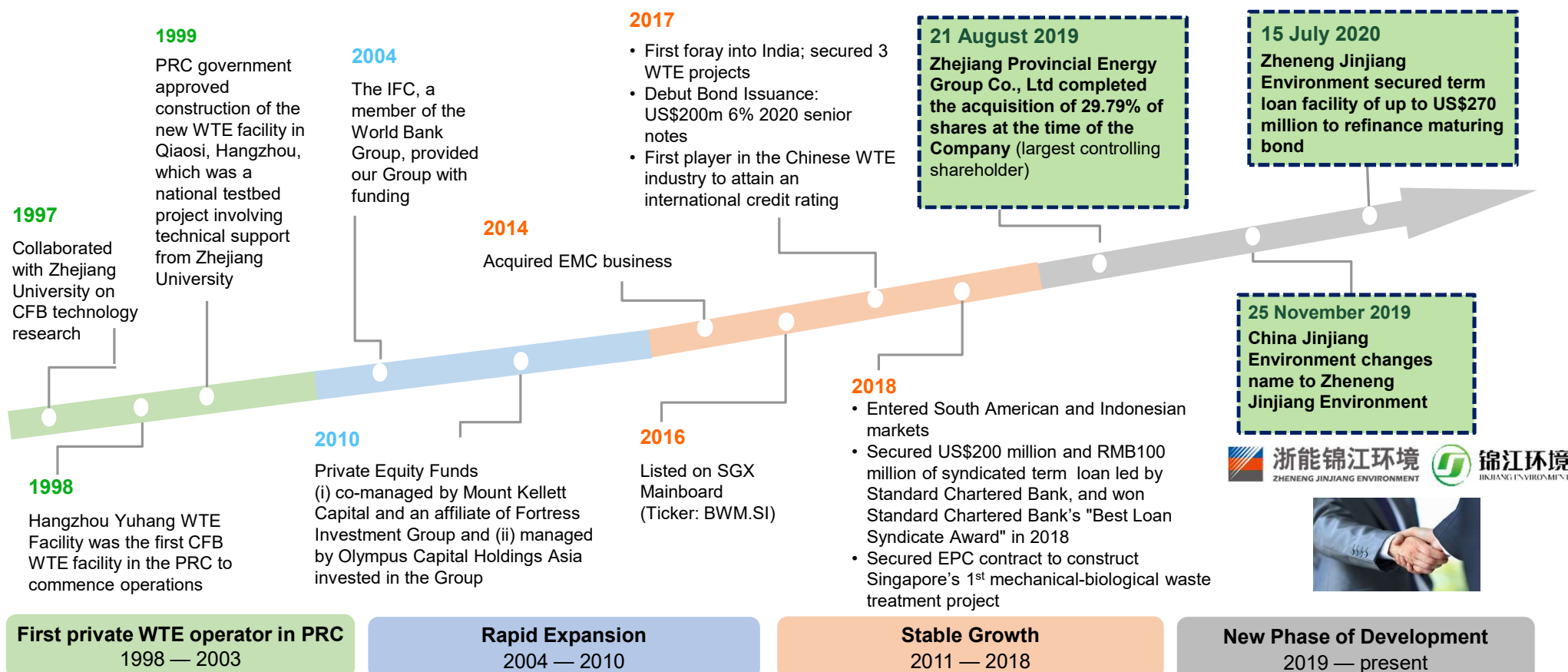
# Our Overseas WTE Network





# Important Milestones

Established In 1998, with leading WTE treatment capacity in the PRC



# About Zhejiang Provincial Energy Group Co., Ltd (Zheneng Group)

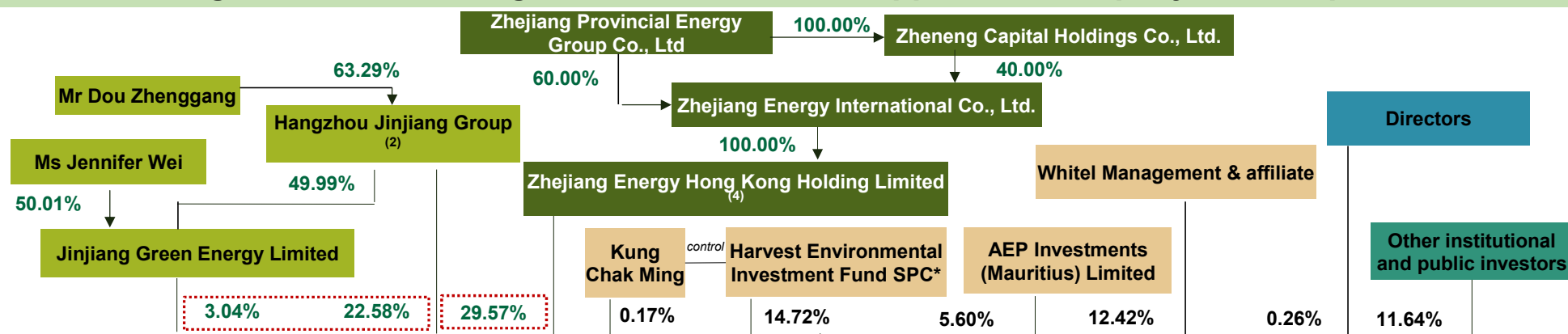


- State-owned provincial energy enterprise involved mainly in energy-related businesses
- Strong capabilities across the entire energy production value chain, with resources and strong financial expertise
- Manages more than 300 companies collectively
- In 2020, Zheneng Group supplied :
  - ~50% of the electricity power consumption in the Zhejiang Province
  - Nearly 40% of the total coal consumption in the Zhejiang Province
  - More than 75% of the total natural gas consumption in the Zhejiang Province
- In 2020, Zheneng Group achieved the following:
  - Electricity generation capacity: 136.8billion KWh
  - Coal supply: 64.06 million tons
  - Natural gas supply: 10.50 billion m<sup>3</sup> (including alternative transmission)
  - Crude oil trading volume: 7.16 million tons



# Strong Shareholding Structure

## Strong Shareholder Background Provides Firm Support For Company's Development <sup>(1)</sup>



\*acting on behalf of and for the account of Harvest Environmental Investment



(Incorporated in the Cayman Islands)

(1) Based on 1,454,024,700 shares as at 31 December 2020  
(2) Through wholly-owned subsidiary  
(3) Based on SGX's announcement on 3 August 2016  
(4) A wholly-owned subsidiary of Zhejiang Energy International Limited

### Jinjiang Green Energy Limited

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

### Zhejiang Energy Hong Kong Holding Limited

- Zheneng Group is a state-owned provincial energy enterprise
- Zhejiang Energy International Limited and Zheneng Capital Holdings Co., Ltd. are controlled by Zhejiang Provincial Energy Group Co., Ltd.

### Harvest Environmental Investment Fund SP

- A discretionary managed fund managed by Harvest Global Capital Investments Cayman, a wholly owned subsidiary of Harvest Global Capital Investments

### AEP Investments (Mauritius) Limited

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

### Whitel Management Company Limited

- An affiliate of Hopu Investments

### Other Institutional Investors <sup>(3)</sup>

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

# Strong Management Team

## Key Management Team Members Have More Than 20 Years Of Industry Experience

As at 31 December 2020



**Wei Dongliang**  
Executive Chairman, Executive Director,  
member of the Nominating Committee of the  
Company  
Date joined: 2019

- Responsible for overall strategic planning and management
- More than 20 years of corporate leadership and senior management experience in the energy industry
- Served as the General Manager of Zheneng Capital Holdings Co., Ltd. and Zheneng Equity Investment Fund Management Co., Ltd
- Vice Chairman of Qianjiang Water Resources Development Co., a Chinese A-share listed company, and the Director of China Zheshang Bank since 2015



**Wang Wuzhong**  
Deputy GM  
Date joined: 1992

- Responsible for environmental safety, daily operations, R&D and overall strategy
- More than 20 years of experience
- Professor-level senior engineer
- Member of the Technical Committee of City and Environment Sanitation Standardization of the Ministry of Housing and Urban-Rural Development
- Member of the Expert Committee of China Electric Power Federation
- Deputy Director, Environmental Protection Equipment and Technology Promotion Center, China Equipment Management Association



**Wang Ruihong**  
Executive Director, Deputy GM  
Date joined: 1999

- Responsible for the implementation of overall business management, brand strategy and legal compliance
- More than 20 years of experience
- Zhejiang Provincial Department of Finance certified accountant qualification
- Senior Professional Manager of Environmental Protection



**Jin Ruizhi**  
CFO  
Date joined: 2019

- Responsible for overall financial functions, including corporate finance and group finance management
- Over 20 years of experience in accounting and financial management in the energy industry
- Held roles in the power and petroleum divisions of Zheneng Group
- Accountant certification



