



ZHENENG JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED
FORMERLY KNOWN AS CHINA JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED



Sustaining Our Growth & Future

ANNUAL REPORT 2021

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Corporate Profile 公司简介

Zheneng Jinjiang Environment Holding Company Limited (referred to as "Zheneng Jinjiang Environment" or the "Company") is a forerunner and leading waste-to-energy operator in China's waste-to-energy ("WTE") industry. In 1998, the Company established the first WTE facility in China to utilise differential-density circulating fluidised bed technology and was the first WTE operator in China to develop and industrialise this technology. The Company has an established track record in investment, construction, operations, and management.

On 3 August 2016, the Company was successfully listed on the Mainboard of the Singapore Exchange, marking an important milestone for the Company. On 21 August 2019, Zhejiang Provincial Energy Group Co., Ltd ("Zheneng Group") became the largest controlling shareholder of the Company and on 25 November 2019, the Company changed its name from "China Jinjiang Environment Holding Company Limited" to "Zheneng Jinjiang Environment Holding Company Limited". It is the sole solid waste platform and the main driver of circular economy development for Zheneng Group.

In terms of waste treatment capacity and geographical coverage, Zheneng Jinjiang Environment is still among the top few WTE industry players in the PRC. The Company strives to be a promoter and leader in domestic WTE technology, an integral promoter of the applicability of fluidised bed technology and moving grate technology, and an outstanding manager of the operations of WTE enterprises. At present, the Company has further expanded its industry chain to include sludge, kitchen waste, animal carcasses and many other fields. Through leveraging the advantages of synergistic cycles, the Company focuses on building an urban ecological complex, and striving to create a better environment as well as meet the people's growing environmental needs for a better life.

浙能锦江环境控股有限公司（以下简称“浙能锦江环境”或“公司”）是中国垃圾焚烧发电行业的先行者和引领者。1998年，公司在中国建立了第一家异重循环流化床垃圾焚烧发电厂，是中国首家开发异重循环流化床技术并使之工业化的垃圾焚烧发电运营企业。公司具有成熟的投资、建设、运营和管理经验。

2016年8月3日，公司在新加坡证券交易所主板成功挂牌上市，是发展过程中的重要里程碑。2019年8月21日，浙江省能源集团有限公司（“浙能集团”）入股，成为公司最大控股股东；同年11月25日，公司由“中国锦江环境控股有限公司”更名为“浙能锦江环境控股有限公司”，成为浙能集团唯一固废平台和发展循环经济的主抓手。

浙能锦江环境垃圾处置能力及地域覆盖范围均居行业前列，公司力争在国产化垃圾焚烧发电技术方面做推广者和引领者，在流化床技术和炉排炉技术应用方面做整合提升者，在垃圾发电企业运行方面做优秀管理者。当前公司产业链进一步延伸，涉足污泥、餐厨垃圾处理、病死动物无害化处理等多个领域，发挥协同循环优势，着力打造城市生态综合体，努力做好绿水青山就是金山银山这篇大文章，满足人民日益增长的对美好生活的环境需求。

Corporate Information

公司信息

BOARD OF DIRECTORS

Wei Dongliang
(Executive Chairman)

Wang Ruihong
(Executive Director and Deputy General Manager)

Ang Swee Tian
(Lead Independent Director)

Hee Theng Fong
(Independent Director)

Tan Huay Lim
(Independent Director)

Ni Mingjiang
(Independent Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Tan Huay Lim (Chairman)
Ang Swee Tian (Member)
Hee Theng Fong (Member)

NOMINATING COMMITTEE

Ang Swee Tian (Chairman)
Wei Dongliang (Member)
Tan Huay Lim (Member)
Ni Mingjiang (Member)

REMUNERATION COMMITTEE

Hee Theng Fong (Chairman)
Ang Swee Tian (Member)
Ni Mingjiang (Member)

JOINT COMPANY SECRETARIES

Hoon Chi Tern (LLB (Hons))
Toh Li Ping, Angela (ACIS)

REGISTERED OFFICE

Grand Pavilion
Hibiscus Way, 802 West Bay Road
P.O. Box 31119, KY1-1205
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

1 Yinxiu Road
Level 19, Tower A, Hangyue Commercial Center
Gongshu District, Hangzhou City
Zhejiang Province, People's Republic of China 310011

2 Venture Drive
#15-19 Vision Exchange
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LEGAL ADVISER TO THE COMPANY AS TO SINGAPORE LAW

Rajah & Tann Singapore LLP
9 Straits View
#06-07 Marina One West Tower
Singapore 018937

LEGAL ADVISER TO THE COMPANY AS TO PRC LAW

Jingtian & Gongcheng
34th Floor, Tower 3, China Central Place
77 Jianguo Road, Chaoyang District
Beijing 100025
People's Republic Of China

LEGAL ADVISER TO THE COMPANY AS TO CAYMAN ISLANDS LAW AND BRITISH VIRGIN ISLANDS LAW

Walkers (Singapore) Limited Liability Partnership
3 Church Street
#16-02 Samsung Hub
Singapore 049483

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
7 Straits View
#12-00 Marina One East Tower
Singapore 018936

Partner-In-Charge:
Mr Tham Tuck Seng
(Appointed since the financial year ended
31 December 2020)

SHARE REGISTRAR AND SHARE TRANSFER AGENT

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

董事

韦东良（执行董事长）
王瑞红（执行董事和副总经理）
汪瑞典（首席独立董事）
许廷芳（独立董事）
陈怀林（独立董事）
倪明江（独立董事）

审计及风险管理委员会

陈怀林（主席）
汪瑞典（会员）
许廷芳（会员）

提名委员会

汪瑞典（主席）
韦东良（会员）
陈怀林（会员）
倪明江（会员）

薪酬委员会

许廷芳（主席）
汪瑞典（会员）
倪明江（会员）

联席公司秘书

洪啟騰（法学学士（荣誉））
卓丽萍（新加坡特许秘书行政管理人员学会成员）

注册办公室

Grand Pavilion
Hibiscus Way, 802 West Bay Road
P. O. Box 31119, KY1-1205
Cayman Islands

主要业务地点

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
(邮编: 310011)

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#15-19 愿景楼
新加坡邮区608526

公司的新加坡法律事务法律顾问

新加坡立杰有限合伙律师事务所
海峡景9号
#06-07 滨海盛景西座
新加坡邮区018937

公司的中国法律事务法律顾问

北京市竞天公诚律师事务所
中国北京朝阳区建国路77号
华贸中心3号写字楼34层
邮编: 100025

公司的开曼群岛法律事务和英属维尔京群岛法律事务法律顾问

汇嘉开曼群岛律师事务所
新加坡三教堂街
#16-02 三星中心
新加坡邮区049483

独立审计师

普华永道会计师事务所有限合伙
海峡景 7号
#12 滨海盛景东座
新加坡邮区018936

合伙人: 譚德成
(任命自截止2020年12月31日的财政年度起)

股票过户登记处和股票过户代理人

宝德隆集团有限公司
1 海滨大道
#14-07 吉宝湾大厦
新加坡邮区098632

Chairman's Message 主席致辞



DEAR SHAREHOLDERS,

First of all, on behalf of Zheneng Jinjiang Environment Holding Company Limited, I would like to express my heartfelt gratitude for the continued care and support you have shown towards the healthy and sustainable development of the Company.

Industry Analysis

2021 marked the centenary of the founding of the Communist Party of China and the first year of the 14th Five-Year Plan. It is also a crucial year for completing the building of a moderately prosperous society in all respects and embarking on a new journey of building a modern socialist country in all respects.

After more than 20 years of development, the solid waste industry is currently in the "three overlapping phases". The macroeconomic environment has entered a period of downward pivot in growth, and the growth rate has slowed down. The development of an ecological civilization has entered a strategic phase of deepening with the policy requirements such as the "carbon peaking and carbon neutrality goals" and the construction of "Zero-Waste City" constantly increasing. The industry development has entered a period of breakthrough in shifting gears with a crowded track and diverse needs. In the context of "three overlapping phases", the development of the WTE industry has entered a new phase.

尊敬的各位股东

首先，本人谨代表浙能锦江环境控股有限公司向一直以来关心、支持公司健康可持续发展的各位致以诚挚敬意与衷心感谢！

行业分析

2021年是中国共产党成立一百周年，是“十四五”规划开局之年，也是全面建成小康社会、开启全面建设社会主义现代化国家新征程的关键之年。

固废行业经过二十多年的发展，当前正处于“三期叠加”：宏观经济环境进入增长中枢下行期，增速放缓；生态文明建设进入战略深化期，“双碳”目标、“无废城市”建设等政策要求不断提高；行业发展进入换挡突破期，赛道拥挤，需求多样。在“三期叠加”的背景下，垃圾发电行业发展进入新阶段。

At the 75th United Nations General Assembly, China clarified the timeline for achieving the peak of carbon dioxide emissions and carbon neutrality for the first time, which include reaching the peak of carbon dioxide emissions by 2030, and striving to achieve carbon neutrality by 2060. It is a major strategic decision made by coordinating both domestic and international situations. It is an inevitable choice to focus on solving outstanding resource and environmental constraints, and it is also a solemn commitment to building a community with a shared future for mankind. The domestic waste incineration treatment method not only reduces the emission of methane and carbon dioxide during the slow degradation of waste in landfills, but also plays a role in replacing fossil fuels through energy utilisation in the incineration process, achieving a double emission reduction effect that will help to successfully achieve the "carbon peaking" and "carbon neutrality" goals.

In May 2021, the National Development and Reform Commission of China ("NDRC") and the Ministry of Housing and Urban-Rural Development jointly issued the "Notice on Printing and Distributing the Development Plan for Urban Domestic Waste Classification and Treatment Facilities in the 14th Five-Year" (Fagai Huanzi [2021] No. 642), which targets that by the end of 2025, the resource utilisation rate of national urban domestic waste is to reach about 60%, and the national domestic waste collection and transportation capacity is to reach about 700,000 tonnes/day. The national urban domestic waste incineration treatment capacity is to reach about 800,000 tonnes/day, while the urban domestic waste incineration treatment capacity is to reach about 65%.

In October 2021, the "Opinions of the Central Committee of the Communist Party of China and the State Council on Completely, Accurately and Comprehensively Implementing the New Development Concept and Doing a Good Job in Carbon Peaking and Carbon Neutrality" (referred to as the "Opinions") was issued, making systematic plans and overall deployment for carbon peaking and carbon neutrality. The Opinions put forward five main goals, including building a green, low-carbon and circular development economic system, improving energy utilisation efficiency, increasing the proportion of non-fossil energy consumption, reducing carbon dioxide emissions, and improving the carbon sink capacity of the ecosystem, and clarified the roadmap and construction drawings for carbon peaking and carbon neutrality work.

The WTE industry is highly sensitive to social and policy support and guidance to regulate the industry. This is also key to the development of the industry, which in turn, creates a favorable market environment for the development of China's WTE industry.

在第75届联合国大会上，中国首次明确碳达峰、碳中和时间点，二氧化碳排放力争于2030年前达到峰值，努力争取2060年前实现碳中和，这是统筹国内国际两个大局作出的重大战略决策，是着力解决资源环境约束突出问题的必然选择，也是构建人类命运共同体的庄严承诺。而生活垃圾焚烧处理方式不仅减少了垃圾填埋缓慢降解过程中甲烷和二氧化碳的排放，而且在焚烧处理过程中通过资源化利用，起到替代化石燃料的作用，具有双重减排效果，将助力顺利实现“碳达峰”和“碳中和”目标。

2021年5月，国家发展改革委、住房城乡建设部联合下发《关于印发〈“十四五”城镇生活垃圾分类和处理设施发展规划〉的通知》（发改环资〔2021〕642号）（“规划”）。规划要求，到2025年底，全国城市生活垃圾资源化利用率达到60%左右，全国生活垃圾分类收运能力达到70万吨/日左右；全国城镇生活垃圾焚烧处理能力达到80万吨/日左右，城市生活垃圾焚烧处理能力占比65%左右。

2021年10月，《中共中央 国务院关于完整准确全面贯彻新发展理念做好碳达峰碳中和工作的意见》（简称“《意见》”）印发，对碳达峰碳中和作出系统谋划、总体部署，《意见》提出构建绿色低碳循环发展经济体系、提升能源利用效率、提高非化石能源消费比重、降低二氧化碳排放水平、提升生态系统碳汇能力等五个方面主要目标，并明确碳达峰碳中和工作的路线图、施工图。

垃圾焚烧发电行业具有高度的社会敏感性，政策支持与引导规范是行业发展的关键，也为中国垃圾焚烧处理行业的发展营造了良好的市场环境。

Chairman's Message

主席致辞



Business Review

In 2021, the resurgence and volatility of the COVID-19 pandemic saw prevention and control measures tightened in several areas. Extreme weather events frequently occurred during the year, causing severe floods in Henan and Hebei Province that had not been encountered for many years. Material prices have skyrocketed as a result, significantly increasing the cost for production and construction. The pressure of economic transformation has increased and some local governments have tight financial resources. The WTE facilities were put into operation in a centralised manner, and competition among peers increasingly intensified. In the face of the aforesaid challenges, we remained united, working together to improve existing capacity and development of new projects, to accomplish stable development and progress, with various operational results exceeding expectations.

In 2021, the Company remained focused and committed in pushing through the in-depth development of safety and environmental protection in an orderly manner. Through improving the safety and environmental protection target assessment mechanism, refining the environmental protection standardisation system, carrying out special inspection activities such as safety and environmental protection audits, and effectively managing safety and environmental protection plans, the Company has comprehensively strengthened the safety and environmental protection foundation, and firmly adhered to both the bottom line and red line of operation to further enhance the management of safe production.

In 2021, the Company comprehensively promoted the development of existing projects by learning from advanced cases and improving its operation. We promoted "three refinements" management of "refined organisation, refined management, and refined operation" guided by our goals, comprehensively strengthened business targets and performance management, as well as business analysis and rolling budget management, to lay a solid foundation for the Company's sustainable development.

业务回顾

2021年，新冠疫情反复，多地阶段性防控升级；极端天气多发，河南、河北区域水灾多年未遇；材料价格暴涨，生产、建设成本显著增加；经济转型压力加大，一些地方政府财力较紧张；垃圾电厂集中投产，行业间竞争日趋加剧。面对诸多挑战，我们上下一心，共同努力，坚持存量提升、增量发展，实现发展稳中有进，各项经营业绩优于预期。

2021年，公司抓铁有痕、踏石留印，有序推进安全环保工作向纵深发展。公司通过完善安全环保目标考核机制，完善环保标准化体系建设，组织开展安全环保稽查等专项检查活动，做好安全环保计划管理，全面夯实安全环保基础，牢牢守住底线不越红线，进一步强化安全生产管理措施。

2021年，公司比学赶超、对标优化，全面促进存量项目发展。公司以目标为导向，推进“组织精健化、管理精细化、经营精益化”的“三精”管理，全面加强经营目标管理及绩效管理，加强经营分析管理及滚动预算管理，为公司可持续发展夯实基础。

In 2021, the Company formulated comprehensive plans and implemented them efficiently and made every effort to ensure the high-standard implementation of new projects. Based on national policies and market environment, we continuously established and improved the investment development and project management system, and organised and completed the legal compliance procedures of projects to facilitate the project implementation. During the year, several projects were put into operation, laying the foundation for the Company to leapfrog in its development during the "14th Five-Year Plan" period.

In 2021, the Company devoted itself to technological innovation and digital empowerment, speeding up its development with new technologies. We have expanded our development connotation internally and sought new technology innovation externally with much accomplishments. As of December 2021, more than half of our operational enterprises were awarded the "national high-tech enterprise". The Company reasonably allocates technical strength, and is guided by the concept of synergy, recycling, green and low carbon to explore high-parameter technical solutions and accelerate the construction of ecological complexes. The Company comprehensively promotes digital reform and promotes a "four-step" strategy for the integration of digitalisation and artificial intelligence ("AI") to achieve innovative development. We completed the intelligent optimisation of incineration for boilers in Hankou Jinjiang WTE Facility, Tangshan Jiasheng WTE Facility, Zibo Green Energy WTE Facility and Gaomi Lilangmingde WTE Facility, which are gradually showing enhanced operational performance, laying the foundation for our subsequent independent digital transformation. The intelligent optimisation for Kunming Wuhua WTE Facility, Jilin Xinxiang WTE Facility and Songyuan Xinxiang WTE Facility is progressing steadily.

In 2021, the Company made overall planning and effective improvements to comprehensively strengthen its capital management and control for steady development and to expand financing channels. In July 2021, a RMB70 million "Renewable Energy Subsidy Confirmation Loan" for Kunming Wuhua WTE Facility in Yunnan Province was approved. The loan is the first in Yunnan Province and the first of its kind in the China Construction Bank system. We place great importance to the improvement and standardisation of the financial foundation and have carried out all-around strengthening and improvement in the aspects of capital management and control, financing optimisation, execution analysis, regional supervision, accounting standard improvement, and insurance planning. On the basis of ensuring that the Company's overall financial risks are controllable, the Company's comprehensive level of financial management and anti-risk capabilities have reached a new level.

2021年，公司充分谋划、高效实施，全力保障增量项目高标准落地。公司立足国家政策、市场环境等基础上，不断建立健全投资开发与项目管理体系，组织完善项目合法合规手续，助力项目实施。2021年，公司多个工程项目集中投产，为公司“十四五”期间实现跨越式发展奠定基础。

2021年，公司技术创新、数字赋能，全速发动新技术引擎。公司向内拓展发展内涵，向外寻求技术创新，科创成果硕果累累。截止2021年12月，公司“国”字招牌的高新技术企业已超过半数。公司合理配置技术力量，以协同、循环、绿色、低碳理念为指引，探寻高参数技术方案，加快推进构建生态综合体。公司全面推进数字化改革向纵深发展，形成数智融合“四步走”战略，数字赋能实现创新发展。于年内已完成汉口、唐山、淄川和高密4家运行电厂的锅炉AI智能焚烧优化服务，运行效果逐渐显现，为公司后续独立自主数字化改造打下基础，五华、长春、松原等电厂的智能焚烧改造正稳步推进中。

2021年，公司统筹谋划、切实提升，全面加强资金管控稳健发展，拓宽融资渠道。2021年7月，云南省昆明市五华垃圾发电厂“可再生能源补贴确权贷”贷款7000万元获批，该笔贷款为云南省第一笔，也是中国建设银行系统内第一笔同类贷款。公司重视财务基础提升与规范，在资金管控、融资优化、执行分析、区域监督、核算提标、保险统筹等方面进行了全方位加强与提升，在确保公司整体财务风险可控基础上，公司财务管理综合水平和抗风险能力又上了一个新台阶。

Chairman's Message

主席致辞

As at 31 December 2021, the Company has 25 WTE facilities, one organic waste treatment facility and eight Resource Recycling projects in operation in 13 provinces, autonomous regions and centrally-administered municipalities in PRC with a total waste treatment capacity of 40,410 tonnes/day, and the total installed capacity of 790 MW. In addition, the Company has an additional five WTE facilities and Resource Recycling projects under construction and 22 projects in the preparatory stage in China and overseas. The 61 projects of the Company's total installed waste treatment capacity will reach to 62,645 tonnes/day upon completion of aforesaid projects.

Social Responsibility

Zheneng Jinjiang Environment sits at the intersection of the circular economy and the new energy industry. We thoroughly implement the strategic planning and development requirements of the Party and the State in the construction of ecological civilization, conform to the people's yearning for a better life, and use the core of domestic waste power generation to give full play to the advantages of synergistic circulation, seeking opportunities for collaborative and efficient disposal of all urban solid waste to fulfill the social responsibility of environmental protection enterprises.

In 2021, the Company treated a total of 11.38 million tonnes of domestic waste and generated nearly 3.43 billion kilowatt-hours of green electricity, which could meet the electricity needs of 2.53 million households, an increase of 6.8%, 11.3% and 11.0% respectively compared with the same period last year. This translates to a reduction in the usage of 1.72 million tonnes of standard coal, 4.04 million tonnes of carbon dioxide emissions, and the saving of approximately 38,000 mu of land.

In mid-July 2021, Henan Province continued to suffer from large-scale heavy rainfall, especially in Zhengzhou City where the Zhengzhou Xingjin WTE Facility is located. In the midst of a once-in-a-century torrential rain and flood situation, the facility worked together to jointly build a flood control safety line. Despite the sudden flood disaster that led to the shutdown of production and considering the large increase in domestic waste after the disaster, our team at Zhengzhou Xingjin WTE Facility ceaselessly endeavored to restore operations by working round the clock. Zhengzhou Xingjin WTE Facility fully resumed production on 28 July 2021 through about one week of operational recovery and emergency repairs by the employees of the Facility, as well as coordinating the dispatch of the power supply company. The facility quickly put itself into the treatment of post-disaster waste to do a good job in post-flood disinfection. In addition, the Company donated RMB660,000 of funds and supplies to the local government to ensure the emergency living needs of the disaster-stricken people, assist post-disaster reconstruction and strengthen the safety protection of important infrastructure to firmly shoulder the responsibility of an environmental protection-focused enterprise!

截至2021年12月31日，公司在中国13个省、自治区和直辖市拥有25个已投入运营的垃圾焚烧发电厂，1个已运营的有机废弃物处理设施，8个垃圾资源化项目，垃圾处理能力达40,410吨/日，装机容量达790MW。此外，境内外共5个在建垃圾焚烧发电和资源化项目以及22个筹建项目。待所有在建筹建项目全部建成后，61个项目的垃圾处理总能力将达62,645吨/日。

社会责任

浙能锦江环境所处的赛道是循环经济和新能源产业，深入贯彻党和国家在生态文明建设方面的战略谋划和发展要求，顺应人民对美好生活的向往，以生活垃圾发电为核心，发挥协同循环价值，寻求协同高效处置所有城市固废机会，履行环保企业的社会责任。

2021年，公司累计处理了1,138.4万吨生活垃圾，产生近34.3亿千瓦时的绿色电力，可满足253万户居民的生活用电需求，与去年同期相比分别增加6.8%，11.3%和11.0%。经折算公司在2021年共节约标准煤约172万吨，减少二氧化碳排放404万吨，至少为地球节约了近3.8万亩土地。

2021年7月中旬，河南省持续遭遇大范围强降雨天气，尤其是荣锦垃圾发电厂所在地郑州出现特大暴雨。面对百年一遇的暴雨汛情，电厂上下一心，拧成一股绳，共同构筑起了防汛安全防线。面对突如其来的洪涝灾害导致停产，考虑到灾后大量增加的生活垃圾，郑州荣锦垃圾发电厂一刻不敢停歇，日夜抢修抓紧恢复生产。通过一周的生产自救与抢修及协调供电公司调度，荣锦垃圾发电厂于7月28日全面恢复生产，迅速投入灾后的城市生活垃圾处置工作，做好汛后的消杀工作。此外，公司还向河南捐赠66万元款项与物资，保障受灾群众应急生活所需、助力灾后重建，坚定扛起环保企业的责任担当！



In order to further strengthen the guidance of environmental protection and publicity, increase awareness, recognition and participation of society on waste reduction, harmless and recycling treatment, the Company actively opens its environmental protection facilities to the public. At the same time, in order to reduce the impact of the COVID-19 pandemic, the Group's subsidiaries also present the end-of-life waste treatment to the public intuitively and vividly through virtual live broadcasts and responding to the public's concern about "where any waste is going".

Future Outlook

Forge ahead with fortitude to create a new phase for the high-quality development of Zheneng Jinjiang Environment

In the face of the complex and severe international situation and the arduous domestic reform, development and stabilisation tasks, Zheneng Jinjiang Environment will continue to focus on environmental protection, persevere and adhere to the mission of "Beautifying the Cities and Making the Environment more Natural", fully transiting to high-quality development, give full play to the physical advantages of mixed ownership, enhance development momentum, cultivate new growth points, leverage on digital and intelligence, and coordinate management improvement of existing projects and expansion of new projects. We will set goals, boost confidence, take advantage of the trend, win opportunities, and forge new journeys to create a bright future together!

Heartfelt Thanks and Well Wishes

On behalf of the Board of Zheneng Jinjiang Environment, I would like to thank all shareholders and business partners for their strong support, as well as the management and staff for their efforts in the past year! I wish for a more beautiful and natural environment for cities around the world!

为进一步加强环保宣传教育引导力度，提升全社会对垃圾减量化、无害化、资源化的知晓度、认同度、参与度，公司积极参与环保设施开放，同时为减少新冠肺炎疫情的影响，公司所属企业积极通过云直播，直观、形象地向公众展示生活垃圾末端处理情况，回应公众“垃圾去哪儿了”的关切。

未来展望

勇毅前行 踔厉奋发 开创浙能锦江环境高质量发展新局面

面对复杂严峻的国际形势和艰巨繁重的国内改革发展稳定任务，浙能锦江环境将继续心系环保，持之以恒，秉承“让城市更美丽，让环境更自然”的使命，全面转入高质量发展轨道，发挥混合所有制体制优势，增强发展动能，培育新增长点，数字赋能，统筹存量管理提升、增量拓展，锚定目标，提振信心，乘势而上、赢得先机，奋进新征程，一起向未来！

衷心感谢和良好祝愿

本人谨代表浙能锦江环境董事会，感谢各位股东、商业伙伴的鼎力支持，也感谢各管理层及员工在过去一年的辛勤付出！衷心祝愿全球各地城市更美丽，环境更自然！

Financial Highlights

财务概况

Results

业绩

Revenue

收入

FY2021 RMB'000 **2,864,238** **1,196,138** **4,060,376**

FY2020 RMB'000 **2,443,082** **641,582** **3,084,664**

Percentage Change 31.6%
百分比变动

- Among which revenue from WTE business
其中: WTE业务收入
- Others
其他

EBITDA*

除利息、税项、折旧及摊销前盈利

FY2021 RMB'000 **1,472,812**

FY2020 RMB'000 **1,277,247**

Percentage Change 15.31%
百分比变动

* EBITDA excludes BOT profit, exchange and non-recurring profit and loss
EBITDA不包括BOT利润、外汇和非经常性收入和损失

Return on shareholders' equity (%)

股东资金回报 (%)

FY2021 **6.84%**

FY2020 **5.47%**

Percentage Change 25.05%
百分比变动

Profit attributable to equity holders of the Company

本公司权益持有人应占盈利

FY2021 RMB'000 **438,024**

FY2020 RMB'000 **326,934**

Percentage Change 33.98%
百分比变动

Basic earnings per share (RMB cents)

每股基本盈利 (人民币分)

FY2021 **30.12**

FY2020 **22.48**

Percentage Change 33.98%
百分比变动

Financial Position
财务状况

Total assets
总资产

FY2021
RMB'000 20,380,727

FY2020
RMB'000 17,766,684

Percentage Change
百分比变动 14.71%

Equity attributable to equity holders of the Company
本公司权益持有人应占权益

FY2021
RMB'000 6,402,667

FY2020
RMB'000 5,975,815

Percentage Change
百分比变动 7.14%

Total liabilities
总负债

FY2021
RMB'000 13,835,835

FY2020
RMB'000 11,663,682

Percentage Change
百分比变动 18.62%

Net asset value per share (RMB cents)
每股净资产值 (人民币分)

FY2021 450.12

FY2020 419.73

Percentage Change
百分比变动 7.24%

Corporate Milestones

企业大事记

2021

FIRST QUARTER OF 2021

- The Group's Zhuji Bafang WTE Facility in Zhejiang Province, Songyuan Xinxiang WTE Facility in Jilin Province, Qitaihe Green Energy WTE Facility and Suihua Green Energy WTE Facility in Heilongjiang Province were included in the fourth batch of units open to the public for national environmental protection facilities and urban sewage and waste treatment facilities jointly announced by the Ministry of Ecology and Environment and the Ministry of Housing and Urban-Rural Development.
- Leting Jinhuan WTE Facility in Tangshan City, Hebei Province was put into trial operation.
- The Kunming Demonstration Project of the Global Environmental Fund "China Domestic Waste Comprehensive Environmental Management Project" of Yunan Green Energy WTE Facility in Kunming City, Yunnan Province passed the acceptance test successfully, improving the sustainable development capability of the Facility, and also demonstrated a set of feasible technology and management model of fluidised bed technology.
- The Zibo Green Energy WTE Facility in Shandong Province was awarded the "Excellent Power Plant Open to the Public in 2020" granted by Polaris Environmental Protection Network.
- Due to the impact of the COVID-19 pandemic, and the drop in blood donors around the Spring Festival, the blood bank in Hangzhou City where the Company's headquarters is located, faced a shortage. Given the shortage of blood, the Company organised a voluntary blood donation drive where a total of 8,600 ml of blood was donated.

2021年第一季度

- 集团旗下浙江省诸暨八方电厂、吉林省松原垃圾发电厂、黑龙江省七台河垃圾发电厂和绥化垃圾发电厂，被列入生态环境部、住房和城乡建设部联合公布的第四批全国环保设施和城市污水垃圾处理设施向公众开放单位名单
- 河北省唐山市乐亭生活垃圾发电项目并网试运营
- 云南省昆明市西山垃圾发电厂全球环境基金“中国生活垃圾综合环境管理项目”昆明示范项目顺利通过验收，提升电厂可持续发展能力，也为流化床生活垃圾焚烧技术示范了一套可行的技术和管理模式
- 山东省淄博市淄川垃圾发电厂获得北极星环保网举办的“北极星杯”2020年度公众开放优秀电厂奖项
- 受疫情影响，加之春节前后献血人数骤减，公司总部所在杭州市血库告急，公司自发组织无偿献血活动，共计献血8600毫升



SECOND QUARTER OF 2021

- The Company conducted first aid knowledge and skills training in its headquarters to further enhance employees' emergency awareness in the face of emergencies and accidental injuries, to improve self-rescue and mutual rescue capabilities.
- The Company organised for party members and cadres to visit and study in Yu Village, Anji City, Zhejiang Province, experiencing the practice of the Two Mountains Theory of "Lucid waters and lush mountains are invaluable assets" raised by Mr. Xi Jinping, President of the People's Republic of China in Anji City.
- The Shijiazhuang Wuji Resource Recycling Project in Hebei Province was put into operation.
- The Company convened its FY2020 Annual General Meeting and released the FY2020 Annual Report.

2021年二季度

- 公司总部开展急救知识和技能培训，进一步增强员工面对突发事件和意外伤害的应急意识，提高自救和互救能力
- 组织党员干部赴浙江安吉余村参观学习，切身感受中国国家主席习近平提出的“绿水青山就是金山银山”的“两山”理论在安吉的践行
- 河北省石家庄无极资源化项目投运
- 公司召开2020年度股东大会，发布2020财年度报告



Corporate Milestones 企业大事记

THIRD QUARTER OF 2021

- Henan Province, where the Zhengzhou Xinjin WTE Facility and Linzhou Jiasheng WTE Facility are located, continues to suffer from heavy rainfall on a large scale. Employees from the aforesaid facilities stood firm and fought against the disaster. The Company donated RMB660,000 of funds and supplies to ensure the emergency living needs of the disaster-stricken people.
- The Company continues to be awarded the “2021 China Top 50 Environmental Companies” and “2021 Global Top 500 New Energy Companies”.
- Ecogreen Energy, the Group’s subsidiary in India, was conferred the “Beautiful City” prize by the government of Haryana State of India for its contributions to the city cleaning campaign, especially during the COVID-19 pandemic period.
- One boiler and one turbine of Lianyungang Sunrise WTE Facility Expansion Project in Jiangsu Province were put into operation.

2021年第三季度

- 河南省持续遭遇大范围强降雨天气，集团旗下位于河南省的郑州荃锦垃圾发电厂和林州垃圾发电厂坚守岗位，齐心抗灾；公司通过荃锦垃圾发电厂主动了解政府、群众需求，向河南捐赠66万元款项与物资，保障受灾群众应急生活所需
- 公司获得“2021中国环境企业50强”殊荣，并列“全球新能源企业500强”
- 集团在印度的子公司Ecogreen Energy获得哈里亚纳邦政府授予的“美丽城市”奖，以表彰其历年来为城市清洁运动，尤其是在疫情期间为当地市容环卫作出的贡献
- 江苏省连云港垃圾发电厂扩建项目一炉一机投运



FOURTH QUARTER OF 2021

- The first phase of Zhongwei WTE Project in Ningxia Hui Autonomous Region, the Baishan Green Energy WTE Facility in Jilin Province, the Reconstruction Project of Wuhu Jinjiang WTE Facility in Anhui Province and the Shijiazhuang Gaocheng Resource Recycling Project in Hebei Province were put into operation.
- The Zhuji Bafang WTE Facility in Shaoxing City, Zhejiang Province was included in the list of the eleventh batch of ecological civilisation education bases in Zhejiang Province announced by the Zhejiang Provincial Department of Ecology and Environmental Protection. And the Jilin Xinxiang WTE Facility in Jilin Province was conferred the "2021 Excellent Power Plant Open to the Public" award by Polaris Environmental Protection Network.
- The Company was awarded "2021 Top Ten Influential Solid Waste Enterprises" and "Polaris Cup" 2021 Social Benefit Contribution Award.

2021年第四季度

- 宁夏回族自治区中卫市生活垃圾焚烧发电项目、吉林省白山市生活垃圾焚烧发电项目、河北省石家庄藁城生活垃圾资源化项目和安徽省芜湖垃圾发电厂改建项目顺利投产
- 浙江省诸暨八方电厂被列入浙江省生态环保厅公布的第十一批浙江省生态文明教育基地名单；吉林省长春垃圾发电厂获北极星环保网授予的“北极星杯”2021年度公众开放优秀电厂
- 公司荣膺“2021年度固废十大影响力企业”称号、“北极星杯”2021年度社会效益贡献奖





Standing Against the Current

Despite the challenges faced by the industry, the Group has shown great resilience and achieved full resumption of operations. Equipped with such character, we will continue to stand against the current and seek growth through new project opportunities.

Operations and Financial Review 经营和财务回顾

Overcoming Challenges, Turning Crisis into Opportunities to Develop

In 2021, the production and operation of WTE facilities were affected by various unfavorable factors, such as rise in energy consumption cost, frequent outbreaks and resurgence of the COVID-19 virus, severe heavy rain in Henan Province and the record-breaking time typhoon "Fireworks" stayed onshore. In response to the opportunities and challenges, the Company went all out, concentrating its efforts and strengthening its confidence to focus on pandemic prevention and control, as well as production and operation. All production and operation indicators exceeded expectations. On the basis of good pandemic prevention and control foundations, the Company shouldered the social responsibility of an environmental protection-focused enterprise, and successfully completed the task of ensuring the normal disposal of domestic waste in the city where the facilities are located and the emergency disposal task of domestic waste mixed with medical waste in some areas, providing a strong guarantee of sanitation work during the COVID-19 pandemic in various places.

迎难而上克时艰，转危为机谋发展

2021年，用能成本急剧上升，新冠肺炎疫情呈频繁散点式爆发并贯穿全年，河南特大暴雨创小时气象观测记录，台风“烟花”长时间陆上滞留破纪录……种种不利因素对电厂生产经营情况带来一定影响。应对机遇与挑战，公司全力以赴，凝心聚力，坚定信心，一手抓疫情防控，一手抓生产经营，各项生产经营指标均好于预期。在打好疫情防控阻击战的基础上，公司勇于担当，扛起了环保企业的社会责任，圆满完成企业所在城市的生活垃圾正常处置保障任务和部分地区生活垃圾混合医疗垃圾应急处置任务，为各地疫情期间环卫工作提供了有力的保障。



Operations and Financial Review

经营和财务回顾

Five WTE projects and two Resource Recycling projects of the Company were put into operation in 2021. In the face of the severe situation of COVID-19 prevention and control, the Company took effective measures to ensure the orderly production and operation of the operational facilities. The construction of projects put into operation was on schedule which contributed to the local ecological environment protection. The Leping Jinhuan WTE Facility in Tangshan City, Hebei Province was successfully connected to the grid for power generation with an additional waste treatment capacity of 500 tonnes/day. The Shijiazhuang Wuji Resource Recycling Project and Gaocheng Resource Recycling Project were also put into operation. The Gaocheng Resource Recycling Project is a key livelihood project in Gaocheng District, completely changing the original local landfill method. The Zhongwei WTE Facility in Ningxia Hui Autonomous Region was put into operation, with an additional waste treatment capacity of 500 tonnes/day, marking Zhongwei City's transition into an era of domestic waste incineration. The Baishan Green Energy WTE Facility in Jilin Province was successfully connected to the grid, adding 600 tonnes/day of waste treatment capacity, greatly reducing the amount of land for local landfill waste and optimising the local environmental quality. The Reconstruction Project of Wuhu Jinjiang WTE Facility in Anhui Province and the one boiler and one turbine of the Reconstruction and Expansion Project of Lianyungang Sunrise WTE Facility in Jiangsu Province were put into operation, with an additional waste treatment capacity of 750 tonnes/day. In conclusion, during the year under review, the Company added 2,350 tonnes/day of waste treatment capacity and 71MW of installed capacity in China. As at 31 December 2021, the waste treatment capacity of WTE facilities (including the organic waste treatment facility) in operation reached 40,410 tonnes/day with an installed electricity generation capacity of 790MW.

As at 31 December 2021, the Company has three WTE projects and one Resource Recycling project under construction in China, which are progressing steadily. The two boilers and two turbines of Shijiazhuang Jiasheng WTE Project in Hebei Province, the Expansion Project of Yunan Green Energy WTE Facility in Yunnan Province, the Expansion Project of Hohhot Jiasheng WTE Facility in Inner Mongolia, and the Songyuan Xinxiang Resource Recycling Project in Jilin Province are expected to be put into operation successively in 2022, increasing the waste treatment capacity by 3,100 tonnes/day and 107MW of installed electricity generation capacity upon completion.

The Company continues to explore new ways of synergetic development. As at 31 December 2021, there are 14 WTE projects, four Kitchen Waste projects and one Resource Recycling project under preparation in China, which are undertaking preparatory works for construction on schedule. Among them, the Jinghong Jiasheng WTE project in Yunnan Province is expected to start construction in the first half of 2022 and be put into operation in 2023. After all the preparatory projects are completed and put into operation, it is expected to increase the waste treatment capacity by 14,645 tonnes/day and the installed capacity of 264MW.

公司于2021年投产运行5个垃圾焚烧发电项目和2个资源化项目。面对疫情防控的严峻形势，公司采取有效应对措施，全力确保电厂有序生产运营，项目如期投运，为当地生态环境保护作出贡献。河北省唐山市乐亭垃圾发电厂成功并网发电，新增垃圾处理能力500吨/日；河北省石家庄无极资源化项目和藁城资源化项目投产，藁城资源化项目作为藁城区重点民生项目彻底改变了当地原有的垃圾填埋方式。宁夏中卫市垃圾发电厂投运，新增垃圾处理能力500吨/日，标志着中卫市正式进入生活垃圾焚烧处理时代。吉林省白山市垃圾发电厂并网成功，新增垃圾处理能力600吨/日，大大减少当地填埋垃圾用地，优化了当地环境质量。安徽省芜湖垃圾发电改建项目和江苏省连云港垃圾发电改扩建项目一炉一机投产运行，新增垃圾处理能力750吨/日。综上，于回顾年内，公司在中国国内新增垃圾处理能力2,350吨/日及装机容量71MW。截至2021年12月31日，运营中的生活垃圾处理设施的垃圾处理能力（含已运行的餐厨项目）达40,410吨/日，装机容量为790MW。

截至2021年12月31日，公司在中国国内有3个在建垃圾发电项目和1个在建资源化项目，稳步推进中。河北省石家庄垃圾发电项目二炉二机、云南省昆明市西山垃圾发电厂扩建项目、内蒙古呼和浩特垃圾发电厂扩建项目和吉林省松原资源化项目，预计均将于2022年陆续投运，届时将新增垃圾处理能力3,100吨/日及装机容量107MW。

公司不断开拓协同发展新途径，截至2021年12月31日，在国内共有14个筹建的垃圾发电项目，4个筹建的餐厨垃圾项目和1个筹建的垃圾资源化项目，也正按计划积极推进开工前各项准备工作。其中，云南省景洪垃圾发电项目预计将于2022年上半年开工，并于2023年投运。待所有国内筹建项目建成投运后，预计将新增垃圾处理能力14,645吨/天，装机容量264MW。

In 2021, the international situation underwent profound changes, with the COVID-19 pandemic continuing its spread, especially in India where the new Delta variant of the novel coronavirus, was first identified. The Company has comprehensively sorted out and strengthened overseas project operation management. Through management improvement, the volume of waste collection and transportation of Indian projects has increased by 11% year-on-year, and User Charge Collection and Key Customer Collection has increased by 84% year-on-year. The WTE project in Gurgaon is progressing in an orderly manner. After each overseas project is completed and put into operation, the newly added waste treatment capacity will be 4,490 tonnes/day and 85MW of installed electricity generation.