**Qi Liang**  
Chief Engineer  
Date joined: 2019

- Responsible for all technical and engineering related matters
- More than 20 years' experience in production, technology and infrastructure management in the power industry
- Formerly Deputy general manager of Cixi Zhongke Zhongmao Environmental Protection and Thermal Power Co., Ltd. and Deputy Director and Director of Engineering Department of Zhejiang Zhenhai Power Generation Co., Ltd



**E Hongbiao**  
Deputy GM  
Date joined: 1992

- Responsible for supervising the construction and development of the project and assisting in the operation and management of sewage and waste disposal
- More than 20 years of experience
- Senior Economist, First-class Construction Engineer
- Hangzhou Human Resources and Social Security Bureau Economist Certification



# FY2020 Operational Highlights

# Significant Events of 2020



1Q2020

Company's efforts in the fight against COVID-19 attracted media attention, including a Vlog that surpassed one million page views under 24 hours upon release on Xinhua News Agency

Hangzhou-based headquarters of the Company organized a blood donation campaign, with a total donation of 6,300 ml of blood

Company's subsidiaries made donations to surrounding towns and enterprises, donating over RMB 400,000 and more than 20,000 pieces of goods in over 20 categories

Two boilers and two turbines of New Kunming Wuhua WTE Facility in Kunming City, Yunnan Province were put into operation



2Q2020

Wuchang WTE Facility in Wuhan City, Hubei Province received a letter of appreciation from Wuhan Leishenshan Hospital and the Wuhan Municipal Management Law Enforcement Committee and Hankou WTE Facility in Wuhan City, Hubei Province received a letter of appreciation from the Wuhan Municipal Management Law Enforcement Committee as well

The Company moved to a new office headquarters

Convened FY2019 Annual Meeting and released FY2019 Annual Report



# Significant Events of 2020



3Q2020

Signed the cooperation framework agreement with municipal government in Songyuan City, Jilin Province for the comprehensive utilisation of kitchen waste and sludge resource project

Won title of "Advanced Group for COVID-19 Epidemic Prevention and Control and Resumption of Production" issued by Zheneng Group

Old Kunming Wuhua WTE Facility shut down, realising a smooth transition to the new WTE Facility

Entered into syndicated loan agreement with Standard Chartered Bank (Hong Kong) Co., Ltd in relation to a term loan facility of up to US\$270 million

Suihua Green Energy WTE Facility in Heilongjiang Province was accorded title of "National High-tech Enterprise"



4Q2020

Only listed company in Singapore to win the honour of "Top 50 Chinese Environmental Enterprises in 2020"

Zhejiang Shengyuan Environmental Analysis Technology Co., Ltd ("Zhejiang Shengyuan") obtained 72 additional qualifications and authorisations, becoming the first third-party testing company with CMA qualification in the WTE industry and one of the companies with the most complete testing qualifications

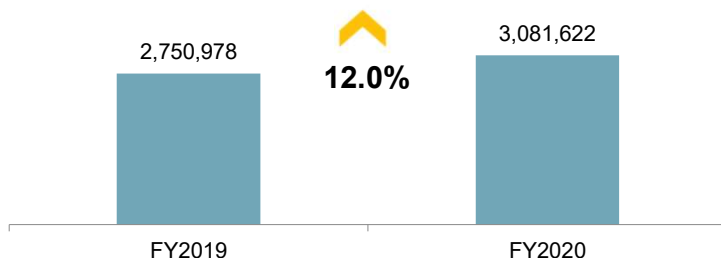
Awarded "2020 Top Ten Influential Solid Waste Enterprises"

Linzhou Jiasheng WTE Facility in Henan Province, the second phase of Tangshan Jiasheng WTE Facility in Hebei Province, and Qianxi Resource Recycling Project in Hebei Province were put into trial operation

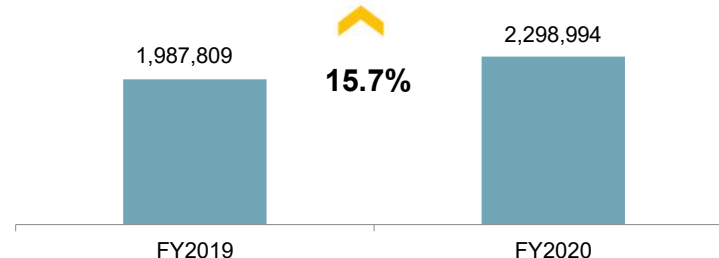
Zhuji Bafang WTE Facility in Zhuji City, Zhejiang Province, Wenling Green Energy WTE Facility in Zhejiang Province, Wuhu Jinjiang WTE Facility in Anhui Province and Zhejiang Shengyuan won the title of "National High-tech Enterprise"

# FY2020 Operational Analysis

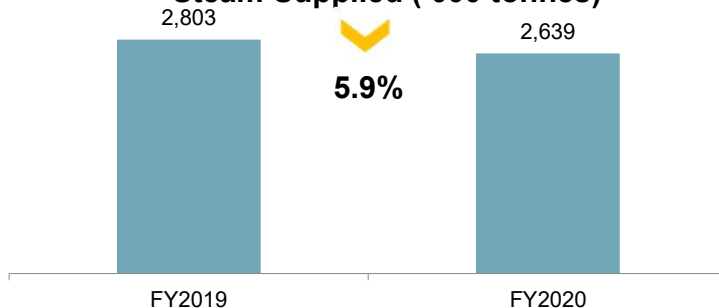
Electricity Generated ('000 KWh)



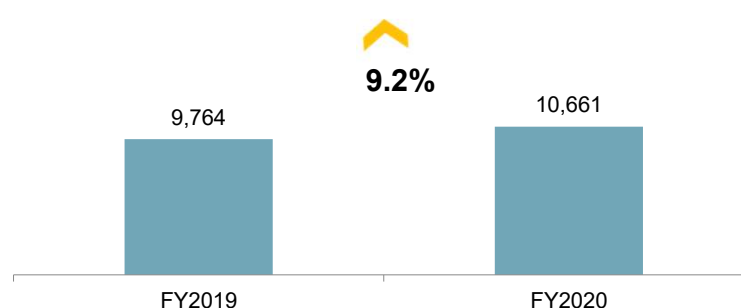
On-Grid Electricity Supplied ('000 KWh)



Steam Supplied ('000 tonnes)



Waste Treated ('000 tonnes)

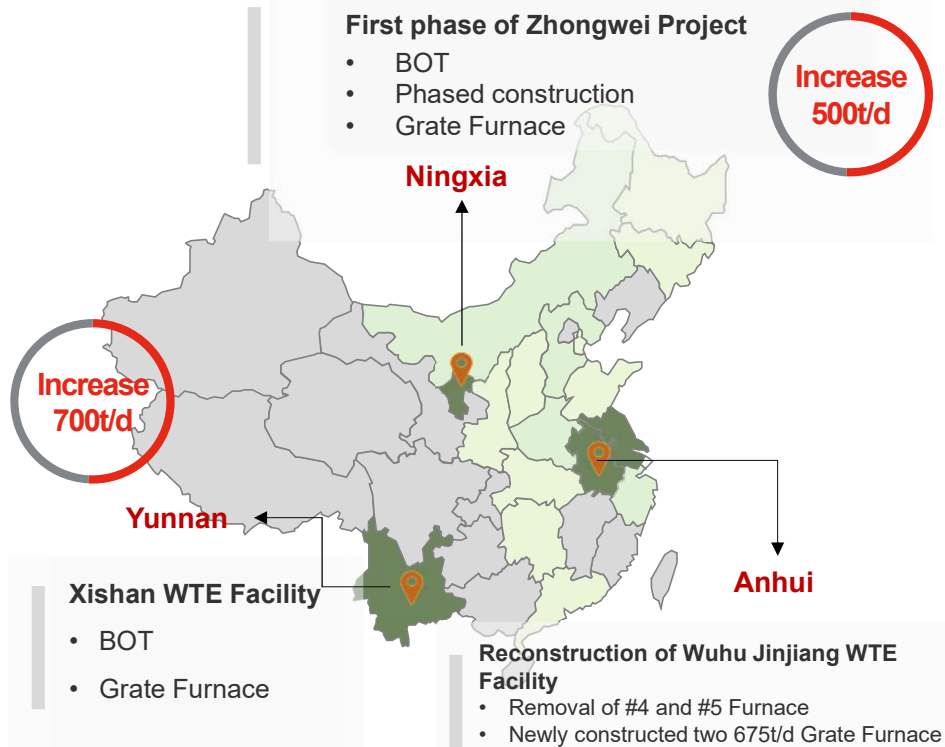


As at 31 December 2020

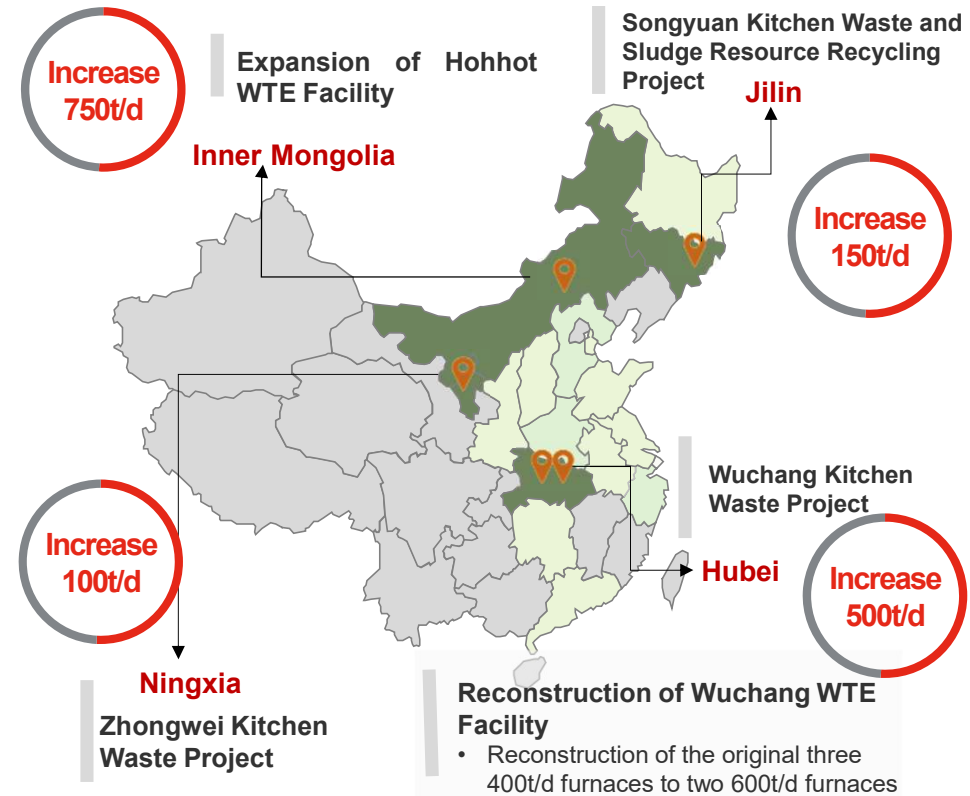
- On-grid electricity supplied and waste treated increased mainly due to the new Tangshan Jiasheng WTE Facility and the New Kunming Wuhua WTE Facility being put into operation and the completion of the expansion of the Wenling Green Energy Facility and Jilin Xinxiang WTE Facility, and the optimisation of power plant equipment management and technological improvements of other existing WTE facilities.
- Excluding waste collection and transportation operations in India, waste treated increased by 11.0% in FY2020 as compared to FY2019
- The decrease in steam supplied is mainly due to the decrease in demand experienced from by the Zhuji Bafang WTE Facility as a result of the COVID-19 pandemic

# FY2020 Operational Updates

## New Projects under Construction



## New Projects under Preparation



# FY2020 Operational Updates

**In FY2020, the Group's project construction proceeded in an orderly manner in accordance with the set plan.**

## Key updates below:

- ✓ The Group's waste treatment capacity increased by 1,000 tons/day, due to the first phase of the Linzhou Jiasheng WTE Facility in Henan Province, the second phase of the Tangshan Jiasheng WTE Facility in Hebei Province and the Qianxi Resource Recycling Project in Hebei Province being put into trial operation in the fourth quarter of 2020
- ✓ Expansion project of the Xishan WTE Facility (BOT) in Yunnan Province officially started construction in the fourth quarter of 2020
- ✓ The Shijiazhuang Jiasheng WTE Facility (BOO) in Hebei Province, Baishan Green New Energy WTE Facility (BOO) in Jilin Province, Leting WTE Facility (BOO) in Hebei Province, Wuhu Jinjiang WTE Facility Reconstruction Project (BOO) in Anhui Province, Reconstruction and Expansion Project of Lianyungang Sunrise WTE Facility (BOO) in Jiangsu Province, the first phase of the Zhongwei Project (BOT) in Ningxia, Wuji Municipal Solid Waste Resource Treatment Project (BOO) in Hebei Province, Gaocheng Municipal Solid Waste Resource Treatment Project (BOO) in Hebei Province and Songyuan Resource Recycling Project (BOO) in Jilin Province are expected to be completed and put into operation in 2021
- ✓ The Jinghong WTE Facility (BOT) in Yunnan Province and the Wuchang Resource Recycling Project (BOO) in Hubei Province are expected to start construction in 2021



# Government Subsidies



WTE Facilities	Location	Date of inclusion
Hohhot New Energy WTE Facility	Inner Mongolia	September 2020
Jilin Xinxiang WTE Facility	Jilin Province	October 2020
Songyuan Xinxiang WTE Facility	Jilin Province	
Gaomi Liliangmingde WTE Facility	Shandong Province	
Wuhu Jinjiang WTE Facility	Anhui Province	November 2020
New Kunming Wuhua WTE Facility*	Yunnan Province	
Zibo New Energy WTE Facility*	Shandong Province	
Yinchuan Zhongke WTE Facility	Ningxia Hui Autonomous Region	February 2021



*\*The New Kunming Wuhua WTE Facility in Yunnan Province and Zibo New Energy WTE Facility in Shandong Province were new projects in FY2020 and were included in the 2020 National Renewable Energy Development Fund's 1.5 billion biomass power generation subsidy budget.*



# FY2020 Financial Overview

# FY2020 Key Financial Overview



FY2020 revenue decreased 20.4% year-on-year to approximately RMB 3,084.7 million



Key recurring income from core revenue contributor Waste-to-Energy Business recorded 10.6% growth to RMB2,443.1 million.



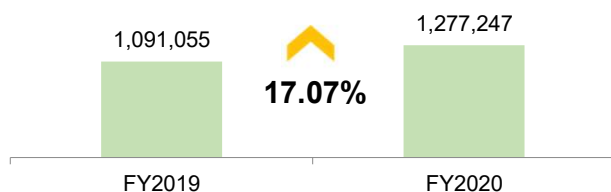
FY2020 gross profit fell 6.0% to RMB892.5 million, but gross profit margin rose 4.4% to 28.9%



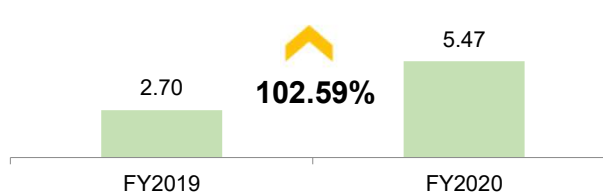
PATMI of RMB326.9 million, up 113.2% year-on-year

# FY2020 Key Financial Overview

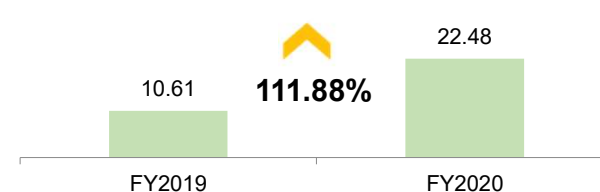
EBITDA (RMB'000)



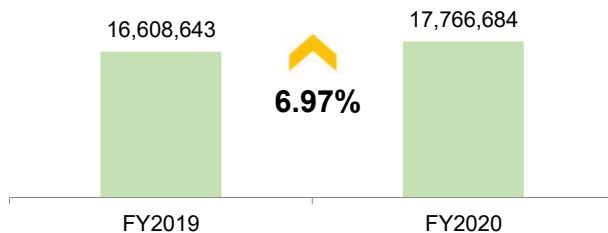
Return on Shareholders' Equity (%)



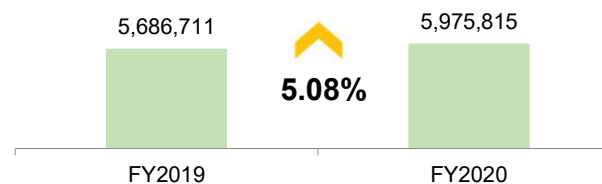
Basic Earnings Per Share (RMB Cents)