In summary, the waste treatment capacity will reach 62,645 tonnes/day and 1246MW of installed electricity generation after all 61 domestic and overseas facilities (projects in operation, projects under construction and projects in preparation) are completed.

2021年国际形势深刻演变，新冠肺炎疫情继续蔓延，尤其是在印度发现了新冠病毒变异毒株德尔塔。公司全面梳理并加强海外项目运营管理，印度项目运营通过管理提升，垃圾清运量同比增长11%，居民用户使用费和商户用户使用费收集同比增长84%，古尔冈电厂项目正有序推进各项工作。待各海外项目建成投产后，将新增垃圾处理量4,490吨/日，装机容量85MW。

综上，待境内外所有61个设施（在运项目、在建项目及筹建项目）全部建成后的垃圾处理能力将达到62,645吨/日，装机容量1246MW。

让负责任的数字技术，创造可持续的未来

新华社 2021年12月18日



云贵投资
生活垃圾正转化为清洁能源
垃圾焚烧发电
减少垃圾填埋量
减少火力发电的温室气体排放
而投资、建设中之贵
生活垃圾处理团队不畏困难
将有害垃圾、建筑垃圾等有害垃圾
送至专门处理场所
生活垃圾焚烧发电站
利用数字技术提升了“智慧”提升
云上投资云贵“工业大脑”
助力工人
从每天近万次的操作中解放出来
工作效率提升90%
设备利用率提升5个百分点
一吨垃圾发电量提升10度/吨电



Seizing Digital Opportunities to Create a New Green and Low-Carbon Model

In recent years, the Company has faced challenges, seized opportunities, promoted the deep integration of big data, AI and the solid waste industry, enhanced core competitiveness and embarked on digital transformation to make contributions to meeting the desire for a better life. The intelligent incineration system for fluidised bed boilers based on AI and big data analysis has been successfully developed and applied. Compared with manual operation, the automatic driving system has realised a highly intelligent operation level of boiler operation, greatly reducing the operating condition fluctuation problem caused by human factors. Through the comparative test, the AI automatic input rate has reached more than 90%, boiler operation stability has been improved by more than 30%, CO emission reduction has exceeded 20%, furnace temperature fluctuation stability has been improved by more than 30%, and the operating economy has also been comprehensively improved. At present, Zheneng Jinjiang Environment has realised digitalisation of five enterprises and plans to achieve full coverage of the operational enterprises within 1-2 years.

At the 2021 Yunqi Conference of Alibaba, with the theme of “Frontier, Exploration, Imagination”, thousands of guests shared the integration and innovation on cloud computing, big data and AI covering ten major technology sectors and 21 major industries. Zheneng Jinjiang Environment was invited to participate in the conference and share the transformation practice of “digital intelligence integration” and signed a framework cooperation agreement with Alibaba Cloud to establish a partnership.

In addition, the video account of Xinhua News Agency’s “Oriental Outlook Weekly” released the documentary “1.5°C”, which recorded the outcomes from the combination of Zheneng Jinjiang Environment and Alibaba Cloud Industrial Brain’s digital intelligence. Xinhua News Agency’s report “Let Responsible Digital Technology Create Sustainable” also mentioned the low-carbon and circular green revolution that Zheneng Jinjiang Environment is embarking on.

紧抓数字化机遇，打造绿色低碳新样本

近年来，公司直面挑战、抢抓机遇，推动大数据、人工智能与固废产业深度融合，增强核心竞争力，全面开启企业数字化改革，为满足人民对美好生活的向往作出新贡献。公司成功开发应用了基于AI和大数据分析的流化床锅炉智能焚烧系统，和人工操作相比，自动驾驶系统投运后实现了锅炉运行的高度智能化，大大降低了人为因素带来的运行工况波动问题。通过对比试验发现，AI自动投入率达到90%以上，锅炉运行稳定性提升了超过30%，CO排放减量超过20%，炉膛温度波动稳定性提升30%以上，同时运行经济性也得到了全面提升。目前，浙能锦江环境已实现了5家企业推广上线，计划在1-2年内实现所有运营企业全覆盖。

在以“前沿·探索·想象力”为主题的2021阿里巴巴云栖大会上，上千名嘉宾分享云计算、大数据、人工智能等覆盖10大技术板块21大行业的融合与创新，浙能锦江环境受邀参加大会并分享“数智融合”转型实践，并与阿里云签订框架合作协议，建立合作伙伴关系。

此外，新华社主管《瞭望东方周刊》视频号发布纪录片《1.5°C》，记录了浙能锦江环境与阿里云工业大脑数智结合成果；新华社报道《让负责任的数字技术，创造可持续的未来》一文中也提及浙能锦江环境正在掀起的低碳循环绿色革命。

Launching the engine of new technologies and new businesses at full speed to accelerate the construction of an ecological complex

In 2021, the Company improved its core competitiveness through technological innovation, effectively organized and carried out innovation activities, jointly built core technologies, and vigorously promoted the deep integration of Industry-University-Research. We have obtained a total of 137 patents, including 9 invention patents, 128 utility patents during the year and have accumulated 310 patents and software works, including 42 invention patents, 259 utility model patents and 9 software works.

The Company has also strengthened the production technology and basic management of enterprises, carried out technical exchange and training, and solved the pain points and difficulties of fluidised bed operation with "Small Investment, Large Output" to increase in production and efficiency. The Company reasonably allocates technical strength and explores high-parameter technical solutions guided by the concepts of synergy, recycling, green and low carbon. The Company continues to pay attention to its core business of waste treatment and even the solid waste market and the new direction of industrial development. Measures are also taken to enhance policy and market research on co-processing of kitchen waste, sludge, construction waste, industrial waste, and agricultural, forestry and livestock waste. The Company is also expanding its market businesses in slag and fly ash disposal to accelerate the construction of an ecological complex.

全速发动新技术新业务引擎, 加快推进构建生态综合体

2021年, 公司以技术创新提升企业核心竞争力, 有效组织开展创新活动, 共建核心技术, 大力推动产学研深度融合, 于年内新取得137项专利, 其中发明专利9项、实用专利128项; 累计取得310个专利及软著, 其中42个发明专利, 259个实用新型专利, 9个软件著作权。

公司加强企业生产技术管理和基础管理, 开展技术交流培训, 通过“小投入、大产出”针对性破解流化床运行痛点、难点, 实现提产增效。公司合理配置技术力量, 以协同、循环、绿色、低碳理念为指引, 探寻高参数技术方案, 持续关注垃圾处置乃至固废市场的现状和产业发展的新方向, 横向加强餐厨、污泥、建筑垃圾、工业垃圾协同处置及农林牧垃圾的政策和市场研究, 纵向拓展炉渣、飞灰处置等市场业务, 加快推进构建生态综合体。



Major Economic Indicators and Financial Summary

In 2021, the Company continued to deepen its WTE business, improve its management and refined its production and operation indicators, firmly promoting the integration of digital intelligence, and actively seized the opportunity of circular economy to explore the resource market. The Company's waste treatment capacity and waste treatment unit contribution continued to increase, and power generation capacity continued to grow steadily, with the full-year operation of the second phase of Tangshan Jiasheng WTE Facility in Hebei Province and the New Kunming Wuhua WTE Facility in Yunan Province and most of the WTE facilities no longer materially affected by the COVID-19 pandemic. During the period covered by this report, the waste treatment capacity increased by 6.8% to 11.38 million tonnes and power generation capacity increased by 11.3% to 3.430 billion kWh, maintaining our advantageous position.

In 2021, the Company's operating revenue reached RMB4.060 billion, a year-on-year ("y-o-y") increase of 31.6% compared to the previous corresponding year ("FY2020"). Revenue for the WTE business increased 17.2% y-o-y, achieving RMB2.864 billion, mainly due to the marked increase of the Company's waste treatment capacity and power generation capacity, the increase in the demand of customers purchasing steam generated by the Zhuji Bafang WTE Facility, and the expansion of the steam supplied at Zhengzhou Xingjin WTE Facility. Revenue from construction services and financial income provided under build-operate-transfer ("BOT") concession agreements ("BOT Construction") increased by RMB306 million y-o-y to RMB735 million. The increase was mainly due to Zhongwei WTE Project, Linzhou Jiasheng WTE Facility and the Expansion Project of Yunnan Green Energy WTE Facility which was implemented as planned during the reporting period, resulting in a y-o-y increase in the revenue from the provision of construction services under BOT concession agreements. Project technical and management services, equipment selection and sale and EMC business increased by RMB249 million y-o-y to RMB461 million. The increase was mainly due to the increase in revenue of RMB271 million from the technical services, equipment selection and procurement services provided, and this was partially offset by the reduction in FY2021 profit sharing ratio in the later stages of the EMC contracts as compared to FY2020. The Company continues to adhere to the principle of focusing on its main business, and the revenue contribution of each segment is as follows: the WTE business (excluding revenue from construction services provided under BOT concession agreements) accounted for 71% of total revenue, BOT Construction accounted for 18% of total revenue, and project technical and management services, equipment selection and sale and the EMC business accounted for 11% of total revenue. The gross profit contribution of WTE business (excluding revenue from construction services provided under BOT concession agreements) has increased from 53.2% in 2018 to 80% in 2021, which provides better quality of the Company's earnings and competitive sustainability.

主要经济指标及财务摘要

2021年，公司继续深耕垃圾焚烧发电业务，做好管理提升及生产运营指标的精细化管理，坚定推进数智融合，积极抓住循环经济发展机遇开拓资源市场，同时伴随着公司河北省唐山垃圾发电厂二期、云南省昆明市五华垃圾发电厂的全年运营，及大部分电厂不再大规模受疫情影响，公司垃圾处理能力及垃圾处理单位贡献持续增加、发电量继续稳步增长，报告期内垃圾处理量增加6.8%至1,138万吨，发电量增加11.3%至34.30亿千瓦时，继续保持优势地位。

公司2021年营业收入达到40.60亿元，同比上升31.6%，其中，垃圾焚烧发电业务实现收入28.64亿元，较上年同期增长17.2%，主要是公司垃圾处理量、发电量的增加，及浙江省诸暨八方电厂供热用户需求回升、河南省荣锦垃圾发电厂供热业务拓展引起供热收入增加所致；BOT特许服务及项目建设业务实现收入7.35亿元，较2020年增加3.06亿元，主要是报告期内宁夏中卫垃圾发电厂、河南省林州垃圾发电厂及云南省西山垃圾发电厂扩建项目按计划实施，2021年BOT项目当年投资额度增加所致；项目技术与管理服务、设备选型和销售及EMC业务实现收入4.61亿元，较2020年增加2.49亿元，主要是报告期内技术服务业务以及设备选型采购服务业务收入增加2.71亿元，EMC业务处于合同后期，收益分成比例较去年同比下降，部分抵消了以上影响。公司持续坚持聚焦主业原则，各板块营业收入比重为：WTE业务收入占营业收入71%，BOT业务收入占营业收入18%，EMC业务收入占营业收入11%。WTE业务毛利占比在集团业务占比由2018年53.2%稳步提升至80%水平，公司盈利质量和持续性更好。

In terms of profit, the total comprehensive income attributable to shareholders in FY2021 was RMB427 million, a y-o-y increase of RMB138 million or 47.6%, mainly due to (1) the increase in gross profit from WTE business (excluding revenue from construction services provided under BOT concession agreements) by 17.5% which amounted to RMB125 million, an increase in gross profit from BOT construction amounting to RMB40.1 million which was offset by the decrease in gross profit from project technical and management service, equipment selection and sale, and the EMC business, amounting to RMB4.9 million. Collectively, the Group's gross profit increased by RMB160 million or 17.9%. However, gross profit margin decreased 3.0% y-o-y due to the decrease in the profit-sharing ratio of EMC business and increase in low-margin equipment selection business, which led to an overall decrease of 5.9% in the project technical and management service, equipment selection and sale and EMC business. (2) Other income decreased by RMB12.3 million y-o-y, mainly including (a) decrease of RMB12.7 million in value added tax refund, (b) decrease of RMB8.0 million in bank interest income, and the (c) decrease of RMB21.0 million in compensation income on closure of a WTE plant. This was partially offset by (d) increase of RMB28.5 million in gain on sales of scrap materials. (3) Loss allowance recognised on financial assets decreased by RMB7.6 million. (4) Other gains and losses, net and currency translation differences arising from consolidation decreased by RMB30.1 million, mainly including (a) an overall decrease in foreign exchange gain and currency translation differences amounting to RMB92.6 million due to the change in appreciation of the Chinese Renminbi resulting from the foreign currency borrowings and foreign currency translation. This was partially offset by (b) loss on disposal of property, plant and equipment which decreased by RMB51.6 million, and (c) the net loss on closure of the WTE plant which decreased by RMB11.5 million. (5) Administrative expenses decreased by RMB19.2 million, mainly due to the adjustment of the Company's engineering management model, including the optimisation on relevant personnel and resignation of employees due to the shutdown of WTE facilities in FY2020, resulting in the reduction of employee compensation in FY2021. (6) The investment loss of associates and joint ventures reduced the profit by RMB13.1 million, and there were also (7) decreases in income tax expense, etc.

The Company is investing in a number of new projects and expansion projects in China and plans to substantially advance the engineering and construction of overseas projects to achieve long-term sustainable business growth. These projects require considerable financial resources. Considering the current macroeconomic uncertainty and global recessionary risks, the Company's primary task is to manage cash flow carefully and responsibly to better fulfil its financial commitments. Accordingly, no dividends have been recommended in FY2021.

利润方面，归属于股东的全面收益总额为4.27亿元，同比增加1.38亿元，增幅47.6%，主要由于（1）WTE业务毛利增加1.25亿元，增幅17.5%、BOT建造毛利及金融收入增加4,012万元及技术管理服务及EMC业务等毛利减少489万元，综合使得公司主营业务毛利增加1.60亿元，增幅17.9%；综合毛利率下降3.0%，主要是EMC业务分成比例下降及低毛利设备选型业务增加，综合导致技术管理服务及EMC业务综合毛利率下降5.9%；（2）其他收入减少1,229万元，主要是（a）增值税退税收入减少1,265万元、（b）银行存款利息收入减少803万元、（c）电厂关停补偿及其他收入减少2,103万元、（d）废旧物资销售收入增加2,851万元等；（3）信用减值损失较上年减少759万元；（4）其他收入及损失（净值）、外币报表折算差合计减少3,010万元，主要包括（a）因人民币升值幅度变化，本集团外币借款产生汇兑收益及境外净资产等产生外币报表折算损失综合影响，引起全面综合收益减少9,256万元、（b）固定资产处置损失较上年减少5,161万元、（c）关停电厂资产处置净损益影响使得综合收益较上年增加1,149万元等；（5）管理费用减少1,915万元，主要是公司2021年对工程管理模式进行调整实施人员优化及2020年关停电厂员工离职等，使得2021年员工成本减少；（6）合营公司投资损失使得综合收益减少1,314万元，及（7）所得税费用减少等。

本公司正在中国境内投入多个新项目与改扩建项目，并计划实质性推动海外项目的工程建设，以实现业务的长期可持续增长，这些项目需要可观的财务资源，同时考虑到目前宏观经济的不确定性和全球经济衰退的风险，公司的首要任务是谨慎和负责任地管理现金流，以更好地履行其财务承诺，因此本报告期不建议分红。

Operations and Financial Review

经营和财务回顾

As of 31 December 2021, the Company's total assets were RMB20.381 billion. Net assets stood at RMB6.545 billion, with net assets per share of RMB4.501, an increase of 7.2% compared with the net assets per share of RMB4.197 at the end of 2020. The Company's liabilities to assets ratio is 68%. The Company strictly controls the amount of liabilities to ensure that the liabilities to assets ratio and related liabilities indicators are within reasonable limits.

In FY2021, the Company's net cash inflow from operating activities (excluding the BOT business expenditures classified as intangible assets amounting to RMB630 million) was RMB959 million, mainly due to the increase of cash flow caused by the increases in operating income. The net cash outflow in investment activities (including intangible asset expenditure of BOT project) was RMB1.691 billion, mainly used for the construction of BOT projects (Zhongwei WTE Project, Linzhou Jiasheng WTE Facility, Expansion Project of Yunan Green Energy WTE Facility and other projects), expansion project of Zhuji Bafang WTE Facility, new projects of Leting Jinhuan New Energy WTE Facility and Shijiazhuang Gaocheng Resource Recycling Project, and for upgrading expenses of some WTE facilities. The net cash inflow from financing activities was RMB761 million, mainly from the increase of project loans and leases.

The Company adopts the principle of prudence in cash and financial management, properly managing risks and reducing capital cost. Operating capital mainly comes from internal cash, operating cash flow and loans from financial institutions. Meanwhile, the Company effectively controls capital expenditure and ensures the stable development of the environmental protection business. As of 31 December 2021, the Company's cash position remained stable, with a cash balance of RMB387.8 million.

Target Strategy

The Company will continue to base itself on the two major markets of products and resources, focus on management improvement, strategic development, and issues, taking digital reform as the starting point to form a four-step system of "production-level autonomous driving, equipment-level digital twin, facility-level intelligent management and enterprise-level business brain". We will further carry out technology-integrated and applied innovations, summarise and promote good technologies, pay more attention to technological innovations, give full play to the advantages of the mixed-ownership system, and implement incentive mechanisms reform in an all-round way. We will comprehensively promote lean operations, refined management and organisation, strengthen party leadership, promote entrepreneurship, and create a learning, benchmarking and entrepreneurial culture, all while moving forward courageously and working hard to comprehensively create a new phase for the high-quality development of the Zheneng Jinjiang Environment.

截止2021年12月31日，公司总资产为人民币203.81亿元，净资产为人民币65.45亿元，每股净资产4.501元，较2020年底的每股净资产4.197元增加7.2%，公司资产负债率为68%，公司将严格控制负债水平，确保资产负债率以及相关负债指标在合理范围内。

公司2021年经营活动所得（不含BOT项目的无形资产支出6.30亿元）净现金流入为人民币9.59亿元，主要来自于收益增加引起的现金流增加；投资活动（含BOT项目的无形资产支出6.30亿元）净现金流支出为人民币16.91亿元，主要用于宁夏中卫垃圾发电项目、河南省林州垃圾发电项目、云南省西山垃圾发电厂扩建项目等BOT项目实施，浙江省诸暨八方扩建项目、河北省乐亭垃圾发电厂和石家庄藁城资源化项目及部分电厂提标改造等支出；融资活动所得净现金收入为人民币7.61亿元，主要来自于项目贷款及融资租赁款的增加。

公司对现金及财务管理采取审慎原则，妥善管理风险及降低资金成本，运营资金主要来自自有现金、运营现金流及金融机构贷款，同时公司对资本开支进行有效控制，并确保环保业务的稳定发展。截止2021年12月31日，公司现金状况维持稳健，持有现金结余人民币3.878亿元。

目标策略

公司将立足产品和资源两大市场，围绕管理提升、谋划发展、聚焦问题，以数字化改革为着力点，形成“生产级自动驾驶、设备级数字孪生、电厂级智慧化管理、企业级经营大脑”四步体系，进一步开展技术集成式、应用型创新，总结和推广好的技术，进一步重视技术创新，发挥混合所有制体制优势，全面实施激励机制改革，全面推进经营精益化、管理精细化、组织精健化，加强党的领导，弘扬企业家精神，营造比学赶超、对标优化、干事创业的文化氛围，勇毅前行，踔厉奋发，全面开创新能锦江环境高质量发展新局面。



Environment and National Policy

In January 2021, the Ministry of Ecology and Environment announced the “Administrative Measures for Carbon Emission Trading (Trial)” (“Administrative Measures”) and issued a supporting quota allocation plan and a list of key emission units, which was implemented on 1 February 2021. The Administrative Measures regulate the national carbon emission trading and related activities, stipulating the responsibilities, rights and obligations of the ecological environment authorities and market participants at all levels, as well as the key environmental and work requirements for the operation of the national carbon market. The implementation of the Administrative Measures meant that the first compliance cycle of the national carbon market power generation industry has officially started, and 2,225 power generation companies (including the Group’s Zhuji Bafang WTE Facility) can be allocated carbon emission quotas.

In February 2021, the State Council issued the “Guidance on Accelerating the Establishment and Improvement of a Green and Low-Carbon Circular Development Economic System” (Guo Fa [2021] No. 4), which established a “master blueprint” for China’s green development and set phased goals. This is the first time that China has made a master blueprint and overall deployment for the establishment of a sound economic system for green and low-carbon circular development.

环境及国家政策

2021年1月，生态环境部公布《碳排放权交易管理办法(试行)》(“管理办法”)，并印发配套的配额分配方案和重点排放单位名单，并于2月1日起施行。管理办法规范了全国碳排放权交易及相关活动，规定了各级生态环境主管部门和市场参与主体的责任、权利和义务，以及全国碳市场运行的关键环境和工作要求。管理办法的施行意味着全国碳市场发电行业第一个履约周期正式启动，2225家发电企业(包括集团诸暨八方电厂)可分到碳排放配额。

2021年2月，国务院印发《关于加快建立健全绿色低碳循环发展经济体系的指导意见》(国发〔2021〕4号)，为中国绿色发展设计了“总蓝图”，设定了分阶段目标，是中国首次从全局高度对建立健全绿色低碳循环发展的经济体系作出顶层设计和总体部署。

Operations and Financial Review

经营和财务回顾

In July 2021, the NDRC issued the “14th Five-Year Plan for Circular Economy Development”, which focuses on the overall improvement of resource utilisation efficiency and the development of the circular economy.

In August 2021, the NDRC issued the “Notice on Printing and Distributing the Construction Work Plan for Biomass Power Generation Projects in 2021” (Fagai Energy [2021] No. 1190), further clarifying that the central government’s share of the biomass power generation subsidies will be adjusted y-o-y and reduced in an orderly manner, as well as increasing the competitiveness of central government subsidies.

In December 2021, 18 departments including the Ministry of Ecology and Environment jointly issued the “Work Plan for the Construction of “Zero-Waste City” during the “14th Five-Year Plan” Period” (Huan Gutu [2021] No. 114). Based on the summaries of 11 pilot cities and 5 pilot regions, they put forth an overall goal to promote the construction of “Zero-Waste City” in about 100 cities at prefecture-level above during the “14th Five-Year Plan” period, identifying the direction of regional layout and business layout for solid waste enterprises.

In 2021, the development of the WTE industry was facing a transition from a high-speed development to a high-quality development. Driven by the increased policy support and rapid growth in demand, the industry is expected to usher in a broad market space during the “14th Five-Year Plan” period.

Under the background of “carbon peaking and carbon neutrality”, the Company withstood external challenges, strengthened internal management, and undertook the mission of environmental protection and energy enterprise. It transformed and upgraded through digital empowerment, making every effort to ensure the energy and environmental security in the locations of all subsidiaries, to facilitate the integrated development of the Company.

Major Risks and Uncertainties

At present, China is in the “three overlapping phases” where the rate of new waste incineration power generation capacity is much higher than the growth rate of demand. The industry pattern has entered a broad balance, and the national average capacity utilisation rate is less than 85%. Changes in the supply and demand pattern have turned WTE facilities from monopoly to competition, and they are becoming increasingly competitive.

With the continuous maturity and progress of the industry, the state has gradually reduced financial subsidies. At the same time, various places have introduced benchmarks that are stricter than what is required by China’s national standard and EU standards, with environmental inspections and penalties increasing continuously. In the face of these challenges and opportunities in the new stage of industry development, the Company will recognise its own issues and advantages, accept challenges, seize opportunities, and seek new development.

2021年7月，国家发展改革委印发《“十四五”循环经济发展规划》（“规划”），规划以全面提高资源利用效率为主线，围绕工业、社会生活、农业三大领域，提出“十四五”循环经济发展的主要任务。

2021年8月，国家发展改革委发布了《关于印发〈2021年生物质发电项目建设工作方案〉的通知》（发改能源[2021]1190号），进一步明确生物质发电补贴中央分担部分逐年调整并有序退出，逐年增加用于竞争配置的中央补贴规模。

2021年12月，生态环境部等18部门联合印发《“十四五”时期“无废城市”建设工作方案》（环固体〔2021〕114号），在总结11个试点城市和5个试点地区改革经验的基础上，提出了“十四五”期间推动100个左右地级及以上城市开展“无废城市”建设的总体目标，为固废从业企业明确了区域布局和业务布局的方向。

2021年，垃圾焚烧行业发展正面临由高速发展阶段向高质量发展阶段转型，在政策支持力度加大以及需求快速增长的双轮驱动下，垃圾焚烧发电在“十四五”期间有望迎来广阔的市场空间。

在“双碳”背景下，公司抵御外部挑战，强化内部管理，勇担环保能源企业使命，以数字赋能转型升级，全力保障各企业所在地能源与环境安全，助力公司全面发展。

主要风险及不确定性

当前，国家正处于“三期叠加”，垃圾焚烧发电产能新增的速度远高于需求增长的速度，行业格局进入宽平衡，全国产能利用率平均不足85%。供需格局的变化让垃圾电厂从垄断走向竞争，且日益竞争和残酷。

随着行业不断成熟和进步，国家逐步降低财政补助，与此同时，各地纷纷出台比国标和欧盟标准更为严格的地标，环保检查和处罚力度持续加大。面对行业发展新阶段的挑战和机遇，公司将认清自己的问题和优势，迎接挑战和把握机遇、谋求新发展。

As previously disclosed, the Old Kunming Wuhua WTE Facility in Kunming, Yunnan Province had been shut down and 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 Company 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 will further strengthen its risk management system and place risk management control at the forefront. The Company will also improve the actual effect of risk control management to achieve risk prevention and control in advance, in-process verification, and post-event rectification to ensure that risk is reasonably controllable and control measures are effective. We will further strengthen discipline inspection and supervision, legal compliance, rectify issues, enhance and protect legal rights in accordance with the law, and pay attention to the quality and depth of risk control work. We will also aim to ensure that loopholes or deficiencies are found and make changes as necessary to form a closed management loop, effectively protecting the Company's interests from being infringed.

Future Development

In 2021, Zheneng Jinjiang Environment fulfilled its corporate responsibilities, adapted to market changes, resisted external challenges, strengthened internal management, withstood pressure, overcame difficulties, and worked together unitedly to achieve the stable development and progress. Various operating results have been better than expected through strategic development and safety operations.

In 2022, the Company will seize the opportunities brought by "carbon peaking and carbon neutrality" and leverage any change in performance. The national China Certified Emission Reduction ("CCER") trading market is currently under development, and it will be regulated and operated by the Beijing Green Exchange. It is expected that the CCER project filing and issuance will be restarted by the end of 2022, and relevant policies will also be officially introduced this year. Based on preliminary estimates, the Company can potentially achieve emissions reductions in excess of 2 million tonnes per year under the CCER, with a great economic and environmental value. It will continue to pay attention to and track the development of CCER to facilitate the high-quality development of Zheneng Jinjiang Environment. Meanwhile, we will continue to take the lead and actively explore the scientific approach of transforming a single waste incineration power plant into an urban solid waste co-processing center and integrated energy supply center in industrial parks. In the context of a vigorously developing circular economy, we will gradually recover the right to dispose of waste like slag and scrap iron by leveraging the power of digital to reduce costs through synergistic circulation, improve the utilisation rate of urban solid waste, and increase corporate profitability.

如之前所披露，云南省昆明老五华垃圾发电厂现已关停，公司亦在持续跟进关停补偿工作的推进进度。当地政府聘请了第三方资产评估公司正在对电厂的资产进行整体评估；公司单独聘请第三方资产评估公司对相关资产出具了评估报告，基于该评估报告，公司认为昆明老五华垃圾发电厂的关停不存在减值迹象。

公司将进一步强化风险管理体系建设，进一步将风险管控前置，提升风控管理实质效果，做到事前风险防控、事中过程核查、事后问题整改，确保风险合理可控，管控措施行之有效。进一步加强纪检监察、合法合规、整改闭环、依法维权等方面工作，注重风控工作质量和深度，确保发现漏洞或不足，立刻落实整改，形成管理闭环，依法维权，切实保障公司利益不受侵犯。

未来发展

2021年，浙能锦江环境履行企业责任，适应市场变化，抵御外部挑战，强化内部管理，顶住压力，克服困难，上下一心，共同努力，紧密围绕年度各项重点工作目标，统筹发展与安全，实现发展稳中有进，各项经营业绩优于预期。

2022年，公司将抢抓“双碳”机遇，撬动效能之变。全国CCER交易市场目前正在建设，基本确定由北京绿色交易所承建和运营，预计2022年底将重启CCER项目备案、签发工作，相关政策也将于今年正式出台。基于初步预估，公司潜在可开发的CCER超过200万吨/年，具有较大的经济和环境价值，将持续关注、跟踪CCER的开发，助力浙能锦江环境实现优质发展。同时，公司将继续坚持稳字当头，谋字为先，积极探索将单一垃圾焚烧发电厂转变为城市固废协同处置中心、工业园区综合能源供应中心的科学途径。在大力发展循环经济大环境下，数字赋能，稳扎稳打，逐步收回垃圾电厂炉渣、废铁等处置权，以协同循环降低成本，提高城市固废利用率，增加企业盈利能力。



In 2022, we will maintain an appropriate pace of investment to further increase the capacity of existing projects and will promote the Reconstruction Project of Wuhan Jinjiang WTE Facility, and the construction of the Tianjin Sunrise WTE Facility, the Jinghong Jiasheng WTE Project, the Gurgaon WTE Project in India and Palembang Project in Indonesia.

In 2022, with a strong sense of responsibility and mission, we will strengthen our confidence in development, give full play to the advantages of the mixed ownership system, seize the two major markets of resources and products, make overall plans for existing capacity and new projects to promote the construction of an urban ecological complex that is able to process various urban waste. We will move forward with courage, working hard and taking initiatives to shoulder responsibilities, planning various tasks meticulously, striving to create a new phase of innovative development, and welcome the victory of the 20th National Congress of the Communist Party of China with excellent results.

2022年，我们将继续保持适当的投资强度，进一步“向存量要增量”，推进武昌电厂改建、天津电厂改建、景洪项目、印度古尔冈电厂项目和印尼巨港项目开工建设。

2022年，我们将怀着强烈的责任感和使命感，坚定发展信心，发挥混合所有制体制优势，抢抓资源和产品两大市场，统筹好存量和增量，推进构建城市生态综合体，协同处置各类城市废弃物，主动担当，奋勇争先，精心谋划各项工作，奋力开创创新式发展新局面，以优异的成绩迎接中国共产党第二十次全国代表大会胜利召开。

Electricity Generated (MWh)



On-grid Electricity Supplied (MWh)



Steam Supplied ('000 tonnes)



Waste Treated ('000 tonnes)



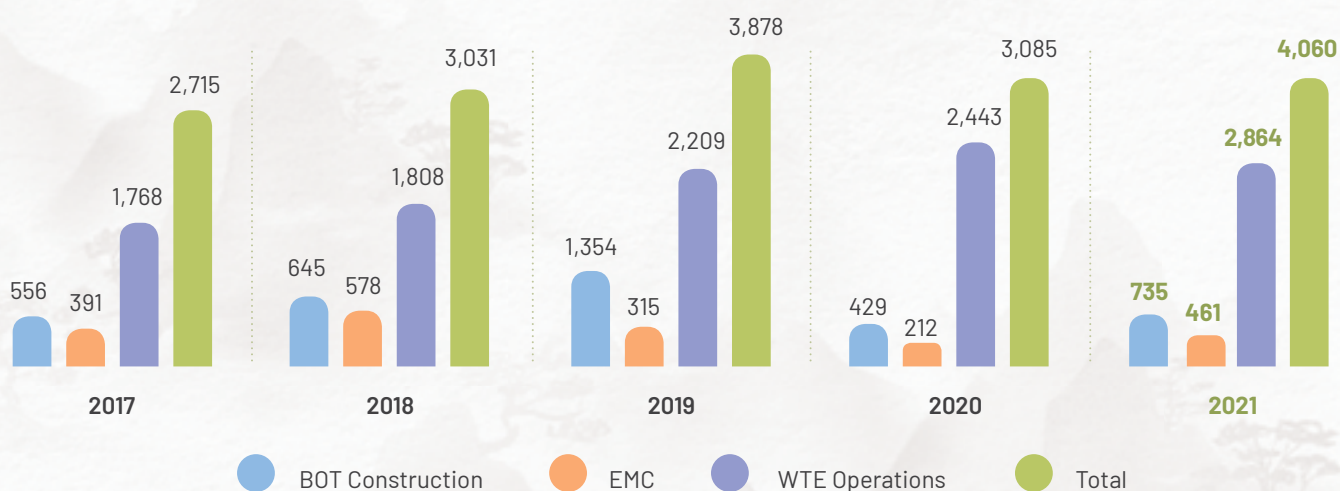
Total Assets (RMB million)



Net Profit attributable to owners of the Company (RMB million)



Revenue (RMB million)



Our WTE Network in the PRC

中国垃圾焚烧发电网络

As at 31 December 2021

GROWING CAPABILITIES AND STRENGTHS

With 25 WTE facilities (excluding the waste resource recycling projects and kitchen waste projects) already in operation and more in the pipeline, we are steadily expanding our capacity to deliver cleaner energy. We are working to grow both breadth and depth of our business via diversifying in the WTE value chain.

FACILITIES IN OPERATION



1

ZHENGZHOU XINGJIN
河南郑州荥阳



2

WUHU JINJIANG
安徽芜湖



3

JILIN XINXIANG
吉林长春



7

TIANJIN SUNRISE
天津



8

LIANYUNGANG SUNRISE
江苏连云港



9

WUHAN JINJIANG
湖北武汉武昌



13

ZIBO GREEN ENERGY
山东淄博淄川



14

SUIHUA GREEN ENERGY
黑龙江绥化



15

WENLING GREEN ENERGY
浙江温岭



19

HOHHOT NEW ENERGY
内蒙古呼和浩特



20

ZIBO NEW ENERGY
山东淄博临淄



21

TANGSHAN JIASHENG
河北唐山



22

HENAN LINZHOU
河南林州

Our WTE Network in the PRC
中国垃圾焚烧发电网络

As at 31 December 2021



4

XIAOSHAN JINJIANG
浙江杭州萧山



5

ZHUJI BAFANG
浙江诸暨



6

KUNMING JINJIANG
云南昆明五华



10

HANKOU JINJIANG
湖北武汉汉口



11

YUNNAN ENERGY
云南昆明西山



12

YINCHUAN ZHONGKE
宁夏银川



16

SONGYUAN XINXIANG
吉林松原



17

GAOMI LILANGMINGDE
山东高密



18

QITAIHE GREEN ENERGY
黑龙江七台河



23

BAISHAN GREEN ENERGY
吉林白山



24

LETING JINHUAN
河北乐亭



25

ZHONGWEI GREEN ENERGY
宁夏中卫

Our WTE Network in the PRC

中国垃圾焚烧发电网络

As at 31 December 2021

CHINA



FACILITIES UNDER CONSTRUCTION

- SHIJIAZHUANG JIASHENG WTE FACILITY**
石家庄嘉盛新能源有限公司
- YUNNAN GREEN ENERGY FACILITY EXPANSION PROJECT**
云南绿色能源有限公司（扩建项目）
- HOHHOT JIASHENG WTE FACILITY EXPANSION PROJECT**
呼和浩特嘉盛新能源有限公司（扩建项目）

FACILITIES IN THE PREPARATORY STAGE

- | | | |
|--|---|---|
| 1. YULIN GREEN ENERGY WTE FACILITY
榆林绿能新能源有限公司 | 6. YUNNAN JINDE WTE FACILITY
云南锦德绿色能源有限公司 | 11. BAYANNAO'ER WTE FACILITY
巴彦淖尔市锦鹏云环保有限公司 |
| 2. TAIGU ZHANNENG WTE FACILITY
太谷港能环保有限公司 | 7. LIANYUNGANG SUNRISE WTE FACILITY RECONSTRUCTION AND EXPANSION PROJECT
连云港晨兴环保产业有限公司（改扩建项目） | 12. JINGHONG WTE FACILITY
景洪嘉盛新能源有限公司 |
| 3. ZHONGWEI GREEN ENERGY WTE FACILITY 2ND PHASE
中卫市绿能新能源有限公司（二期项目） | 8. TANGSHAN JINHUAN WTE FACILITY
唐山市锦环新能源有限公司 | 13. TIANJIN SUNRISE WTE FACILITY RECONSTRUCTION PROJECT
天津市晨兴力克环保科技发展有限公司（改建项目） |
| 4. YAN'AN GUOJIN WTE FACILITY
延安国锦环保能源有限责任公司 | 9. HUNCHUN GREEN ENERGY WTE FACILITY
珲春绿能新能源有限公司 | 14. SHIJIAZHUANG JIASHENG WTE FACILITY
石家庄嘉盛新能源有限公司 |
| 5. LINZHOU JIASHENG WTE FACILITY 2ND PHASE
林州市嘉盛新能源有限公司（二期项目） | 10. WUHAN JINJIANG WTE FACILITY RECONSTRUCTION PROJECT
武汉市绿色环保能源有限公司（改建项目） | |

Our Overseas WTE Network 海外垃圾焚烧发电网络*

As at 31 December 2021

BRAZIL



INDIA



INDONESIA



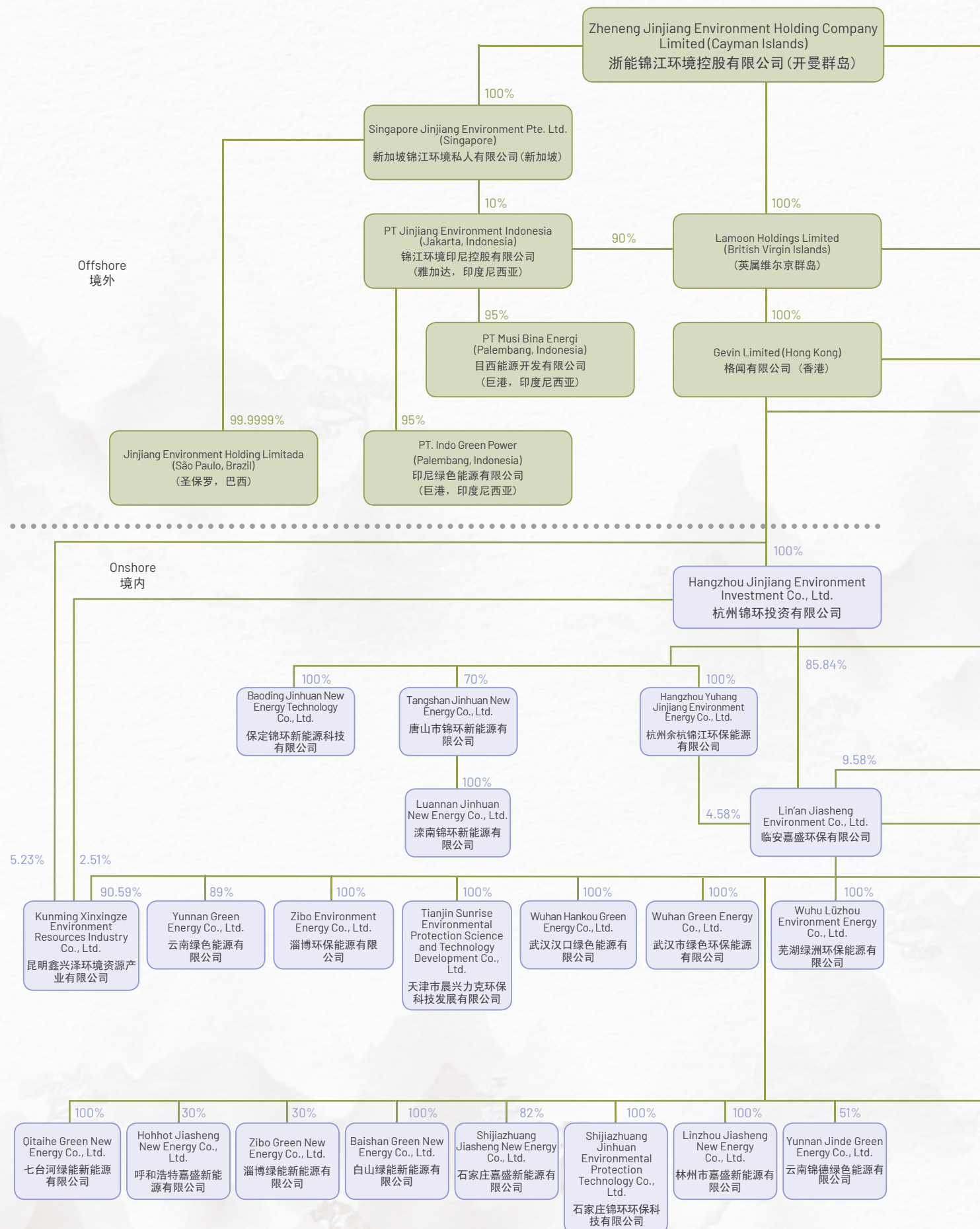
- 1**  Facilities under construction
- 3**  Facilities in the preparatory stage

- 1. GURGAON INTEGRATED WASTE MANAGEMENT PROJECT
- 2. LUCKNOW INTEGRATED WASTE MANAGEMENT PROJECT
- 3. SAO PAULO PROJECT
- 4. PALEMBANG PROJECT

* Our WTE Network in the PRC and overseas showed here exclude the waste resource recycling projects and kitchen waste projects.
此处展示的中国及海外垃圾焚烧发电网络不含垃圾资源化、餐厨项目。

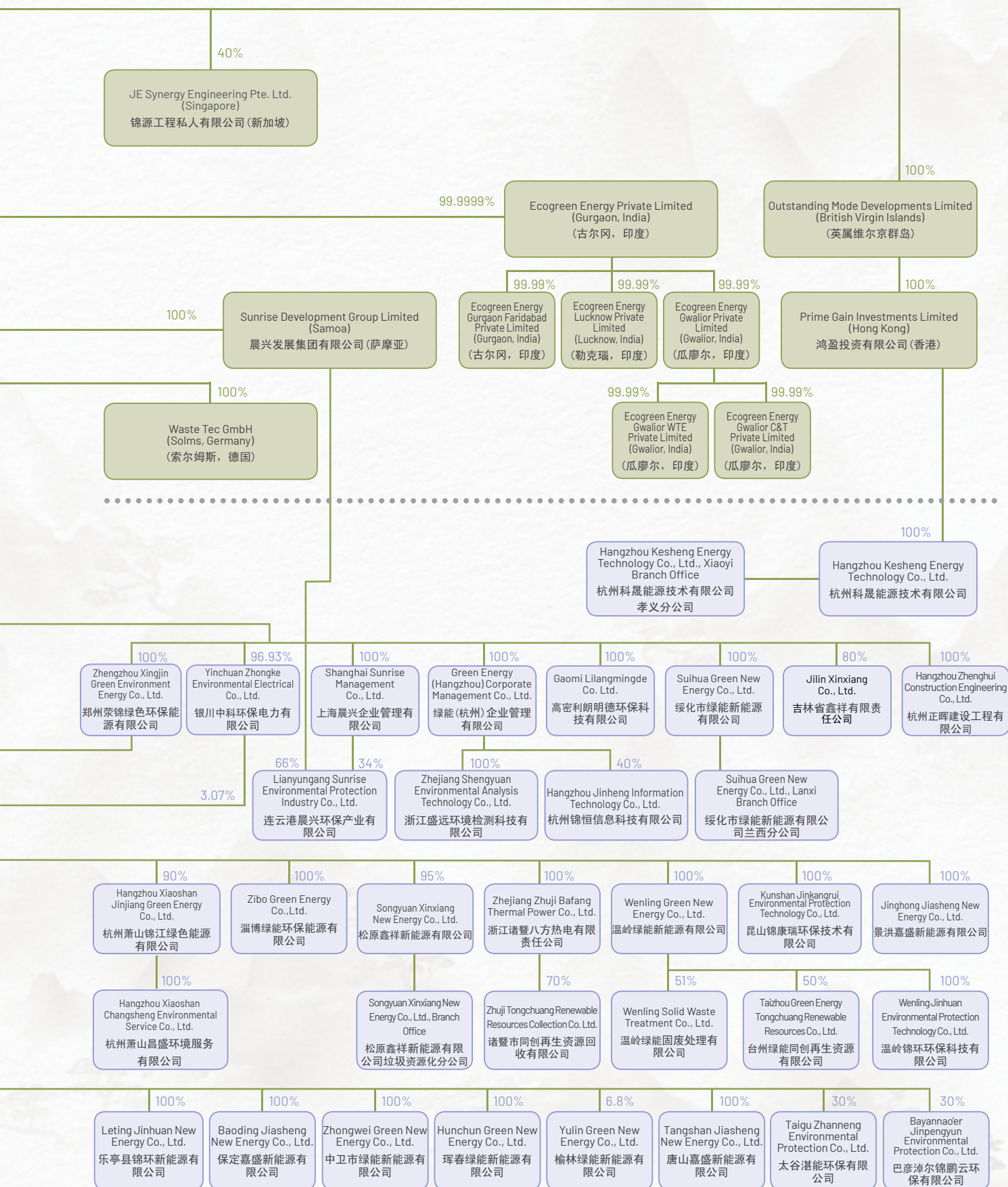
Corporate Structure 公司结构

As at 31 December 2021



Corporate Structure 公司结构

As at 31 December 2021



Board of Directors 董事会



WEI Dongliang (韦东良)

Executive Chairman

WEI Dongliang (韦东良) is the Executive Chairman of our Company. Mr. Wei is responsible for the overall strategic planning and management of the Group.

Mr. Wei has more than 20 years of working experience. Prior to joining our Group, Mr. Wei was Deputy General Manager of Zhejiang Zheneng Lanxi Power Generation Co., Ltd. (浙江浙能兰溪发电有限责任公司) from September 2006 to February 2010. From February 2010 to April 2011, Mr. Wei was Deputy General Manager of Zhejiang Water Resources and Hydropower Investment Group Co., Ltd. (浙江省水利水电投资集团有限公司). From April 2011 to September 2016, he was Deputy Director and Director of Asset Management Department of Zhejiang Provincial Energy Group Co., Ltd. (浙江省能源集团有限公司). From September 2016 to September 2019, he served as Director and General Manager of Zheneng Capital Holdings Co., Ltd. (浙能资本控股有限公司).

Mr. Wei graduated from Zhejiang University (浙江大学) with a Bachelor of Chemical Engineering (Industrial Automation)(化学工程学系工业自动化专业) in August 1996 and a Master of Business Administration (工商管理专业硕士) in March 2004.

**WANG Ruihong (王瑞红)***Executive Director and Deputy General Manager*

WANG Ruihong (王瑞红) is an Executive Director and Deputy General Manager of our Company and is responsible for general administrative management, market branding and legal compliance of our Group. Mr. Wang joined our Group in June 2004 and was Deputy General Manager of Green Energy Hangzhou. He was appointed as a Director of our Company in December 2010.

Mr. Wang has more than 30 years of experience in accounting and corporate finance. Prior to joining our Group, Mr. Wang took up various positions at Zhejiang Institute of Silk Textile (浙江丝绸工学院) (currently known as Zhejiang Sci-Tech University (浙江理工大学)) from July 1985 to March 1999, including Deputy Director of Infrastructure Construction Department (基建处), Deputy Director of Finance Department (财务处) and Director of State Owned Asset Management Office (国有资产管理办公室). From March 1999, Mr. Wang took up several positions at Jinjiang Group, including Director of Finance Department and Accounting Department, Assistant to General Manager, Deputy General Manager and Chief Officer of Inspection and Evaluation Department (稽查评估中心) and General Management Center (综合管理中心) and has been Chief Director of Office (办公室) since 2013. Mr. Wang was also Chairman of the board of directors of Zhejiang Huadong Aluminium Co., Ltd. (浙江华东铝业), a non-ferrous metal smelting and processing company and a subsidiary of Jinjiang Group, from December 2013 to June 2016.

Mr. Wang received a Bachelor's Degree in Economics (Infrastructure Construction Finance and Credit) (基建财务信用专业经济学学士学位) from the Shanghai Institute of Finance and Economics (上海财经学院) (currently known as Shanghai University of Finance and Economics (上海财经大学)) in July 1985 and is registered as an Accountant by the Zhejiang Province Department of Ministry (浙江省财政厅). He is also conferred Advanced Economist (Corporate Management) by the Zhejiang Province Human Resources and Social Security Department (浙江省人力资源和社会保障厅). From September 2009 to March 2010, Mr. Wang also attended the Environmental Protection Seminar for Senior Management organised by the Department of Environmental Science and Engineering of Tsinghua University. Mr. Wang also completed the Senior Management Research Class in Environmental Protection (环保高级职业经理人) held by All-China Environment Federation (中华环保联合会) in March 2010.

**ANG Swee Tian***Lead Independent Director*

ANG Swee Tian is the Lead Independent Director of our Company. Mr. Ang is an Independent, Non-Executive Director of Cosco Shipping International (Singapore) Co., Ltd., a public listed company. He also serves as a Non-Executive Director of a non-listed company, ICE Futures Singapore Pte. Ltd. and iWOW Technology Ltd.

Mr. Ang was the President of the Singapore Exchange Ltd ("SGX") from 1999 to 2005 during which he played an active role in successfully promoting SGX as a preferred listing and capital raising venue for Chinese enterprises. Mr. Ang also played a pivotal role in establishing Asia's first financial futures exchange, the Singapore International Monetary Exchange ("SIMEX") in Singapore in 1984 and was instrumental to establishing SGX Asia Clear which started offering an over-the-counter clearing facility in 2006. Following his retirement in January 2006, Mr. Ang served as a Senior Advisor to SGX until December 2007.

In March 2007, Mr. Ang became the first person from an Asian stock and futures exchange to be inducted into the international Futures Industry Association's Futures Hall of Fame, which was established to honour and recognise outstanding individuals for their contributions to the futures and options industry. In December 2014, he was also inducted into the SIMEX Hall of Fame which was introduced by SGX to honour the pioneers who laid the foundation for the success of the Singapore futures industry.

Mr. Ang graduated from Nanyang University, Singapore with a First-Class Honours Degree in Accountancy in 1970. He was conferred a Masters in Business Administration with distinction by Northwestern University 1973.

Board of Directors

董事会



HEE Theng Fong

Independent Director

HEE Theng Fong is an Independent Director of our Company. Mr. Hee is a senior lawyer in Singapore with over 30 years of experience. He has handled about two hundred cases in civil litigation and international arbitration as lead counsel or arbitrator in many countries and regions including Singapore, PRC and Hong Kong (SAR). Many of the cases have been reported and referred to in the Singapore Law Reports, textbooks and various legal journals. Mr. Hee is on the panel of many institutions including SIAC, CIETAC, HKIAC, SHIAC, BIAC/BAC, HIAC, CQAC, SHAC, WHAC and AIAC. He is also a mediator, Specialist Mediator (China) and Ambassador for Singapore International Mediation Centre and an accredited mediator for Singapore Mediation Centre.

Mr. Hee is an Independent Non-Executive Director of several public listed companies, including Straco Corporation Limited, Yanlord Land Group Limited, Haidilao International Holding Ltd, China Aviation Oil (Singapore) Corporation Ltd and Huazhu Group Limited. He was also an Independent Non-Executive Director of Datapulse Technology Limited, Delong Holdings Limited, First Resources Limited, YHI International Limited, Tye Soon Limited and APAC Realty Limited.

Mr. Hee serves as Deputy Chairman of Singapore Medishield Life Council. He is also a member of Advisory Committee for the China Ready Programme under the Ministry of Law and a member of the Complaints and Disciplinary Panel under ACRA.

Mr. Hee is a regular speaker in seminars on Directors' Duties and Corporate Governance organised by the Singapore Institute of Directors and the Singapore Exchange Securities Trading Limited.

He was awarded the Public Service Medal (BBM) in 2015 and appointed as Justice of the Peace (JP) in 2018.

Mr. Hee graduated in 1979 from the Law Faculty of the University of Singapore (Honours). He is also a holder of Diploma in PRC law.



TAN Huay Lim

Independent Director

TAN Huay Lim is an Independent Director and the Chairman of the Audit and Risk Management Committee of our Company.

Mr. Tan has more than 30 years of experience in audit, accounting and finance. He served as a partner at KPMG Singapore for 23 years until his retirement in September 2015.

Mr. Tan has extensive experience in auditing companies in a wide range of industries. He was a Banking Partner involved in the audit of financial institutions and was involved in a number of initial public offerings as well as merger and acquisitions during his tenure with KPMG. Mr. Tan was the Singapore Head of KPMG Global China Practice from September 2010 to September 2015.

Mr. Tan is currently an Independent Non-Executive Director of three other companies listed on the main board of Singapore Stock Exchange namely (i) Dasin Retail Trust Management Pte. Ltd., the Trustee-Manager of Dasin Retail Trust; (ii) Elite Commercial REIT Management Pte. Ltd., the Manager of Elite Commercial REIT; and (iii) Sheng Siong Group Ltd. He is also an Independent Non-Executive Director of Linklogis Inc. and SF REIT Asset Management Limited, the Manager of SF Real Estate Investment Trust, listed on the main board of Hong Kong Stock Exchange. He also serves as a Director of a non-listed company, Green Link Digital Bank Pte. Ltd.

Mr. Tan received his Bachelor of Commerce (Accountancy) from Nanyang University, Singapore in August 1978. He is a Fellow Member of the Institute of Singapore Chartered Accountants, the Association of Certified Accountants, United Kingdom, and the Certified Practising Accountants (Australia).



NI Mingjiang (倪明江)

Independent Director

NI Mingjiang (倪明江) is an Independent Director of our Company. Mr. Ni is currently the Vice Chairman of Develop Committee of Zhejiang University and the Director of the Sustainable Energy Research Institute of Zhejiang University (浙江大学可持续能源研究院).

Mr. Ni has 30 years of experience and technical expertise in the WTE and renewable energy field. Prior to joining Zhejiang University, he was a lecturer at the Northeast Electric Power University (东北电力学院) from December 1975 to September 1979. In January 1986, he joined Zhejiang University. Before assuming his current position, Mr. Ni served successively as Deputy President and Executive Deputy President of Zhejiang University from April 1996 to December 2009.

Mr. Ni has been conferred the National Prize for Natural Sciences (国家自然科学奖) on one occasion, the National Technical Invention Award (国家技术发明奖) on two occasions and the National Prize for Progress in Science and Technology (国家科技进步奖) on two occasions.

Mr. Ni graduated from Northeast Electric Power University (东北电力大学) in December 1975. He then successively received a Master's Degree and Doctorate in Engineering Thermal Physics in December 1981 and July 1987 from Zhejiang University.

Key Management 管理层

WANG Wuzhong (王武忠)

Deputy General Manager

WANG Wuzhong (王武忠) is a Deputy General Manager of our Company and is responsible for the environmental protection, safety, daily operation and research and development and assisting in the overall strategic planning of our Group. Mr. Wang joined Jinjiang Group in 1992 and has since been engaged in the green energy business, including as a Director of various entities within our Group. Mr. Wang has approximately 30 years of industry experience. Prior to joining our Group, Mr. Wang worked as Director of Product Department in the Lin'an thermal power plant of Jinjiang Group from July 1992 to June 1995. From June 1995 to December 1995, he served as Deputy General Manager responsible for production in the Yuhang thermal power plant of Jinjiang Group. From January 1996 to February 1997, he served as Deputy Plant Manager responsible for production and operation in the Lin'an thermal power plant of Jinjiang Group. From February 1997 to September 1998, he took up various positions including Plant Manager, Deputy General Manager and Assistant to the General Manager of the Jiaxing power plant of Jinjiang Group. From September 1998 to March 2001, he took up various positions including Director of technical team, Plant Manager and General Manager of the Yuhang thermal power plant of Jinjiang Group. From March 2001 to August 2001, he served as Manager in the Operations Department of Jinjiang Group. He then served as General Manager of the Yuhang thermal power plant of Jinjiang Group from September 2001 to May 2002 and General Manager of the Qiaosi power plant of Jinjiang Group from June 2002 to June 2005. He was appointed as General Manager of Green Energy (Hangzhou) Corporate Management Co., Ltd since June 2005 and has been serving as Vice General Manager of the Company since August 2016. Mr. Wang is professor level Senior Engineer. He completed his Executive Master of Business Administration at the Zhejiang University (浙江大学) in April 2006. He now is a member of the National Municipal Environmental Sanitation Standardization Technical Committee (SAC/TC451) of the National Standardization Administration (国家标准化管理委员会全国城镇环境卫生标准化技术委员会 (SAC/TC451) 委员), a Committee Member of Technical Committee on Urban Appearance and Sanitation of Standardization Administration of the Ministry of Housing and Urban-Rural Development (住房和城乡建设部市容环境卫生标准化技术委员会委员), a Committee Member of Expert Committee of China Electric Power Federation (中国电力联合会专家委员会委员), Deputy Director of Environmental Protection Equipment and Technology Promotion Center of China Equipment Management Association (中国设备管理协会环保设备与技术推广中心副主任), Expert of the Technical Committee of the Advisory Committee on the Comprehensive Utilization of Power Generation Resources of China (中国资源综合利用发电技术咨询委员会技术委员会专家), Expert of the WTE group of the Expert Committee of the All-China Environment Federation (中华环保联合会专家委员会垃圾焚烧发电组专家), Director of Zhejiang Environmental Monitoring Association (浙江省环境监测协会理事) and Executive Director of Zhejiang Energy Conservation Association (浙江省节能协会常务理事) and Hangzhou Energy Conservation Association (杭州市节能协会常务理事).

JIN Ruizhi (金睿智)

Chief Financial Officer

JIN Ruizhi (金睿智) is Chief Financial Officer (CFO) of our Company and is responsible for the Group's overall finance function, including corporate finance and financial management. Mr. Jin has more than 20 years of management experience in energy field and finance. Prior to joining our Group, Mr. Jin was the Director of Finance Department of Zhejiang Zheneng Lanxi Power Generation Co., Ltd. (浙江浙能兰溪发电有限责任公司) from July 2005 to June 2010. From June 2010 to June 2012, Mr. Jin served as Director of Finance Department of Zhejiang Zheneng Zhongmei Zhoushan Coal and Electricity Co., Ltd. (浙江浙能中煤舟山煤电有限责任公司). From June 2012 to January 2015, he was Deputy General Manager and Chief Accountant of Huaizhe Coal and Electricity Co., Ltd. (淮浙煤电有限责任公司) and from January 2015 to February 2019, he was Deputy General Manager of Zhejiang Zheneng Zhongmei Zhoushan Coal and Electricity Co., Ltd. (浙江浙能中煤舟山煤电有限责任公司). From February 2019 to September 2019, Mr. Jin was Deputy General Manager of Guangsha (Zhoushan) Energy Group Co., Ltd. (广厦(舟山)能源集团有限公司) and Zhoushan Huanyu Wharf Co., Ltd. (舟山寰宇码头有限公司). Mr. Jin is an Intermediatelevel Accountant as recognised by the Ministry of Finance of the People's Republic of China (中级会计师, 中华人民共和国财政部) in July 1992. He is also conferred Advanced Economist (Corporate Management) by the Zhejiang Province Human Resources and Social Security Department (浙江省人力资源和社会保障厅). Mr. Jin graduated with a College Degree (Financial Accounting) from North China Electric Power University (华北电力大学, 财务会计专业) in July 1997 and a Bachelor Degree in Business Management from Zhejiang University (浙江大学工商管理专业, 本科学历) in June 2004.

QI Liang (戚亮)

Chief Engineer

QI Liang (戚亮) QI Liang (戚亮) is the Chief Engineer of our Company and is responsible for all technical and engineering-related matters of the Group. Mr. Qi has more than 20 years of experience in production, technology and infrastructure. From March 2007 to August 2014, Mr. Qi was Vice Chairman of Cixi Zhongke Zhongmao Environmental Thermal

Power Co., Ltd. (慈溪中科众茂环保热电有限公司). From August 2014 to September 2019, he served as Deputy Director of the Equipment Management Department, Deputy Director of the Engineering Department and subsequently as Director of the

Engineering Department, of Zhejiang Zheneng Zhenhai Power Generation Co., Ltd. (浙江浙能镇海发电有限责任公司). Mr. Qi graduated with a College Diploma in Thermal Power conferred by Zhejiang Electric Power Workers' College (浙江省电力职工大学热能动力专业) in September 1993 and is an Electrician recognised by the National Electric Power Company Intermediate Professional Technical Qualification Review Committee of the People's Republic of China (电力工程师, 国家电力公司中级专业技术资格评审委员会) in December 2000.

E Hongbiao (鄂宏彪)

Deputy General Manager

E Hongbiao (鄂宏彪) is Deputy General Manager of our Company and is responsible for overseeing the construction and development of projects. He also assists in managing the sewage and waste treatment operations. He joined our Group as Deputy General Manager of Hangzhou Yuhang Jinjiang Environmental Energy Co., Ltd. in December 1995 and served as its General Manager from July 2002 to November 2004. He served as General Manager of Kunming Xinxingze Environment Resources Industry Co., Ltd. from June 2006 to August 2008 and Yunnan Green Energy Co., Ltd. from April 2010 to March 2013. He has also been Deputy General Manager of Green Energy Hangzhou since March 2013. Mr. E has over 20 years of industry experience. Prior to joining our Group, Mr. E served as Plant Manager and Deputy Operations Manager at Jinjiang Lin'an Oujin Thermal Power Co., Ltd. (锦江临安欧锦热电有限公司) from July 1992 to November 1995. From November 1995 to May 2000, Mr. E served as Deputy General Manager and General Manager at Jinjiang Yuhang Thermal Power Co., Ltd. (锦江余杭热电有限公司). He was General Manager at Jiande Jinjiang Comprehensive Coal Utilisation Co., Ltd. (建德锦江石煤综合利用有限公司) from May 2000 to July 2002. He later served as General Manager of Jinjiang Lin'an Hengjin Thermal Power Co., Ltd. (锦江临安恒锦热电有限公司) and Jinjiang Lin'an Hengkang Thermal Power Co., Ltd. (锦江临安恒康热电有限公司) from November 2004 to May 2006. From September 2008 to March 2010, Mr. E served as Project Manager at the Jinjiang Investment and Development Center (杭州锦江投资发展中心). Mr. E holds the accreditation of a first-class Construction Division (Electromechanical Engineering) issued by the Ministry of Human Resources and Social Security and the Ministry of Housing and Urban-Rural Development of the People's Republic of China, an Intermediate Engineer (Energy Generation) and an Advanced Economist (Project Investment) issued by the Hangzhou Human Resources and Social Security Bureau (杭州市人力资源和社会保障局). He received a College Diploma in Business Administration from Zhejiang Gongshang University (浙江工商大学) in June 2009 and a Bachelor's Degree in Business Administration from Beijing Normal University (北京师范大学) in July 2014.



Sustainability Report

可持续性报告

Board of Statement 董事会声明

Zheneng Jinjiang Environment Holding Company Limited (“Zheneng Jinjiang Environment” or the “Company”) adheres to the corporate mission of “Beautifying the Cities and Making the Environment more Natural” and will persist in the practice of sustainable development. This report complies with the requirements of Rules 711A and 711B of the Listing Manual of the Singapore Exchange Securities Trading Limited (“Listing Manual”) and is also prepared with reference to the Global Reporting Initiative (“GRI”) Standards.

In the past, Zheneng Jinjiang Environment specialised in the planning, development, construction, operation and management of Waste-to-Energy (“WTE”) facilities and energy management contracting (“EMC”) projects, using state-of-the-art technology to deliver environmentally sustainable waste treatment and energy solutions and realising the reduction, recycling and harmless treatment of waste. The Company has since shifted away from the WTE industry towards comprehensive urban solid waste solutions, focused on deepening the efficient use and recycling of solid waste resources on the overall city scale, to implement a green living lifestyle and build a zero-waste city and a beautiful China.

In 2021, the Sustainability Steering Committee of Zheneng Jinjiang Environment continued to ensure the relevance of environmental, social and corporate governance (“ESG”) factors. Having conducted a materiality assessment, six material ESG factors were identified as the Company’s sustainability priorities. The Board oversees the management of these material ESG factors and approves the disclosure of sustainability performance and targets in this report.

浙能锦江环境控股有限公司（“浙能锦江环境”或“公司”）秉承“让城市更美丽 让环境更自然”的企业使命，承诺坚持践行可持续发展。本报告符合新交所上市手册（“上市手册”）第711A和711B条规定，并参照全球报告倡议（“GRI”）标准编制。

过去，浙能锦江环境致力于垃圾焚烧发电（“WTE”）设施的设计、开发、建设、运营和管理，以及合同能源管理（“EMC”）项目，采用先进的技术，提供废弃物处理和能源解决方案，实现垃圾的减量化、资源化、无害化处理。现在，公司从垃圾发电行业向整体城市固废综合解决方向转变，以城市整体层面深化固体废弃物资源的高效利用和循环利用为核心，践行绿色生活方式，建设无废城市、美丽中国。

2021年，浙能锦江环境可持续发展指导委员会持续确保环境、社会和公司治理（“ESG”）因素的合适性，通过评估确定6个重要ESG因素作为公司的可持续发展重点。董事会对这些重要ESG因素的管理进行监督，并批准在本报告中披露可持续发展业绩和目标。

Sustainability at Zheneng Jinjiang Environment

浙能锦江环境的可持续发展性

We believe sustainability is essential in achieving our vision of providing sustainable solutions to our customers and creating a brighter future for the community. Underpinned by the six material ESG factors¹, we focus on four priority areas in sustainability to bring positive value for our key stakeholders including investors, employees, the local community and regulators.

我们相信可持续发展对于实现为客户提供可持续解决方案和为社会创造更美好未来的愿景至关重要。在六个重要的ESG因素¹支持下，我们专注于可持续发展的四个优先领域，为投资者、员工、当地社会和监管机构等主要利益相关者带来积极的价值。



ECONOMIC PERFORMANCE

经济表现

We aspire to create healthy and sustainable economic returns to our investors and shareholders. We are actively expanding our operating capacity and exploring new markets to capitalise on opportunities for growth.

我们希望为投资者和股东创造健康和可持续的经济回报。我们正积极扩大运营产能并开拓新市场，以把握增长机遇。



ENVIRONMENTAL SERVICES AND IMPACTS

环境服务和影响

We are committed to providing green energy and hazard-free waste treatment services to the wider community. Our WTE business contributes to the reduction in resource consumption and enhance environmental sustainability. We increase our WTE capacity and efficiency through technological innovation and adopting best industry practices. At the same time, we closely monitor our emissions, effluents and waste to prevent pollution and achieve integrated resource utilisation. We also actively promote public awareness of the WTE industry and environmental protection through education.

我们致力于为更多国内外城市提供绿色能源和无害化垃圾处理服务。通过WTE业务减少资源消耗并提高环境的可持续性；通过技术创新和丰富的实践经验提升WTE能力和效率；通过密切关注排放物、废水与废弃物，防止污染，实现资源的综合利用；通过环境教育，提升公众对WTE行业以及环保的认识。



WORKFORCE

人才团队

Building a committed and competent workforce fuels technological innovation and is key to Zheneng Jinjiang Environment's development. We implement fair and flexible labour practices, providing a rewarding career platform to attract talents of different backgrounds. At the same time, we seek to create an inclusive and safe working environment, free from discrimination and safety hazards. To retain and groom the right talent, we encourage active learning through a diverse range of training and career development programmes. Our tiered talent training plan, including "Baby Eagle Plan", "Flying Eagle Plan", "Soaring Eagle Plan", "Strong Eagle Plan" and "Leading Eagle Plan", has cultivated a team of talented individuals who are "capable, daring and industrious", to provide a stable pool of talent to support the development of the Company.

建设一支有担当和能力的人才队伍是技术创新的动力，是公司发展的关键。浙能锦江环境坚持为员工打造包容、安全的职业发展平台，实施灵活、公平的用人机制，为各类人才敞开大门。通过多样化的培训和职业发展计划，鼓励积极学习，留住和培养合适的人才。其中，公司的“雏鹰、飞鹰、翔鹰、雄鹰、领鹰”梯队人才培养计划培养了一批“能干敢干敢拼”的人才队伍，为公司的发展提供了稳定的人才支持。



CORPORATE GOVERNANCE

公司治理

We exercise strong corporate governance to prevent corruption and ensure regulatory compliance. We actively identify our regulatory risks and keep abreast of new laws and regulations.

我们实施完善有效的管理制度，防止腐败并确保经营的合法合规。在积极识别管理风险的同时继续关注新的法律法规。

We have established a formal sustainability governance structure to manage these sustainability priority areas. At the top of the leadership, the Board oversees and approves the direction of sustainability management. In support of the Board, the Sustainability Steering Committee ("SSC"), formed by senior management, develops sustainability strategy, manages overall sustainability performance and reports to the Board. At the operational level, the SSC implements sustainability practices and monitors sustainability performance across the Company.

为了更好地管理这些可持续发展优先领域，公司建立了正式的可持续发展管理体系，并由董事会负责监督和批准可持续发展管理的方向。为支持董事会，由高级管理层组成的可持续发展指导委员会（“SSC”）制定可持续发展战略，管理整体绩效并向董事会报告。在运营层面，可持续发展指导委员会践行可持续发展战略并对公司的可持续发展绩效进行监控。

¹ For more information on material ESG factors, please refer to the section titled "Materiality Assessment".
欲了解更多关于重要ESG因素的信息，请参阅“重要因素评估”章节。



Economic Performance 经济表现

REVENUE

RMB

4.06B

收入达人民币40.60亿元



Environmental Services and Impacts 环境服务和影响

25

Operating WTE facilities (excluding kitchen waste and waste resource recycling projects) across China

25个在中国运营的WTE设施
(不含资源化项目和餐厨项目)

Over 10,000

visitors participated in Zheneng Jinjiang Environment's public education programme in 2021

1万余参观者在2021年度参与到浙能锦江环境的公共教育项目

11.384 million tonnes

of waste treated
垃圾处理量达1138.4万吨

3,429,963 MWh

of green electricity generated
发电量3,429,963兆瓦时

2,936 thousand tonnes

of steam supplied
供汽量2,936千吨



Corporate Governance
公司治理

0

confirmed cases of corruption

腐败事件零发生



Workforce
劳动力

0

employee workplace fatalities and workplace injuries

员工因工伤亡事件为零

100%

employees received performance review

100%的员工接受了绩效考核

73.5

average hours of training per employee per year

每年每名员工平均培训73.5小时

About this Report

关于本报告

The Group believes providing a clear and transparent report to its stakeholders is key to managing corporate sustainability, and therefore continues to proactively disclose its performance in ESG aspects. This Sustainability Report describes Zheneng Jinjiang Environment's sustainability practices and performance from 1 January to 31 December 2021 ("FY2021"). This report covers the listed entity, Zheneng Jinjiang Environment Holding Company Limited, and all its subsidiaries globally. There are 25 WTE facilities, one Organic Waste Treatment project and eight Waste Resource Recycling projects currently in operation, across 13 provinces, autonomous regions and municipalities in China. There are also five WTE facilities and resource recycling projects under construction and 22 projects in the preparatory stage in China and overseas. The sections titled "Environmental Services and Education" and "Innovation and Environmental Impact Management" focus solely on our WTE facilities currently in operation.

This report has been prepared in accordance with the requirements of Rules 711A and 711B and Practice Note 7.6: "Sustainability Reporting Guide" of the Listing Manual (in each case, excluding relevant amendments which only became effective on 1 January 2022). This report also makes reference to the GRI Standards², a globally recognised framework for reporting on sustainability issues. No external assurance has been sought for this report. Please forward any enquiries or feedback you may have to znjjhj@hzjj.cn.

本集团相信为利益相关者提供透明清晰的报告是企业实现可持续发展管理的关键，因此本集团持续主动披露在环境、社会和管治方面的表现。本可持续发展报告概述了2021年1月1日至12月31日（“2021财年”）浙能锦江环境的主要可持续发展数据和成效。报告涵盖了上市实体——浙能锦江环境控股有限公司，以及包括浙能锦江环境在中国13个省、自治区和直辖市拥有的25个已投入运营的垃圾焚烧发电厂，1个已运营的有机废弃物处理项目，8个已运营的垃圾资源化项目，在境内外的5个在建垃圾焚烧发电和资源化处理项目，以及22个正在筹建阶段的项目。其中，“环境服务和教育”以及“环境影响管理与创新”部分的数据来自运营中的垃圾焚烧发电厂。

本报告是根据上市手册第711A和711B条规以及应用说明7.6“可持续发展报告指南”的要求编制的（在每种情况下，不包括仅于2022年1月1日生效的相关修订），并参阅了全球报告倡议组织（GRI）标准²，该标准是一个全球公认的可持续发展问题报告框架。本报告未寻求第三方审核，如有任何问询或反馈，请发至电子邮箱 znjjhj@hzjj.cn。

² The report references the following topic-specific disclosures:
报告参阅了以下议题专项披露

Disclosure 205-3 from GRI 205: Anti-corruption 2016
GRI 205 披露项 205-3: 反腐败 (2016)

Disclosure 301-1 from GRI 301: Materials 2016
GRI 301 披露项 301-1: 物料 (2016)

Disclosure 302-1 (a) to (d) and 302-3 from GRI 302: Energy 2016
GRI 302 披露项 302-1 (a) 至 (d) 和 302-3: 能源 (2016)

Disclosure 306-2 (a) and (b) from GRI 306: Effluents and Waste 2016
GRI 306 披露项 306-2 (a) 和 (b): 污水和废弃物 (2016)

Disclosure 307-1 from GRI 307: Environmental Compliance 2016
GRI 307 披露项 307-1: 环境合规 (2016)

Disclosure 401-1 from GRI 401: Employment 2016
GRI 401 披露项 401-1: 雇佣 (2016)

Disclosure 403-9 (a) from GRI 403: Occupational Health and Safety 2018
GRI 403 披露项 403-9 (a): 职业健康与安全 (2018)

Disclosure 404-1 and 404-3 from GRI 404: Training and Education 2016
GRI 404 披露项 404-1和404-3: 培训与教育 (2016)

Disclosure 405-1 from GRI 405: Diversity and Equal Opportunity 2016
GRI 405 披露项 405-1: 多元化与平等机会 (2016)

Disclosure 419-1 from GRI 419: Socioeconomic Compliance 2016
GRI 419 披露项 419-1: 社会经济合规 (2016)

Materiality Assessment 重要因素评估

Having combined the development requirements in relation to the circular economy and environmental protection industry in the context of carbon peaking and carbon neutrality, the SSC undertook materiality assessment to identify the most important ESG factors for the business operations, strategy, business model and key stakeholders. It aims to improve quality and efficiency through innovation, promote sustainable development in a coordinated manner, protect the clear waters and blue skies through emission reduction, promote mutual benefit and win-win policies, promote peace and harmony through sharing, and earnestly fulfil the political, economic and social responsibilities of an environmental protection enterprise.

公司可持续发展指导委员会结合中国“双碳”背景下对循环经济、环保产业的发展要求，评估、确定了与业务、战略、业务模式和主要利益相关者关联的重要ESG因素。旨在以创新驱动提质增效，以协调推进持续发展，以减排呵护碧水蓝天，以开放促进互利共赢，以共享助力平安和谐，切实履行作为环保企业的政治责任、经济责任和社会责任。

The materiality assessment process was guided by the GRI Principles of Materiality and Stakeholder Engagement, and considered the following aspects:

重要ESG因素评估过程以GRI原则和利益相关者参与原则为指导，并考虑了以下几个方面：

- Global and local emerging sustainability trends;
全球和地方新兴的可持续发展趋势；
- Hot topics and future challenges in the WTE and green energy sectors, as identified by peers; and
固废和绿色能源行业的热门话题和未来挑战；及
- Insights gained from interactions with stakeholders.
从与利益相关者的来往中获得的见解。

Six material factors were identified from the assessment and are shown in the table below. We continue to focus on environmental services and impacts, workforce and social and economic performance³ and corporate governance.

公司在评估的过程中确定了六个重要因素，详见下表。本报告继续关注环境服务和影响、人才团队、社会、经济表现³和公司管理这几个领域。

Table 1 Material factors for FY2021 表1 2021财年重要因素

Priority Areas 优先领域	Material Factor 重要因素
Economic Performance 经济表现	Economic Performance 经济表现
Environmental Services and Impacts 环境服务和影响	Environmental Services and Education 环境服务和教育
	Green Operations 绿色经营
Workforce 人才团队	Talent Training and Advancement 人才培养与提升
	Occupational Health and Safety 职业健康和安全
Corporate Governance 公司治理	Regulatory Compliance 监管合规
Additional Disclosure 其他披露	
Social 社会	Local Community 地方社区

³ Details of Zheneng Jinjiang Environment's financial performance in 2021 can be found in the Financial Statement section of this Annual Report
2021年浙能锦江环境的财务表现可在本年报财务报表章节查阅。

Environmental Services and Education 环境服务和教育

Relying on its municipal solid waste treatment projects, Zheneng Jinjiang Environment leverages on resources and markets, gives full play to the advantages of synergistic circulation and promotes the construction of a zero-waste city, unswervingly embarking on a high quality journey based on ecological priority, green and low-carbon development. At the same time, the Company maintains collaboration and communication with governments, industrial peers, technical experts as well as academics, and promotes positive public understanding about WTE through environmental education.

Waste-to-Energy Business

WTE involves combusting domestic waste at high temperature to convert its combustible portion into materials like carbon dioxide and water. The residual heat generated by incineration is used for power generation, while the waste gas and fly ash generated undergo harmless treatment. WTE has the advantages of "harmlessness, reduction and recycling".

In 2021, according to the results of the seventh national census announced by the Chinese government, the national population reached 1.41 billion, an increase of 5.38% compared to 2010. The urbanisation rate of the permanent population in the mainland reached 63.9%. As urbanisation progresses further, the amount of waste generated per capita is expected to further increase, which together with the growth rate of population will continue to drive the continued growth of domestic waste production, providing strong support for waste treatment. Meanwhile, the WTE industry will usher in new opportunities and challenges, with the Chinese government's focus and emphasis on the idea of circular economy and "carbon peaking and carbon neutrality".

In 2021, Zheneng Jinjiang Environment continued to steadily promote the development of its WTE business, focused on the development and expansion of its capacity, and achieved continuous improvement of operating indicators through technological innovation and management improvements. During the year, five WTE projects (including reconstruction and expansion projects) and two Resource Recycling projects⁴ were put into operation, increasing the waste treatment capacity in operation by 2,350 tonnes/day. At the same time, the Company actively extended the industrial chain to multiple fields such as sludge, kitchen waste treatment and harmless treatment of sick and dead animals, and secured a new kitchen waste treatment project in Linzhou City, Henan Province.