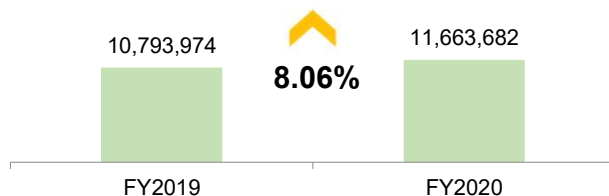
Total Assets (RMB'000)



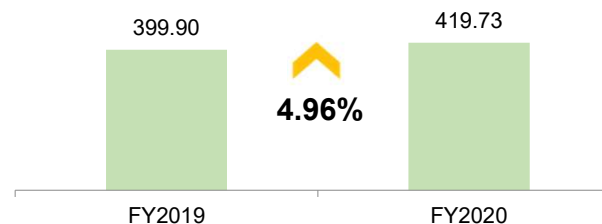
Equity Attributable to Equity Holders of the Company (RMB'000)



Total Liabilities (RMB'000)



Net Asset Value Per Share (RMB Cents)



# Results Overview

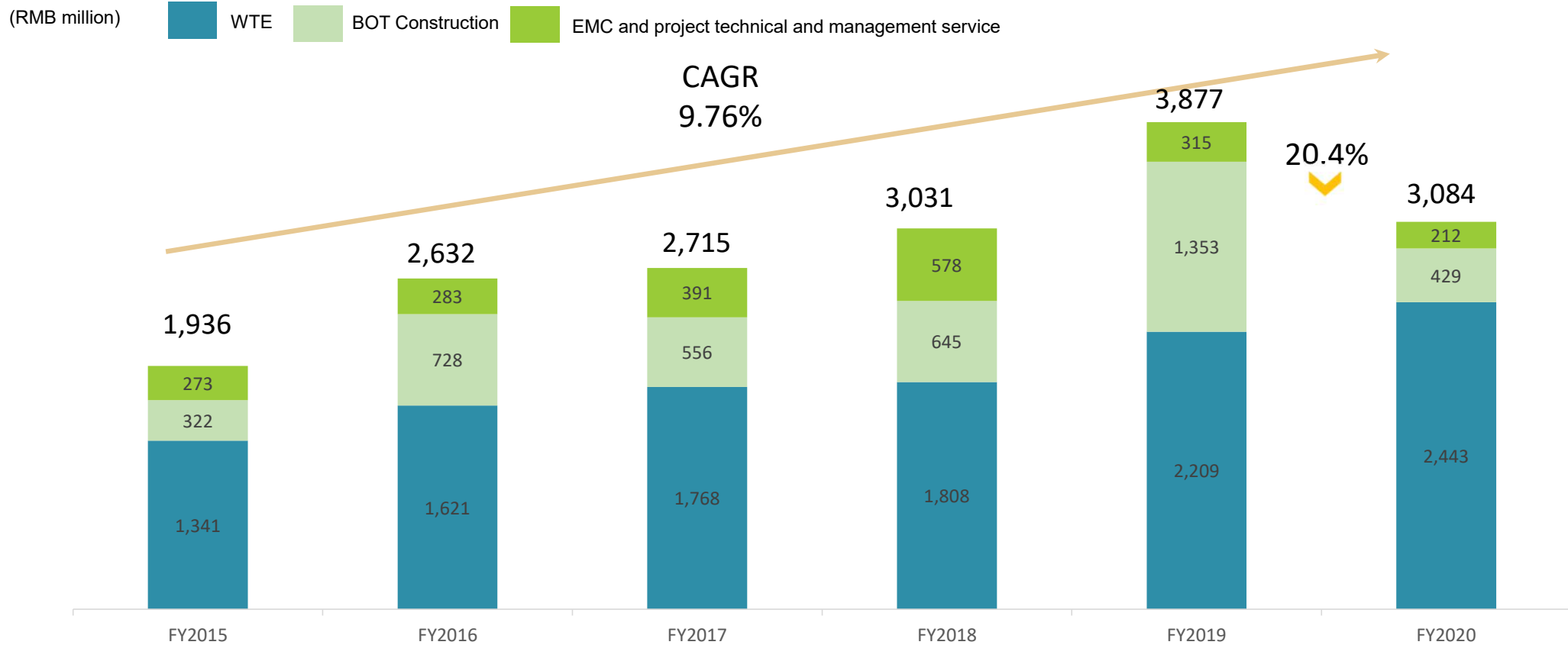
RMB million	FY2020	FY2019	Change (%)
Revenue	3,084.7	3,877.5	(20.4)
Including: WTE Business Revenue	2,443.1	2,209.2	10.6
Gross Profit	892.5	949.8	(6.0)
Profit Before Tax	477.7	306.2	56.0
Profit after tax attributable to owners of the Company	326.9	153.3	113.2

## Changes in profit attributable to owners of the Company mainly attributable to:

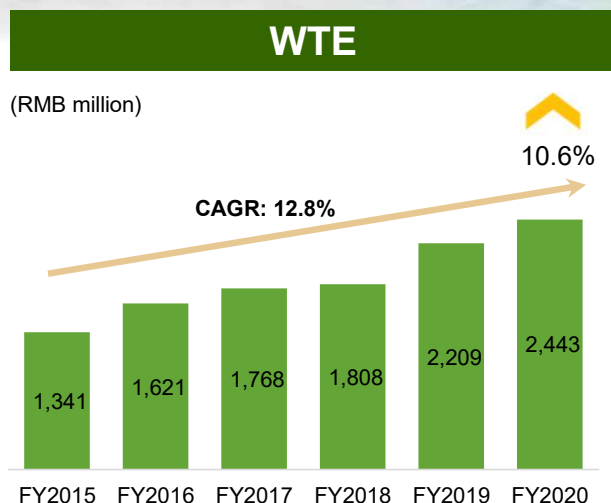
- FY2020 revenue decreased due to a decrease in revenue from construction services provided under BOT concession agreements and revenue from project technical and management services and EMC business, offset by an increase in revenue from the WTE business (excluding revenue from construction services provided under BOT concession agreements).
- Other income decreased by RMB186 million y-o-y, mainly including (1) decrease in revenue from closure compensation of affiliated WTE facilities, (2) Increase in Government subsidies and tax refunds, and (3) Decrease in bank interest income.
- Other gain and losses (net) increased by RMB374 million, mainly including (1) decrease in asset disposal losses caused by asset retirement, (2) decrease in asset disposal losses and other losses caused by closure of affiliated WTE facilities and (3) Overall increase in foreign exchange gain and currency translation differences resulting from the appreciation of the Chinese Renminbi against the United States Dollar in FY2020.

# Revenue Overview

## WTE Business Is The Main Revenue Contributor

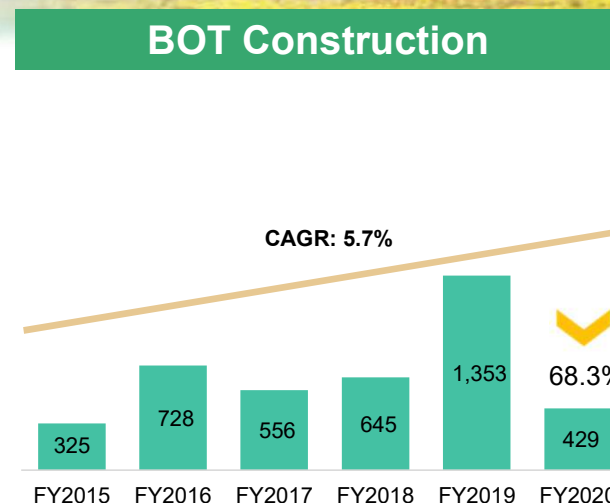


# Revenue Breakdown by Business Segment



## Steady growth in WTE revenue due to:

- The Tangshan Jiasheng WTE Facility and the New Kunming Wuhua WTE Facility, which markedly increased the waste treatment capacity and boiler operation efficiency.
- Increase in revenue by the Group's other WTE facilities, including the upgrading and expansion of the Jilin Xinxiang WTE Facility and Wenling Green Energy WTE Facility, and the optimisation of power plant equipment management and technological improvements of other existing WTE facilities.

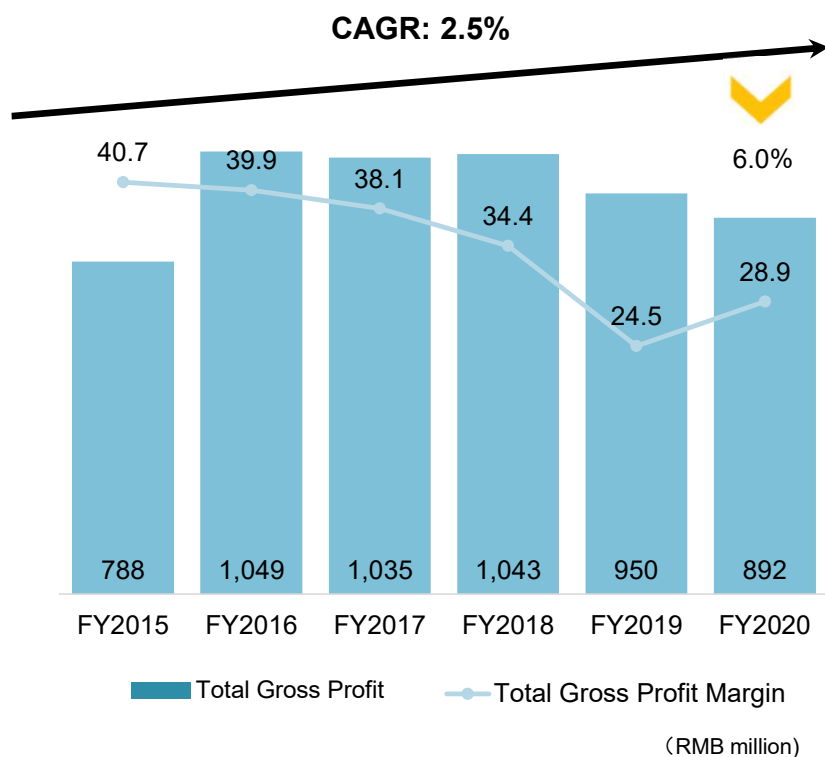


## BOT business revenue decreased due to:

- Decrease in revenue from the provision of construction services under BOT concession agreements in FY2020
- The decrease is mainly due to a substantial portion of the construction of the New Kunming Wuhua WTE Facility (which was put into operation in the first half of FY2020) having been carried out in FY2019. Therefore, the investment in the New Kunming Wuhua WTE Facility and Linzhou Jiasheng WTE Facility decreased in FY2020 as compared to FY2019, resulting in a y-o-y decrease in the revenue from the provision of construction services under BOT concession agreements.



# Gross Profit & Gross Profit Margin



Segmental Gross Profit (RMB million)	FY2020	FY2019	Change
WTE Business	712.4	616.3	15.6%
BOT Construction*	97.1	208.5	-53.4%
EMC Business	83.0	125.0	-33.6%

Segmental Gross Profit Margin	FY2020	FY2019
WTE Business	29.2%	27.9%
BOT Construction**	13.7%	12.7%
EMC Business	39.1%	39.7%

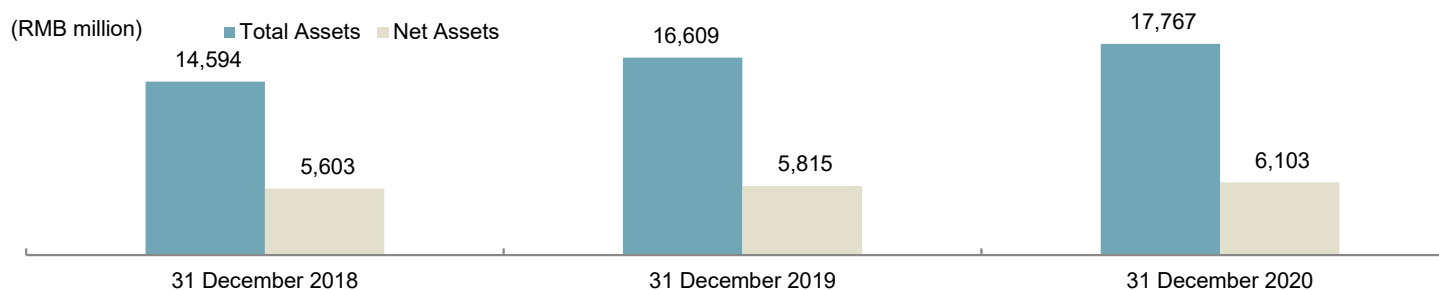
\*Including financial income under service concession agreements