浙能锦江环境依托城市生活垃圾处置项目，立足资源与市场，发挥协同循环优势，推进无废城市建设，坚定不移走生态优先、绿色低碳的高质量发展之路。同时，公司与政府、业内同行、技术专家、学者保持合作与交流，并通过环境教育促进公众对垃圾焚烧发电的积极理解。

垃圾焚烧发电业务

垃圾焚烧发电是将生活垃圾在高温下燃烧，使生活垃圾中的可燃废物转变为二氧化碳和水等，产生的余热用于发电，产生的废气、飞灰进行无害化处理。生活垃圾焚烧发电具有“无害化、减量化、资源化”的优点。

2021年，根据中国公布的第七次全国人口普查成果，全国人口达到14.1亿，较2010年增长了5.38%，大陆地区常住人口城镇化率达63.9%，随着城镇化进一步推进，人均垃圾产生量有望进一步提升，叠加人口增速共同带动生活垃圾产生量继续增长，对垃圾处置构成有力支撑。同时，随着中国政府对循环经济、“双碳”理念的重视，垃圾焚烧发电行业将迎来新的机遇与挑战。

2021年，浙能锦江环境继续稳步推进垃圾焚烧发电业务，坚持存量提升、增量发展，通过技术创新和管理提升，实现运营指标持续提升。公司于年内投运5个垃圾焚烧发电项目（含改建和扩建项目）和2个垃圾资源化项目⁴，增加运营中的垃圾处理能力2,350吨/天。同时，积极将产业链进一步延伸至污泥、餐厨垃圾处理及病死动物无害化处理等多个领域，在河南林州新取得一个餐厨项目。

⁴ The Waste Resource Recycling project converts municipal waste into refuse derived fuel by drying and sorting, which helps to improve the heat conversion efficiency of waste and significantly reduce pollutant emissions.
垃圾资源化项目是通过干化、分选，将生活垃圾制备为垃圾衍生燃料，有助于提高垃圾热转换效率，大幅降低污染物的排放。

As at 31 December 2021, Zheneng Jinjiang Environment operates 25 WTE facilities, one Organic Waste Treatment Facility and 8 Waste Resource Recycling projects, across 13 provinces, autonomous regions and municipalities in China. Collectively, they able to treat 40,410 tonnes/day of municipal waste and have an installed electrical power generation capacity of 790MW. Taking into consideration all the projects under construction and in the planning phase, the Group's total installed waste treatment capacity is expected to reach 62,645 tonnes/day of municipal waste upon the completion of these projects. In 2021, the Company treated a total of 11.384 million tonnes of municipal solid waste, serving approximately 78 million people⁵, while generating 3,429,963 MWh of green electricity and 2,936 thousand tonnes of steam. (Refer to Table 2 for details).

Environmental Education

With the development of economy and society, the continuous improvement and increment of human production capacity and scale have led to the over-utilisation of many natural resources, resulting in the deterioration of the ecological environment. Strengthening environmental education through publicity and education enables people to have a correct understanding of the relationship between human and the environment, raising environmental awareness, and mobilising all members of society to work together to protect the environment.

All WTE facilities under Zheneng Jinjiang Environment have taken the initiative to open to the public. So far, the Company has 12 WTE facilities listed as public open facilities of China's national environmental protection facilities. The public can make an appointment to visit through various channels such as phone call and the Company's WeChat Official Account. In 2021, more than 10,000 people including investors, students, non-profit organisations, public institutions and the general public have visited our facilities. The Company focuses on environment protection and utilises public facilities as the starting point, to bridge communication between the Company and the public, creating a good atmosphere for the general public to care, support and participate in environmental protection.

截至2021年12月31日，浙能锦江环境在中国13个省、自治区和直辖市拥有25个已投入运营的垃圾焚烧发电项目，1个有机废弃物处理项目和8个垃圾资源化项目，垃圾处理能力累计40,410吨/日，装机容量达790兆瓦，待所有在建、筹建项目全部建成后，垃圾处理总能力将达62,645吨/日。在2021年，公司共处理了1,138.4万吨的城市生活垃圾，产生了3,429,963MWh电力和2,936千吨蒸汽，相当于为大约7,800万人⁵提供了垃圾处理服务。（详情参阅表2）。

环境教育

随着经济社会的发展，人类生产能力不断提高，规模不断扩大，导致许多自然资源被过度利用，生态环境日益恶化。加强环境教育就是通过宣传和教育，使人们对人与环境的相互关系有正确的认识，提高人们的环境意识，动员全社会成员共同努力来保护环境。

浙能锦江环境旗下所有电厂均主动对外开放，且已有12家垃圾发电厂被列为中国国家环保设施公众开放单位，公众可通过电话预约、公司微信公众号等途径进行预约参观。2021年，已有包括投资者、学生、公益组织、事业单位和其他群众在内的逾1万余人参观我们的设施。公司以环境保护为重点，以设施公开为抓手，架起了企业与群众的沟通桥梁，营造了广大社会公众关心、支持、参与环境保护的良好氛围。

⁵ Estimated based on the assumption that on average, each urban resident in China produces 0.4 kg of municipal waste per day. 根据中国城市居民每天平均产生0.4千克生活垃圾来估算。

Environmental Services and Education 环境服务和教育



Figure 1 Local TV station reported that "Kunming Waste Classification Observation Group" visited Wuhua WTE Facility in Kunming City, Yunnan Province
图1 当地电视台报道“昆明垃圾分类观察团”参观云南省昆明市五华垃圾发电厂

In addition, Zheneng Jinjiang Environment also carries out professional environmental education by actively carrying out technical exchanges and research projects, communicating and sharing with industry experts to cultivate professionals with the ability to analyse the environment and solve environmental problems, and jointly gather technical strength to solve technical problems. The Company also organises peer-to-peer benchmarking studies in the same region, summarises and promotes advanced experiences, and carries out experimental research to guide the improvement of operating WTE facilities to increase the level of environmental protection control.

In the coming year, we will continue to expand the scale of our environmental services and enhance our environmental education programmes by leveraging the power of technology. We anticipate four more facilities to be launched for operation.

此外，浙能锦江环境还开展专业环境教育，积极开展技术与课题研究，与行业专家进行交流与分享，培养具有分析环境和解决环境问题能力的专业人才，共同凝聚技术力量，为破解技术难题献智献力；组织同行同地区对标学习，总结推广先进经验，并开展试验研究，指导各运行电厂改进提升环保控制水平。

明年，我们将继续扩大环保服务的规模，利用科技的力量加强环保教育计划，我们预计将有4个项目投入运营。

Green Operations 绿色经营

In the face of severe challenges to human survival and development brought by climate change, green development has become a common concern of all walks of life. Zheneng Jinjiang Environment has always incorporated the concept of green development throughout its production and operation, upholding the corporate mission of "Beautifying the Cities and Making the Environment more Natural", emphasising on environmental protection and greening its operations. We invest in research and development and adopt best industry practices to minimise our environmental footprint and ensure our emissions are in compliance with local environmental laws, effectively contributing to local sustainable development. With the best interests of the local community and the natural environment at heart, the Company has established standard operation procedures and environmental contingency plans to strengthen our pollution controls and contain any potential negative impacts.

Domestic waste incineration power generation follows the national standard "Standards for Pollution Control of Domestic Waste Incineration", and there are strict requirements on the conditions of waste entering the furnace, operating parameters and pollutant discharge during the incineration process. Zheneng Jinjiang Environment uses state-of-the-art technologies and adopts best industry practices for WTE. The Company strives to reduce the input resources required, while closely monitoring the environmental outputs such as air-borne emissions, effluents and solid waste in compliance with regulatory requirements. The WTE process has three main stages, as illustrated in the diagram below.

面对气候变化等给人类生存和发展带来的严峻挑战，绿色发展已成为各行各业共同关注的课题。浙能锦江环境始终将绿色发展理念贯穿在生产经营之中，秉承“让城市更美丽 让环境更自然”的企业使命，重视环境保护与绿色经营，通过运用丰富的行业经验及投资研发，最大限度地减少对环境的影响，实现达标排放，有效助力当地可持续发展。公司已制定标准操作程序和环境应急计划加强生产控制，从而保证当地社区居民及自然环境的最大利益。

生活垃圾焚烧发电遵循国家标准《生活垃圾焚烧污染控制标准》，焚烧过程中入炉废物条件、运行参数、污染物排放均有严格的要求。浙能锦江环境采用最先进的技术和丰富的经验，减少生产中需要投入的资源；同时严格监控空气、污水和固体废物的排放，以达到国家监管要求。浙能锦江环境垃圾焚烧发电过程有三个主要阶段，如下图所示。

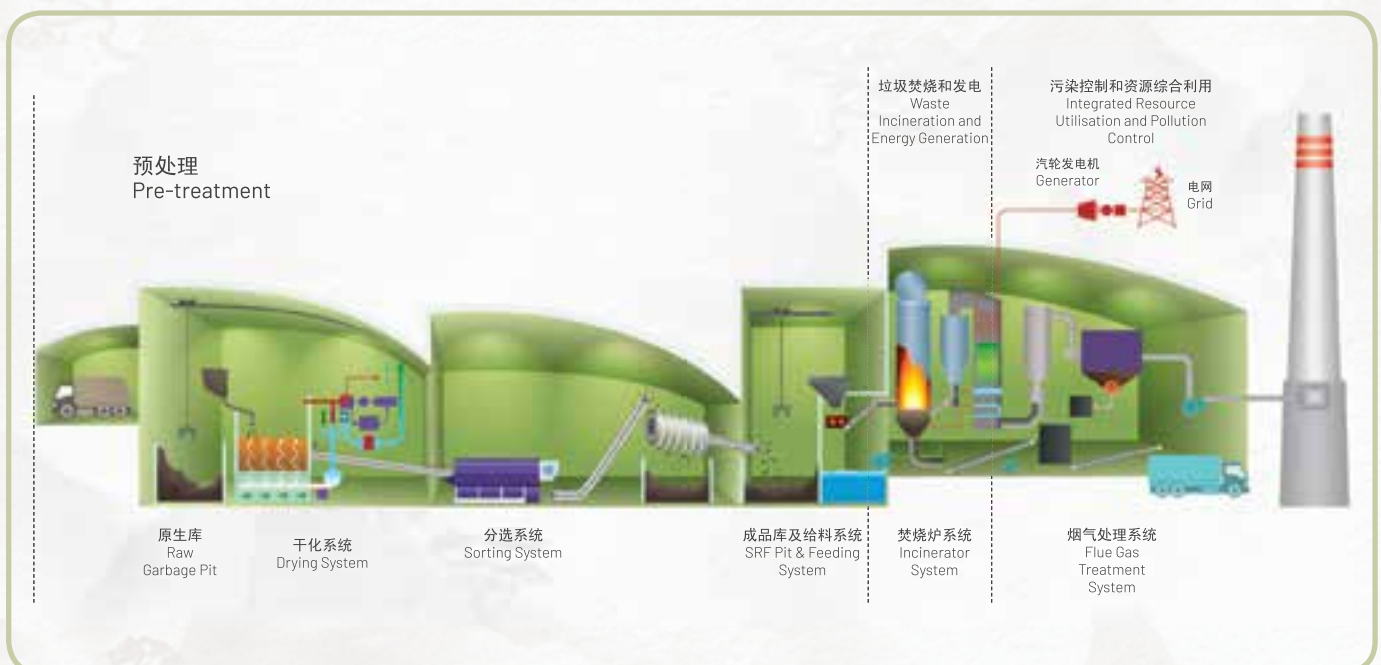


Figure 2 Overview of the WTE process
图2 垃圾焚烧发电流程概览

Technological innovation underpins the foundation for our sustainable operations. The Company is committed to promoting the integration of data and intelligence, and formed a four-step system of “production-level autonomous driving, equipment-level digital twin, facility-level intelligent management and enterprise-level business brain”. Following the successful acceptance of the Kunming Demonstration Project of the Global Environment Fund “China Domestic Waste Comprehensive Environmental Management Project” of Yunan Green Energy WTE Facility in Kunming City, Yunnan Province in early 2021, the Company has further promoted artificial intelligence (“AI”) implementation to incineration for boilers, and has successively completed the AI application in various facilities. This includes the Hankou Jinjiang WTE Facility in Hubei Province, Tangshan Jiasheng WTE Facility in Hebei Province, Zibo Green Energy WTE Facility and Gaomi Lilangmingde WTE Facility in Shandong Province, with all facilities achieving remarkable results in improving boiler production capacity, stabilizing flue gas emissions, and an overall reduction in supplementary costs. Meanwhile we are piloting intelligent driving, launching the Alibaba Cloud AI management and control project and creating a business cockpit. In 2022, we will continue to create an atmosphere of innovation, promote “three refinements” management of “refined organisation, refined management, and refined operation”, accelerate intelligent and digital transformation, and continue to be a promoter and leader in localisation of WTE technology.

技术创新为浙能锦江环境的可持续运营奠定了基础。公司坚定推进数智融合，形成“生产级自动驾驶、设备级数字孪生、电厂级智慧管理、企业级经营大脑”四步体系。继2021年初云南省昆明市西山垃圾发电厂全球环境基金“中国生活垃圾综合环境管理项目”昆明示范项目顺利通过验收，公司进一步推广实施锅炉AI智能焚烧，先后完成湖北省汉口垃圾发电厂、河北省唐山垃圾发电厂、山东省淄川垃圾发电厂和高密垃圾发电厂四家电厂AI应用，在提升锅炉产能、稳定烟气排放、降低辅料成本方面效果显著；同时试点智能行车，启动阿里云AI管控项目，打造企业经营驾驶舱。2022年，我们将持续营造创新氛围，推进“组织精健化、管理精细化、经营精益化”的“三精”管理，加快智能化、数字化转型，继续在国产化垃圾焚烧发电技术方面做推广者和引领者。

Cultivating Industry Re-transformation, Promoting Development through Digitalisation 深耕行业重转型 数智融合促发展

The calorific value of waste varies with the composition, season and weather, which will greatly fluctuate the upper chamber temperature, oxygen content, feed water and evaporation in the boiler. In order to keep the combustion stable and make the flue gas emission meet the environmental protection requirements, the duty of the staff who watches on boiler is quite heavy, which requires him/her to sit in front of the computer console all the time to closely monitor the situation and make manual adjustments to the technology in response to any changes. This can be a long drawn and complex task.

垃圾热值随着成分、季节、天气的变化，都会让焚烧炉内的上膛温度、氧量、给水、蒸发量产生大幅波动。为了保持燃烧稳定，让烟气排放达到环保要求，焚烧炉值班员的工作非常繁重，需要一直坐在电脑操作台前严密监盘，对随时出现的波动情况技术作出手动操作调节，一天下来操作任务较为繁重。

In December 2021, the two boilers of Gaomi Lilangmingde WTE Facility were officially installed with the Alibaba Cloud Industrial Brain AICS platform, with automated operation rate reaching 98%. By comparison, we found that all the monitoring tasks can be handled by Alibaba Cloud, and manual intervention is only required when there is an abnormal situation of “clustering” of waste. The workload of front-line operators has been reduced by 60% when the situation is stable. Take water level control as an example. In the past, the on-duty staff had to wait for the water level to drop before adding water, which caused a certain lag. However, after the Alibaba Cloud Industrial Brain was launched, the system could automatically adjust in real time, maintaining the stability of the water level running curve.

2021年12月，浙能锦江环境高密生活垃圾发电厂的2台焚烧炉正式上线了阿里云工业大脑AICS平台，自动化投运率达到98%。对比发现，基本上“监盘”的任务都可以交给阿里云，只有在遇到垃圾“抱团”的异常情况下，才需要人工干预。稳定时一线操作员的监盘工作量降低了60%。以水位控制为例，过去值班员要等看到水位下降了才加水，有一定滞后，但投入阿里云工业大脑之后，系统可以自动实时调整，水位运行曲线非常平稳。

In addition, the environmental protection indicators such as hydrogen chloride, sulfur dioxide and carbon monoxide that are synchronised to the testing center of the Ministry of Ecology and Environment in real time are also close to a straight line, far below the hourly average value required by the national environmental protection requirements. With the improved combustion stability, the steam volume stability has increased by 44%, and the steam quality has also been significantly improved.

此外，实时同步到生态环境部检测中心的氯化氢、二氧化硫、一氧化碳等环保指标，也趋近一条直线，远低于国家环保要求的小时均值。随着燃烧稳定性提高，蒸汽量稳定性提升了44%，蒸汽品质也有了显著的改善。

Zheneng Jinjiang Environment ensures the efficient use of energy and reduces the energy consumption by regularly maintaining the boilers of each facility and making sure they are in good condition. In addition, the Company also advocates a green office by going paperless and adopting digitalisation, controlling the scale and number of meetings to reduce ineffective meetings, and raising awareness of energy saving, water saving and material saving of employees to lower office energy consumption.

Waste Incineration and Energy Generation

The Company has integrated and developed various technologies for waste incineration power generation based on the characteristics of China's domestic waste, such as high moisture content, complex composition, and high ash content, etc. The Company is committed to becoming an integrated enhancer of fluidised bed and grate furnace waste incineration power generation technology and continuing to be a promoter and leader in localisation of waste incineration power generation technology.

The differential-density circulating fluidised bed waste incineration power generation technology is a high-efficiency clean incineration power generation technology developed in cooperation with the Company and Zhejiang University, with complete and independent intellectual property rights, and is applied in most of the Company's WTE facilities. The technology has the characteristics of wide fuel adaptability, high combustion efficiency, large regulation load ratio, fast load regulation, low nitrogen oxide emission and low-cost limestone furnace desulfurisation. It is one of the globally recognised clean burning technologies for domestic waste.

Grate furnace technology is another technical method of waste incineration which operates stably and reliably, and most of the solid waste can be directly burned into the furnace without any pretreatment. While improving and optimising the technology of circulating fluidised bed waste incineration power generation, the Company also adopts and utilises moving grate furnaces and actively collaborates with notable peers on moving grate furnace technology. The collaboration studies and analyses the incineration of municipal waste, helping to advise the appropriate furnace type according to the waste profile of different projects and how continuous technological improvements can be made.

浙能锦江环境通过定期对各电厂锅炉设备进行维护保养，确保设备处于较好的性能状态，从而保障良好的能源利用效率，以降低能源消耗。另外，公司还倡议绿色办公，推行无纸化、电子化，控制会议规模及数量，减少无效会议，同时提高办公人员节电、节水、节材意识，降低办公能耗。

垃圾焚烧和发电

中国生活垃圾具有水份高、组份复杂、灰分多等特点，浙能锦江环境因此集成、发展了多种垃圾焚烧发电技术，并致力成为流化床和炉排炉垃圾焚烧发电技术的整合提升者，继续在全球垃圾焚烧发电技术方面做推广者和引领者。

多重循环流化床垃圾焚烧发电技术是公司与浙江大学合作开发、拥有完全自主知识产权的高效清洁焚烧发电技术，并在公司大部分电厂得到应用。该技术具有燃料适应性广、燃烧效率高、调节负荷比大、负荷调节快、氮氧化物排放低、低成本石灰石炉内脱硫等特点，是全球公认的生活垃圾清洁燃烧技术之一。

炉排炉技术是另一大垃圾焚烧技术流派，该技术运行稳定、可靠，绝大部分固体垃圾不需要任何预处理可直接进炉燃烧。公司在提升优化循环流化床垃圾焚烧发电技术的同时，引进并应用了炉排炉工艺，积极与行业内各知名企业展开炉排炉项目合作，仔细分析并研判各地生活垃圾的焚烧情况，根据不同的项目选择合适的炉型，不断提升技术水平。

Green Operations

绿色经营

Zheneng Jinjiang Environment keeps detailed records on the input materials and energy sources as shown in the table below. This allows the Company to identify areas for improvement in the longer term. In 2021, 3,429,963 MWh of green electricity and 2.936 million tonnes of steam were generated.

浙能锦江环境对入炉的物质和能量都有详细记录，如下表所示。从长远看，这使公司能够确定需改进的领域。2021年公司产生了绿色电力3,429,963 MWh，蒸汽2,936千吨。

Table 2: Material Consumption, Energy Consumption, and Green Energy Generation in FY2021
表2 2021年物料消耗、能源消耗和产生的绿色能源

FY2021 2021财年	Unit 单位	Amount 数量
Renewable Materials 可再生物质		
Municipal Solid Waste 城市固体废物	Tonnes 吨	11,384,000
Non-Renewable Materials 非可再生物质		
Lime 石灰	Tonnes 吨	51,091
Ammonia 氨水	Tonnes 吨	21,984
Activated Carbon 活性炭	Tonnes 吨	2,596
Hydrochloric Acid 盐酸	Tonnes 吨	2,939
Purchased Energy 购买的能源		
Electricity 电	MWh 兆瓦时	17,500
Coal 煤	Tonnes 吨	393,657
Diesel 柴油	Tonnes 吨	6,520
Green Energy Generated 产生的绿色能源		
Electricity 电	MWh 兆瓦时	3,429,963
Steam 蒸汽	'000 Tonnes 千吨	2,936

Integrated Resource Utilisation and Pollution Control

During the “14th Five-Year Plan” period, China’s ecological and environmental protection has entered a new stage of coordinated governance of pollution reduction and carbon reduction. Under the overall layout of carbon peaking and carbon neutrality, the overall optimisation of pollution reduction and carbon reduction work to achieve synergies is of great significance for further deepening corporate governance and boosting high-quality development. To this end, the Company strictly abides by relevant Chinese and local policies. All WTE facilities meet the requirements of the Ministry of Ecology and Environment (the “MEE”) of China on “Install, Display and Connect”. Every furnace of each WTE facility is equipped with automatic monitoring equipment, and an electronic display screen is set up at the entrance of each facility to announce the emission data and operation status. The pollution monitoring system of the power plant is connected to the database of the MEE for continuous governance supervision. In addition, each facility strictly controls the rigor and scientific measurement of waste incineration power generation treatment to control environmental pollution. The waste gas generated is treated by flue gas purification equipment, and the leachate generated is treated according to environmental protection requirements. For example, the leachate treatment technology used in Kunming Wuhua WTE Facility in Yunnan Province can achieve zero-emission recycling after a series of treatments such as pre-treatment, anaerobic, denitrification/nitrification, ultrafiltration, nanofiltration and reverse osmosis, through which about 85% of the leachate is recycled as cooling water and make-up water for the facility, while the remaining 15% can be returned to the furnace for incineration.

污染控制和资源综合利用

“十四五”时期，中国生态环境保护进入了减污降碳协同治理的新阶段。在碳达峰、碳中和工作整体布局下，统筹优化减污和降碳工作以实现协同增效，对进一步深化公司治理、助推高质量发展具有重要意义。为此，公司严格遵守中国及当地相关政策，所有的WTE厂都符合中国生态环境部关于“装、树、联”的要求，每个垃圾发电厂的每台炉都安装了自动监测的设备，并在厂区门口树立电子显示屏公布排放数据和运行状态。电厂的污染监测系统与生态环境部数据库相连，以实现持续治理监督。此外，严格把控垃圾焚烧发电处理的严谨性与科学性，控制环境污染，通过烟气净化设备规范处理产生的废气，对于产生的渗滤液按环保要求达标处置，例如，云南省昆明市五华垃圾发电厂采用的渗滤液处理技术，经过预处理、厌氧、反硝化/硝化、超滤、纳滤以及反渗透等一系列处理后可实现零排放回用，即约85%作为厂内循环冷却水补充水，剩余15%可回炉焚烧处理。

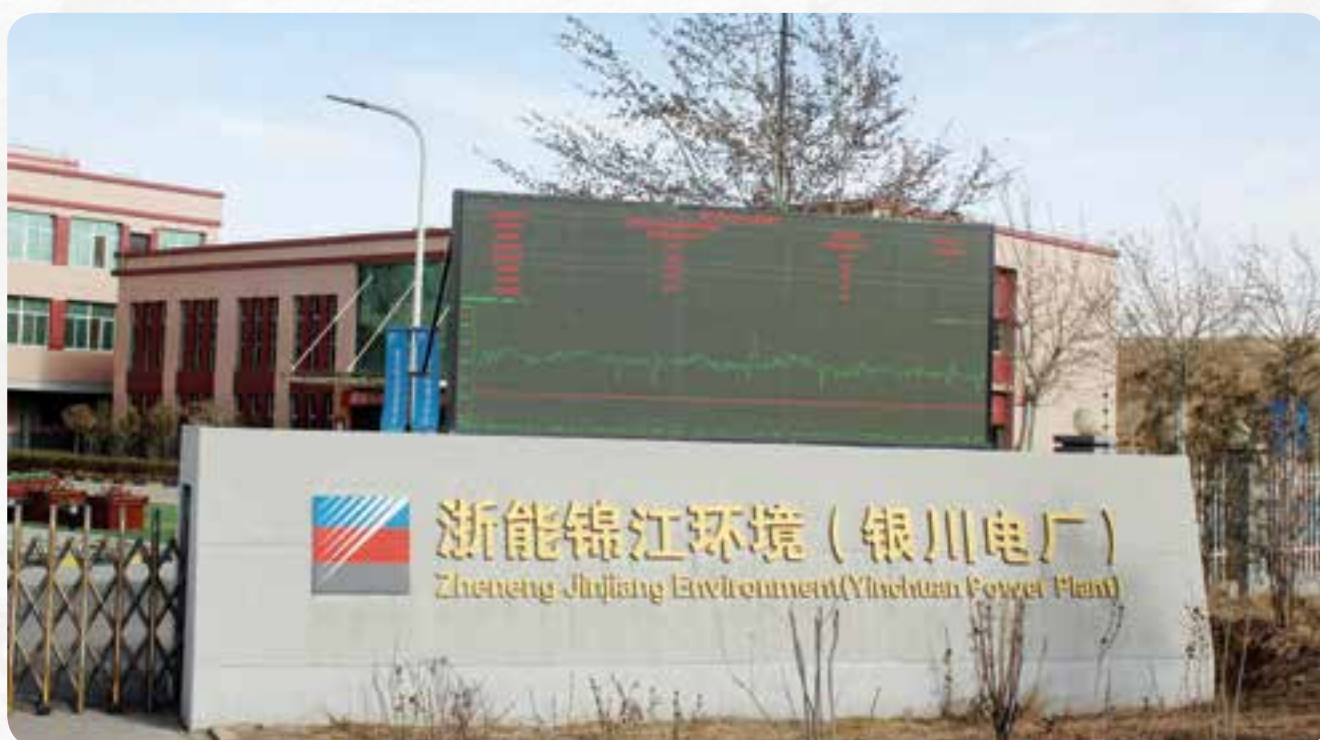


Figure 3 Real-time emission display of Yinchuan Zhongke WTE Facility in Ningxia Hui Autonomous Region
图3 宁夏回族自治区银川中科垃圾发电厂展示的实时排放

Green Operations

绿色经营

The Company always adheres to the development of a circular economy, promoting the economical and intensive utilisation of resources, building a resource recycling industrial system and a waste material recycling system, to contribute to the realisation of carbon peak and carbon neutrality as an environmental protection enterprise. As such, Zheneng Jinjiang Environment recycles waste products generated during the WTE process whenever possible. Bottom ash is the primary residue after waste incineration. The bottom ash after incineration belongs to general solid waste according to the "Standards for the Control of Pollution from Domestic Waste Incineration" (GB18485-2014) and the Company works with downstream business partners to recycle it as building materials used in construction, roadbeds and soil restoration. As the fly ash generated is classified as hazardous waste, we strictly follow requirements of prevention and control of pollution of hazardous waste, sending it to landfill to prevent pollution after the fly ash is chelated and solidified to standards or co-processing it with cement kiln. In 2021, 854,277 tonnes of fly ash (hazardous waste) were sent to the qualified landfill, while 1,312,340 tonnes of bottom ash (non-hazardous waste) were sent for recycling. In 2022, our WTE facilities aim to continue monitoring the quality of the waste and effluents discharged in compliance with environmental legislation.

Moving forward, we will continue to deepen the comprehensive management of solid waste, improve the efficiency of resource utilisation, incorporate "waste reduction" and resource recycling into the carbon reduction system, promote "waste reduction" through policy and economic means, and improve the level of green production. Meanwhile we aim to further improve our information transparency and openness and provide more WTE facilities with online public visit function through digital means to increase public participation, ameliorate the "not in my backyard" mindset, and build neighbourhood-type waste treatment facilities.

公司始终坚持发展循环经济，推进资源节约集约利用，构建资源循环型产业体系和废旧物资循环利用体系，为实现碳达峰、碳中和贡献作为环保企业的力量。基于此，浙能锦江环境尽可能回收利用在垃圾焚烧发电过程中产生的废弃物。炉渣是垃圾焚烧后的首要残余物，焚烧后的炉渣依据《生活垃圾焚烧污染控制标准》（GB18485-2014）规定属于一般固体废物，公司与下游业务伙伴合作，对其进行综合利用，可用于建筑、路基和土壤修复。而垃圾焚烧产生的飞灰则属于危险废物，公司严格参照危险废物污染防治要求，对飞灰进行螯合固化满足填埋标准后，送往填埋场填满，或进行水泥窑协同处理，杜绝污染。2021年，854,277吨飞灰（危险废物）被送往有相关资质的垃圾填埋场，1,312,340吨的炉渣（非危险废物）被资源综合利用。2022年，我们将继续监测废弃物与污水排放质量以符合环境法规。

展望未来，我们将继续深化固体废物综合管理，提高资源利用效率，将“减废”和资源循环纳入减碳体系，通过政策和经济手段促进“减废”，提升绿色生产水平。同时，进一步加强我们的信息透明度和开放性，通过数字化手段为更多电厂设置网上公开参观功能，以提升公众参与度，改善邻避效应，建设邻里型垃圾焚烧企业。

Environmental Protection Facilities' Virtual Open Help to Know Environmental Protection Without Leaving Home
环保设施“云开放” 足不出户知环保

In October 2021, at the Shaoxing Ecological Environment Publicity and Education Work Conference held by the Shaoxing Ecological Environment Bureau, Zhuji Bafang WTE Facility in Zhejiang Province won the first prize in the 2021 Shaoxing Environmental Protection Facilities Virtual Open Video Competition, and Dr. You Haihui, an employee of the Facility, was awarded the title of “Excellent Narrator”.

2021年10月，在绍兴市生态环境局举办的绍兴市生态环境宣传教育工作会议上，浙江省诸暨八方电厂荣获2021年度绍兴市环保设施“云开放”视频大赛一等奖，该公司员工尤海辉博士则获评“优秀讲解员”称号。

In early 2021, the Zhuji Bafang WTE Facility improved its workplan for public visits, establishing a special working group led by the main leader of the Facility to set the opening form, refine the visiting process, improve the visiting route map and train two part-time narrators. The entire public open facility consists of a reception hall, a projection hall, an environmental protection exhibition hall and a visit corridor. Through a combination of audio and video, pictures, environmental science games and on-site visits, as well as using high-tech multimedia to deeply interpret the core process technology of waste treatment, planning routes related to wastewater, waste gas treatment, and garbage classification treatment for different groups of visitors to shape and promote the main image of “reaching the original intention with ingenuity and extending the green environmental protection industry chain in an innovative way”.

八方电厂于2021年初完善工作方案，建立以主要领导负责，分管领导牵头的专项工作小组。明确开放形式、细化参观流程、完善参观线路图，并培训2名兼职讲解员，整个公众开放设施由接待大厅、放映厅、环保展示大厅和垃圾发电厂参观通廊构成，通过声像、图片、环保科普游戏和现场参观相结合，以高科技多媒体为手段，深度诠释垃圾处理核心工艺技术，针对不同参观人群策划了与废水、废气处理、垃圾分类处理相关的路线，塑造和推介“以匠心抵达初心，以创新的方式延伸绿色环保产业链”主形象。



Figure 4 Zhuji Bafang WTE Facility won the first prize
图4 浙江省诸暨八方电厂获得一等奖

Talent Training and Advancement 人才培养与提升

Talent is the core competitive strength of the Company's development. We must vigorously create an atmosphere of respecting talents, knowledge, labour, and creation, and form a good situation in which talents are produced in large numbers, and people make the best use of their talents. It is necessary to ensure the stability of the Company's core talent team as well as to strengthen the construction of talent echelon to cultivate talents for the future of the Company. As such, we have developed a comprehensive set of strategies and policies, governing our talent attraction, retention and development.

Our human resources policy is based on equal opportunities and fair employment, and is guided by value creation and contribution, eliminating employment standards such as gender, age, race, religion, nationality and education. It is aimed at understanding the skills and strengths of talents, putting them in suitable positions and introducing talents that are aligned with the Company's development direction to better meet the Company's development needs. We strictly abide by the "Labour Law of the People's Republic of China" to protect and respect the legitimate rights and interests of employees, and to establish a harmonious relationship between the Company and employees. As of 31 December 2021, Zheneng Jinjiang Environment has a total of six board members and 2,546 permanent employees. The charts below provide a quantitative measure of board and employee diversity.

人才是公司发展的核心竞争力，要大力营造尊重人才、尊重知识、尊重劳动、尊重创造的氛围，形成人才辈出、人尽其才、才尽其用的良好局面。既要确保公司核心人才队伍稳定，也要加强人才梯队建设，为企业的未来培养人才。因此，我们制定了一套全面规范的战略和政策，以吸纳、保留和发展优秀人才。

我们的人力资源政策以平等机会和公平就业为基础，以价值创造和贡献为导向，破除性别、年龄、种族、宗教、国籍、学历等用人标准，旨在掌握人才的技能和专长，瞄准“需”处发力、紧扣“需”处供给，引进与公司发展方向相适应的人才，让正确的人做正确的事，更好的满足公司发展的需要。我们严格遵守《中华人民共和国劳动法》，以保护和尊重劳动者的合法权益，并在公司与员工之间建立和谐的关系。截至2021年12月31日，浙能锦江环境共有6名董事会成员和2,546名长期雇员。下面的图表提供了董事会和员工多样性的量化指标。

FY2021 Board of Directors 2021 财年董事会成员

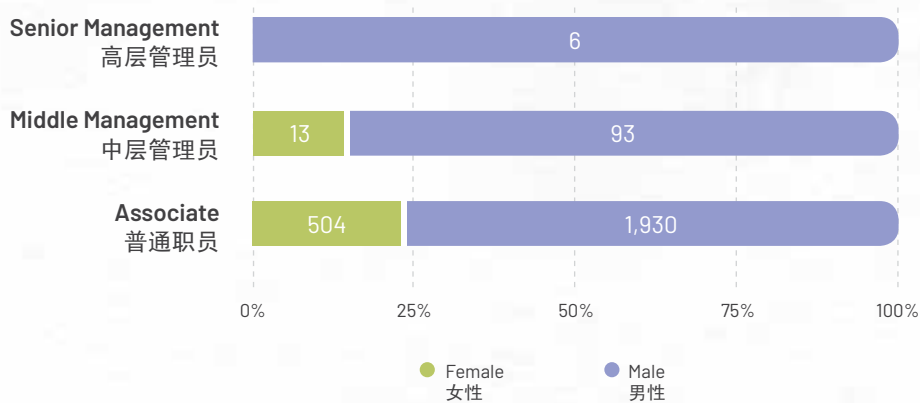


FY2021 Workforce 2021 财年人才团队

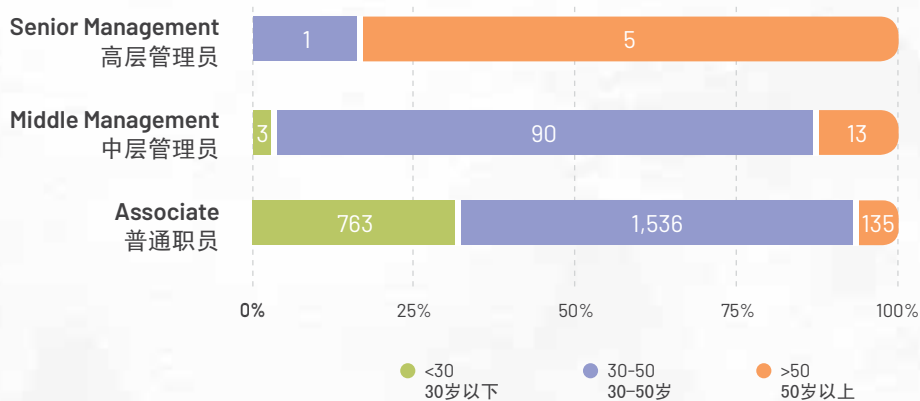


Percentage of Employee per Employee Category
员工类别的员工百分比

By Gender
按性别



By Age Group
按年龄



Talent Training and Advancement 人才培养与提升

A good working environment attracts talents and leads to a prosperous business, and the long term strategy to retain talent is to optimise the working environment. Zheneng Jinjiang Environment is committed to establishing a suitable growth environment for talents, creating a warm atmosphere and a sense of belonging, and providing superior space to build and develop a talented team. The Company constantly improves its talent evaluation and assessment processes. Other aspects include determining the assessment cycle and corresponding assessment indicators, and providing a reference point when deciding on awards, promotions and internal job transfers, so as to promote the rational allocation and smooth flow of human resources, and to create a talent growth environment with fair opportunities and fair rules. In 2021, all employees have received at least one performance review from their supervisor. In addition, we commend the deeds of outstanding talents every year and promote a culture of “respecting talents, respecting labour, and respecting creation” within the whole group. To enhance team cohesion, the Company frequently organises employee bonding activities, such as fun games, basketball competitions, birthday celebrations, outreach programmes and singing competitions. The case study below demonstrates exceptional levels of team camaraderie and bonding.

环境好，则人才聚、事业兴。如何优化人才生态环境是用好人才、留住人才的长久之计。浙能锦江环境致力于建立适宜的人才成长环境，营造温馨氛围和归属感，为人才队伍的建设发展提供更加优越的空间。公司在实践探索中不断完善人才评价考核等多方面机制，根据实际效果科学合理确定考核周期和考核指标，充分发挥人才考核、评价机制的指挥棒功能，并为奖励、升职和内部转岗等决策提供参考，从而推动人才资源合理配置、顺畅流动，努力营造机会公平、规则公平的人才成长环境。2021年，全体员工至少从其主管那里接受过一次的绩效评估。此外，我们每年度对优秀人才的先进事迹进行表彰，加大先进典型的宣传力度，推动在全集团形成“尊重人才、尊重劳动、尊重创造”的风尚；亦经常组织员工开展趣味运动会、篮球赛、素质拓展、生日庆祝活动、歌唱比赛等团建活动，增强团队凝聚力。以下的案例展示了浙能锦江环境团队优秀的凝聚力。

Increase Solidarity and Enjoy the Fun 凝心聚力 趣味无限

On October 26, 2021, the Wuhan Jinjiang WTE Facility in Hubei Province launched the 2021 Fun Games (the “Fun Games”). All participating teams forged ahead in unity and fortitude, displaying good spirit and high enthusiasm for sports.

2021年10月26日，湖北省武昌垃圾发电厂组织举办了2021年趣味运动会，各参赛团队团结奋进，勇敢拼搏，展现了良好的精神风貌和高涨的运动热情。

The Fun Games organised five sports events, including a tug-of-war team competition, badminton singles and mixed doubles competition, fun obstacle course and basketball competition. Four sports teams participated in the competition. On the field, the athletes competed in speed, endurance and skill. Their fortitude and perseverance won the cheers of the audience. The top three individuals and teams were finally determined after an intense competition.

本次运动会组织了拔河团队赛、羽毛球单打、混合双打比赛、障碍趣味运动赛、篮球团队赛5个运动项目，共有4支运动队参加比赛。在赛场上，运动员们比速度、比耐力、比技巧，你追我赶、勇往直前、坚持不懈，赢得了现场观众的阵阵助威和呐喊声。经过激烈角逐，最后决出了个人赛前三名和团队赛一、二、三等奖。

The Fun Games established a platform for employees to showcase their talents, strengthen friendship, hone their willpower, and enhance team cohesion. Based on their own strength and team spirit, athletes competed with style and standards, further enriching the Company's employee culture, displaying the spirit of the Company's employees and creating a healthy, progressive, united and harmonious atmosphere.