\*\*Not including financial income under service concession agreements

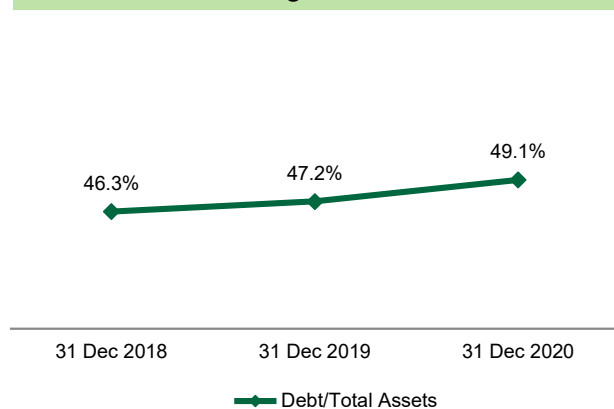


# Capital Structure

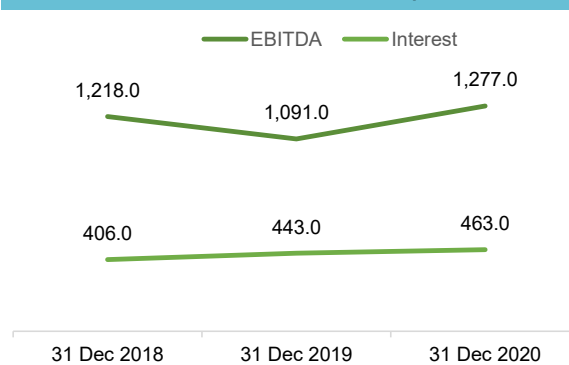
## Total Assets & Net Assets



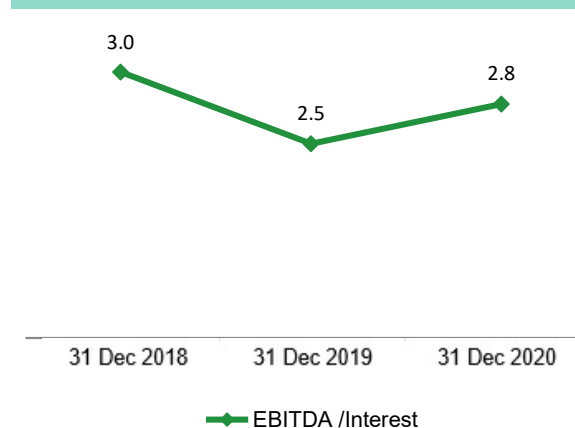
### Interest-bearing Debt/Total Assets



### EBITDA and Interest expense



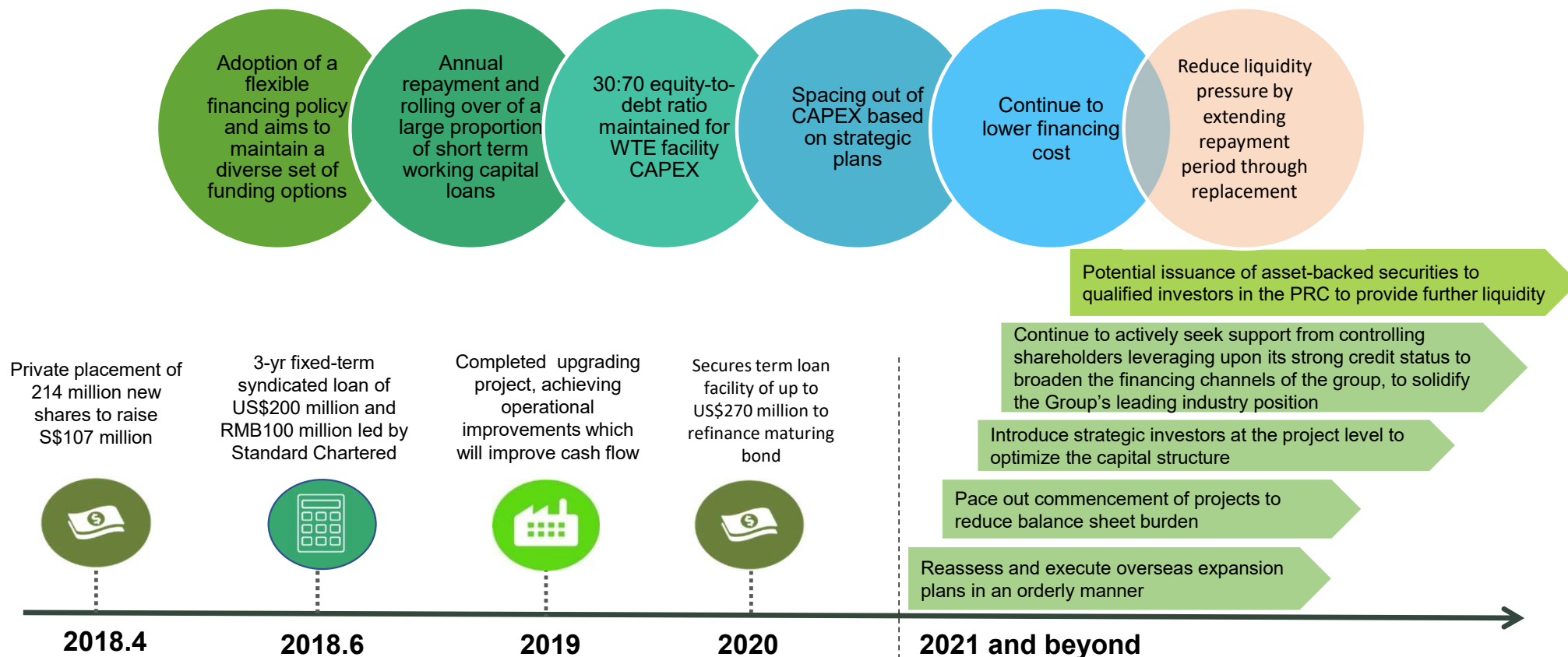
### EBITDA/Interest



\* EBITDA excludes BOT profit, exchange and non-recurring profit and loss

# Prudent Capital Management

## Our Capital Management Policy

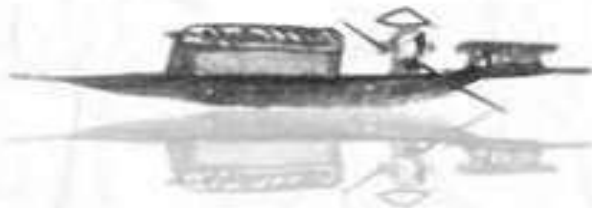


# Secures up to US\$270 million Term Loan Facility

Successfully secured a US dollar syndicated term loan facility of up to US\$270,000,000 (the “Facility”) under a facility agreement with Standard Chartered Bank (Hong Kong) Limited as original mandated lead arranger and bookrunner and agent of the finance parties on 14 July 2020

The annual rate of interest under the Facility is the aggregate of (a) 1.92% per annum and (b) the London interbank offered rate (“LIBOR”). If LIBOR is below zero, it will be deemed to be zero.

The amounts borrowed under the Facility will be used for the general corporate purposes of the Group and the refinancing of the US\$200,000,000 in aggregate principal amount of 6.0% senior unsecured notes that matured on 27 July 2020





# Pre-conditional Mandatory Cash Offer

# Pre-conditional Mandatory Cash Offer (“Pre-conditional Offer”)

12 October 2020

Zhejiang Zheneng Electric Power Investment (Hong Kong) Limited (the “Offeror”) entered into a conditional sale and purchase agreement (the “SPA”) with, *inter alia*, Jin Jiang Green Energy Limited and Win Charm Limited for the purchase of an aggregate of 372,560,575 ordinary shares (“Sale Share”) in the capital of the Company by the Offeror for an aggregate cash consideration of S\$289,889,383.40 at S\$0.7781 for each Sale Share (“**Acquisition**”). As the Acquisition will result in the Offeror concert party group to hold more than 30% of the total number of shares in issue, upon the fulfilment of the Pre-Conditions, the Offeror intended to make a mandatory unconditional cash offer (“**Offer**”)

The Offer was subjected to the fulfilment (or waiver in accordance with the SPA) of all the Pre-Conditions on or before the expiry of six months from the date of the SPA.

13 April 2021

The SPA was terminated effective from 12 April 2021 due to the non-fulfilment of the Pre-Conditions, and the Pre-conditional Offer lapsed on this basis.


Notwithstanding the lapse of the Pre-conditional Offer, the Group will continue to actively seek financial support from Zheneng Group, its single largest shareholder, to improve the Group’s financing channels, reduce financing costs in relation to the Group’s future fund-raising plans and strengthen the working capital position of the Group.







# AGM Resolutions


# AGM Resolutions – As Ordinary Business

 To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Auditors' Report thereon. **(Resolution 1)**

 To re-elect the following Directors of the Company retiring pursuant to Article 127 of the Company's Articles of Association.

- Mr Ang Swee Tian **(Resolution 2)**
- Mr Ni Mingjiang **(Resolution 3)**

 To approve the payment of Directors' fees of S\$420,000 for the financial year ended 31 December 2020 **(Resolution 4)**

 To re-appoint Messrs PricewaterhouseCoopers LLP as the Company's auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

# AGM Resolutions – As Special Business



## The Proposed Renewal of the General Mandate for Interested Person Transactions (Resolution 6)



The IPT General Mandate enables the Company, its subsidiaries and associated companies that are considered to be an “entity at risk” within the meaning of Chapter 9 of the Listing Manual (the “**EAR Group**”), to enter in the ordinary course of business into any of the mandated transactions with mandated interested persons, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.



### History of Interested Party Transactions (IPT) General Mandate

- ✓ IPT General Mandate was originally adopted on 20 July 2016, and then renewed at the EGM on 25 April 2017.
- ✓ At the EGM held on 30 April 2018 and 31 December 2018, certain modifications to the IPT General Mandate were approved.
- ✓ At the AGM held on 29 April 2019, the Shareholders had approved the renewal of the IPT General Mandate.
- ✓ At the EGM held on 25 November 2019, Shareholders had approved certain further modifications to the IPT General Mandate
- ✓ At the AGM held on 24 June 2020, Shareholders approved the renewal of the IPT General Mandate.

The IPT General Mandate approved at the AGM held on 24 June 2020 will, unless renewed at the AGM, expire on the date of the AGM

#### Rationale and Benefits:

- ✓ The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to announce, or to announce and convene separate general meetings from time to time to seek Shareholders' prior approval as and when potential Mandated Transactions with Mandated Interested Persons arise, **thereby saving substantial administrative time and costs expended in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the EAR Group**
- ✓ The EAR Group will benefit from having **access to competitive quotes** from the Mandated Interested Persons in addition to obtaining quotes from, or transacting with, non- Mandated Interested Persons.





**Thank You**



**浙能锦江环境**  
ZHENENG JINJIANG ENVIRONMENT



**ZHENENG JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED**

浙能锦江环境控股有限公司

(Company Registration Number: 245144)

(Incorporated in the Cayman Islands on 8 September 2010)

**ANNUAL GENERAL MEETING TO BE HELD ON 26 APRIL 2021**

**RESPONSES TO (1) QUESTIONS RECEIVED FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE); AND (2) SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM SHAREHOLDERS**

Zheneng Jinjiang Environment Holding Company Limited ("**Company**") and together with its subsidiaries, the "**Group**") would like to thank the Securities Investors Association (Singapore) ("**SIAS**") and its shareholders for submitting their questions in advance of the Company's Annual General Meeting ("**AGM**") which will be held on 26 April 2021 at 3.00 p.m. (Singapore time).

***Responses to questions raised by SIAS***

Please see [Appendix 1](#) for the Company's responses to the questions received from SIAS.

***Responses to substantial and relevant questions raised by the Company's shareholders***

Please see [Appendix 2](#) for the Company's responses to the substantial and relevant questions received from its shareholders.

It is important to note that these questions and responses should be read in conjunction with the Company's Annual Report for the financial year ended 31 December 2020 (the "**Annual Report**") and the Company's previous announcements released on SGXNET.

**BY ORDER OF THE BOARD**

Wei Dongliang  
Executive Chairman

25 April 2021

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**For further information, please contact:**

**Wang Ruihong**  
Executive Director and

Deputy General Manager  
Tel: (86) 153 5618 3219  
Email: [wrh@hzjj.cn](mailto:wrh@hzjj.cn)

## **APPENDIX 1**

### **RESPONSES TO QUESTIONS RECEIVED FROM SIAS**

- Q1.** As at 31 December 2020, the Company has 22 WTE facilities, one organic waste treatment facility and six resource recycling projects in operation with a total waste treatment capacity of 38,060 tons/day, and the total installed capacity of 718 MW (page 7 of the annual report).

Including overseas projects, the Group has another 11 WTE facilities and resource recycling projects under construction and 20 projects in the preparatory stage. Once completed, the total installed waste treatment capacity of the Group will increase to 63,206 tons/day.

- (i) **What is the expected capital expenditure required for the Group's construction projects?**

**Company's Response:**

The Group's future capital expenditures will be mainly used for the Company's new construction projects as well as reconstruction and expansion projects that have clear benefits and high return on investment. In 2021, the Company targets to complete the Shijiazhuang Biomass Power Generation Project in Hebei Province, Baishan WTE Project in Jilin Province, Leting WTE Project in Hebei Province, Zhongwei WTE Project in Ningxia, reconstruction of Wuhu Jinjiang WTE Facility in Anhui Province and Lianyungang expansion project in Jiangsu Province in accordance with its objectives. Completion of the construction of the above projects is expected to increase the Company's waste treatment capacity by 5,500 tons/day and its installed capacity by 151MW.

As disclosed on page 183 of the Annual Report, the capital expenditures contracted for as at 31 December 2020 but not recognised in the financial statements is RMB1,475,812,000.

The Group typically adopts a 30:70 equity-to-debt ratio for its capital expenditure on new projects, which are spaced out in line with its strategic plan to reduce the burden on its balance sheet. The Group's internal funds are mainly derived from the Group's net operating cash flow and it adopts a flexible financing policy aimed at maintaining a diversified set of funding options which includes introducing strategic investors at project level to raise funds for capital expenditure on the relevant projects.

The Group will give full consideration to the stability of its working capital, to enhance its waste treatment capacity through investment in upgrading, while meeting the needs of production and operation. At the same time, the Group aims to continually seek the

support of its controlling shareholder, Zhejiang Provincial Energy Group Co., Ltd (“Zheneng Group”), and rely on its strong credit standing to broaden the financing channels for the Group.

- (ii) **Does the Group have the resources to fund all the projects without overstretching its balance sheet?** The net debt to equity ratio was at 132% as at 31 December 2020 (page 193). Under the terms of the major borrowing facilities, the Group is required to comply with financial covenants which requires that the net debt to equity ratio shall not at any time exceed 145%.

**Company's Response:**

The Group's current net debt to equity ratio of 132% is in compliance with the terms of the major borrowing facilities which require the ratio to not exceed 145%. The Group's objective in managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may undertake technological enhancement and optimisation to enhance the profitability of its inventory assets introduce strategic investors at project level or obtain new borrowings.

As disclosed on Page 193 of the Annual Report, save for the borrowing facilities which require the fulfilment of covenants relating to certain of the Group's financial ratios as disclosed in Note 31 to its consolidated financial statements, the Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2020 and 2019.

- (iii) Currently, the Group has five projects in India, Indonesia, and Brazil which are under construction or in preparation stage. **Can management help shareholders understand the track record and experience of the senior management team in these foreign markets? Does the Group have sufficient management bandwidth and capital to drive growth in the China market and in other countries?**

**Company's Response:**

The Group's overseas expansion plans are being carried out in a well-thought-out manner and at an appropriate pace. Riding on China's "Belt and Road Initiative", the Group is striving to internationalise its WTE business, and is prioritising its expansion in Asia and other developing countries, including Indonesia and India. Given the similarity of waste composition in these countries to that of China, the Group is able to apply its over 20 years of industry technical expertise to these markets.

The Group has developed relevant capabilities that have been proven to be adaptable for the processing and management of waste. Given the Group's first mover advantage in many of these overseas markets, management will continue to leverage its experience in the WTE industry, alongside the Group's enhanced financial strength and resources backed by the Group's largest controlling shareholder, Zheneng Group.

The Group has established an excellent management team with rich experience and relies on the overseas networks of its controlling shareholders, Zheneng Group and Hangzhou Jinjiang Group Co., Ltd. to lay a solid foundation for the development of its overseas pipeline.

- Q2.** In the report by the independent auditor, the auditor highlighted the material uncertainty related to going concern. In Note 2.2 (page 124 – Going concern), as at 31 December 2020, the current liabilities of the Group and the Company exceeded the current assets by approximately RMB1,135 million and approximately RMB898 million respectively. As disclosed in Note 31 to the financial statements, this was due to breaches of financial covenants for two guaranteed borrowings. As such, the banks are contractually entitled to request for immediate repayment of the outstanding borrowing amount from the Group of RMB959 million and from the Company of RMB913 million.

Subsequent to the year end, the Group repaid a borrowing in breach of loan covenant amounting of RMB45.4 million in accordance with the Group's ongoing financing plans.

- (i) **Can management help shareholders understand the financial covenant that was breached?**

**Company's Response:**

The breach of financial covenants mainly relates to the Company's syndicated term loan facility of an aggregate amount of US\$200,000,000 (the "**Facility**"). As disclosed in the Company's announcement dated 29 May 2020 titled "Update on Syndicated Term Loan Facility":

(a) under the terms of the US\$200,000,000 syndicated term loan facility, the Company, as borrower, must ensure, *inter alia*, that the ratio of its consolidated EBITDA in respect of any 12-month period ending on 30 June or 31 December is not less than 3.0 times its consolidated interest expenses for such period ("**Relevant Financial Covenant**"). The aforesaid ratio for the 12-month periods commencing from the 12-month period ended 30 June 2019 had fallen below 3.0 times resulting in technical breaches by the Company of the Relevant Financial Covenant. The Company has been in regular communication with the respective offshore and onshore agents for the finance parties

in relation to the Facility (“**Agents**”) on an ongoing basis in relation to the Company’s compliance with the relevant financial covenants under the Facility and the Agents had been notified of the aforesaid technical breaches of the Relevant Financial Covenant in a timely manner since August 2019;

The outstanding amount under the Facility as at 31 December 2020 was the equivalent of approximately RMB913 million, and was included in the outstanding loan balance of the Group and the Company.

Subsequent to the year end, the Group repaid a borrowing in breach of loan covenant amounting of RMB45.4 million in accordance with the Group’s ongoing financing plans. The repaid borrowing relates to a fixed asset mortgage loan provided by a syndicate led by Standard Chartered Bank to Tianjin Sunrise WTE Facility that was outstanding as of 31 December 2020, which was also included in the Group’s outstanding loan balance.

(b) under the terms of the Facility, a breach of the Relevant Financial Covenant constitutes an event of default, upon which the Agents may at their discretion, and shall if so directed by the Majority Lenders representing two-thirds of the total commitments under the Facility, by notice declare that all or part of the outstanding loans, and all other amounts accrued or outstanding under the Facility, be immediately due and payable. To date, the Company has not received any repayment request.

For the avoidance of doubt, the technical breaches of the Relevant Financial Covenant are not indicative of any cashflow impact to the Group. At present, the Company has secured a sufficient amount of credit available for drawdown and is expected to be in a position to make principal and interest payments on the Facility as and when such principal and interest payments are due, and the Company has been making principal and interest payments in accordance with the terms of the loan agreement.

- (ii) **What pro-active steps did management take to address the breaches (that occurred in FY2019)?**

**Company’s Response:**

Subsequent to year end, the Group has also secured additional credit facilities amounting to RMB1,240 million (including RMB200 million from Zheneng Group) with a tenure ranging from 1 to 18 years, which includes RMB300 million and RMB350 million in finance leases and project financing respectively. As of 25 April 2021, RMB880 million of the aforesaid additional credit facilities has been drawn down, of which RMB740 million has a tenure of more than two years.



As stated in the response to (i) above, the Group has also repaid a borrowing in breach of loan covenant amounting RMB45.4 million in accordance with the Group's ongoing financing plans.

The Group will continue to negotiate and obtain additional credit facilities from financial institutions and seek financial support from its largest controlling shareholder, Zheneng Group, a state-owned provincial energy enterprise. In addition to aforementioned financial support of RMB200 million from Zheneng Group, Zheneng Provincial Energy Group Finance Co., Ltd., which is a subsidiary of Zheneng Group, has obtained approval to provide the Company with a RMB900 million working capital credit line on terms to be agreed in the definitive documents.

- (iii) **What is the remaining outstanding amount of the borrowing that is in breach of the loan covenant?**

**Company's Response:**

Please refer to the response to (i) above for the outstanding amount of the relevant borrowings as at 31 December 2020.

- Q3.** On 12 October 2020, the Company announced that Zhejiang Zheneng Electric Power Investment (Hong Kong) Limited (the "Offeror") will be making a mandatory unconditional cash offer subject to all the Pre-Conditions being fulfilled (or waived) by the long stop date (which is 6 months from the conditional sale and purchase agreement).

The Company had announced on 13 April 2021 that the sale and purchase agreement (SPA) has been terminated effective from 12 April 2021 due to the non-fulfilment of the Pre-Conditions.

Following the termination of the SPA, the Pre-Conditional Offer lapsed as at 12 April 2021 and the formal offer will not be made.