本次趣味运动会为员工搭建了一个展示才华、增进友谊、磨练意志、增强团队凝聚力的舞台，运动员凭借自身实力和团队精神，赛出了风格，赛出了水平，进一步丰富了公司员工文化生活，展现了公司员工精神风貌，营造健康向上、团结和谐的氛围。



Figure 5 Wuhan Jinjiang WTE Facility in Hubei Province launched a Fun Games
图5 湖北武昌垃圾发电厂开展2021年趣味运动会

Zhengzhou Xingjin WTE Facility Unites in Fighting Against Floods 防汛抗洪刻不容缓 荣锦垃圾发电厂众志成城

On 20 July 2021, Henan Province suffered from continuous large-scale heavy rainfall, with the daily rainfall of many national meteorological observation stations exceeding records. Zhengzhou City in Henan Province broke the historical extreme value of hourly rainfall in mainland China. The total rainfall over three days was equivalent to the rainfall recorded in the past year, resulting in severe floods.

2021年7月20日，河南省持续遭遇大范围强降雨天气，多个国家级气象观测站的日降雨量已突破有气象记录以来极值。河南郑州，突破了中国大陆小时降雨量历史极值，三天下了一年的雨水量，城区内涝、道路成河。

Zhengzhou Xingjin WTE Facility in Zhengzhou City, Henan Province, was located in the epicenter of the floods. During the occurrence of floods, the party members and cadres of the facility took the lead, rushing to the frontlines where everyone united to deal with the flood calmly. In the face of the rising water level in the facility, the team immediately installed and activated the backup submersible pump, undertook flood control measures for the warehouse and discharged accumulated water in the circulating pump room in a timely manner. Despite the sudden water supply disruption leading to the shutdown of production, the team actively engaged the municipal department to resume water supply and production of the facility.

浙能锦江环境河南省郑州市荣锦垃圾发电厂位于汛情中心。自汛情发生以来，荣锦垃圾发电厂党员干部冲在一线，带头先行；全体上下拧成一股绳，争分夺秒，积极沉着应对。面对厂区内升高的水位，即刻安装启用备用潜水泵，做好仓库防汛工作，及时外排循环泵房积水；对于突如其来的停水导致停产，积极对接市政部门，尽快恢复电厂生产及生活用水。

In the early morning of July 24th, after around 40 hours of operational recovery and emergency repairs by the employees of the facility, as well as coordinating the dispatch of the power supply company, Zhengzhou Xingjin WTE Facility resumed full production. The facility quickly put itself into the treatment of post-disaster waste to do a good job in post-flood disinfection.

7月24日凌晨，通过电厂员工约40小时的生产自救与抢修，以及协调供电公司调度，荣锦垃圾发电厂全面恢复生产，迅速投入灾后的城市生活垃圾处置工作，做好汛后的消杀工作。

In addition, Zheneng Jinjiang Environment actively understood the needs of the government and the community. Through the Zhengzhou Xingjin WTE Facility, RMB660,000 of funds and supplies donated to the local government to address the emergency needs of the disaster-stricken people, assist with post-disaster reconstruction and strengthen the safety protection of important infrastructures. This demonstrates our firm commitment to the responsibility as an environmental protection-focused enterprise.

此外，浙能锦江环境通过荣锦垃圾发电厂主动了解政府、群众需求，向河南捐赠66万元款项与物资，保障受灾群众应急生活所需、助力灾后重建，坚定扛起环保企业的责任担当，并协助当地加强对重要基础设施的安全防护工作，坚决做到守土有责、守土负责、守土尽责！



Figure 6 Zhengzhou Xingjin WTE Facility fighting against the flood
图6 郑州荣锦垃圾发电厂抗击汛情

Talent Training and Advancement 人才培养与提升

Talent training requires time. The Human Resource (HR) Department closely monitors the new hires and turnover rate every year to ensure the timely adjustment to the strategic planning of our workforce. In 2021, our workforce grew in line with our business expansion. In China and Singapore, we had 715 new employees and 487 instances of employee turnover in 2021. The overall annual new hires rate was 28% and the annual turnover rate was 19% for China and Singapore.

人才培养需要一定的时间，人力资源部（HR）每年密切关注员工的入职率和离职率，以便及时调整人员的战略性规划。2021年，我们的员工队伍不断壮大。在中国和新加坡，2021年入职新员工为715人，离职人员为487人。中国和新加坡的整体年度员工入职率为28%，年流动率为19%。

Table 3 Employee New Hires and Turnover by Age Group, Gender and Region in FY2021⁶
表3 按年龄、性别和地区的2021财年新进员工和离职员工⁶

FY2021 2021财年	New hires 新员工		Turnovers 流动	
	Number of Individuals 个人数	Proportion 占比	Number of Individuals 个人数	Proportion 占比
By Age Group 按年龄				
< 30 years old 30岁以下	375	52.4%	182	37.4%
30 - 50 years old 30-50岁	287	40.1%	247	50.7%
> 50 years old 50岁以上	53	7.4%	58	11.9%
By Gender 按性别				
Male 男性	580	81.1%	423	86.9%
Female 女性	135	18.9%	64	13.1%
By Region 按地区				
China 中国	714	99.9%	486	99.8%
Singapore 新加坡	1	0.1%	1	0.2%

⁶ Statistics on new hires, turnover, average hours of training per employee and percentage employee receiving regular performance review pertain only to employees in China and Singapore. Since WTE projects in other regions are not yet in operation, workforce and training data for those regions are not included at the moment and will be considered for inclusion in future periods.

新员工、流动数据、员工培训时间及接受绩效评估的统计数据仅统计在中国和新加坡的员工。由于其他地区的WTE项目尚未投运，目前尚未将这些地区的新员工和流失数据统计在内，考虑在未来涵盖这些地区数据。

The foundation and the difficulties of talent work lies in cultivation. The Company has built a scientific strategic talent training system, focusing on cultivating more talents who can adapt to high-quality development. The system consists of five plans, namely "Baby Eagle Plan", "Flying Eagle Plan", "Soaring Eagle Plan", "Strong Eagle Plan" and "Leading Eagle Plan", which together constitute the Company's strategic talent pool. Through the above-mentioned five plans, it is aimed to gradually cultivate key post successors and company reserve talents. In 2021, the Company carried out a new round of reserve cadre selection, and 44.44% of employees selected into the reserve talent pool were Flying Eagle students. In addition, we provide systematic, appropriate and continuous training opportunities for all employees and tailor training and development plans according to employees' learning needs, including vocational skills, leadership skills and language communication skills. In 2021, we focused on the training idea of "cultivating the management level at the headquarters, the middle-level in the area, and the grass-roots employees in the enterprise", optimising the training resources in the area, and combined "online knowledge transfer with offline practical exercises" to comprehensively create a learning-focused organisation. We also encourage employees to participate in external training and to improve themselves through examinations and evaluations to cultivate more all-rounded talents. We also established a team of engineers with outstanding technological innovation ability to resolve complex engineering issues. In China and Singapore, Zheneng Jinjiang Environment achieved an average of 73.5 hours of training per employee in 2021. In the coming year, we will continue to offer training and career development programs, with the goal of an average of at least 75 hours of training per employee per year.

人才工作，基础在培养，难点也在培养。公司构建科学的战略人才培养体系，着力培养更多适应高质量发展的各类人才，该体系主要由“雏鹰计划”、“飞鹰计划”、“翔鹰计划”、“雄鹰计划”和“领鹰计划”五个部分组成，共同构成公司战略人才库。通过上述五个计划，逐步将培养对象培养成为关键岗位继任者和公司后备人才，2021年，公司开展新一轮后备干部选拔，最终入选后备人才库的人员中44.44%为飞鹰学员。此外，我们也为所有员工提供系统、合适和持续培训的机会，根据员工的学习需求，为其量身定制培训和发展计划，其中包括职业技能、领导技能以及语言沟通技巧。2021年，围绕“总部培养经营层，片区培养企业中层，企业培养企业基层员工”的培训思路，重点优化片区培训资源，形成“线上知识传授+线下实战演练”相结合模式，全面打造学习型组织。我们也鼓励员工参加外部培训，通过考证、评比等方式提升自我能力，培养更多具有战略潜质的高层次复合型人才，建设一支具有突出技术创新能力、善于解决复杂工程问题的工程师队伍。2021年，浙能锦江环境在中国和新加坡的员工平均培训时间为73.5小时。在来年，我们将继续提供培训和职业发展计划，目标是每位员工每年平均接受至少75小时的培训。

Table 4 Average Hours of Training by Gender and Employee Category in FY2021
表4 2021年按性别和雇员类别的培训时长

FY2021 2021 财年	Average Hours of Training per Permanent Employee per Year (Hours) 每位员工每年的平均培训时长 (小时)
By Gender 按性别	
Female 女性	73.5
Male 男性	73.5
By Employee Category 按雇员类别	
Associate 普通职员	73.5
Middle management 中层管理员	67.5
Senior management 高级管理员	169.5
Overall 总计	
Overall 总计	73.5

Talent Training and Advancement 人才培养与提升

Strengthen the Responsibility of Cadres with Original Aspiration and Promote Business Development **不忘初心强干部责任 深化内涵促经营发展**

In order to improve the management ability of cadres, break through the bottleneck of operation and development, and improve the level of enterprise operation and management, Zheneng Jinjiang Environment held a special training course at the general manager level in September 2021, focusing on four aspects, namely, legal affairs, internal control, financing and finance. The training was driven by actual cases to facilitate knowledge absorption and it not only adhered to the problem orientation, but also met the needs of their daily work, strengthened theoretical learning and encouraged practical application.

为提升干部管理能力，突破经营发展瓶颈，提高企业运营管理水平，浙能锦江环境于2021年9月举行总经理层级专项培训班，围绕法务、内控、融资和财务四方面展开，以实际案例带动知识吸收，既坚持问题导向，又满足工作需要，既强化理论学习，又注重实践运用。

The training is based on the new phase of the development of environmental protection enterprises, focusing on the requirements of enterprise management and development, and focusing on resolving the misalignment of ideology, ability and quality between the enterprise and the managers.

培训立足新时代环保企业发展的新形势，着眼企业经营发展的要求，着力解决企业管理者在思想观念、能力素质上与企业发展不符合、不适应的问题。

The trainees learn and understand with responsibility, research and think with a mission, discuss and collaborate to solve problems. They find gaps, make up for shortcomings and weaknesses, and further improve their ability to perform their duties. This in turn encourages the promotion of high-quality development of the Company.

参训人员带着责任学习体悟、带着使命研究思考、带着问题讨论碰撞，找差距、补短板、强弱项，进一步提高履职能力，努力推动公司高质量发展。

Occupational Health and Safety 职业健康和安

Protecting the health and safety of our employees, contractors, suppliers, communities and related parties is at the heart of our protection of human rights. Zheneng Jinjiang Environment always adheres to “red line awareness” and “bottom line thinking”, implements risk control measures with strict standards, and strengthens safety management from management and technology.

We adhere to relevant occupational health and safety (“OHS”) laws and regulations and uphold the “Three Concurrent” principle, ensuring safety design and establishment during new project implementation. Zheneng Jinjiang Environment has either set up or is in the process of setting up OHS systems in each WTE facility in accordance with the internationally recognised OHSAS 18001 Standards. This establishes a robust system to identify, manage and monitor OHS-related risks. The management system sets out responsibilities and contingency plans in preparation of potential crisis. The operation teams on the ground conduct regular maintenance of equipment and enhance safety precaution features. All new employees are required to undergo compulsory safety training before commencing work. OHS policies and management systems are clearly communicated to employees.

In 2021, the Company organised special training for the safety management personnel of its subsidiaries, focusing on the relevant revisions of the new safety production law and corporate compliance implementation measures, the implementation of three-year special action measures, safety standardisation and system establishment, as well as the establishment of risk classification management and a dual prevention mechanism for hidden dangers. At the same time, a series of safety-related activities such as Occupational Disease Prevention Law Publicity Week, Disaster Prevention and Mitigation Week, Safety Production Month, Safety and Environmental Protection Warning Month, Fire Safety Publicity Month and Safety Production Law Publicity Month were held. Activities such as online safety and environmental protection knowledge contests were launched to enhance the core combat effectiveness on safety production.

At the headquarters level, the ESH Management Committee meeting was held every quarter to in depth analyse the Company’s safety production situation and existing gaps, to deploy safety and environmental protection work in the next quarter, continuously consolidate the basic work of operating enterprise safety production management, and continuing to improve management effectively. The safety and environmental protection audit action team conducted the comprehensive and systematic audit, strictly managed the problems found in the audit in a closed-loop, and criticised when the rectification was not in place, contributing to the improvement of safety and environment protection for the Company.

保护员工、承包商、供应商、社区和相关方的健康与安全是我们保护人权的核

我们坚持相关的职业健康安全（“OHS”）法律法规，坚持“三同时”原则，确

2021年，公司组织下属企业企业安全

在总部层面，每季度召开ESH管理委

Occupational Health and Safety 职业健康和安



Figure 7 Wuhu WTE Facility in Anhui Province conducted emergency rescue drills
图7 安徽省芜湖垃圾发电厂开展应急救援演练

Zheneng Jinjiang Environment values the health and safety of our employees. The Company offers all employees complimentary health check-ups and provides Employer Liability Insurance and Group Accident Insurance. Technical operation employees will also receive regular complimentary screenings for occupational diseases, enabling early identification of potential health-related hazards. In 2021, some subsidiaries of Zheneng Jinjiang Environment had been affected by the COVID-19 pandemic to varying degrees. The Company remained vigilant to supervise and track the normalised management and control of each enterprise, and immediately followed up and provided special guidance on the epidemic prevention situation. This included tracking and supervising the disposal of epidemic-related waste, thereby ensuring the Company's maintenance of a zero-infection rate in China during the year, as well as assisting the local government to complete the task of harmless disposal of epidemic-related waste in a standardised and safe manner.

In 2021, Zheneng Jinjiang Environment did not experience any instances of employee workplace injuries or fatalities in the course of its operations. In 2022, we aim to continue to maintain a good record of safe and environmentally friendly production, with zero employee workplace injuries and fatalities.

浙能锦江环境重视员工的身体健康以及安全。公司为所有员工提供免费健康检查，并投保雇主责任险和团体意外险。企业实际操作的技术人员还将获得长久免费的职业病健康体检，以便尽早识别潜在的疾病危害。2021年，面对疫情多点散发、频发，浙能锦江环境旗下部分电厂均不同程度的受到疫情影响，对此公司时刻保持警惕性，对各企业常态化管控情况进行监督和跟踪，并在疫情发生时，第一时间对涉疫企业防疫情况进行跟进和专项指导，对涉疫垃圾处置情况进行跟踪监督，确保了公司国内全年零感染，并规范和安地协助当地政府完成涉疫垃圾无害化处置任务。

2021年，浙能锦江环境在运营过程中无员工伤亡，2022年我们旨在继续保持良好的安全、环保生产记录，零员工工伤与死亡。

Regulatory Compliance 监管合规

Zheneng Jinjiang Environment takes “pre-emptive risk control, in-process supervision and inspection, and post-event audit” as its work orientation. We learn from case studies and promote reform in reference to case studies as well. We focus on key procurement control, and highlight risk prevention mechanisms, applying the idea of preventing risks, strengthening internal control, promoting compliance and creating value in our day-to-day work.

Zheneng Jinjiang Environment has always maintained its anti-corruption stance. We continuously promote the strategic goal that employees “do not dare, are not able, and have no desire to be corrupt”, and have adopted a zero-tolerance stance on corruption. In 2021, we maintained the official account of Zheneng Jinjiang Environment Reporting and Complaint channel, where all complaints are tracked and handled to ensure an open information feedback channel. The Company also held a special conference on anti-corruption, arranged for new employees to sign a letter of commitment and declare conflicts of interest of key positions, so as to further deepen and promote the ideological and understanding of incorrupt practices. In 2021, there were no confirmed incidents of corruption. In the coming year, Zheneng Jinjiang Environment aims maintain zero incidents of confirmed corruption.

The Company also adheres to relevant environmental and social laws concerning issues like emissions and waste, air emissions, environmental disclosure requirements, labour practices and OHS practices. In 2021, the contract management system was comprehensively revised, and the contract management was effectively implemented according to the procedures of importance and risk strength. We worked with the permanent legal advisor to provide legal analysis and support for the decision-making of major issues, so as to protect the Company's rights and interests to the greatest extent, and sought to continuously improve the response mechanism on the pre-control of legal risks. In addition, the Company insisted on analysing and finding problems from daily inspection, combining internal and external experience, transforming from post-audit to pre-risk warning, static audit to dynamic tracking audit, providing professional advice for the standardisation and refinement of the Company's management, and promoting the preservation and appreciation of corporate assets.

Zheneng Jinjiang Environment acknowledges the changing regulatory environment and actively manages its compliance risks. The management, technical teams and the Risk Control Department communicate regularly with regulators and industrial associations, and actively participate in the consultation of new laws and regulations. In 2021, the Company created an incorruptible and efficient working atmosphere by carrying out legal training on safety and environmental protection, repeatedly reiterating that the bottom line on safety, environmental protection and honest performance of one's duty cannot be compromised. In 2022, we will continue to increase the frequency and intensity of compliance training, focusing on risk prevention and control in high-risk areas such as listing regulations, compliance procedures, material procurement, contract signing and labour disputes, formulate reasonable process specifications based on management weaknesses, and gradually improve our internal controls manual to enhance the value of risk control.

浙能锦江环境以“事前风险控制、事中督办检查、事后审计监察”为工作导向，以案为鉴、以案促改，主抓采购关键控制、突出风险预防机制，将防范风险、强化内控、促进合规和创造价值的理念贯穿于日常工作当中。

浙能锦江环境始终保持反腐败政治定力，不断实现不敢腐、不能腐、不想腐一体推进的战略目标，坚持以零容忍态度惩治腐败，2021年持续维护浙能锦江环境举报投诉公众号，100%跟踪处理投诉事项以确保信息反馈渠道畅通；同时召开廉政建设专题会、签署廉洁自律承诺书、申报重点岗位利益冲突，进一步深化和提高员工对于廉洁从业的思想认识。2021年，公司没有发生腐败事件。在接下来的一年，浙能锦江环境的目标是继续保持零确认腐败事件。

公司遵守废物排放、环境披露、劳工实践和职业健康安全实践等相关方面的法律法规，完善法律事务管理体系。2021年全面修订合同管理办法，根据重要性和风险强弱程序，有效实行合同分类管理；并联合常年法律顾问专业力量，为重大事项决策提供法律分析和支持，最大程度保障公司权益，不断完善法律风险预控应对机制。此外，坚持从日常检查中剖析发现问题，结合内外部经验，从事后审计向事前风险预警、静态审计向动态跟踪审计转变，为公司管理规范化和精细化提供专业化建议，促进企业资产实现保值增值。

浙能锦江环境主动适应不断变化的监管环境，并积极管理合规风险，公司管理团队、技术团队、风控部门定期与监管机构、行业协会沟通，积极参与行业新法律法规的协商讨论。2021年，通过开展安全环保法律培训，多次重申安全、环保、廉政底线不可突破，营造“讲正气、走正道、树正风”廉洁高效的工作氛围。2022年，我们将继续增加合规培训频次和力度，着重关注上市规范、合规手续、物资采购、合同签订、劳动纠纷等高风险领域的风险防控，根据管理薄弱点制定合理的流程规范，逐步完善内部控制手册，提升风控价值。

Additional Disclosure: Local Community 其他披露：当地社区

In 2021, we continued to support environmental education, community care, social welfare and other activities, actively devoted our efforts and leveraged our capital advantages to strengthen the connections with local communities, and contribute to building a better society.

2021年，我们继续支持环保教育、社区关怀、社会公益等方面的活动，积极调动力量，发挥资本优势，加强与当地社区联系，为建设美好社会贡献自己的力量。

1. Exploring the Waste treatment and Facilitate the Research on Carbon Peaking and Carbon Neutrality

On 3 October 2021, during the National Day holiday, Hankou Jinjiang WTE Facility in Wuhan City, Hubei Province welcomed participants of the "Brilliant Youth" and "Friendly Earth Green Growth Camp" public welfare environmental protection project. The participants further understood the significance and importance of waste classification through detailed explanation on terminal waste treatment and a deep-dive into the mystery of waste power generation.

1. 探秘垃圾去处 助力双碳研学

2021年10月3日正值国庆假期，湖北省武汉市汉口垃圾发电厂迎来了来自“出彩青春”“友善地球 绿色成长营”公益环保项目的参观者，通过详细的讲解让大小朋友们了解了其他垃圾终端处理方法，探秘垃圾发电的奥秘，进一步认识到垃圾分类的意义和重要性。



Figure 8 Hankou Jinjiang WTE Facility received visitors from public welfare environmental protection project
图8 湖北省武汉市汉口垃圾发电厂接待公益环保项目来访者

2. Express Care and Love on the Double Ninth Festival

During the Double Ninth Festival on 14 October 2021, in order to carry forward the Chinese traditional virtue of respecting the elderly, the party branch of Linzhou Jiasheng WTE Facility in Henan Province visited elderly in the nearby village, sending care and blessings in the festive season.

2. 佳节又重阳 爱心温暖行

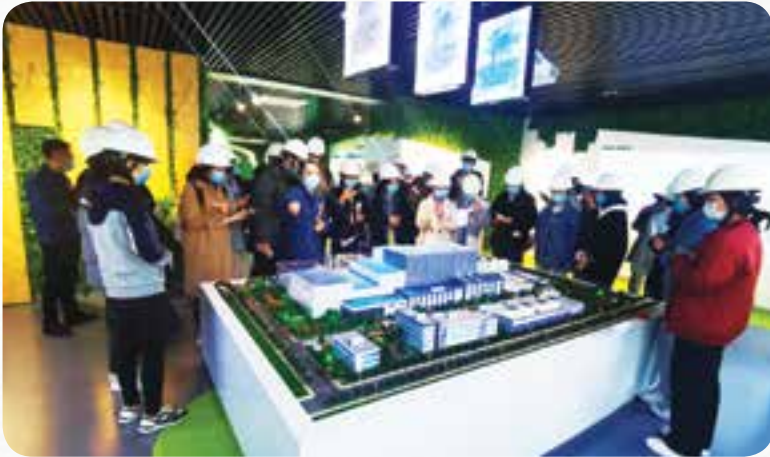
仲秋时节，天高气爽。为弘扬中华民族尊老、敬老的传统美德，10月14日重阳佳节，河南省林州垃圾发电厂党支部前往附近村庄开展“关爱老人 情暖重阳”送温暖活动，为老人们送去节日的慰问和祝福。



Figure 9 Linzhou Jiasheng WTE Facility launched a special visit as an expression of gratitude with the theme of caring the elderly.
图9 河南省林州垃圾发电厂开展“关爱老人 情暖重阳”主题慰问活动

3. “Zero Distance” Visit and “Immersion” Education

On 13 April 2021, students from Northeast Normal University visited the Jilin Xinxiang WTE Facility in Jilin Province. Through the explanation in the environmental science education exhibition hall, the visit of the main control room and Q&A session in the meeting room, the students truly understood the importance of waste technology and waste sorting.



3. “零距离”参观, “浸润式”教育

2021年4月13日, 东北师范大学学生到访吉林省长春垃圾发电厂参观学习, 通过环保科普教育展厅讲解、主控室参观、会议室答疑的层层深入, 让同学们真正了解到了垃圾焚烧工艺及垃圾分类的重要性。

Figure 10 Students from Northeast Normal University visited Jilin Xinxiang WTE Facility in Jilin Province.
图10 东北师范大学学生参观吉林省长春垃圾发电厂

4. Environmental Protection Entered in New Era with Digital Media

In February 2021, Songyuan Xinxiang WTE Facility in Jilin Province launched a double virtual visit through a WeChat group with 3D video sharing and Douyin live broadcast which was participated by more than 60 people. The public got to know the whole process of waste treatment, including the treatment of dust, flue gas and leachate. At the same time, the virtual visit also explained and answered questions about each process flow, so that the public could understand the treatment process and final destination of waste and sewage. Many visitors commented how clean the waste treatment was, and that it can also become a garden-like factory area.

4. 数字赋能迈新步 环保宣教展新篇

2021年2月, 吉林省松原垃圾发电厂通过微信群3D视频分享及抖音直播形式双重开展“云参观”, 共计60余人次参与, 通过摄像头带领大家参观了解垃圾处理的全过程, 包括烟尘处理、废气如何达标、垃圾焚烧后的飞灰如何处理、垃圾渗滤液的处置等工艺流程, 同时也对各项工艺流程进行了详细讲解及答疑, 让公众明白了垃圾、污水的处理过程和最终去向。不少公众在参与中感叹, 垃圾处理也能如此干净, 也能成为花园式厂区。



Figure 11 Songyuan Xinxiang WTE Facility in Jilin Province launched virtual visit.
图11 吉林省松原垃圾发电厂开展线上“云参观”

Corporate Governance Report

Zheneng Jinjiang Environment Holding Company Limited (the “**Company**” or “**Zheneng Jinjiang Environment**”) and its subsidiaries (collectively referred to as the “**Group**”) is committed to maintaining good corporate governance in all its business activities.

This report sets out Zheneng Jinjiang Environment’s corporate governance practices with reference to the Principles and Provisions of the Code of Corporate Governance 2018 (the “**CG Code**”). Where the Company’s practices differ from the Provisions under the CG Code, comprehensive and meaningful explanations on how such practices it had adopted are consistent with the aim, intent and philosophy of the relevant Principle have been included in this report.

Board Matters

Principle 1: The Board’s Conduct of Affairs

Role of the Board

The Board oversees the Group’s business and its performance. It is collectively responsible and works with management for the long-term success of the Company. The Board’s principal roles include guiding and establishing strategic and business objectives. The Board considers sustainability issues, including environmental and social factors, as part of its strategic formulation. Executives of the Board are tasked to execute these by setting direction and goals for management and staff and ensuring that the business of the Group is effectively managed and properly conducted day to day towards these ends. The Board reviews the Group’s performance and satisfies itself on the adequacy and effectiveness of the framework and processes for internal controls. The Board also sets the tone for the Group in respects of ethics, values and desired organisational culture, and ensures proper accountability within the Group. The Board assumes the overall responsibility for good corporate governance.

The Group’s key stakeholders include its shareholders, customers, suppliers, business partners, employees and the community. The Group has put in place a code of business and ethical conduct for its employees to ensure that obligations to these key stakeholders are understood and met.

Independent Judgement

All Directors are fiduciaries of the Company who act objectively in the best interests of the Company and hold management accountable for performance. In determining the independence of the Directors, please refer to “Board Independence” under Principle 2 in this Corporate Governance Report. Also, Directors who face conflicts of interest or are directly or indirectly interested in a transaction or proposed transaction recuse themselves from discussions and decisions involving the issues of conflict. The Board has established a Nominating Committee (the “**NC**”) which makes recommendations to the Board on the appointments and re-appointments of the Directors and assesses their independence annually and as and when circumstances require. When assessing their independence, the NC takes into account the Director’s independence in conduct, character and judgment and any relationships between the Director and the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment in the best interests of the Company.

Delegation by the Board

To assist in the execution of its responsibilities as a listed company, the Board has established an Audit and Risk Management Committee (the “**ARMC**”), a Remuneration Committee (the “**RC**”) and an NC. These Committees function within clearly defined written terms of references setting out their compositions, authorities and duties including reporting back to the Board, which are reviewed on a periodic basis to ensure their continued relevance. The composition and effectiveness of each Committee is also periodically reviewed by the Board. The delegation of authority by the Board to the Committees enables the Board to achieve operational efficiency by empowering the Committees to decide on matters within their respective terms of reference, and yet without abdicating its responsibility. Please refer to Principles 10, 6 and 4 in this Corporate Governance Report for further information on the activities of the ARMC, RC and NC respectively.

The Committees are predominantly made up of independent non-executive Directors and are each chaired by an independent non-executive Director. The details of the membership in the Committees are set out as follows:

	ARMC	NC	RC
Wei Dongliang	-	Member	-
Ang Swee Tian	Member	Chairman	Member
Hee Theng Fong	Member	-	Chairman
Tan Huay Lim	Chairman	Member	-
Ni Mingjiang	-	Member	Member

Board Processes

The Board meets at least quarterly and whenever necessary to address any specific significant matters that may arise. Records of such meetings, including key deliberations and decisions taken, are maintained by the Joint Company Secretaries. The Company's Articles of Association allow a Board meeting to be conducted by way of telephonic or video-conference. Board approval may be obtained by circulation via written resolutions.

The number of Board and Committee meetings held for the financial year ended 31 December 2021 ("FY2021") (for the avoidance of doubt, for the period from 1 January 2021 to 31 December 2021) and the attendance of each Director where relevant are as follows:

Directors' Attendance at Board and Board Committee Meetings in FY2021

	Board	AGM	EGM	ARMC	NC	RC
Number of meetings held in FY2021	4	1	-	5	1	1
Name of Director	Number of meetings attended in 2021					
Wei Dongliang	4	1	-	5 [^]	1	-
Wang Ruihong	4	1	-	5 [^]	-	1 [^]
Ang Swee Tian	4	1	-	5	1	1
Hee Theng Fong	4	1	-	5	1 [^]	1
Tan Huay Lim	4	1	-	5	1	1 [^]
Ni Mingjiang	4	1	-	3 [^]	1	1

[^] : by invitation

Despite the above disclosure, the Board is of the view that the contribution of each Director should not only be focused on the attendance at Board and Board Committee meetings but should extend beyond attendance at meetings. A Director may share his or her opinion, advice and experience with other Directors and management and doing so can also further the interest of the Group. A Director with multiple board representations has ensured that sufficient time and attention is given to the affairs of the Company.

Corporate Governance Report

Board Approval

The Board has identified certain key matters that are specifically reserved for approval by the Board, including:

- the Group's long-term objectives and commercial strategy, and the annual operating and capital expenditure budgets;
- material investments and acquisitions and disposal of assets or projects above certain specified thresholds;
- major corporate or financial restructuring, changes to the Group's capital structure and debt financing which results in the Group's gearing ratio exceeding certain limits specified in the Group's annual budget;
- dividend policy and any changes thereto, and the declaration or recommendation of dividends;
- the results of the Company, the annual report, significant changes in accounting policies or practices, transactions whereby there is a conflict of interest involving a substantial shareholder or director, and the Group's risk and control processes and corporate governance arrangements; and
- resolutions and documentation to be put forth to Shareholders at a general meeting.

The ARMC, NC and RC evaluate and report to the Board on other specific matters including, compliance with the provisions of the non-competition agreement entered into by the Company with certain of its controlling shareholders, interested person transactions and any general mandate for interested person transactions, management's remuneration packages and the Jinjiang Environment Performance Share Plan ("**Jinjiang Environment PSP**").

The Board has formally refined the above matters to facilitate execution and also incorporated approval limits that require Board or management approval. The above was clearly communicated by the Board to management in writing.

Orientation and Training

The Board recognises the importance of appropriate induction and training for its Directors. Newly appointed Directors will be given an orientation program which includes presentations and briefings by the CEO and management. Due to the COVID-19 pandemic, virtual site visits to overseas plants may also be conducted to facilitate a better understanding of the Group's operations, processes, internal controls and governance practices. Meetings with various key executives allow the Directors to be acquainted with the management team and ensure that the Directors have direct independent access to the management team in future. All newly appointed Directors receive an appointment letter setting out the general duties and obligations as a Director, pursuant to the relevant legislation and regulations.

In addition to the above, all Directors and management are encouraged to undergo relevant training to enhance their skills and knowledge, particularly on new laws and regulations affecting the Group's business and governance practices. Directors who have no prior experience as a director of a listed company are required to attend the Listed Entity Directors Programme conducted by the Singapore Institute of Directors within the prescribed timelines under the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**") to acquire the relevant knowledge on the roles and responsibilities of a listed company director. The Joint Company Secretaries coordinate with such Director to complete such training, subject to the training schedule and the Director's availability. The Directors are also provided with updates periodically by the Company's compliance adviser, Joint Company Secretaries, external and internal auditors and other professionals relating to directors' duties, relevant laws, regulations and codes, financial reporting standards, internal controls, corporate governance and risk management. All the orientation and training expenses are fully funded by the Group.

Pursuant to Rule 720(7) of the SGX-ST Listing Manual effective 1 January 2022, all Directors of the Company must undergo training on sustainability matters as prescribed by the SGX-ST. If the NC is of the view that training is not required because the Director has expertise in sustainability matters, the basis of its assessment must be disclosed. The Company is required to confirm in its sustainability report for the financial year ending 31 December 2022 is required that all its Directors have attended the mandatory training on sustainability. Accordingly, the Company is in the midst of arranging for its Directors to attend the mandatory training on sustainability training by 31 December 2022.

Complete, Adequate and Timely Information

The Board and Board Committees are provided with a meeting agenda and the relevant papers prior to the meetings. Complete, adequate and timely information are provided prior to meetings and on an on-going basis to allow proper deliberation on issues. Draft agenda are circulated in advance to the Board and Board Committees for review and additional items can be added where necessary. Management, external and internal auditors, the compliance adviser and other professionals are invited to the meetings when necessary to provide additional inputs on the matters for discussion. The minutes of meetings are circulated to all Board members for comments and confirmation.

The Directors are encouraged to request for additional information of the Company's operations or business from the management to make informed decisions. Necessary arrangements will be made to provide such information. The Board has separate and independent access to management.

Joint Company Secretaries

At least one of the Joint Company Secretaries will attend all Board and Board Committee meetings and ensure that all Board and Board Committee procedures are followed. Together with the management, the Joint Company Secretaries assist the Company in complying with all the applicable laws and regulations. The Joint Company Secretaries also advise on all corporate governance matters, ensure good information flows within the Board and between management and Directors, facilitate orientation for newly appointed Directors and assist with continuing professional training and development for the Directors. On an ongoing basis, the Directors have separate and independent access to the Joint Company Secretaries at the expense of the Company, whose duties and responsibilities are clearly defined. The appointment or the removal of the Joint Company Secretaries is a decision of the Board as a whole.

Independent Professional Advice

The Directors, whether individually or as a group, are entitled to obtain independent professional advice at the expense of the Company, in the furtherance of their duties and when circumstances warrant the advice.

Principle 2: Board Composition and Guidance

Board of Directors

The Board comprises 6 Directors: 1 executive Chairman, 1 executive Director and 4 independent non-executive Directors. Accordingly, non-executive directors make up a majority of the Board. As at the date of this Report, the Board comprises the following members:

Name of Director	Age	Date of first appointment	Position(s)
Wei Dongliang	47	26 Sep 2019	Executive Chairman
Wang Ruihong	56	23 Dec 2010	Executive Director and Deputy General Manager
Ang Swee Tian	73	29 Jun 2016	Lead Independent Director
Hee Theng Fong	67	29 Jun 2016	Independent Director
Tan Huay Lim	65	29 Jun 2016	Independent Director
Ni Mingjiang	72	29 Jun 2016	Independent Director

Board Independence

The NC conducts an annual review of each director's independence in accordance with Rule 210(5)(d) of the SGX-ST Listing Manual and Provision 2.1 of the CG Code. Rule 210(5)(d)(iii) of the SGX-ST Listing Manual is not applicable as none of the Independent Directors have served on the Board beyond 9 years from the date of their first appointment.

Corporate Governance Report

For FY2021, the Board, taking into account the views of the NC, has determined that the four Independent Directors of the Company are independent in character and judgement and that there are no relationships or circumstances with the Company, its related corporations, its substantial shareholders (as defined in the SGX-ST Listing Manual) or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of these Directors' objective business judgment in the best interests of the Company, thus providing a strong and independent element on the Board. No individual or small group of individuals dominate the Board's decision making. Given that the Chairman of the Board is not an independent director, independent directors make up a majority of the Board. Each of the Independent Directors had recused himself from the NC's and Board's deliberations on his own independence.

Board Composition and Size

The NC reviews the size and composition of the Board and each Board Committee annually to ensure they are of an appropriate size and comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The Board is committed to achieve an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. The Board recognises that a diverse Board of an appropriate size is an important element which will better support the Company's achievement of its strategic objectives for sustainable development, avoid groupthink and foster constructive debate. A diverse Board also enhances decision-making process through the perspectives derived from various skills, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors.

The current Board comprises persons with diverse expertise and experience in accounting, business and management, finance, law, risk management and sustainable energy who as a group provide core competencies necessary to meet the Company's requirements. The Directors' objective judgment on corporate affairs and collective experience and knowledge are invaluable to the Group and allows for the useful exchange of ideas and views.

Pursuant to Provision 2.4 of the CG Code, the Board has also adopted a Board Diversity Policy. Under the Board Diversity Policy, the NC will, in reviewing the Board's composition, rotation and retirement of Directors and succession planning, consider a number of aspects, including but not limited to gender, age, nationalities, ethnicity, cultural background, educational background, experience, skills, knowledge, independence and length of service. The ultimate decision on the selection of Director(s) to be appointed on the Board will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity and needs on the Board.

While the current Board does not have a mixed gender diversity, consistent with the intent of Principle 2 of the CG Code, the Board currently comprises suitably qualified Directors with a good balance of expertise and experience, complemented by sound industry knowledge. Taking into account the mix of expertise and experience possessed by the members of the Board and the Board Committees, the Board, taking into consideration the views of the NC, considers that its Directors meet the criteria under its Board Diversity Policy and the Board possesses the necessary diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. The NC and the Board would also continue working towards implementing the Board Diversity Policy more extensively as an ongoing process.

The non-executive independent Directors are kept informed of the Group's business and performance through quarterly Board meetings and have unrestricted access to management. They are encouraged to participate actively in Board meetings to provide constructive input, help develop proposals on strategy and review the performance of the Group. The non-executive independent Directors are encouraged to meet regularly without the presence of management, and the chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

Principle 3: Chairman and Chief Executive Officer (“CEO”)

Chairman and CEO

Mr. Wei Dongliang (“**Mr. Wei**”) is the Executive Chairman of the Group. Mr. Wei is responsible for the overall strategic planning and management of the Group, and is responsible for leading the Board to ensure its effectiveness on all aspects of its role, setting and allocating time for discussion on all agenda items, promoting an open environment for constructive debate at the Board, encouraging non-executive Directors to speak and contribute constructively and ensuring quality, quantity and timeliness of information flow between the Board and management. He also leads the Group in its commitment to achieve and maintain good corporate governance and facilitates dialogue between shareholders, the Board and management during shareholders’ meetings.

For FY2021, there was no CEO of the Company. Mr. Wei is responsible for overseeing the day-to-day operations of the Group.

Although the roles and responsibilities of both the Executive Chairman and the CEO are vested in Mr. Wei, being a deviation from the Provision 3.1 of the CG Code, the Board believes that vesting the roles of both Executive Chairman and CEO in the same person who is knowledgeable in the business of the Group provides the Group with a strong and consistent leadership and thus allows for more effective planning and execution of long-term business strategies.

Nonetheless, any major decisions made by Mr. Wei are required to be reviewed and approved by the Board. Should Mr. Wei face any conflict of interest in the proposed transaction, he is required to recuse himself from discussions and decisions involving the issues of conflict. He is also required to avoid situations in which his own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Group. In addition, the Independent Directors of the Company make up a majority of the Board. As such, consistent with the intent of Principle 3 of the CG Code, the Board believes that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is independent and based on collective decision without any individual exercising any considerable concentration of power of influence. Accordingly, there is a balance of power and authority and, therefore, no one individual has unfettered powers and can control/ dominate the decision-making process of the Company. The Board is not considering separating the roles of the Executive Chairman and the CEO at this moment. The NC will review the need to separate these roles from time to time and make its recommendations when necessary.