- (i) **Can the board confirm that, with the termination of the SPA, both parties have stopped all efforts to meet the Pre-Conditions and that the board will now focus on driving the Group to achieve its strategic objectives?**

**Company's Responses:**

As stated in the announcement dated 13 April 2021 made by China International Capital Corporation (Singapore) Pte. Limited ("CICC") for and on behalf of Zhejiang Zheneng Electric Power Investment (Hong Kong) Limited (the "Offeror") (the "Lapse

of Offer Announcement”), the conditional sale and purchase agreement (“SPA”) entered by the Offeror with, among others, Jin Jiang Green Energy Limited and Win Charm Limited for the purchase of an aggregate of 372,560,575 ordinary shares in the capital of the Company (“Acquisition”) has been terminated effective from 12 April 2021 due to the non-fulfillment of the conditions precedent in the SPA (the “Pre-Conditions”). Following from the termination of the SPA, the pre-conditional mandatory cash offer by the Offeror in relation to the Company (“Pre-Conditional Offer”) has lapsed as at 12 April 2021 and the formal offer will not be made.

The Company is not privy to the discussions including any on-going discussions among the relevant parties, and any information regarding the efforts that were made or being made to meet the Pre-conditions. Notwithstanding the lapse of the Pre-Conditional Offer, the Board has been and will continue to focus on driving the Group to achieve its strategic objectives.

(ii) **What were the Pre-Conditions that were yet to be fulfilled?**

**Company’s Response:**

The completion of the Acquisition was subject to, and conditional upon, the fulfilment or waiver (in accordance with the SPA), as the case may be, of the Pre-Conditions as set out in Appendix 1 of the Pre-Conditional Offer announcement by CICC for and on behalf of the Offeror on 12 October 2020 in relation to the Pre-Conditional Offer.

As stated in the Lapse of Offer Announcement, as at 12 April 2021, certain Pre-Conditions remained unsatisfied as the Offeror had not received the requisite regulatory approval.

(iii) **In view of the lapse of offer, what is management’s strategy to strengthen the financial position of the Group?**

**Company’s Response:**

Notwithstanding the lapse of the Pre-Conditional Offer, the current management and operation of the Company still follow the previous model without any major changes and the Group will continue to actively seek financial support from Zheneng Group, its single largest shareholder, to improve the Group’s financing channels, reduce financing costs in relation to the Group’s future fund-raising plans and strengthen the working capital position of the Group.

As of 31 December 2020, the Company’s cash position remained stable, with a cash balance of RMB 361.3 million.

- (iv) Separately, on 27 August 2020, the board had also announced that it had received requisition requests from Harvest Environmental Investments Fund SP and Whitel Management Company Limited. **Can the board provide shareholders with an update on the requisition requests?**

**Company's Response 公司回复:**

The Board received the requisitions in relation to the proposed nomination of directors ("Requisitions") from Harvest Global Dynamic Fund SPC – Harvest Environmental Investments Fund SP ("Harvest") and Whitel Management Company Limited ("Whitel"). The Board had considered the Requisitions and given that the Pre-Conditional Offer announced by CICC for and on behalf of the Offeror was ongoing and there may be potential changes to the shareholding of the Company, it would be more appropriate for any change of composition of the Board to be considered after the close or withdrawal of the offer.

Now that the Pre-Conditional Offer has lapsed as at 12 April 2021, the Company will review the composition of the Board, taking into consideration the following factors:

- (a) the appropriate level of independence of the Board, taking into account that:
- (i) provision 2.2 of the Code of Corporate Governance 2018 requires independent directors to make up a majority of the board of directors where the chairman is not independent. As the Executive Chairman, Mr. Wei Dongliang, is not independent, independent directors are required to make up a majority of the Board;
  - (ii) as at the date hereof, the Board comprises six (6) directors and has four (4) independent directors. Should both of Harvest's and Whitel's respective nominee directors be appointed to the Board as non-executive and non-independent directors, the Company may have to consider appointing additional independent director(s) to the Board;
- (b) the appropriate size and appropriate level of diversity of thought and background in the Board's composition (including an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age) to enable the Board to make decisions in the best interests of the Company; and
- (c) any change in the current Board composition may affect certain current financing arrangement which requires Zheneng Group to have control of the Company. In particular, pursuant to the facility agreement entered by the Company with

Standard Chartered Bank (Hong Kong) Limited in relation to a US dollar syndicated term loan facility of up to US\$270,000,000 on 14 July 2020, the lender is entitled to demand mandatory repayment of the loan in the event of a change of control, which includes, *inter alia*, Zheneng Group ceasing to control the Company.

The Company will update its shareholders when there are material developments on the above.

**APPENDIX 2**  
**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM**  
**SHAREHOLDERS**

- Q1. In light of the recent sharp price reduction, what are the steps taken by the board of the directors or management to protect shareholders interest?**

**Company's Response:**

Share price is a function of the capital market and we are unable to dictate market sentiments as there will always be volatilities. The management holds a longer-term view in terms of growing out business and enhancing shareholder value, and will focus on strengthening the Group's fundamentals and growth strategies, and remain focused on improving returns. The Group will continue to protect shareholders' interest by managing its business well and improving its communications with the investment community.

In 2021, the Group targets to continue to develop its WTE business, steadily upgrade its technology and progressively increase its waste treatment capacity and power generation capacity. At the same time, the Company is investing in a number of new projects and expansion projects in China, and steadily promoting its overseas business to achieve sustainable and long-term business growth.

- Q2. Construction revenue in FY2020 experienced a 71 percent decrease. For FY2021, according to the annual report, 7 projects are expected to complete construction and commence operation. What is the estimated construction revenue to be recognized in 2021? What steps has the management taken to ensure the project rollout is on schedule?**

**Company's Response:**

In FY2020, revenue from construction services provided under build-operate-transfer concession agreements decreased by RMB924 million y-o-y to RMB429 million. The decrease is mainly due to a substantial portion of the construction of the New Kunming Wuhua WTE Facility (which was put into operation in the first half of FY2020) having been carried out in FY2019. Therefore, the investment in the New Kunming Wuhua WTE Facility and Linzhou Jiasheng WTE Facility decreased in FY2020 as compared to FY2019.

The construction revenue that needs to be recognized in 2021 will be determined based on the construction progress and actual investment of the BOT project that year.

In 2021, the Company targets to complete the Shijiazhuang Biomass Power Generation Project in Hebei Province, Baishan WTE Project in Jilin Province, Leting WTE Project in Hebei Province, Zhongwei WTE Project in Ningxia, reconstruction of Wuhu Jinjiang WTE Facility in Anhui

Province and Lianyungang expansion project in Jiangsu Province in accordance with its objectives. Completion of the construction of the above projects is expected to increase the Company's waste treatment capacity by 5,500 tons/day and its installed capacity by 151MW.

- Q3. What is the current status on the discussion with local government in relation to the compensation for the closure of old Kunming Wuhua facility? According to the FY2020 annual report, Company has engaged a 3rd party valuer to assess the value of old Kunming Wuhua and no impairment is expected. When will the Company receive the compensation?**

**Company's Response:**

As disclosed in the Company's announcement dated 14 July 2020, the Old Kunming Wuhua WTE Facility in Kunming City, Yunnan Province had ceased operations on 30 June 2020, and the waste previously treated by the Old Kunming Wuhua WTE Facility is now being treated by the New Kunming Wuhua WTE Facility.

As disclosed in the Company's announcement dated 1 March 2021 of its unaudited results for the financial year ended 31 December 2020, the Company is still following up on the progress of the compensation work for its closure. The local government has engaged a third-party asset appraisal company to conduct an overall appraisal of the assets of the Old Kunming Wuhua WTE Facility. The Group has separately engaged another third-party asset appraisal company to provide a valuation report on the assets. Based on the valuation report, the Company does not expect any impairment arising from the closure of the Old Kunming Wuhua WTE Facility.

The Company is presently still in discussions with the government and will update its shareholders when there are material developments on this matter.

- Q4. We observed that the Company has recognised more loss allowance on its other receivables, from RMB16 million in FY2019 to RMB46 million in FY2020. What are the reasons for such increase and how do the management ensure the quality of Company's receivables?**

**Company's Response:**

The Company recognised more loss allowance on its other receivables, from RMB15.75 million in FY2019 to RMB 46.47 million in FY2020. This is mainly due to the cancellation or adjustment of contracts for some projects in India due to design modifications, and the provision of an impairment of RMB33.15 million on prepayments expected to be uncollectible.



The Group's prepayments presented within the receivables are basically the payments paid in accordance with the contract during the progress of the project. The credit risk in receivables is relatively low if there is no major construction change. The Group will continue to adhere to the principle of strict control for major construction changes and manage the credit risk to a minimum level.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Customers of the Group mainly consist of regional state-owned grid companies, local government and certain manufacturing companies whose production relies on the supply of steam by the Group. In this regard, management considers that the Group's credit risk is at a low level.