Lead Independent Director

Given that the Chairman is not independent, Mr. Ang Swee Tian (“**Mr. Ang**”) has been appointed as the Lead Independent Director (“**Lead ID**”). The Board is of the view that the process of decision making by the Board is independent and based on collective decision-making without any individuals exercising any considerable concentration of power or influence. All major decisions made by the Group will be subject to review by the Board. The Lead ID is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman of the Board or management are inappropriate or inadequate. The Lead ID has also held discussions with the other independent Directors without the presence of the Executive Chairman or management.

Principle 4: Board Membership

NC Composition and Role

The NC comprises four directors namely:

1. Ang Swee Tian (NC Chairman and Lead Independent Director)
2. Wei Dongliang (Executive Chairman)
3. Tan Huay Lim (Independent Director)
4. Ni Mingjiang (Independent Director)

Three out of four members of the NC are independent. The NC Chairman is also the Lead ID.

Corporate Governance Report

The NC's key terms of reference, approved by the Board, include the following:

- making recommendations to the Board on relevant matters relating to succession plans for the chairman of the Board, Directors, Group CEO and other key management personnel (including regarding their appointment and/or replacement);
- making recommendations to the Board on relevant matters relating to evaluation of the performance of the Board, the Board Committees and the individual Directors. The NC also proposes and recommends for the Board's approval, objective performance criteria and processes for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the chairman of the Board and each individual Director to the Board;
- making recommendations to the Board on relevant matters relating to the training and professional development programmes for the Board and the Directors, including ensuring that new Directors are aware of their duties and obligations and undergo an appropriate induction programme;
- making recommendations to the Board on relevant matters relating to the appointment and re-appointment of all Directors (including any alternate Directors) and on membership of the Board Committees;
- regularly reviewing the structure, size and composition of the Board and Board Committees, having regard to skillset, qualification, gender, age, experience and diversity;
- reviewing other directorships and principal commitments held by each Director and decide whether a Director is able to carry out, and has been adequately carrying out, his/her duties as a Director, taking into consideration the number of listed company directorships held by the Director and his/her principal commitments; and
- reviewing and determining annually (or whenever necessary), the independent status of Directors (and that of the alternate Directors (if applicable), having regard to the Code and the SGX-ST Listing Manual.

Based on the NC and the Board evaluation checklists completed by the NC and the Directors respectively, the NC believes that it has fulfilled its responsibilities and discharged its duties as set out in its written terms of reference. The Joint Company Secretaries maintain records of all NC meetings and these checklists. For more information on these checklists, please refer to Principle 5 of this Corporate Governance Report.

Selection, Nomination and Appointment of New Directors

In the selection and nomination for new Directors, the NC identifies the key attributes that an incoming Director should possess based on the requirements of the Group. The NC taps on the Directors, management and external parties for recommendations of potential candidates. The NC meets with the potential candidates to assess their suitability before formally recommending them for appointment to the Board for further evaluation.

In the selection process, the NC considers:

- the candidate's track record, experience and expertise, age, gender and other attributes that the Board identifies;
- the independence of the candidate, in the case of the appointment of an independent director;
- competing time commitments if the candidate has multiple listed company board representations and other principal commitments; and
- the composition requirements of the Board and Board Committees.

Re-appointment of Directors

The NC reviews the nomination of relevant Directors for re-election and appointment, including their independence as a director, if applicable. When considering the nomination for re-appointment, the NC considers the composition and progressive renewal of the Board and each Director's contribution and performance (e.g. attendance, preparedness, participation and candour).

The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company. The NC reviews annually the directorships held by each Director as well as principal commitments, if any. Where a Director holds a significant number of listed company directorships and principal commitments, the NC and the Board will make a reasoned assessment of the ability of the Director to diligently discharge his or her duties. Each Director is also required to confirm annually to the NC whether he has any issue with competing time commitments which may impact his ability to provide sufficient time and attention to his duties as a Director of the Company. The NC and the Board will also take into consideration whether a Director had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators. The NC and the Board will also assess whether a Director's resignation from the board of any such company casts any doubt on the director's qualification and ability to act as a Director of the Company. Based on the analysis, the confirmation from the Directors, the number of listed company directorships and principal commitments of each Director and their contribution to the Company, the NC is of the view that all the Directors are able to and have adequately carried out their duties as Directors of the Company.

Although Practice Guidance 4 of the CG Code recommends the Board to determine the maximum number of listed company board representations which any Director may hold, the NC does not recommend setting this limit. The Board considers several factors as described above to be a more effective assessment of a Director's commitment rather than to prescribe a limit. Suitable candidates who have multiple board representations may still have the capacity to participate and contribute as members of the Board. Currently, the number of directorships in other listed companies, excluding the Company, held by the Directors ranges from nil to five.

The Board requires a Director to inform the Board when accepting any new principal commitment or listed company board appointment. The Director will also be required to confirm that the new commitment or appointment will not affect his ability to adequately carry out his duties as a Director of the Company. Directors are also required to disclose to the Board details of any relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence¹, including business relationships which a Director, his or her immediate family member, or an organisation which the Director, or his or her immediate family member is a substantial shareholder, partner (with 5% or more stake), executive officer or director in has with the Company or any of its related corporations, and the Director's direct association with a substantial shareholder of the Company, in the current and immediate past financial year. No Director or his or her immediate family member, or a company that he, she or they are a substantial shareholder in, provides to or receives from the company or its subsidiaries any significant payments or material services.

The Company's articles of association provide that each Director shall retire at least once every three years and a retiring Director shall be eligible for re-election. At the forthcoming annual general meeting ("**AGM**"), Mr. Wang Ruihong ("**Mr. Wang**"), Mr Hee Theng Fong ("**Mr. Hee**") and Mr Tan Huay Lim ("**Mr. Tan**"), will be retiring. Mr. Wang, Mr. Hee and Mr. Tan have offered themselves for re-election. Mr. Tan, being a member of the NC, has abstained from the deliberation in respect of his re-nomination as a Director. The NC recommended that Mr. Wang, Mr. Hee and Mr. Tan be nominated for re-election at the forthcoming AGM.

Succession Planning

In reviewing succession plans, the NC considers the Company's strategic priorities and the factors affecting the long-term success of the Company. In relation to succession plans for Directors, the NC aims to maintain an optimal Board composition by considering the trends affecting the Company, reviewing the skills needed, and identifying gaps (including considering whether there is an appropriate level of diversity of thought). In relation to succession plans for key management personnel, the NC takes an active interest in how key talent is managed within the Group and reviews the mechanisms for identifying strong candidates and developing them to take on senior positions in the future. The NC considers different time horizons for succession planning as follows: (1) long-term planning, to identify competencies needed for the Company's strategy and objectives, (2) medium-term planning, for the orderly replacement of Board members and key management personnel, and (3) contingency planning, for preparedness against sudden and unforeseen changes.

¹ "independence" has the same meaning as defined in the CG Code and Rule 210(5)(d) of the SGX-ST Listing Manual.

Corporate Governance Report

Key Information on Directors

The present and past (at least for the past five financial years) directorships of each Director in other listed companies, group and related companies and other companies and organisations are set out below.

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Wei Dongliang (韦东良)	<u>Group Companies</u>	<u>Group Companies</u>
	Hangzhou Jinjiang Environment Investment Co., Ltd. (杭州锦环投资有限公司)	-
	Singapore Jinjiang Environment Pte. Ltd. (新加坡锦江环境私人有限公司)	Zhejiang Fuzhe Investment Co., Ltd. (浙江富浙投资有限公司)
	Lamoon Holding Limited	Zhejiang Provincial Energy Group Venture Capital Co., Ltd. (浙江浙能创业投资有限公司)
	Outstanding Mode Developments Limited	Zheshang Property and Casualty Insurance Co., Ltd. (浙商财产保险股份有限公司)
	Sunrise Development Group Limited (晨兴发展集团有限公司)	***China Zheshang Bank Co., Ltd. (浙商银行股份有限公司)
	Gevin Limited (格闻有限公司)	Zhejiang Guohua Zheneng Power Generation Co., Ltd. (浙江国华浙能发电有限公司)
	Prime Gain Investments Limited (鸿盈投资有限公司)	Qinshan Nuclear Power Co., Ltd. (秦山核电有限公司)
	Lin'an Jiasheng Environment Co., Ltd. (临安嘉盛环保有限公司)	Nuclear Power Qinshan Joint Venture Co., Ltd. (核电秦山联营有限公司)
	<u>Other Companies</u>	Guodian Zhejiang Beilun No.1 Power Generation Co., Ltd. (国电浙江北仑第一发电有限公司)
	-	Zhejiang Zheneng Jiaxing Power Co., Ltd. (浙江浙能嘉兴发电有限公司)
		Ningbo Marine Group Company Limited (宁波海运集团有限公司)
		Zhejiang Ocean Development Investment Group Co., Ltd. (浙江省海洋开发投资集团有限公司)
	Zhejiang Tou Men Port Investment and Development Co., Ltd. (浙江头门港投资开发有限公司)	
	Qianjiang Water Resources Development Co., Ltd. (钱江水利开发股份有限公司)	

Name	Present Directorships	Past Directorships
Wang Ruihong (王瑞红)	<p><u>Group Companies</u></p> <p>Lin'an Jiasheng Environmental Protection Co., Ltd. (临安嘉盛环保有限公司)</p> <p>Green Energy (Hangzhou) Enterprise Management Co., Ltd. (绿能(杭州)企业管理有限公司)</p> <p>Hangzhou Jinjiang Environment Investment Co., Ltd. (杭州锦环投资有限公司)</p> <p>Hangzhou Xiaoshan Jinjiang Green Energy Co., Ltd. (杭州萧山锦江绿色能源有限公司)</p>	<p>Huaizhe Coal & Electricity Co., Ltd. (淮浙煤电有限责任公司)</p> <p>Zhejiang Zheneng Gas Co., Ltd. (浙江浙能燃气有限公司)</p> <p>Shenhua Guohua (Zhoushan) Power Generation Co., Ltd. (神华国华(舟山)发电有限责任公司)</p> <p>Zhejiang Zheneng Wenzhou Power Generation Co., Ltd. (浙江浙能温州发电有限公司)</p> <p>Zhejiang Fuxing Electric Power Fuel Co., Ltd. (浙江富兴电力燃料有限公司)</p> <p>Zhejiang Zheneng Beilun Power Generation Co., Ltd. (浙江浙能北仑发电有限公司)</p> <p>Zhejiang Zheneng Changxing Power Generation Co., Ltd. (浙江浙能长兴发电有限公司)</p> <p>Zheneng Equity Investment Fund Management Co., Ltd. (浙能股权投资基金管理有限公司)</p> <p>Zhejiang Zheneng Investment Management Co., Ltd. (浙江浙能投资管理有限公司)</p> <p>Zhejiang Zheneng Ningbo Natural Gas technology Development Limited Liability Company (浙江浙能宁波天然气科技开发有限责任公司)</p> <p>Zheneng Capital Holdings Co., Ltd. (浙能资本控股有限公司)</p>
		<p><u>Group Companies</u></p> <p>Hohhot Jiasheng New Energy Co., Ltd. (呼和浩特嘉盛新能源有限公司)</p> <p>Baishan Green New Energy Co., Ltd. (白山绿能新能源有限公司)</p> <p>Hunchun Green New Energy Co., Ltd. (珲春绿能新能源有限公司)</p> <p>Linzhou Jiasheng New Energy Co., Ltd. (林州市嘉盛新能源有限公司)</p> <p>Zhongwei Green New Energy Co., Ltd. (中卫市绿能新能源有限公司)</p>

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Name	Present Directorships	Past Directorships
	Hangzhou Yuhang Jinjiang Environmental Energy Co., Ltd. (杭州余杭锦江环保能源有限公司)	Tangshan Jiasheng New Energy Co., Ltd. (唐山嘉盛新能源有限公司)
	Wenling Green New Energy Co., Ltd. (温岭绿能新能源有限公司)	Lüliang Green New Energy Co., Ltd (吕梁绿能新能源有限公司)
	Wuhan Green Energy Co., Ltd. (武汉市绿色环保能源有限公司)	Zibo Green New Energy Co., Ltd. (淄博绿能新能源有限公司)
	Wuhan Hankou Green Energy Co., Ltd. (武汉汉口绿色能源有限公司)	<u>Other Companies</u> -
	Kunming Xinxingze Environmental Resources Industry Co., Ltd. (昆明鑫兴泽环境资源产业有限公司)	
	Yunnan Green Energy Co., Ltd. (云南绿色能源有限公司)	
	Zibo Environmental Energy Co., Ltd. (淄博环保能源有限公司)	
	Zibo Green Environmental Energy Co., Ltd. (淄博绿能环保能源有限公司)	
	Gaomi Lilangmingde Environmental Protection Technology Co., Ltd. (高密利朗明德环保科技有限公司)	
	Jilin Xinxiang Co., Ltd. (吉林省鑫祥有限责任公司)	
	Songyuan Xinxiang New Energy Co., Ltd. (松原鑫祥新能源有限公司)	
	Suihua Green New Energy Co., Ltd. (绥化市绿能新能源有限公司)	
	Qitaihe Green New Energy Co., Ltd. (七台河绿能新能源有限公司)	
	Lianyungang Sunrise Environmental Protection Industry Co., Ltd. (连云港晨兴环保产业有限公司)	
	Zhengzhou Xingjin Green Environmental Energy Co., Ltd. (郑州荣锦绿色环保能源有限公司)	
	Yinchuan Zhongke Environmental Electrical Co., Ltd. (银川中科环保电力有限公司)	
	Zhejiang Zhuji Bafang Thermal Power Co., Ltd (浙江诸暨八方热电有限责任公司)	

Name	Present Directorships	Past Directorships
	<p>Wuhu Lüzhou Environmental Protection Energy Co., Ltd. (芜湖绿洲环保能源有限公司)</p> <p>Tianjin Sunrise Environmental Protection Science and Technology Development Co., Ltd. (天津市晨兴力克环保科技发展有限公司)</p> <p>Shanghai Sunrise Management Co., Ltd. (上海晨兴企业管理有限公司)</p> <p>Shijiazhuang Jiasheng New Energy Co., Ltd (石家庄嘉盛新能源有限公司)</p> <p>Tangshan Jinhuan New Energy Co., Ltd (唐山市锦环新能源有限公司)</p> <p>Ecogreen Energy Private Limited</p> <p>Ecogreen Energy Gurgaon Faridabad Private Limited</p> <p>Ecogreen Energy Lucknow Private Limited</p> <p>Ecogreen Energy Gwalior Private Limited</p> <p>PT Jinjiang Environment Indonesia</p> <p>PT. Indo Green Power</p> <p>Singapore Jinjiang Environment Pte. Ltd.</p> <p><u>Other Companies</u></p> <p>-</p>	
Ang Swee Tian	<p><u>Group Companies</u></p> <p>-</p> <p><u>Other Companies</u></p> <p>* Cosco Shipping International (Singapore) Co., Ltd</p> <p>ICE Singapore Holdings Pte. Ltd.</p> <p>ICE Futures Singapore Pte. Ltd.</p> <p>ICE Clear Singapore Pte. Ltd.</p> <p>IWOW Technology Limited</p>	<p><u>Group Companies</u></p> <p>-</p> <p><u>Other Companies</u></p> <p>* China Aviation Oil (Singapore) Corporation Ltd</p> <p>Tuas Power Ltd</p> <p>Tuas Power Generation Pte Ltd</p> <p>TP Utilities Pte Ltd</p> <p>Amare-Greenland Hospitality Investments (AGHI) Pte Ltd</p>

Corporate Governance Report

Name	Present Directorships	Past Directorships
Hee Theng Fong	<u>Group Companies</u>	<u>Group Companies</u>
	-	-
	<u>Other Companies</u>	<u>Other Companies</u>
	* Straco Corporation Limited	* Tye Soon Limited
	* Yanlord Land Group Limited	* First Resources Limited
	* China Aviation Oil (Singapore) Corporation Ltd	* YHI International Limited
	** Haidilao International Holding Ltd	* Datapulse Technology Limited
	****Huazhu Group Limited	* Delong Holdings Limited
	F & H Singhome Fund II Ltd.	* APAC Realty Limited
	F & H Singhome Fund III Ltd.	Chua Foundation
	Greenland (Singapore) Trust Management Pte. Ltd.	Singapore Chinese Cultural Centre
	Green Link Digital Bank Pte. Ltd.	Business China
	Singapore Medishield Life Council	Chinese Development Assistance Council (CDAC)
		Citizenship Committee of Inquiry (ICA)
Tan Huay Lim	<u>Group Companies</u>	<u>Group Companies</u>
	-	-
	<u>Other Companies</u>	<u>Other Companies</u>
	Dasin Retail Trust Management Pte. Ltd., the Manager of * Dasin Retail Trust	* Hong Leong Asia Ltd.
	Elite Commercial REIT Management Pte.Ltd., the Manager of * Elite Commercial REIT	* Auric Pacific Group Limited
	**Linklogis Inc.	Singapore Hokkien Huay Kuan
	SF REIT Asset Management Limited, the manager of **SF Real Estate Investment Trust	Ren Ci Hospital
	* Sheng Siong Group Ltd.	Xihe Holdings (Pte) Ltd. (under winding up by court order since 24 March 2022)
	Green Link Digital Bank Pte. Ltd.	Xihe Capital (Pte) Ltd (in liquidation pursuant to a members' voluntary winding up since 22 October 2020)
		*ASL Marine Holdings Ltd.
	* Koufu Group Limited	

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Ni Mingjiang (倪明江)	<u>Group Companies</u>	<u>Group Companies</u>
	-	-
	<u>Other Companies</u>	<u>Other Companies</u>
	Zhejiang University Jinjiang Energy Environmental Protection Co., Ltd. (浙江浙大锦江能源环保有限公司)	-

Notes:

- * denotes public listed companies listed on the SGX-ST
- ** denotes public listed companies listed on in the Stock Exchange of Hong Kong Limited (“SEHK”)
- *** denotes public listed companies listed on the SEHK and the Shanghai Stock Exchange
- **** denotes public listed companies listed on the SEHK and the Nasdaq Global Market

The principal commitments, working experience, academic and professional qualifications and shareholding in the Company and its related corporations (if any) of the Directors can be found in the sections entitled “Board of Directors” and “Directors’ Statement” of this Annual Report.

Pursuant to the composite approach to analysing a Director’s effectiveness outlined above, although some of the Directors hold a significant number of listed company directorships, the NC and the Board believe that they have been able to and will continue to adequately discharge their duties diligently.

Corporate Governance Report

Supplemental Information on Directors Seeking Re-election

The information required under Rule 720(6) of the SGX-ST Listing Manual relating to the Directors being proposed for re-election, namely, Mr. Wang Ruihong, Mr. Hee Theng Fong and Mr. Tan Huay Lim, are set out below:

Name of Director	Wang Ruihong	Hee Theng Fong	Tan Huay Lim
Date Of Appointment	23 December 2010	29 June 2016	29 June 2016
Date Of Last Re-Appointment (if applicable)	29 April 2019	29 April 2019	29 April 2019
Age	56	67	65
Country Of Principal Residence	People's Republic of China	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The re-election of Mr. Wang Ruihong ("Mr. Wang") as Director was recommended by the Nominating Committee ("NC") and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contributions since he was appointed as a Director of the Company.</p> <p>Mr. Wang has abstained from the deliberation of the Board pertaining to his re-election.</p>	<p>The re-election of Mr. Hee Theng Fong ("Mr. Hee") as Director was recommended by the Nominating Committee ("NC") and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contributions since he was appointed as a Director of the Company.</p> <p>Mr. Hee has abstained from the deliberation of the Board pertaining to his re-election. .</p>	<p>The re-election of Mr. Tan Huay Lim ("Mr. Tan") as Director was recommended by the Nominating Committee ("NC") and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contributions since he was appointed as a Director of the Company.</p> <p>Mr. Tan has abstained from the deliberation of the NC as well as that of the Board pertaining to his re-election.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr. Wang is responsible for general administrative management, market branding and legal compliance of the Group.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Deputy General Manager	Independent Director, Chairman of Remuneration Committee and Member of Audit and Risk Management Committee	Independent Director, Chairman of Audit and Risk Management Committee and Member of NC
Professional Qualifications	Please refer to the "Board of Directors" section		
Working experience and occupation(s) during the past 10 years	Please refer to the "Board of Directors" section		
Shareholding interest in the listed issuer and its subsidiaries	Direct interest of 2,100,000 shares	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None

Name of Director	Wang Ruihong	Hee Theng Fong	Tan Huay Lim
Conflict of interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments ² including Directorships – Past (for the last 5 years)	Director of:- <ul style="list-style-type: none"> ● Hohhot Jiasheng New Energy Co., Ltd. (呼和浩特嘉盛新能源有限公司) ● Baishan Green New Energy Co., Ltd. (白山绿能新能源有限公司) ● Hunchun Green New Energy Co., Ltd. (珲春绿能新能源有限公司) ● Linzhou Jiasheng New Energy Co., Ltd. (林州市嘉盛新能源有限公司) ● Zhongwei Green New Energy Co., Ltd. (中卫市绿能新能源有限公司) ● Tangshan Jiasheng New Energy Co., Ltd. (唐山嘉盛新能源有限公司) ● Luliang Green New Energy Co., Ltd. (吕梁绿能新能源有限公司) ● Zibo Green New Energy Co., Ltd. (淄博绿能新能源有限公司) 	Director of:- <ul style="list-style-type: none"> ● Tye Soon Limited ● First Resources Limited ● YHI International Limited ● Datapulse Technology Limited ● Delong Holdings Limited ● Chua Foundation ● Singapore Chinese Cultural Centre ● APAC Realty Limited ● Business China ● Chinese Development Assistance Council (CDAC) Chairman of:- <ul style="list-style-type: none"> ● Citizenship Committee of Inquiry (ICA) 	Director of:- <ul style="list-style-type: none"> ● Hong Leong Asia Ltd. ● Auric Pacific Group Limited ● Singapore Hokkien Huay Kuan ● Ren Ci Hospital ● Xihe Holdings (Pte) Ltd (under winding up by court order since 24 March 2022) ● Xihe Capital (Pte) Ltd. (in liquidation pursuant to a members' voluntary winding up since 22 October 2020) ● ASL Marine Holdings Ltd ● Koufu Group Limited
Other Principal Commitments* including Directorships – Present	Director of:- <ul style="list-style-type: none"> ● Lin'an Jiasheng Environmental Protection Co., Ltd. (临安嘉盛环保有限公司) ● Green Energy (Hangzhou) Enterprise Management Co., Ltd. (绿能(杭州)企业管理有限公司) 	Director of:- <ul style="list-style-type: none"> ● Straco Corporation Limited ● Yanlord Land Group Limited ● China Aviation Oil (Singapore) Corporation Ltd ● Haidilao International Holding Ltd. 	Director of:- <ul style="list-style-type: none"> ● Dasin Retail Trust Management Pte. Ltd. (The Manager of Dasin Retail Trust, a Business Trust) ● Elite Commercial REIT Management Pte.Ltd. (The Manager of Elite Commercial REIT)

² Principal Commitments has the same meaning as defined in the CG Code

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Name of Director	Wang Ruihong	Hee Theng Fong	Tan Huay Lim
	<ul style="list-style-type: none"> ● Hangzhou Jinjiang Environment Investment Co., Ltd. (杭州锦环投资有限公司) ● Hangzhou Xiaoshan Jinjiang Green Energy Co., Ltd. (杭州萧山锦江绿色能源有限公司) ● Hangzhou Yuhang Jinjiang Environmental Energy Co., Ltd. (杭州余杭锦江环保能源有限公司) ● Wenling Green New Energy Co., Ltd. (温岭绿能新能源有限公司) ● Wuhan Green Energy Co., Ltd. (武汉市绿色环保能源有限公司) ● Wuhan Hankou Green Energy Co., Ltd. (武汉汉口绿色能源有限公司) ● Kunming Xinxingze Environmental Resources Industry Co., Ltd. (昆明鑫兴泽环境资源产业有限公司) ● Yunnan Green Energy Co., Ltd. (云南绿色能源有限公司) ● Zibo Environmental Energy Co., Ltd. (淄博环保能源有限公司) ● Zibo Green Environmental Energy Co., Ltd. (淄博绿能环保能源有限公司) ● Gaomi Lilangmingde Environmental Protection Technology Co., Ltd. (高密利朗明德环保科技有限公司) ● Jilin Xinxiang Co., Ltd. (吉林省鑫祥有限责任公司) 	<ul style="list-style-type: none"> ● Huazhu Group Limited ● F & H Singhome Fund II Ltd. ● F & H Singhome Fund III Ltd. ● Greenland (Singapore) Trust Management Pte. Ltd. ● Green Link Digital Bank Pte. Ltd. <p>Member of:-</p> <ul style="list-style-type: none"> ● ACRA's Complaints and Disciplinary Panel ● Advisory Committee for China Ready Programme under Ministry of Law <p>Deputy Chairman of:-</p> <ul style="list-style-type: none"> ● MediShield Life Council Consultant of:- ● Harry Elias Partnership LLP 	<ul style="list-style-type: none"> ● Linklogis Inc. ● SF REIT Asset Management Limited (The Manager of SF Real Estate Investment Trust) ● Sheng Siong Group Ltd. ● Green Link Digital Bank Pte. Ltd.

Name of Director	Wang Ruihong	Hee Theng Fong	Tan Huay Lim
	<ul style="list-style-type: none"> ● Songyuan Xinxiang New Energy Co., Ltd. (松原鑫祥新能源有限公司) ● Suihua Green New Energy Co., Ltd. (绥化市绿能源有限公司) ● Qitaihe Green New Energy Co., Ltd. (七台河绿能新能源有限公司) ● Lianyungang Sunrise Environmental Protection Industry Co., Ltd. (连云港晨兴环保产业有限公司) ● Zhengzhou Xingjin Green Environmental Energy Co., Ltd. (郑州蒙锦绿色环保能源有限公司) ● Yinchuan Zhongke Environmental Electrical Co., Ltd. (银川中科环保电力有限公司) ● Zhejiang Zhuji Bafang Thermal Power Co., Ltd (浙江诸暨八方热电有限责任公司) ● Wuhu Luzhou Environmental Protection Energy Co., Ltd. (芜湖绿洲环保能源有限公司) ● Tianjin Sunrise Environmental Protection Science and Technology Development Co., Ltd. (天津市晨兴力克环保科技发展有限公司) ● Shanghai Sunrise Management Co., Ltd. (上海晨兴企业管理有限公司) ● Shijiazhuang Jiasheng New Energy Co., Ltd (石家庄嘉盛新能源有限公司) ● Tangshan Jinhuan New Energy Co., Ltd (唐山市锦环新能源有限公司) 		

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Name of Director	Wang Ruihong	Hee Theng Fong	Tan Huay Lim
	<ul style="list-style-type: none"> ● Ecogreen Energy Private Limited ● Ecogreen Energy Gurgaon Faridabad Private Limited ● Ecogreen Energy Lucknow Private Limited ● Ecogreen Energy Gwalior Private Limited ● PT Jinjiang Environment Indonesia ● PT. Indo Green Power ● Singapore Jinjiang Environment Pte. Ltd. 		
<p>Information required Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	Mr. Tan was (i) an independent non-executive director from 1 July 2020 to 28 August 2020 of Xihe Holdings (Pte) Ltd. which was placed under interim judicial management on 13 August 2020, under judicial management on 13 November 2020 and under winding up by court order since 24 March 2022, and (ii) an independent non-executive director from 1 July 2020 to 28 August 2020 of Xihe Capital (Pte) Ltd. which has been placed in liquidation pursuant to a members' voluntary winding up since 22 October 2020.
(c) Whether there is any unsatisfied judgment against him?	No	No	No

Name of Director	Wang Ruihong	Hee Theng Fong	Tan Huay Lim
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

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Name of Director	Wang Ruihong	Hee Theng Fong	Tan Huay Lim
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	<p>Mr. Tan was a council member of the management committee from 30 October 2007 to 31 March 2013 of Ren Ci Hospital & Medicare Centre ("RCHMC"), a non-profit voluntary welfare organisation established in Singapore.</p> <p>On 29 March 2009, Mr. Tan was interviewed by the Commercial Affairs Department ("CAD") in his capacity as a council member of the management committee of RCHMC in connection with CAD's investigations in the affairs of RCHMC. For the avoidance of doubt, Mr. Tan was not the subject of the foregoing investigations and following the interview, Mr. Tan has not been required by the CAD to provide any further assistance in the matter for which he was interviewed. RCHMC, which was registered as a society under the Societies Act 1966 of Singapore, was voluntarily dissolved on 31 March 2013.</p>
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No

Name of Director	Wang Ruihong	Hee Theng Fong	Tan Huay Lim
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

* The term “principal commitments” shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

Additional information on the Directors of the Company can be found under the “**Board of Directors**”.

Principle 5: Board Performance

Board Evaluation Process

The Board has a process in place for undertaking a formal annual assessment of the effectiveness of the Board as a whole, each of its Board Committees and for assessing the contribution by each Director to the effectiveness of the Board. No external facilitator was used. The NC assesses performance using objective performance criteria and processes, which were recommended by the NC and approved by the Board, for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Executive Chairman and each Director to the Board. The overall evaluation and recommendations for improvement are presented to the Board.

Board Evaluation and Board Committees Evaluation Criteria

The NC evaluates the overall Board performance based on various factors including the Board composition, its roles and responsibilities, financial performance, the access to information and its conduct of meetings. Financial performance includes the quarterly and full year performance against the prior corresponding period and against the budget.

For the financial year under review, Directors were requested to complete a board evaluation checklist to assess the overall effectiveness of the Board and Board Committees. In addition, the Chairmen of the respective Board Committees are also required to complete a questionnaire on the effectiveness of the Board Committees, which would be tabled at the NC meeting for further discussion. The results of these checklists were considered by the NC in its assessment of the Board’s and the Board Committees’ performance.

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Individual Director Evaluation Criteria

In the assessment of a Director's performance, the NC evaluates the Director's expertise and competencies, attendance records and the level of constructive participation at Board meetings and the contribution to the Board processes and the Group's strategy and performance. When deliberating the performance of a Director who is also an NC member, that member abstains from the discussions to avoid any potential conflict of interest.

The evaluation results of each Director are used by the NC in consultation with the Executive Chairman, in the review of the Board and Board Committees composition as well as recommendations for the re-appointment and re-election of retiring Directors. Any comments from Directors relating to the Board and its performance are also presented to the Board.

Remuneration Matters

Principle 6: Procedures for Developing Remuneration Policies

RC Composition and Role

The RC comprises three directors namely:

1. Hee Theng Fong (RC Chairman and Independent Director)
2. Ang Swee Tian (Lead Independent Director)
3. Ni Mingjiang (Independent Director)

The RC comprises three non-executive Directors, all of whom including the chairman of the RC are independent.

The RC's key terms of reference, approved by the Board, includes the following:

- reviewing and making recommendations to the Board on all aspects of remuneration, including Directors' fees and the Company's remuneration policies;
- reviewing and making recommendations to the Board on the framework of remuneration for the Board chairman, the Directors, the Group CEO and other key management personnel;
- reviewing and making recommendations to the Board on the specific remuneration packages for each Director, the Group CEO and other key management personnel;
- reviewing the remuneration of any employees who are immediate family members of the Directors, Group CEO or substantial shareholders;
- reviewing and making recommendations to the Board on the talent management and remuneration framework for the Group, including staff development and succession planning;
- monitoring the level and structure of remuneration relative to internal and external peers and competitors;
- ensuring that the contractual terms and any termination payments are fair to the individual and the Company; and
- administering the Jinjiang Environment PSP in accordance with the respective rules adopted (if applicable).

The Company has in place a remuneration framework for the executive Directors and Key Management Personnel. The RC has reviewed the contracts for executive Directors and Key Management Personnel. Overall, the RC considers all aspects of remuneration, including termination terms, to ensure that they are fair. In doing so, the RC has not engaged any remuneration consultants. No Director is involved in deciding his own remuneration.

The RC oversees and administers the Jinjiang Environment PSP. It has the power to make or vary arrangements or guidelines for the implementation and administration of the Jinjiang Environment PSP. There were no share awards granted under the Jinjiang Environment PSP during FY2021. No shares were issued and allotted pursuant to the Jinjiang Environment PSP during FY2021.

Based on the RC and the Board evaluation checklists completed by the RC and the Directors respectively, the RC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference. The Joint Company Secretaries maintain records of all RC meetings and these checklists. For more information on these checklists, please refer to Principle 5 of this Corporate Governance Report.

Principle 7: Level and Mix of Remuneration

Remuneration of Directors and Management

The RC periodically considers and reviews the remuneration packages in order to maintain their attractiveness, to attract, retain and motivate the Directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company for the long term, and to ensure that the level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives, and the long-term interests and risk policies of the Company.

The Company adopts a performance-based remuneration system for employees, including its executive Directors and Key Management Personnel. A significant and appropriate proportion of executive Directors' and Key Management Personnel's remuneration is structured so as to link rewards with the achievement of corporate and individual performance targets in an objective and equitable way and reflects the degree of responsibility held by each employee. The Group seeks to ensure that the variable component is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. To ensure that the level and structure of remuneration is proportionate to the sustained performance and value creation of the Group, the Company has put in place a framework of remuneration for its executive directors and key management personnel. The key areas of focus of the remuneration framework and details of the implementation within the Group are set out below:

Key Areas of Focus	Details
Pay for performance	<ul style="list-style-type: none"> • Instil and drive a pay-for-performance culture • Ensure that remuneration is closely linked to annual and long-term business objectives • Set, communicate and monitor key performance targets and indicators • Adjust the proportion of fixed and variable remuneration to emphasise sustainable performance that is aligned with the Group's strategic objectives, considering qualitative and quantitative factors
Competitive remuneration	<ul style="list-style-type: none"> • Benchmark total remuneration against other organisations of similar size and standing in the Group's industry
Accountability and Risk-taking	<ul style="list-style-type: none"> • Focus on achieving risk-adjusted returns that are consistent with prudent risk taking and capital management as well as emphasis on long-term sustainable outcomes • Design remuneration structure to align incentive payments with the long-term performance of the Group through deferred vesting of incentives

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The remuneration package is made up of both fixed and variable components. The fixed component is essentially base salary and fixed allowances. The variable component is determined based on the performance of the individual employee as well as the Group's performance. It is made up of year-end bonus and other benefits. The variable component, annual increments and adjustments to remuneration are reviewed and approved taking into account the results of the annual review made by the executive Directors and the various heads of department. The Group seeks to ensure that the variable component is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

All the executive Directors have entered into service agreements with the Company. The service agreements are for a term of three years and thereafter continue from year to year, unless terminated. The service agreements set out the salary, bonus and other benefits that the executive Directors are entitled to. The independent non-executive Directors receive Directors' fees, which are appropriate to their level of contribution and determined after taking into account factors such as time and effort spent, frequencies of meetings, roles and responsibilities of the Directors, and the need to pay competitive fees to attract and retain the Directors. Directors' fees are subject to shareholders' approval at the AGM. The Company does not discourage the Directors from holding shares in the Company. There is no requirement under the Company's articles of association for Directors to hold shares in order to qualify to act as a Director of the Company.

The Jinjiang Environment PSP is a longer-term incentive plan in the form of share awards granted by the Company. The plan increases the Group's effectiveness and flexibility in its efforts to recruit, reward and motivate employees to exceed the key financial and operational goals of the Group and to strive for long-term shareholder value. Shares allotted and issued to employees pursuant to the vesting of share awards granted under the Jinjiang Environment PSP are subject to a moratorium on trading for a period of one year. The Group encourages but does not require the employees to hold on to the shares upon expiry of the moratorium period.

Principle 8: Disclosure on Remuneration

Disclosure on Remuneration

The remuneration package for Directors and Key Management Personnel is made up of a fixed component (base salary and fixed allowances) and a variable component (year-end bonus and other benefits), and may also include longer-term incentives. There were no termination, retirement and post-employment benefits granted to Directors and Key Management Personnel in FY2021.

The policy and criteria for setting remuneration and the link between remuneration paid to Directors and Key Management Personnel and performance is set out under Principle 7 above. Information on the Jinjiang Environment PSP can be found under "Share Options and Performance Shares" in the Directors' Statement.

Remuneration for Directors, CEO and Key Management Personnel

The remuneration for the Directors and the CEO of the Company for FY2021 is set out below:

Name	Base / Fixed Salary	Variable Bonus	Directors' Fees ³	Awards of Shares under the Jinjiang Environment PSP	Total
	%	%	%	%	%
Wei Dongliang	61	39	-	-	100
Wang Ruihong	61	39	-	-	100
Ang Swee Tian	-	-	100	-	100
Hee Theng Fong	-	-	100	-	100
Tan Huay Lim	-	-	100	-	100
Ni Mingjiang	-	-	100	-	100

The Board believes that it is not in the best interest of the Company to fully disclose the precise remuneration for each individual Director and the CEO given the highly competitive industry conditions for the waste-to-energy sector particularly in the People's Republic of China. The Board further believes that it is not in the interest of the Company to disclose details of remuneration for the top five Key Management Personnel of the Group (who are not Directors or the CEO) (including names, breakdown of remuneration, remuneration amounts whether individually or in the aggregate), having regard to the highly competitive human resource environment. The names of these top five Key Management Personnel have not been disclosed to maintain confidentiality of staff remuneration matters. The Board is of the view that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, procedure for setting remuneration, and the relationships between remuneration, performance and value creation, details of which are further set out under Principle 7 above, which provides reasonable amount of information on the Company's remuneration framework to enable shareholders to have an adequate appreciation of the remuneration of its Directors and Key Management Personnel and to understand the link between the Company's performance and the remuneration of the CEO and other top five Key Management Personnel. The fees to the independent, non-executive directors are put forward to shareholders for approval on an annual basis at the Company's annual general meeting. Accordingly, the Board believes that the existing practices adopted by the Company are consistent with the intent of Principle 8 of the CG Code.

Employees who are Substantial Shareholders / Immediate Family Member of Directors/CEO/Substantial Shareholders

The Group does not have any employee who is a substantial shareholder of the Company or an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2021.

Accountability and Audit

Principle 9: Risk Management and Internal Controls

The Directors recognise that they have overall responsibility for the governance of risk and ensuring that management maintains a sound system of risk management and internal controls including financial, operational, compliance and information technology controls, to safeguard the interests of the Company and its shareholders.

The management has put in place an Enterprise Risk Management Framework. The Framework seeks to formalise and document the internal processes to enable significant strategic, financial, operational, compliance and information technology risks within the Group to be identified, assessed, managed and monitored. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation, and oversees management in the design, implementation and monitoring of the risk management and internal control systems. Management reviews the Group's business operations to identify key risk areas and risk mitigating strategies to ensure that risks are adequately managed within the Group's risk tolerance limits.

Management has designed and put in place the Group's internal controls structure to provide reasonable assurance against material financial misstatements or loss, for safeguarding Company's assets, for maintenance and provision of reliable and relevant accounting, financial and other information, and in compliance with the applicable laws and regulations. However, the Board notes that no internal controls system can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgment in decision making, losses, fraud or other irregularities.

³ Directors' fees for FY2021 are subject to approval by shareholders as a lump sum at the AGM.

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For the financial year under review, the Executive Chairman and the Chief Financial Officer (“CFO”) provided assurance to the Board on the integrity of the half year, third quarter and the full year unaudited financial statements. The Board in turn provided a negative assurance confirmation in respect of the unaudited financial statements for the half year and third quarter of FY2021 to the shareholders in accordance with the regulatory requirements. The Executive Chairman and other Key Management Personnel also provided the Board with such information and explanations as the Board may require from time to time.

The Executive Chairman and the CFO provided written assurances to the Board that the Group’s financial records have been properly maintained and the financial statements give a true and fair view of the Company’s operations and finances. The Executive Chairman and other Key Management Personnel who are responsible also provided written assurances to the Board that the internal controls and risk management systems in place are adequate and effective to address in all material aspects, the financial, operational, compliance and information technology risks within the current scope of the Group’s business.

The ARMC reviews the adequacy and effectiveness of the Group’s key internal controls and risk management systems with the assistance of management and external and internal auditors. The internal audit identified some control weaknesses at some of the Group’s subsidiaries in China and provided recommendations for improvements. Management has adopted the recommendations to address these weaknesses and the internal audit will follow up to ensure that the recommendations were properly implemented. The external auditors, PricewaterhouseCoopers LLP (“PwC”), during the course of the audit of the Group’s financial statements, identified several possible improvements to the relevant procedures, controls and other aspects, which were presented to the ARMC for consideration. Management action plans are initiated to address the weaknesses identified. Management has assessed and determined that these weaknesses do not have significant financial impact on the financial statements for the Group for FY2021. For the avoidance of doubt, PwC’s recommendations do not in any way modify their audit opinion. The Company’s management has noted PwC’s observations and recommendations and is taking the necessary steps to implement PwC’s recommendations.

Based on the above audits and the written assurance from management, the Board and the ARMC is of the opinion that the system of internal controls and risk management to address the financial, operational, compliance and information technology risks of the Company, are adequate and effective as at 31 December 2021.

Management will continue to periodically review and strengthen the Group’s control environment and further refine its internal policies and procedures. Management continues to devote resources and expertise to maintain a high level of governance and internal controls for the Group.

Principle 10: Audit Committee

Composition of ARMC

The ARMC comprises three directors namely:

1. Tan Huay Lim (ARMC Chairman and Independent Director)
2. Ang Swee Tian (Lead Independent Director)
3. Hee Theng Fong (Independent Director)

The ARMC comprises three non-executive Directors, all of whom including the chairman of the ARMC are independent. At least two members of the ARMC, including the ARMC chairman, possess recent and relevant accounting or related financial management expertise and experience. With the current composition, the ARMC believes that it has the relevant accounting or related financial management expertise and experience to discharge its functions within its written terms of reference which has been approved by the Board. None of the ARMC members is a former partner or director of the Group’s existing auditing firms within the last 24 months and none of the ARMC members has any financial interest in the Group’s existing auditing firms.

Powers and Duties of the ARMC

The ARMC is authorised by the Board to review and investigate any matters it deems appropriate within its terms of reference. The ARMC had full access to and co-operation of the management and external auditors. To facilitate discussions, the ARMC can invite any Director or management of the Group and external and internal auditors to attend its meetings. In addition, the ARMC can engage any firm of accountants, lawyers or other professionals as it deems fit to provide independent advice, at the Company's expense.

The key responsibility of the ARMC is to assist the Board in maintaining a high standard of corporate governance. The ARMC provides an independent review of the Group's financial reporting processes, including the review of accounting policies and practices, and the key internal controls, covering financial, operational, compliance, information technology and risk management controls. The ARMC's key terms of reference are as follows:

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Group's financial performance;
- reviewing at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems. The ARMC also reviews the Board's comments regarding the adequacy and effectiveness of the Group's internal controls and risk management systems and states whether it concurs with the Board's comments received. The ARMC may commission an independent audit on the internal controls and risk management systems for its assurance, or where it is not satisfied with the internal controls and risk management systems;
- reviewing the assurance from the Group CEO and the CFO on the financial records and financial statements;
- reviewing the adequacy, effectiveness, independence, scope and results of the Company's external audit function and making recommendations to the Board on the appointment, re-appointment or removal of the Company's external auditors as well as the remuneration and terms of engagement of the Company's external auditors;
- reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function, being the primary reporting line of the internal audit function and deciding on the appointment, termination and remuneration of the internal audit function;
- ensuring that the Group complies with the applicable laws and regulations and to ensure that the Company has programmes and policies in place to identify and prevent fraud or irregularity, and discussing with the Company's external auditors, and at an appropriate time report to the Board, if the ARMC becomes aware of any suspected fraud or irregularity or suspected infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position, and commission and review the findings of internal investigations into such matters;
- reviewing and ensuring that policies and arrangements are in place for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, and to ensure that the Company publicly discloses, and clearly communicates to employees of the Company, the existence and operation of a whistle-blowing policy and procedures for raising their concerns;
- reviewing all IPTs and related party transactions to ensure that they are on normal commercial terms, and that they do not prejudice the interests of the Company or its minority shareholders;
- monitoring and approving the exercise of any of the rights under the Non-Competition Agreement by the Group;
- monitoring entrusted loan arrangements entered into by the Group (whether as borrower or lender);
- monitoring and approving any lending by the Group to third parties which are not subsidiaries or associated companies of the Company;
- reviewing and monitoring the measures the Group has put in place in respect of the legal representatives of all its PRC-incorporated subsidiaries;

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- reviewing the adequacy of and approving procedures put in place related to the Group's policy for entering into any future hedging transactions; and
- undertaking generally such other functions and duties as may be required by law or the Listing Manual, and by amendments made thereto from time to time.

The ARMC is scheduled to meet at least four times a year. During the year under review, the ARMC reviewed the quarterly, half-yearly and annual financial statements and announcements, the financial reporting and compliance procedures, the report of the internal auditor on the Company's internal controls, and the re-appointment of the external auditors. It held informal meetings and discussions with management from time to time. The ARMC meets with the external and internal auditors without the presence of management at least once a year and holds discussions as and when necessary.

Based on the ARMC and the Board evaluation checklists completed by the ARMC and the Directors respectively, the ARMC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference. The Joint Company Secretaries maintain records of all ARMC meetings and these checklists. For more information on these checklists, please refer to Principle 5 of this Corporate Governance Report.

External Auditors

The ARMC undertook a review of the independence of PwC and gave careful consideration to the Group's relationship with PwC for FY2021. In determining the independence, the ARMC reviewed the Group's relationship with PwC and considered the nature and fees of non-audit services supplied by PwC. The ARMC is of the opinion that the nature and amount of such non-audit services did not impair PwC's position as an independent external auditor. Based on the review, the ARMC is of the opinion that PwC is, and is perceived to be, independent for the purpose of the Group's statutory financial audit.

During the year under review, the Company has paid an aggregate of approximately RMB4,121,000 to the external auditor for its audit services. There were no non-audit fees paid to the external auditor.

In reviewing the nomination of PwC for re-appointment in respect of the financial year ending 31 December 2022, the ARMC has considered the adequacy of the resources, experience and competence of PwC. The consideration includes the experience of the audit partner and key team members in handling the audit of the Group in different jurisdictions. The audit fees, the size and complexity of the audit of the Group as well as the number and experience of the supervisory and professional staff assigned to the Group were taken into account. The ARMC had also considered the audit team's ability to work in a co-operative manner with management while maintaining integrity and objectivity.

PwC has confirmed that they are registered with the Accounting and Corporate Regulatory Authority. The Company is therefore in compliance with Rule 712 and Rule 715 (read together with Rule 716) of the SGX-ST Listing Manual in relation to the appointment of the Group's auditors.

On the basis of the above, the Board has accepted the ARMC's recommendation to nominate PwC for re-appointment as external auditors of the Company at the forthcoming AGM.

ARMC's Commentary on Significant Financial Reporting Matters

The ARMC considered the following financial reporting matters as significant based on their potential impact on the Group's results, or based on the level of complexity, judgement, or estimation involved in their application.

Going Concern Basis of Preparation of Financial Statements

The application of the going concern basis for the preparation of the financial statements requires the Directors to consider whether the Group can meet its payment obligations as and when they fall due in the foreseeable future. The ARMC conducted an assessment as part of its supporting role given the inherent judgements required to be made in relation to the review of the cashflow forecast and compliance with debt financial covenants.

As of 31 December 2021, the current liabilities of the Group and of the Company exceeded the current assets by approximately RMB2,130,907,000 and RMB2,013,619,000 respectively. This is mainly due to the increase in short-term borrowings by RMB672 million drawn from the credit facilities secured in May 2021 to repay the US\$200 million syndicated term loan facility arranged by Standard Chartered Bank which was due in June 2021 (the outstanding amount as at 31 December 2020 was RMB913.5 million) and the reclassification of long-term loan of approximately RMB1,395,508,030 from the Group to short-term borrowings as at 31 December 2021, owing to non-compliance of a Financial Covenant as explained in Note 30 to the financial statements.

The financial statements have nevertheless been prepared on a going concern basis as the directors and management have assessed that it is appropriate to do so after considering the following:

- (A) the lenders of the borrowings have not called on the repayment of the borrowings mentioned above;
- (B) the Group's ability to finalise and obtain additional financing subsequent to year-end including:
 - (i) additional credit facilities from financial institutions; and
 - (ii) the Group refinanced short-term borrowings amounting to RMB247,363,000 by renewing the maturity date to another 12 months.
- (C) the Group's ability to generate positive cash flows from its operations;
- (D) as at the date of Company's announcement of the results for the full year ended 31 December 2021, the Group has RMB1,600 million of undrawn credit facilities, comprising RMB550 million for working capital, RMB802 million for projects and the remaining are for finance leases;
- (E) the Group had on 20 October 2021 announced that it had submitted an application to the Shenzhen Stock Exchange ("**SZSE**") for the proposed issuance of up to RMB1 billion in aggregate principal amount of Asset-Backed Securities for the repayment of short-term borrowings. The application has been accepted by, and is currently under the review of, the SZSE; and
- (F) the financial support, credit support and loans which Zhejiang Provincial Energy Group Co., Ltd. ("**Zheneng Group**") has provided in its capacity as the Group's largest controlling shareholder, as follows:
 - (i) as of 31 December 2021, the Group has obtained loans of RMB840 million, comprising a working capital loan of RMB540 million (drawn down from the credit line of RMB900 million obtained from Zhejiang Provincial Energy Group Finance Co., Ltd., as announced by the Company on 24 May 2021), RMB100 million in project financing and factoring financing of RMB200 million from Zheneng Group. Out of the total loans of RMB840 million obtained, RMB751 million has been included in current liabilities as at 31 December 2021;
 - (ii) the credit assessment and credit approval process of the Group's bankers generally involves the relevant banks assessing the Group's credit based on their credit assessment of Zheneng Group, and the relevant banks would typically earmark credit lines to be extended to the Group out of the overall credit lines and limits extended to Zheneng Group; and
 - (iii) Management will continue to actively seek an even greater degree of support from Zheneng Group, which is a state-owned provincial energy enterprise with great financial strength and good credit standing that can enhance the stability of the Group's capital structure. This will help to improve broadening the Group's financing channels and reduce financing costs in relation to the Group's future fund-raising plans, so as to strengthen the working capital position and the relevant financial ratios of the Group.

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The ARMC held discussions with the management and reviewed the reasonableness of the above key assumptions and significant judgement made by the management in forecasting the future cash flows. The ARMC received assurance from management that the aforesaid key assumptions are achievable within the stipulated timeframes and that the projections were prepared on a reasonable and realistic basis.

The ARMC also held discussions with the external auditors on their audit procedures to test the cashflow forecast. The ARMC also noted the assessment of the ability of the Company and the Group to continue as a going concern by the external auditors and the relevant disclosures made in Note 2.2 to the financial statements.

In view of the foregoing, the ARMC is of the view that the Group is a going concern and the financial statements of the Company and the Group have been drawn up on this basis.

Recognition of revenue from construction services provided under service concession arrangements

The recognition of revenue from Build-Operate-Transfer (“BOT”) service concession agreements with the local government for the construction of waste-to-energy (“WTE”) plants which are within the scope of International Financial Reporting Interpretations Committee 12 Service Concession Arrangements requires a significant degree of management judgement and estimates of the total budgeted contract costs, the stage of completion of contract activity and the expected gross profit margin in accordance with International Financial Reporting Standard IFRS 15 Revenue from Contracts with Customer. In addition, the determination of the fair values of the consideration receivables and allocation of the consideration between service concession receivables and intangible assets involve the forecasting and discounting of future cash flows.

Based on the discussion with the management and the external auditors in conjunction with the annual audit, the ARMC is satisfied that the revenue has been appropriately recognized in accordance with the Group’s accounting policies and the gross profit margin is within a reasonable range of market rates applicable to construction services rendered by comparable companies.

Impairment of Property, Plant and Equipment

The ARMC considered the appropriateness of the methodology and processes applied by the management to review for indicators of impairment of property, plant and equipment (“Assets”). In addition, the ARMC held discussion with the management and reviewed the reasonableness of the key assumptions and the significant judgement made by the management in determining the recoverable amount of the Assets or the amount of impairment losses required to be recorded.

As at 31 December 2021, the carrying value of the Group’s Assets amounted to RMB10,038 million, accounting for 49% of the Group’s total assets. These assets are predominantly made up of buildings which the Group’s WTE plants operate in and the plant and machinery used in the day-to-day business. The Group has carried out impairment assessment on Assets’ carrying amounts to identify whether there are indicators for impairment. Where there are indicators of impairment, management assess the recoverable amount based on the higher of value in use and fair value less costs to sell.

As disclosed in the Company’s announcement on the results for the full year ended 31 December 2021, the Group is continuing to follow up on the progress of the compensation work for the closure of the Old Kunming Wuhua WTE Facility in Kunming, Yunnan Province, for which the negotiations are still ongoing. 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 Group does not expect any impairment arising from the closure of the Old Kunming Wuhua WTE Facility.

In 2021, for certain WTE plants with impairment indicators, management performed assessment on impairment of the assets at cash generating unit level. Based on the impairment assessment carried out by management, no impairment loss was recorded.

In view of the foregoing, no additional impairment charge has been recognized in the statement of profit and loss.

Interested Person Transactions

On 20 July 2016, the Company obtained shareholders' approval for the Company, its subsidiaries and its associated companies not listed on the SGX-ST or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control, to enter into transactions within the categories of Interested Person Transactions set out in the Company's prospectus dated 25 July 2016, with such persons within the class or classes of Interested Persons as described in the said prospectus, provided that such transactions are entered into in accordance with the review procedures set out in the said prospectus (the "IPT Mandate"). At the extraordinary general meeting of the Company ("EGM") held on 25 April 2017, shareholders had approved the renewal of the IPT Mandate. At the EGM held on 30 April 2018, shareholders had approved certain modifications to, and the renewal of, the IPT Mandate. At the EGMs held on 31 December 2018 and on 25 November 2019, shareholders had approved certain further modifications to the IPT Mandate. As such Interested Persons Transactions may occur at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the forthcoming AGM for the renewal of the IPT Mandate.

The ARMC has confirmed that an independent financial advisor's opinion is not required for the renewal of the IPT Mandate as the methods and procedures for determining the transaction prices of the Interested Person Transactions conducted under the IPT Mandate have not changed since the IPT Mandate was last approved by shareholders, and such methods and procedures continue to be sufficient to ensure that these Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The following table summarises the Interested Person Transactions to be disclosed under Rule 907 of the SGX-ST Listing Manual:

Name of interested person	Nature of Relationship	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
Project technical and management services provided to:			
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	Associate of Mr. Dou Zhenggang, a controlling shareholder of the Company ("Mr. Dou")	-	1,779
Energy management contracting services provided to:			
Xiaoyi Xing'an Chemical Engineering Co., Ltd.	Associate of Mr. Dou	-	61,901
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	Associate of Mr. Dou	-	7,506
Guangxi Tiandong Jinsheng Chemical Engineering Co., Ltd	Associate of Mr. Dou	-	9,951
Jilin Shuangjia Environmental Protection Energy Utilization Co., Ltd.	Associate of Mr. Dou	-	3,615

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Name of interested person	Nature of Relationship	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		RMB'000	RMB'000
Purchases of materials from:			
Hangzhou Jinjiang Group Environment Technology Co., Ltd.	Associate of Mr. Dou	-	4,798
Beijing TDR Environ-Tech Co., Ltd.*	Associate of Mr. Dou	-	644
Xiaoyi Xing'an Chemical Engineering Co., Ltd.	Associate of Mr. Dou	-	968
Zhejiang Petroleum Integrated Energy Sales Co. Ltd	Associate of Zheneng Group	-	1,842
Zhejiang Zheneng Oil New Energy Co., Ltd.	Associate of Zheneng Group	-	1,262
Technical services obtained from:			
Zhejiang Zheneng Xingyuan Energy Saving Technology Co., Ltd	Associate of Zheneng Group	1,580	-
Purchases of coal from:			
Zhejiang Zheneng Fuxing Fuel Co., Ltd.	Associate of Zheneng Group	-	38,334
Hangzhou Huawang Shiye Group Co., Ltd.	Associate of Mr. Dou	-	3,504
Operations and maintenance services from:			
Zhejiang Jinrui Environmental Technology Co., Ltd* (f.k.a. Suzhou Jinrui Environmental Technology Co., Ltd)	Associate of Mr. Dou	5,420	-
Beijing Yunchuang Tiandi Environmental Protection Technology Service Co., Ltd.*	Associate of Mr. Dou	2,246	-
Engineering, procurement and construction services from:			
Zhejiang Tiandi Environmental Protection Technology Co., Ltd.	Associate of Zheneng Group	-	11,683
Beijing TDR Environ-Tech Co., Ltd.*	Associate of Mr. Dou	-	21,600

Name of interested person	Nature of Relationship	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		RMB'000	RMB'000
Interest expenses to:			
Zhejiang Provincial Energy Group Finance Co., Ltd.	Associate of Zheneng Group	24,570	-
Operations and maintenance services to:			
Hangzhou Jinjiang Group Environment Technology Co., Ltd.	Associate of Mr. Dou	-	1,653
Lianyuangang Jinchi Bio-technology Co., Ltd*	Associate of Mr. Dou	-	1,531
WTE project consulting services from:			
Hangzhou Jinjiang Group Co., Ltd.	Associate of Mr. Dou	50,000	-
Total		83,816	172,571

* Due to subsequent changes in shareholding, as at 31 December 2021, these entities have ceased to be associates of Mr. Dou.

Note: For purchases of coal, the framework agreement signed between the parties only indicates the unit price of coal and the value of each transaction is determined only when orders are placed. For energy management contracting services, the aggregate value of each project can be determined only after the service has been provided and the Group's share of the energy savings for that particular project has been computed. Accordingly, for these categories of transactions, disclosure of the aggregate value is based on the actual amount incurred for the period.

Material Contracts

Apart from those transactions disclosed as Interested Person Transactions above, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling shareholder during the financial year under review.

Whistle-Blowing Policy

The Company has in place a whistle-blowing policy which sets out the procedures for staff of the Group or any other persons to, in confidence, make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. A whistle-blower may submit a report to the Company's designated internal audit personnel either directly or through the Company's Official WeChat Account on an anonymous basis. The contact details of the designated internal audit personnel, the whistle-blowing policy and its procedures are clearly communicated and are made available to employees in order to facilitate and encourage reporting, investigation and resolution of such matters.

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The designated internal audit personnel will then promptly and independently investigate whistle-blowing reports made in good faith and report the findings of the investigation to the ARMC, which will then recommend appropriate follow up actions to be taken. If required, the ARMC may engage professional advisors at the Group's expense to assist in any investigation. The investigation team keeps the identity of the whistle-blower and contents of the report strictly confidential and will not disclose the identity of the whistle-blower except as required by law or regulatory authorities. The Company is committed to ensure protection of the whistle-blower against detrimental or unfair treatment. No adverse action will be taken against any Director, officer, employee or other individual for making a whistle-blowing report in good faith under the Company's whistle-blowing policy. Where a whistle-blowing report has been made, the Company will take all reasonable steps to ensure that no other person victimizes the whistle-blower. The ARMC is responsible for overseeing the implementation of the whistle-blowing policy and its terms of reference include the oversight and monitoring of whistle-blowing.

Dealings in Securities

The Company has adopted a code of conduct for dealing in securities which sets out the implications of insider trading and provides guidance and internal regulation with regards to dealings in the Company's securities by Directors and officers.

Specifically, the code of conduct has procedures in place prohibiting dealings in the Company's shares by its Directors and officers while (a) in possession of unpublished material price sensitive information, (b) (if the Company announces its quarterly financial statements) during the periods commencing two weeks preceding the announcement date of the Company's quarterly results and one month preceding the announcement date of the Company's full year results and ending one full trading day following such announcements, and (c) (if the Company does not announce its quarterly financial statements) during the period commencing one month preceding the announcement date of the Company's half year and full year financial results and ending one full trading day following such announcement. Internal memorandums are regularly sent to remind Directors and officers on the period where dealings are prohibited. Directors and officers are also expected to observe insider trading laws at all times, even when dealing in securities within the permitted trading period. An officer should not deal in the Company's shares on short-term considerations.

Internal Audit and Internal Controls

The objective of an internal audit is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group. The internal audit reviews and tests the controls in areas of key risks identified.

The internal audit function is independent of the activities it audits. The Board has engaged KPMG Huazhen LLP ("**KPMG**") as the Company's internal auditor. KPMG's primary reporting line is to the ARMC Chairman. The ARMC reviews and approves the appointment, termination, and remuneration of the head of the internal audit function. The ARMC meets with KPMG at least once annually without the presence of management. KPMG has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARMC and management, and has appropriate standing within the Company.

KPMG's directors are members of the Institute of Internal Auditors as well as the Chinese Institute of Certified Public Accountants. The experience, qualifications and size of the engagement team members are also evaluated before assigning to audit the Group. The firm carried out its internal audit according to the standards set by the Institute of Internal Auditors. The ARMC reviews and approves the internal audit plan and reviews the reports from KPMG for its adequacy and effectiveness, at least on an annual basis, and is of the view that the Group's internal audit function is independent, effective and adequately resourced. The internal audit is conducted two to three times yearly, including audits at the corporate headquarters of the Group and a selected operating facility of the Group, as well as audits in respect of interested person transactions. Copies of the internal audit reports are provided to management and the external auditors. Processes are in place such that recommendations raised are followed up to ensure that they are implemented where possible, within a reasonable time frame, taking into account the severity and nature of the control weaknesses identified.

Shareholders Rights and Engagement

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects. The Company facilitates the exercise of shareholders' rights by ensuring that all material and financial information relating to the Group is disclosed in an accurate and timely manner via SGXNET.

The Board provided shareholders with half-yearly, third quarter and annual financial results in relation to FY2021. Results for the first, second and third quarter (where the Company announces its quarterly results) and the half-year (where the Company does not announce its quarterly results) are released to shareholders within 45 days of the end of each quarter and the annual results are released within 60 days from the financial year end. In presenting the Group's quarterly and annual results, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance and financial position with a commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which it operates.

General meetings of the Company are one of the principal forums for dialogue with shareholders. At general meetings, shareholders are given the opportunity to communicate their views and to ask the Directors questions on the various matters affecting the Company. All Directors are usually present and available at general meetings to address any queries. The external auditors are present at general meetings to assist the Directors in answering questions from shareholders as well as attending to queries on the conduct of audit and the preparation and content of the auditors' report. All Directors were present at all such general meetings of the Company held during FY2021. The Directors' attendance at the general meetings of the Company held in 2021 is disclosed under principle 1 above.

Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19 and notwithstanding the place in which the AGMs for the financial years ended 31 December 2019 and 31 December 2020 which were held on 24 June 2020 ("**FY2019 AGM**") and 26 April 2021 ("**FY2020 AGM**") respectively and the forthcoming FY2021 AGM which is to be physically held, other than in respect of the Chairman, Directors and/or representatives of the Company present at such location, the FY2019 AGM and the FY2020 AGM were convened and held, by way of electronic means pursuant to the Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period and checklist jointly issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation ("**Checklist**"), 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 (as amended) ("**Alternative Arrangements Order**").

Printed copies of the Notice of AGM and the proxy forms for the FY2019 AGM and the FY2020 AGM were not sent to members. Instead, the Notice of AGM and the proxy forms for the FY2019 AGM and the FY2020 AGM were sent to members by electronic means via publication on the Company's website at <http://en.znjhj.com/info.html> and the SGXNet.

The Company provides for separate resolutions at general meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of the general meeting. Detailed information on each item in the agenda for the general meeting is provided in the explanatory notes to the Notice of meeting.

The Company prepares minutes of general meetings, which record substantial comments and queries from shareholders relating to the agenda of such meetings. Save for the FY2019 AGM, the FY2020 AGM and the forthcoming FY2021 AGM, the Company generally does not publish its minutes of general meetings on its corporate website. However, the minutes are available to shareholders upon request. Presentation slides are made available on the SGXNET for the benefit of shareholders. Despite having varied from provision 11.5 of the Code, the Board believes that consistent with the intent of principle 11 of the Code, the Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company, and has given shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholders are encouraged to attend the Company's general meetings where the respective Chairmen of the Board and the Board Committees will be present to engage shareholders in dialogue and to address their queries.

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All shareholders are given the opportunity to participate effectively in and to vote at general meetings in person or by proxy. The rules including the voting procedures are set out in the notice of the general meetings. Shareholders may appoint one or two proxies each to attend and vote at general meetings in their absence. "Relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, are allowed to appoint more than two proxies to attend and vote at general meetings. The proxy forms must be deposited with the Company's share registrar not less than seventy-two hours before the time set for the general meetings. However, the Company's Memorandum and Articles of Association do not permit voting in absentia by mail, facsimile or e-mail as such voting methods would need to be cautiously evaluated to ensure that the authenticity of the vote and shareholders' identities are not compromised.

For the FY2019 AGM and the FY2020 AGM, the Company had put in place arrangements for shareholders to participate in the meeting by submitting questions ahead of the meeting, voting by proxy and/or watching or listening to the proceedings via a "live" webcast pursuant to the Checklist. The questions can be submitted (i) via the pre-registration website; (ii) by email to an electronic mail address; (iii) and by post to the registered office address of the Company's Share Transfer Agent, no later than 72 hours before the FY2019 AGM and the FY2020 AGM. The proxy forms, if submitted (i) by post, are to be lodged at the registered office of the Company's Share Transfer Agent or (ii) electronically, the scanned PDF copy is to be submitted by email to the Company's Share Transfer Agent, no later than 72 hours before the FY2019 AGM, the FY2020 AGM and the forthcoming FY2021 AGM. At the FY2019 AGM and the FY2020 AGM, the Company also addressed the questions which were submitted by shareholders prior to the submission deadline.

For the forthcoming FY2021 AGM, as the Company will not be utilising real-time remote electronic voting and real-time electronic communication, shareholders are allowed at least 7 calendar days after the publication of the notice of general meeting to submit their questions and all substantial and relevant questions received from shareholders will be publicly addressed at least 48 hours prior to the closing date and time for the lodgement of the Proxy Forms, in compliance with the Checklist which was further updated on 4 February 2022.

The Company had informed the shareholders of such alternative arrangements and the details relating thereto ahead of the FY2019 AGM and the FY2020 AGM in its Notice of AGM and Proxy Forms released by the Company on SGXNet and its corporate website.

All resolutions tabled by the Company at a general meeting are put to the vote by poll pursuant to Rule 730A(2) of the SGX-ST Listing Manual. Where physical meetings are held, poll voting is typically conducted "live" during such meeting. Even when meetings are conducted by electronic means (such as the FY2019 AGM, the FY2020 AGM and the forthcoming FY2021 AGM), the resolutions tabled by the Company at such meetings are still voted on by poll notwithstanding that shareholders do not vote "live" during the meeting itself. The chairman of the meeting, acting as proxy, will cast the votes in accordance with the instructions specified by shareholders in their respective proxy forms in accordance with the requirements under the Alternative Arrangements Order (as defined below). Voting by poll allows for an equitable and transparent voting process. Shareholders will be better able to demonstrate their concerns in a manner more accurately reflective of their shareholdings. Independent scrutineers are appointed to conduct the voting process. The results of the general meetings are announced via SGXNet after the general meetings.

The application duration of the Alternative Arrangements Order has been extended to allow entities to hold general meetings via electronic means until revoked or amended by the Ministry of Law, even where entities are permitted under safe distancing regulations to hold physical meetings. In view of the current COVID-19 restriction orders in Singapore and the related safe distancing measures, the Company will be conducting its forthcoming FY2021 AGM via electronic means in accordance with the Checklist which was updated on 27 April 2020, 22 June 2020, 1 October 2020 and 4 February 2022.

The Company currently does not have a fixed dividend policy. When making recommendations on the timing, amount and form of future dividends, if any, the Board will consider, among other things, the Group's results of operations and cash flow, expected financial performance and working capital needs, future prospects, capital expenditures and other investment plans, other investment and growth plans and the general economic and business conditions and other factors deemed relevant by the Board and statutory or contractual restrictions on the payment of dividends. For the financial year ended 31 December 2021, no dividend has been recommended as the Group is expanding its business operations, with a view of achieving sustainable and long-term growth of its business. These projects require considerable financial resources and the Group's priority is to manage its cash flow prudently and responsibly so as to ensure that its financial commitments are met.

Principle 12: Engagement with Shareholders

The Company ensures that timely and accurate material information are given to shareholders and investors so that they will be apprised of developments that may have a material impact on the Company. The financial statements and other presentation materials are presented at the Company's general meetings. Material and price-sensitive information are disseminated and publicly released via the SGXNET and the Company's website on a timely basis. The notice of AGM is advertised in the press and the annual report and the notice of AGM are released via SGXNET and the Company's website.

The Company is open to meetings with shareholders, investors, media and analysts, and in conducting such meetings, the Company is mindful of the need to ensure fair disclosure to all shareholders. The Company seeks to solicit and understand the views of shareholders through analyst briefings that coincide with the release of financial results, meeting local and foreign fund managers in investor roadshows and conferences and dialogues with shareholders in general meetings. The Company has in place an investor relations programme which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The investor relations programme sets out the mechanisms through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

Managing Stakeholders Relationships

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. The Company has identified its stakeholders as those who are impacted by the Group's business and operations and those who are able to materially impact the Company's business and operations. Four stakeholder groups have been identified following an assessment of their significance to the Group's business operations. The Group's stakeholders are, namely, investors, employees, the local community and regulators.

The Company has undertaken a materiality assessment to determine six material environmental, social and governance (ESG) factors which are important to these stakeholders and are the Company's sustainability priorities. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. Underpinned by the six material ESG factors, the Company focuses on four priority areas in sustainability, namely, economic performance, environmental services and impacts, workforce and corporate governance, to bring about positive value for its key stakeholders. Having identified its stakeholders and the material ESG factors, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships. Please refer to the Sustainability Report on pages 43 to 69 of this Annual Report for further details.

The Company has made available its sustainability report in the annual report. Sustainability is essential to provide sustainable solutions and bring about positive values for our customers, investors, employees, the local community and regulators.

The Company's website can be found at <http://www.znjhj.com/>, which remains updated and current and offers a platform to communicate and engage with stakeholders.



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The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

In the opinion of the directors, the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 118 to 199 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2021, the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Directors

The directors of the Company in office at the date of this statement are as follows:

Wei Dongliang
Wang Ruihong
Ang Swee Tian
Hee Theng Fong
Tan Huay Lim
Ni Mingjiang

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options and Performance Shares" in this statement.

Directors' interests in shares or debentures

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2021	At 1.1.2021	At 31.12.2021	At 1.1.2021
Zheneng Jinjiang Environment Holding Company Limited				
<i>(No. of ordinary shares)</i>				
Wang Ruihong	2,100,000	2,100,000	-	-
Ang Swee Tian	171,000	80,000	-	-

- (b) The directors' interest in the ordinary shares and convertible securities of the Company as at 21 January 2022 were the same as those as at 31 December 2021.

Directors' Statement

Share Options and Performance Shares

The Company has adopted the Jinjiang Environment Performance Share Plan (the "Plan") which was approved by the shareholders on 29 June 2016 and was subsequently amended and approved by the shareholders at an Extraordinary General Meeting held on 25 April 2017. The Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of ten years commencing from 29 June 2016.

At the date of this statement, the Remuneration Committee which administers the Plan comprises the following directors:

- (i) Hee Theng Fong (Chairman)
- (ii) Ang Swee Tian
- (iii) Ni Mingjiang

During the current financial year, there were no shares granted under the Plan. As at 31 December 2021, the Company has granted 23,394,700 shares under the Plan. All entitled employees are required to pay 30% of the closing market price of the shares awarded to them on the date of grant in cash as a condition for the vesting of the share awards. These shares were granted without a vesting period but will be subject to a moratorium on trading of 12 months from the date of issuance and allotment.

The Plan is a performance incentive scheme which will form an integral part of the Group's incentive compensation program. The purpose of the Plan is to provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty by issuing them with ordinary shares of the Company based on the merits of their performance. The number of shares available under the Plan shall not exceed 15% of the issued share capital of the Company.

- (a) The information on directors of the Company participating in the Plan is as follows:

Name of directors	Granted in financial year ended 31.12.2021	Aggregate granted since commencement of scheme to 31.12.2021	Aggregate exercised since commencement of scheme to 31.12.2021	Aggregate outstanding as at 31.12.2021
Wang Ruihong	-	2,100,000	-	2,100,000

Save as disclosed above, there were no shares granted to directors or controlling shareholders of the Company, or associates of controlling shareholders of the Company, from the commencement of the Plan to the end of the financial year. In addition, no individual has been granted 5% or more of the total number of shares to be comprised in share awards available under the Plan, from the commencement of the Plan to the end of the financial year.

- (b) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

- (c) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

- (d) Unissued shares under options

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee at the end of the financial year were as follows:

Tan Huay Lim (Chairman)

Hee Theng Fong

Ang Swee Tian

All members of the Audit and Risk Management Committee were non-executive directors.

The Audit and Risk Management Committee has reviewed the following:

- the internal and external auditors' audit plans and results of their examination and evaluation of the Group's systems of internal accounting controls;
- the Group's financial and operating results and accounting policies;
- the Group's key financial risk areas and risk management structure;
- the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;
- the quarterly and annual announcements on the results and financial position of the Company and the Group;
- the interested person transactions as defined under Chapter 9 of the SGX-ST Listing Manual;
- the scope, approach and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditor;
- the co-operation and assistance given by the management to the Group's internal and external auditors; and
- the re-appointment of the external auditors of the Group.

The Audit and Risk Management Committee has full access to and has the co-operation of the management and has been given the resources required to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Management Committee.

The Group has complied with Rules 712 and 715 read together with Rule 716 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditors.

The Audit and Risk Management Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Directors' Statement

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Wei Dongliang
Director

Wang Ruihong
Director

8 April 2022

Our Opinion

In our opinion, the accompanying consolidated financial statements of Zheneng Jinjiang Environment Holding Company Limited ("the Company") and its subsidiaries ("the Group") and the statement of financial position and statement of changes in equity of the Company present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year then ended in accordance with the International Financial Reporting Standards ("IFRSs").

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the year ended 31 December 2021;
- the consolidated statement of financial position of the Group as at 31 December 2021;
- the statement of financial position of the Company as at 31 December 2021;
- the consolidated statement of changes in equity of the Group and the statement of changes in equity of the Company for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the financial statements, which indicates that as of 31 December 2021, the current liabilities of the Group and of the Company exceeded the current assets by approximately RMB2,131 million and approximately RMB2,014 million respectively. As stated in Note 2.2, these events or conditions, along with other matters as set forth in Note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns. Our opinion is not qualified in respect of this matter.

Independent Auditor's Report

To the members of Zheneng Jinjiang Environment Holding Company Limited

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter

How our audit addressed the Key Audit Matter

Recognition of revenue from construction services provided under service concession arrangements (the "construction services revenue")

(Refer to Notes 2.3, 2.14, 3.1(a), 3.2(a), and 4 to the consolidated financial statements.)

The Group entered into certain service concession arrangements (such as "Build-Operate-Transfer" arrangements ("BOT arrangements")) in respect of its waste-to-energy ("WTE") plants with local government authorities ("Grantors") in the People's Republic of China ("PRC").

For BOT arrangements under the scope of IFRS Interpretations Committee ("IFRIC") 12 "Service Concession Arrangements", the Group accounted for their construction revenue by reference to the fair value of the construction services delivered in the construction phase. The fair value of such services is estimated on a cost-plus basis with reference to the prevailing market rate of gross margin at the date of the agreement applicable to similar construction services rendered.

The construction services revenue recognized for the year ended 31 December 2021 amounted to approximately RMB692 million, representing approximately 17% of the Group's total revenue.

We focused on auditing the revenue from construction services under BOT arrangements because it can be materially affected by the assumptions and estimates used (i.e. the estimates on projected construction costs and the gross margin). The inherent risk is considered significant due to subjectivity of these assumptions and estimates.

Our audit procedures in relation to the recognition of construction services revenue included:

- Understood and evaluated the management's policies, key controls and processes in allocation of the considerations for the construction of the WTE plants among the different services as provided by the Group under BOT arrangements and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors such as subjectivity of the key assumptions and estimates applied;
- Assessed the reasonableness of the key assumptions and estimates as applied by management in determining the amounts of construction services revenue by:
 - Comparing the projected construction costs as applied by management against the total budget costs as approved by management and inspected the relevant signed construction contracts;
 - Comparing the estimated gross margins as applied by management against those of the comparable companies in the construction industry.
- Tested the mathematical accuracy of the calculations of the amounts of construction services revenue recognised by the Group.

Based on our audit procedures, we found the key assumptions and estimates used by management in determining the recognition amount of construction services revenue to be supportable by the evidence obtained and procedures performed.

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment of property, plant and equipment

(Refer to Notes 2.12, 3.1(c) and 21 to the consolidated financial statements)

As at 31 December 2021, the carrying amounts of the Group's property, plant and equipment amounted to approximately RMB10,038 million, representing approximately 49% of the Group's total assets.

Property, plant and equipment are tested for impairment whenever there is an indication that these assets may be impaired. The Group regularly reviews whether there are any indications of impairment and recognizes an impairment loss if the carrying amount of an asset is higher than its recoverable amount (which is the higher of the fair value less costs of disposal and the value in use).

In 2021, for certain WTE plants with impairment indicators, management performed assessment on impairment of the assets at cash generating unit ("CGU") level. Based on the assessment, the Group does not expect any impairment arising from these WTE plants. We focused on the impairment of property, plant and equipment due to the significant management's judgements, assumptions and estimates involved in the impairment assessment (including identification of the existence of impairment indicators). The inherent risk is considered significant due to the subjectivity of significant judgement and estimates used by management.

Our audit procedures in relation to impairment assessment of property, plant and equipment included:

- Understood and evaluated the management's internal control and process in assessing the impairment of property, plant and equipment (including the identification of the existence of impairment indicators) and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias;
- Assessed the reasonableness of management's determination of CGU based on our knowledge of business including the use of assets and internal reporting process;
- Assessed the appropriateness of management's use of valuation methodology and its compliance with management's circumstances and relevant accounting standards;
- Assessed management's forecast and calculation of the CGU's value in use, including:
 - Assessing the reasonableness of revenue growth rate by comparing the historical operating results and future operation plans of the CGUs, taking into consideration of the economic and industry outlook;
 - Assessing the discount rate by referencing to market data, and risk factors of comparable companies and market premium;
 - Assessing the reasonableness of other key input data such as capital expenditure by comparing with the management budget and corroborating with industry information; and
 - Testing the mathematical accuracy of the discounted cash flows model.

Based on the audit procedures performed above, we found management's judgement and estimates in relation to the impairment assessment of property, plant and equipment to be supportable by the evidence obtained and procedures performed.

Independent Auditor's Report

To the members of Zheneng Jinjiang Environment Holding Company Limited

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tham Tuck Seng.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 8 April 2022

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
Revenue	4	4,060,376	3,084,664
Cost of sales	5	(3,007,865)	(2,192,172)
Gross profit		1,052,511	892,492
Other income			
- Interest	7	11,702	19,727
- Others	7	132,523	136,790
Loss allowance recognised on financial assets	39(b)	(16,817)	(24,406)
Other gains and losses, net	8	41,167	97,927
Expenses			
- Administrative	5	(233,372)	(252,518)
- Finance	9	(361,676)	(355,490)
- Others	10	(30,273)	(37,518)
Share of loss of associates		(534)	(325)
Share of (loss)/profit of joint ventures		(11,931)	1,004
Profit before income tax		583,300	477,683
Income tax expense	11	(130,238)	(147,194)
Profit for the year		453,062	330,489
Other comprehensive loss:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation	33(iv)	(11,172)	(37,830)
Other comprehensive loss, net of tax		(11,172)	(37,830)
Total comprehensive income		441,890	292,659
Profit attributable to:			
Equity holders of the Company		438,024	326,934
Non-controlling interests	15	15,038	3,555
		453,062	330,489
Total comprehensive income attributable to:			
Equity holders of the Company		426,852	289,104
Non-controlling interests	15	15,038	3,555
		441,890	292,659
Earnings per share attributable to the equity holders of the Company: (RMB cents per share)			
Basic and diluted earnings per share	12	30.12	22.48

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 31 December 2021

	Note	GROUP		COMPANY	
		2021	2020	2021	2020
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and cash equivalents		387,801	361,313	15,722	26,757
Pledged bank deposits	13	818,234	242,612	79,423	83,526
Trade and other receivables	14	2,438,221	1,715,195	-	-
Amounts due from non-controlling interests	15	25,896	32,114	-	-
Amounts due from related parties	16	718,976	649,489	2,258	-
Contract assets	4	17,832	81,540	-	-
Service concession receivables	18	63,976	49,359	-	-
Other tax recoverable	19	386,550	330,802	-	-
Inventories	20	62,216	56,784	-	-
Total current assets		4,919,702	3,519,208	97,403	110,283
Non-current assets					
Other receivables	14	152,448	167,659	-	1,155
Amounts due from related parties	16	-	-	-	552
Amounts due from subsidiaries	17	-	-	2,116,567	2,410,053
Service concession receivables	18	736,432	649,627	-	-
Property, plant and equipment	21	10,037,818	9,291,612	-	-
Investments in associates	22	15,613	16,147	-	-
Investments in joint ventures	23	204,765	213,606	5,039	5,039
Investments in subsidiaries	24	-	-	1,798,280	1,798,280
Investment property	25	24,875	26,276	-	-
Intangible assets	28	4,289,074	3,882,549	-	-
Total non-current assets		15,461,025	14,247,476	3,919,886	4,215,079
Total assets		20,380,727	17,766,684	4,017,289	4,325,362

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 31 December 2021

	Note	GROUP		COMPANY	
		2021	2020	2021	2020
		RMB'000	RMB'000	RMB'000	RMB'000
LIABILITIES					
Current liabilities					
Amounts due to non-controlling interests	15	4,507	-	-	-
Amounts due to related parties	16	55,680	91,056	-	-
Amounts due to subsidiaries	17	-	-	85,884	85,885
Lease liabilities	26	5,035	39,194	-	-
Trade and other payables	29	2,077,756	1,690,636	10,505	8,969
Borrowings	30	4,706,413	2,588,705	2,014,633	913,486
Deferred grant	34	17,065	17,080	-	-
Other tax liabilities	35	61,096	78,870	-	-
Income tax liabilities		123,057	148,201	-	-
Total current liabilities		7,050,609	4,653,742	2,111,022	1,008,340
Net current liabilities		(2,130,907)	(1,134,534)	(2,013,619)	(898,057)
Non-current liabilities					
Borrowings	30	5,774,970	6,090,635	-	1,323,305
Lease liabilities	26	2,457	5,482	-	-
Deferred tax liabilities	31	618,953	542,392	-	-
Deferred grant	34	364,020	345,978	-	-
Provision for major overhauls	36	24,826	23,053	-	-
Provision for contingent liabilities	37	-	2,400	-	-
Total non-current liabilities		6,785,226	7,009,940	-	1,323,305
Total liabilities		13,835,835	11,663,682	2,111,022	2,331,645
NET ASSETS		6,544,892	6,103,002	1,906,267	1,993,717
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	32	96	96	96	96
Share premium		1,601,100	1,601,100	1,601,100	1,601,100
Other reserves	33	515,890	491,107	1,057,112	1,057,112
Retained profits/(accumulated losses)		4,285,581	3,883,512	(752,041)	(664,591)
		6,402,667	5,975,815	1,906,267	1,993,717
Non-controlling interests	15	142,225	127,187	-	-
Total equity		6,544,892	6,103,002	1,906,267	1,993,717

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2021

← Attributable to equity holders of the Company →

	Share capital (Note 32)	Share premium	Other reserves (Note 33)	Retained profits	Total	Non-controlling Interests (Note 15)	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
GROUP							
2021							
Balance as at 1 January 2021	96	1,601,100	491,107	3,883,512	5,975,815	127,187	6,103,002
Profit for the year	-	-	-	438,024	438,024	15,038	453,062
Other comprehensive loss for the year	-	-	(11,172)	-	(11,172)	-	(11,172)
Total comprehensive income for the year	-	-	(11,172)	438,024	426,852	15,038	441,890
Transactions with owners, recognised directly in equity							
Appropriation to reserves	-	-	35,955	(35,955)	-	-	-
	-	-	35,955	(35,955)	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	5,265	5,265
Dividends paid to non-controlling interests	-	-	-	-	-	(5,265)	(5,265)
Balance as at 31 December 2021	96	1,601,100	515,890	4,285,581	6,402,667	142,225	6,544,892
2020							
Balance as at 1 January 2020	96	1,601,100	491,920	3,593,595	5,686,711	127,958	5,814,669
Profit for the year	-	-	-	326,934	326,934	3,555	330,489
Other comprehensive loss for the year	-	-	(37,830)	-	(37,830)	-	(37,830)
Total comprehensive income for the year	-	-	(37,830)	326,934	289,104	3,555	292,659
Transactions with owners, recognised directly in equity							
Appropriation to reserves	-	-	37,017	(37,017)	-	-	-
	-	-	37,017	(37,017)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	(4,326)	(4,326)
Balance as at 31 December 2020	96	1,601,100	491,107	3,883,512	5,975,815	127,187	6,103,002

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

For the financial year ended 31 December 2021

	← Attributable to equity holders of the Company →				
	Share capital (Note 32) RMB'000	Share premium RMB'000	Other reserves (Note 33) RMB'000	Accumulated losses RMB'000	Total equity RMB'000
COMPANY					
2021					
Balance as at 1 January 2021	96	1,601,100	1,057,112	(664,591)	1,993,717
Loss for the year, representing total comprehensive loss for the year	-	-	-	(87,450)	(87,450)
Balance as at 31 December 2021	96	1,601,100	1,057,112	(752,041)	1,906,267
2020					
Balance as at 1 January 2020	96	1,601,100	1,057,112	(527,859)	2,130,449
Loss for the year, representing total comprehensive loss for the year	-	-	-	(136,732)	(136,732)
Balance as at 31 December 2020	96	1,601,100	1,057,112	(664,591)	1,993,717

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2021

	2021 RMB'000	2020 RMB'000
Cash flows from operating activities		
Profit before tax	583,300	477,683
Adjustments for:		
- Amortisation of intangible assets	149,050	142,716
- Compensation income on closure of WTE plant	-	(21,026)
- Deferred grant recognised	(36,781)	(38,502)
- Depreciation of investment property	898	937
- Depreciation of property, plant and equipment	375,149	321,116
- Depreciation of right-of-use assets	81,594	92,030
- Finance expenses	361,676	355,490
- Foreign exchange gains	(50,166)	(188,509)
- Impairment loss on prepayments	71	33,152
- Impairment loss on property, plant and equipment	-	4,366
- Impairment loss on intangible asset	30,202	-
- Financial income under service concession arrangements	(42,601)	(44,193)
- Bank interest income	(11,702)	(19,727)
- Loss allowance on other receivables	10,899	13,316
- Loss allowance on trade receivables	5,918	11,090
- Loss on disposal of property, plant and equipment	444	52,055
- Loss on disposal of shares of joint venture	556	-
- Share of loss/(profit) of joint ventures	11,931	(1,004)
- Share of loss of an associate	534	325
- Write-off of property, plant and equipment upon closure of WTE plant	-	12,896
	1,470,972	1,204,211
Change in working capital		
- Trade and other receivables	(680,025)	(103,271)
- Service concession receivables	(101,422)	(20,404)
- Contract assets	63,708	(5,353)
- Other tax recoverable	(55,747)	(66,664)
- Inventories	(5,432)	(19,647)
- Intangible assets	(580,261)	(433,458)
- Trade and other payables	310,519	10,277
- Other tax liabilities	(17,773)	22,385
- Amounts due from related parties	(69,487)	(100,739)
- Amounts due from non-controlling interests	6,218	23,477
- Amounts due to related parties	14,298	(46,713)
- Deferred grants	54,808	11,116
- Provision for contingent liabilities	(2,400)	2,400
Cash generated from operations	407,976	477,617
Income tax paid	(78,819)	(48,732)
Net cash generated from operating activities	329,157	428,885
Cash flows from investing activities		
Interest received	6,111	18,061
Additions to property, plant and equipment	(1,097,656)	(1,490,591)
Additions to intangible assets – software	(2,958)	(1,844)
Investments in associates	-	(2,000)
Investments in joint ventures	(22,371)	-
Proceeds from disposal of shares of joint venture	18,725	-
Bank deposits pledged	24,655	65,692
Proceeds from closure of WTE plant	9,836	40,998
Proceeds from disposal of property, plant and equipment	2,813	8,750
Net cash used in investing activities	(1,060,845)	(1,360,934)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2021

	2021	2020
	RMB'000	RMB'000
Cash flows from financing activities		
Proceeds from borrowings	5,115,390	6,557,765
Repayment of borrowings	(3,277,050)	(3,726,564)
Repayment of notes payables	-	(1,415,900)
Payment of finance costs	(439,559)	(459,048)
Pledged bank deposits for borrowings	(602,591)	263,140
Repayment of lease liabilities	(35,274)	(366,963)
Dividends paid to non-controlling interests	-	(5,723)
Net cash generated from financing activities	<u>760,916</u>	<u>846,707</u>
Net increase/(decrease) in cash and cash equivalents	29,228	(85,342)
Cash and cash equivalents		
Beginning of financial year	361,313	442,123
Effects of currency translation on cash and cash equivalents	(2,740)	4,532
End of financial year	<u>387,801</u>	<u>361,313</u>

The accompanying notes form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Zheneng Jinjiang Environment Holding Company Limited (the "Company") was incorporated on 8 September 2010 as an exempt company with limited liability in Cayman Islands with its registered office presently at Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands and principal place of business at 1 Yinxiu Road, Level 19, Tower A, Hangyue Commercial Center, Gongshu District, Hangzhou City, Zhejiang Province, the People's Republic of China (the "PRC"). The single largest shareholder is Zhejiang Provincial Energy Group Co., Ltd., which is controlled by State-owned Assets Supervision and Administration Commission of the People's Government of Zhejiang Province.

The Company was listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST") on 3 August 2016.

The consolidated financial statements are expressed in Renminbi ("RMB"), which is the Company's functional currency.

The principal activity of the Company is that of an investment holding company. The Group is mainly engaged in the generation and sales of electricity and steam, operation of waste-to-energy plants and project management, technical consulting and advisory services and energy management contracting business. The principal activities of the subsidiaries, associates and joint ventures are disclosed in Notes 24, 22 and 23 to the consolidated financial statements respectively.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2021

On 1 January 2021, the Group has adopted the new or amended IFRS and interpretations issued by the IFRS Interpretations Committee ("IFRIC") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and IFRIC.

The adoption of these new or amended IFRS and IFRIC did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2021 (continued)

The following are the new or amended Standards and Interpretations (issued up to 30 September 2021) that are not yet applicable, but may be early adopted for the current financial year.

Annual periods commencing on	Description
1 January 2022	Amendments to: <ul style="list-style-type: none"> - IFRS 3 Business Combinations (Reference to the Conceptual Framework) - IAS 16 Property, Plant and Equipment (Proceeds before Intended Use) - IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract) Annual improvements to IFRSs 2018 - 2020
1 January 2023	Amendments to: <ul style="list-style-type: none"> - IAS 1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current) - IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Disclosure of Accounting Policies) - IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates) - IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
To be determined	Amendments to: <ul style="list-style-type: none"> - IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Going concern

As of 31 December 2021, the current liabilities of the Group and of the Company exceeded the current assets by approximately RMB2,130,907,000 and RMB2,013,619,000 respectively. Furthermore, included in the current liabilities of the Group and of the Company are outstanding borrowings of RMB1,395,508,030 and RMB1,325,508,030 respectively, that are without pledged bank deposits and that the banks are contractually entitled to request for immediate repayment as a result of the non-compliance of the Financial Covenant (as described in Note 30 to the consolidated financial statements) and the consequential cross default in relation to other borrowings. These conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.2 Going concern (continued)

The financial statements have nevertheless been prepared on a going concern basis as the directors and management have assessed that it is appropriate to do so after considering the following:

- (A) the lenders of the borrowings have not called on the repayment of the borrowings mentioned above and the Group has maintained communication with relevant banks and financial institutions to explain changes in the financial conditions;
- (B) the Group's ability to finalise and obtain additional financing including:
 - (i) additional credit facilities from financial institutions subsequent to year-end;
 - (ii) proposed issuance of up to RMB1 billion in aggregate principal amount of Asset-Backed Securities ("ABS") which is currently under review for approval by the Shenzhen Stock Exchange;
- (C) the Group's ability to generate positive cash flows from its operations;
- (D) as disclosed in Note 30 to the consolidated financial statements, the Group had obtained loans of RMB840 million as of 31 December 2021 from subsidiaries of its single largest shareholder, Zhejiang Provincial Energy Group Co., Ltd. ("Zheneng Group"), which is a state-owned provincial energy enterprise with great financial strength and good credit standing and will continue to actively seek financial support from Zheneng Group.

The directors have reviewed the Group's cash flow projection prepared by management, which covers a period of at least twelve months from 31 December 2021, and are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient funds to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2021. Accordingly, the directors are satisfied that it is appropriate to prepare the accompanying financial statements on a going concern basis.

Notwithstanding the plans and measures taken by management, material uncertainties exist as to whether the Group is able to achieve its plans and measures as described above.

Whether the Group will be able to continue as a going concern would depend upon one or more of the following:

- (A) the lenders of the borrowings will not call for the repayment ahead of the stipulated repayment dates;
- (B) the Group is successful in its efforts to obtain or timely execute the aforementioned financing before the stipulated repayment dates;
- (C) the Group continues to generate positive cash flows from its operations; and/or
- (D) the Group is able to obtain timely and sufficient financial support from its single largest shareholder when needed.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the financial statements, to provide for any future liabilities which might arise. In addition, in the event that the Group and the Company do not continue as going concerns, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. Such adjustments have not been made to the accompanying financial statements.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

(a) Sale of goods

The Group sells electricity and steam to the customers. Revenue is recognised when control of the electricity and steam has transferred to the end users upon usage based on the meter reading. A receivable is recognised by the Group when the electricity and steam are delivered to the customers as this represents the point in time which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

(b) Rendering of services

(i) Project technical and management service and Energy Management Contracting (“EMC”) business

Project technical and management fees and EMC service fees from customers are recognised as revenue over time when services are rendered based on agreed rates. Management has assessed that the stage of completion is determined as the proportion of the total service period that has elapsed as at the end of the reporting period as it is an appropriate measure of progress towards complete satisfaction of these performance obligations under IFRS 15 as the customer simultaneously receives and consumes the services provided by the Group over the service period.

(ii) Equipment selection and sale

The Group enters into contracts with customers for equipment with unique specifications and engages a vendor to manufacture the specified equipment. Revenue is recognised at a point in time when control of the equipment has transferred to the customer which coincides with the delivery of the equipment to the customer.

(iii) Revenue from waste treatment

Revenue from waste treatment is recognised based on agreed rates when the relevant services are rendered over time as the grantor simultaneously receives and consumes the services provided by the Group over the service period.

(c) Interest income

Interest income is recognised using the effective interest rate method.

(d) Construction services

(i) Construction contracts

The Group’s performance in respect of construction services creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue from construction contracts over time, as measured by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. Revenue from the construction services under a service concession agreement is estimated on a cost-plus basis with reference to a prevailing market rate of gross margin at the date of the agreement applicable to similar construction services rendered.

Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15 – Revenue from Contracts with Customers.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.3 Revenue (continued)

(d) Construction services (continued)

(ii) Contract costs

Costs incurred in fulfilling a contract with a customer are recognised as an asset if such costs relate directly to a contract and generate or enhance the Group's resources used in satisfying future performance obligations and are expected to be recovered.

(iii) Contract assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligation.

Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

2.4 Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants are deferred and recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to the purchase of assets are included in non-current liabilities as deferred grant and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.5 Accounting for common control transactions

The predecessor values method of accounting is used to account for the transfer of businesses from entities under common control.

In the application of the predecessor values method of accounting, the transaction can either be accounted for as if it had taken place at the beginning of the earliest period presented (or the date that the entities were first under common control, if later), or prospectively from the date of transfer of the businesses. The Group and the Company has elected to account for such transactions as if it had taken place at the beginning of the earliest period presented (or the date that the entities were first under common control, if later).

The net assets of the combining entities or businesses are combined using the existing carrying amounts. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, whichever is earlier.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.6 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.6 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals (continued)

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associates and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associates and joint ventures

Associates are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisition

Investments in associates and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associates and joint ventures represents the excess of the cost of acquisition of the associates or joint venture over the Group's share of the fair value of the identifiable net assets of the associates company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associates' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associates or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associates or joint venture equals to or exceeds its interest in the associates or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associates or joint venture. If the associates or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associates or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.6 Group accounting (continued)

(c) Associates and joint ventures (continued)

(ii) Equity method of accounting (continued)

Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associates or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associates or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associates or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and joint ventures" for the accounting policy on investments in subsidiaries and joint ventures in the separate financial statements of the Company.

2.7 Property, plant and equipment

(a) Measurement

(i) Buildings

Buildings are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Other property, plant and equipment

Other property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories. Cost also includes borrowing costs (refer to Note 2.9 on borrowing costs).

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.7 Property, plant and equipment (continued)

(b) Depreciation

Depreciation on property, plant and equipment (other than construction-in-progress) is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold land	30 - 50 years
Buildings	25 years
Plant and machinery	12 - 20 years
Furniture, fixture and equipment	5 years
Motor vehicles	8 years

No depreciation is charged for assets under construction until they are completed and transferred to appropriate asset categories. The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains and losses, net".

2.8 Intangible assets

(a) Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

(b) Service concession arrangements

The Group recognises an intangible asset at fair value upon initial recognition when it has a right to charge for usage in relation to a concession infrastructure (as a consideration for providing construction services in a service concession arrangement). Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortisation and impairment losses. Amortisation is provided on straight-line basis over the respective periods of the operating concessions granted to the Group of 21 to 30 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.9 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction expenditures that are financed by general borrowings.

2.10 Investment property

Investment property comprises of office units that are held for long-term rental yields and/or for capital appreciation.

Investment property are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Depreciation is calculated using a straight-line method after taking into account of their estimated residual value to allocate the depreciable amounts over the estimated useful lives of 99 years.

The residual values, useful lives and depreciation method of investment property are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.11 Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.12 Impairment of non-financial assets

Intangible assets
Property, plant and equipment
Right-of-use assets
Investments in subsidiaries, associates and joint ventures

Intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.12 Impairment of non-financial assets (continued)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.13 Financial assets

(a) Classification and measurement

The Group classifies its financial assets as measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.13 Financial assets (continued)

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, amounts due from related parties, service concession receivables and cash and cash equivalents, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk from initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.14 Service concession arrangements

Consideration given by the grantor

A financial asset (receivable under service concession arrangement) is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services rendered and/or the consideration paid and payable by the Group for the right to manage and operate the infrastructure for public service. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if the payment is contingent on the Group ensuring that the infrastructure meets specified quality of efficiency requirements. The financial asset (receivable under service concession arrangement) is accounted for in accordance with the policy set out for “Financial assets” above.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.14 Service concession arrangements (continued)

Consideration given by the grantor (continued)

An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of the public service. The intangible assets (operating concession) are stated at cost less accumulated amortisation and any accumulated impairment loss and are amortised on a straight-line basis over the operation phase of the concession periods.

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is recognised initially at the fair value of the consideration.

Construction of service concession related infrastructure

Revenue and costs relating to construction phase of a concession arrangement is accounted for in accordance to IFRS 15. The Group recognised the construction revenue with reference to the fair value of the construction service delivered in the construction phase. The fair value of such service is estimated on a cost-plus basis with reference to the prevailing market rate of gross margin. Consequently, the Group recognised a profit margin on the construction work by reference to the stage of completion and in accordance with the policy for "Revenue (Construction services)" above.

Operating services

Revenue relating to operating services is accounted for in accordance with the policy for "Revenue (Rendering of services)" above.

Contractual obligations to restore the infrastructure to a specified level of serviceability

When the Group has contractual obligations that it must fulfil as a condition of its licence for operating concessions under the "Intangible Asset" model, that is (a) to maintain the infrastructure to a specified level of serviceability and/or (b) to restore the infrastructure to a specified condition before they are handed over to the grantor at the end of the service concession arrangement, these contractual obligations to maintain or restore the infrastructure are recognised and measured in accordance with the policy set out for "Provisions" below.

Repair and maintenance and other expenses that are routine in nature are expensed and recognised in profit or loss as incurred.

2.15 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.16 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.17 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.18 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a changes in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.18 Leases

When the Group is the lessee: (continued)

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

When the Group is the lessor:

The Group leases investment property under operating leases to non-related party.

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2.19 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.20 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.20 Income taxes (continued)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment property. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.22 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share award reserve on the grant date. The total amount to be recognised on the grant date is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

There is no vesting period for the share options. On the vesting date, the Group recognises the number of shares under options that are exercised and recognises the impact in profit or loss, with a corresponding adjustment to the share award reserve. The proceeds received (net of transaction costs) and the related balance previously recognised in the share award reserve are credited to the share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.22 Employee compensation (continued)

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the balance sheet date.

2.23 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Renminbi, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other gains and losses, net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.23 Currency translation (continued)

(c) Translation of Group entities' financial statements (continued)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.25 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.26 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.27 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

3. Critical accounting estimates, assumptions and judgements (continued)

3.1 Critical accounting estimates and assumptions

(a) Service concession arrangements

The Group recognises the right to operate the infrastructure (consideration received or receivable in exchange for the construction services provided) as an intangible asset in accordance with the build-operate-transfer (“BOT”) arrangements entered into with the local government for the project where there is no future guaranteed receipts over its service concession period. The Group recognises a financial asset, named “service concession receivables”, arising from a service concession arrangement when it has an unconditional contractual right to receive cash or other financial asset from or at the direction of the grantor for the construction services provided. Such financial assets are measured at fair value on initial recognition and classified as service concession receivable. If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is initially recognised at the fair value of the consideration.

Where the Group performs more than one service under the concession arrangements, the consideration for the services provided under the concession arrangements is allocated to the components by reference to their relative fair values.

Estimation is exercised in determining the fair values of the receivables under service concession arrangements as well as impairment of the receivables under service concession arrangements and intangible assets subsequent to initial recognition. Discount rates, estimates of future cash flows, costs of construction and other factors are used in the determination of the amortised cost of financial assets, intangible assets and corresponding finance income.

The assumptions used and estimates made can materially affect the fair value estimates. The carrying amount of the Group’s financial receivables and intangible assets arising from service concession arrangements at the end of the reporting period is disclosed in Notes 18 and 28 to the consolidated financial statements respectively.

The stage of completion of each construction contract is assessed on a cumulative basis in each accounting year. Changes in estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract could impact the amount of revenue and expense recognised in profit or loss in the year in which the change is made and in subsequent years. Such impact could potentially be significant.

Revenue from construction services provided under service concession arrangements is disclosed in Note 4 to the consolidated financial statements. The gross profit margins recognised for third party constructed infrastructure in relation to service concession arrangement are estimated by management based on prevailing market rate applicable to construction services rendered by comparable companies.

(b) Useful lives and residual values of property, plant and equipment

Management exercises their judgement in estimating the useful lives and residual values of the depreciable assets. The estimated useful lives reflect management’s estimate of the period that the Group intends to derive future economic benefits from the use of the depreciable asset.

Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives.

The carrying amount of property, plant and equipment is disclosed in Note 21 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

3. Critical accounting estimates, assumptions and judgements (continued)

3.1 Critical accounting estimates and assumptions (continued)

(c) Impairment of property, plant and equipment

The Group regularly reviews whether there are any indicators of impairment and recognises an impairment loss if the recoverable amount of an asset is lower than its carrying amount.

The recoverable amounts, being the higher of fair value less costs to sell or value in use, are determined by management with reference to the best information available as of the balance sheet date. Changes in management's assumptions in their value in use calculations, including the revenue growth rate, the discount rate and capital expenditure within the forecast period, does not materially cause the recoverable amounts to be lower than its carrying amounts.

The carrying amount of property, plant and equipment is disclosed in Note 21 to the consolidated financial statements.

(d) Loss allowance for trade and other receivables

The Group and the Company assess at the end of reporting period the expected credit loss ("ECL") required for its trade and other receivables, amounts due from non-controlling interests, amounts due from related parties and amounts due from subsidiaries taking into consideration the estimation of future cash flows. When measuring ECL, the Group and the Company use reasonable and supportable forward-looking information, including taking into consideration the credit worthiness, past collection history, subsequent receipts from the debtors and future economic conditions of the industry in which the debtors operate.

The carrying amounts of trade and other receivables, amounts due from non-controlling interests and amounts due from related parties and subsidiaries are disclosed in Notes 14, 15, 16 and 17 to the consolidated financial statements respectively.

3.2 Critical judgements in applying the entity's accounting policies

(a) Service concession arrangements

The Group has entered into build-operate-own ("BOO") and BOT arrangements in respect of certain of its waste-to-energy ("WTE") plants with the local government.

The Group assessed that the BOO arrangements are not service concession arrangements under IFRIC 12 *Service Concession Arrangements* because the local government does not control the significant residual interest in the infrastructure at the end of the term of the arrangements. Under the terms of the arrangement, the Group has the practical ability to pledge the infrastructure throughout the period of the arrangement. At the end of the respective BOO arrangement, the Group retains the ownership and control to the infrastructure and holds the right of first refusal on renewal of the service concession arrangement by the local government. In addition to the initial investment in the infrastructure, the Group performs technical upgrade periodically to improve the capacity and efficiency of the infrastructure. Management believes such improvements will further enhance the residual interest in the overall infrastructure at the end of the service concession arrangement.

On the other hand, the Group concluded that the BOT arrangements are service concession arrangement under IFRIC 12 *Service Concession Arrangements*, because (i) the local government controls and regulates the services that the Group must provide with the infrastructure at a pre-determined service charge and the parties to whom the Group must provide the services, and (ii) the local government controls significant residual interest in the infrastructure at the end of the term of the arrangements. Under the terms of the arrangement, upon expiry of the respective BOT arrangements, the infrastructure has to be transferred to the local government under good condition at no or minimal consideration.

See above involving estimations that management has made in relation to revenue recognition for construction services arising from service concession arrangements.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

3. Critical accounting estimates, assumptions and judgements (continued)

3.2 Critical judgements in applying the entity's accounting policies (continued)

(b) Investments in joint ventures

The Group holds 30% and 30% equity interest in Zibo Green New Energy Co., Ltd and Hohhot Jiasheng New Energy Co., Ltd respectively. The board of directors of the investees comprises 1 representative from the Group and 2 representatives from the other shareholder. However, management considers the contractual arrangement on the investees and determined that decisions on the relevant activities of the investees will require unanimous consent of both the Group and the other shareholder. Accordingly, management classified these as investments in joint ventures (Note 23).

4. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

	2021	2020
	RMB'000	RMB'000
Waste-to-energy project construction and operation		
Sales of electricity	1,466,023	1,284,661
Sales of steam	484,183	356,709
Revenue from waste treatment ⁽¹⁾	914,032	801,712
Revenue from construction services provided under service concession arrangements (Notes 18 and 28)	692,461	384,999
Financial income under service concession arrangements ⁽²⁾ (Note 18)	42,601	44,193
	<u>3,599,300</u>	<u>2,872,274</u>
Project technical and management service, equipment selection and sale and EMC business		
Service income - non-related parties	400,218	127,315
Service income - related parties (Note 16(a))	60,858	85,075
	<u>461,076</u>	<u>212,390</u>
Total	<u>4,060,376</u>	<u>3,084,664</u>

(1) Included in the revenue from waste treatment are operating services under service concession arrangements amounting to RMB897,793,000 (2020: RMB724,707,000).

(2) Effective interest applied ranges from 5.9% to 11% (2020: from 5.9% to 11%).

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

4. Revenue from contracts with customers (continued)

(a) Disaggregation of revenue from contracts with customers (continued)

Timing of revenue recognition

	2021	2020
	RMB'000	RMB'000
<u>At a point in time</u>		
Sales of electricity	1,466,023	1,284,661
Sales of steam	484,183	356,709
Equipment selection and sale	378,006	106,805
	<u>2,328,212</u>	<u>1,748,175</u>
<u>Over time</u>		
Revenue from waste treatment	914,032	801,712
Revenue from construction services provided under service concession arrangements (Notes 18 and 28)	692,461	384,999
Project technical and management service and EMC business	83,070	105,585
	<u>1,689,563</u>	<u>1,292,296</u>
Financial income under service concession arrangements (Note 18)	42,601	44,193
Total	<u>4,060,376</u>	<u>3,084,664</u>

(b) Contract assets and liabilities

	31 December		1 January
	2021	2020	2020
	RMB'000	RMB'000	RMB'000
<u>Contract assets</u>			
- Equipment sale and selection	17,832	81,540	76,187
Less: Loss allowance	-	-	-
Total contract assets	<u>17,832</u>	<u>81,540</u>	<u>76,187</u>
<u>Contract liabilities (Note 29)</u>			
- Service concession arrangements	35,591	55,997	17,545
- Service contracts	-	89,313	57,032
Total contract liabilities	<u>35,591</u>	<u>145,310</u>	<u>74,577</u>

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

4. Revenue from contracts with customers (continued)

(b) Contract assets and liabilities (continued)

Contract assets relating to equipment sale and selection are balances due from customers under the contracts that arise when the Group has delivered the equipment to the customer. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Management estimates the loss allowance on such contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction and waste to energy industry. Based on the assessment, management is of the view that the ECL is insignificant.

Contract liabilities for service concession arrangements relate to the advances received from the customer relating to the waste treatment services. Contract liabilities for service contracts are advances received from the customer before the equipment has been delivered to the customer.

(i) Revenue recognised in relation to contract liabilities

	2021	2020
	RMB'000	RMB'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period		
- Service concession arrangements	20,406	17,545
- Service contracts	89,313	57,032
	<u>109,719</u>	<u>74,577</u>

(ii) Unsatisfied performance obligations

	31 December	
	2021	2020
	RMB'000	RMB'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December		
- Service concession arrangements	480,214	760,710
- Service contracts	8,180	416,884
	<u>488,394</u>	<u>1,177,594</u>

Management expects that 76% of the transaction price allocated to unsatisfied performance obligations as of 31 December 2022 will be recognised as revenue during the next reporting period (RMB370,460,000). The remaining 24% (RMB117,934,000) will be recognised in the 2023 financial year. The amount disclosed above does not include variable consideration which is constrained.

As permitted under IFRS 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

4. Revenue from contracts with customers (continued)

(c) Trade receivables from contracts with customers

	Note	31 December		1 January
		2021	2020	2020
		RMB'000	RMB'000	RMB'000
Group				
Current assets				
Trade receivables from contracts with customers	14	2,003,425	1,238,015	1,096,249
Loss allowance	14	(30,908)	(24,990)	(13,900)
		<u>1,972,517</u>	<u>1,213,025</u>	<u>1,082,349</u>

5. Expenses by nature

	Group	
	2021	2020
	RMB'000	RMB'000
Cost of inventories recognised as expense	924,549	504,975
Construction cost	597,860	332,114
Fly ash solidification fee	235,322	218,426
Depreciation of property, plant and equipment	375,149	321,116
Depreciation of right-of-use assets	81,594	92,030
Depreciation of investment property	898	937
Amortisation of intangible assets	149,050	142,716
Employee compensation (Note 6)	366,365	352,598
Audit fees:		
- paid to auditors of the Company	1,000	1,000
- paid to member firms of the auditors of the Company	3,121	3,121
- paid to other auditors	783	642
Non-audit fees:		
- paid to other auditors	746	375
Repair and maintenance	89,907	92,390
Transportation	58,408	46,302
Utilities	45,745	46,306
Outsourcing labour cost	99,131	81,001
Others	211,609	208,641
Total cost of sales and administrative expenses	<u>3,241,237</u>	<u>2,444,690</u>

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

6. Employee compensation

	Group	
	2021	2020
	RMB'000	RMB'000
Wages and salaries	342,553	348,125
Employer's contribution to defined contribution plans	23,812	4,473
	<u>366,365</u>	<u>352,598</u>

7. Other income

	Group	
	2021	2020
	RMB'000	RMB'000
Government grant (Note (i))	36,781	38,502
Value added tax refund	25,199	37,850
Bank interest income	11,702	19,727
Compensation income on closure of WTE plant	-	21,026
Sales of waste materials	42,163	13,653
Interest income from joint ventures	28,380	25,759
	<u>144,225</u>	<u>156,517</u>

Notes:

- (i) The government grants represented the government incentive funds and government subsidies of different nature received from the local government by the PRC operating entities of the Group, among them are grants in relation to environmental initiatives, waste management and technological output transformation. During the year ended 31 December 2021, government grants included: (a) the incentive primarily in relation to waste-to-energy business development to enterprises established in the PRC which amounted to RMB20,202,000 (2020: RMB15,107,000); and (b) the subsidies received on acquisition of properties, plant and equipment amortised to profit or loss which amounted to RMB16,559,000 (2020: RMB23,395,000). There were no unfulfilled conditions and other contingencies attached to the receipt of those grants.

8. Other gains and losses, net

	Group	
	2021	2020
	RMB'000	RMB'000
Write-off of property, plant and equipment upon closure of WTE plant	-	(12,896)
Other gains relating to closure of WTE plant	2,750	4,155
Loss on disposal of property, plant and equipment	(444)	(52,055)
Foreign exchange gains	42,059	161,276
Loss on disposal of shares of joint venture	(556)	-
Others	(2,642)	(2,553)
	<u>41,167</u>	<u>97,927</u>

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

9. Finance expenses

	Group	
	2021	2020
	RMB'000	RMB'000
Interest expenses		
- Borrowings	457,414	378,360
- Notes payable	-	56,613
- Lease liabilities	2,691	26,025
- Others	1,200	2,324
	<u>461,305</u>	<u>463,322</u>
Less: capitalised interest	(99,629)	(107,832)
	<u><u>361,676</u></u>	<u><u>355,490</u></u>

Finance expenses on general borrowings were capitalised at a rate of 5.04% per annum (2020: 5.43% per annum).

10. Other expenses

	Group	
	2021	2020
	RMB'000	RMB'000
Impairment loss on intangible assets	30,202	-
Impairment loss on prepayments	71	33,152
Impairment loss on property, plant and equipment	-	4,366
	<u>30,273</u>	<u>37,518</u>

During the financial year ended 31 December 2021, an impairment of RMB 30,202,000 was recognised on certain intangible assets (Note 28) relating to the Gwalior BOT project in India.

During the financial year ended 31 December 2020, an impairment of RMB4,366,000 was recognised on certain plant and machinery in preparatory stages (Note 21) due to business strategy changes of the Group's Brazil subsidiaries. An impairment of RMB33,152,000 was recognised on certain prepayments of the Group's India subsidiaries, as they were deemed to be uncollectible due to cancellation or adjustment of contracts for project design modification.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

11. Income taxes

(a) Income tax expense

	Group	
	2021	2020
	RMB'000	RMB'000
Current tax:		
- PRC enterprise income tax	52,939	90,898
- Under/(over) provision in the prior years	1,008	(6,165)
- Taxes in other jurisdictions	(270)	2,815
	53,677	87,548
Deferred tax (Note 31):		
- Current year charges	76,561	59,646
	130,238	147,194

Domestic PRC income tax is calculated at 25% of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the PRC standard rate of income tax as follows:

	Group	
	2021	2020
	RMB'000	RMB'000
Profit before tax	583,300	477,683
Tax calculated at tax rate of 25% (2020: 25%)	145,825	119,421
Effects of:		
- different tax rates in other countries	9,777	3,403
- tax exemptions granted to PRC subsidiaries	(72,816)	(76,400)
- expenses not deductible for tax purposes	1,843	8,566
- utilisation of tax losses/ deductible temporary differences previously not recognised	(14,294)	(16,787)
- tax losses/ deductible temporary differences not recognised	58,895	115,156
- under/(over) provision of tax in prior financial years	1,008	(6,165)
Tax charge	130,238	147,194

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

12. Earnings per share

Basic/diluted earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential shares.

	2021	2020
Earnings (RMB'000)		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	438,024	326,934
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	1,454,025	1,454,025
Basic and diluted earnings per share (RMB cents)	30.12	22.48

The fully diluted earnings per share and basic earnings per share are the same as there are no dilutive potential shares outstanding at the end of the financial years ended 31 December 2021 and 2020.

13. Pledged bank deposits

The Group's and Company's pledged bank deposits are primarily for borrowings (Note 30) and projects tendering.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

14. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	2,003,425	1,238,015	-	-
Less: Loss allowance	(30,908)	(24,990)	-	-
Bills receivables	7,265	29,464	-	-
Total trade and bills receivables	1,979,782	1,242,489	-	-
Advances to suppliers (Note (i))	219,793	256,664	-	-
Other receivables:				
- Staff advances	12,498	8,075	-	-
- Refundable deposits	54,230	48,422	-	-
- Compensation receivable on closure of WTE plant	198,241	208,239	-	-
- Amount receivable for disposal of subsidiaries	114,254	114,254	-	-
- Others	26,879	17,114	-	-
Less: Loss allowance (Note (ii))	(42,356)	(31,457)	-	-
Sub-total of other receivables	363,746	364,647	-	-
Prepayments	27,348	19,054	-	1,155
Total trade and other receivables	2,590,669	1,882,854	-	1,155
Analysed for reporting purposes as:				
- Current assets	2,438,221	1,715,195	-	-
- Non-current assets	152,448	167,659	-	1,155
	2,590,669	1,882,854	-	1,155

Notes:

- (i) Advances to suppliers represents payments made in advance to suppliers for the purchase of inventories and plant and equipment and are unsecured and interest free.
- (ii) Included in loss allowance for other receivables is an impairment loss of RMB10,899,000 (2020: nil) in connection with the enforcement of the deposit for performance bond relating to Gwalior project (refer to Note 28).

Certain of the Group's borrowings were secured by certain of the Group's receivables amounting to RMB617,173,000 (2020: RMB425,080,000).

The credit terms granted by the Group on the sale of electricity, steam, waste treatment and rendering of services is 60 to 120 days (2020: 60 to 120 days).

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

15. Non-controlling interests

The table below shows details of subsidiaries of the Group with significant non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
				Year ended		At 31 December	
		At 31 December 2021	2020	2021	2020	2021	2020
		%	%	RMB'000	RMB'000	RMB'000	RMB'000
Kunming Jinjiang ⁽¹⁾	Kunming, the PRC	1.67	1.67	1,806	978	15,809	14,003
Jilin Xinxiang ⁽²⁾	Changchun, the PRC	20.00	20.00	5,956	3,879	38,696	32,740
Yunnan Energy ⁽³⁾	Yunnan, the PRC	11.00	11.00	5,283	4,750	28,424	23,141
Individually immaterial subsidiaries with non-controlling interests				1,993	(6,052)	59,296	57,303
				15,038	3,555	142,225	127,187

⁽¹⁾ Kunming Jinjiang refers to Kunming Xinxingze Environment Resources Industry Co., Ltd.

⁽²⁾ Jilin Xinxiang refers to Jilin Xinxiang Co., Ltd.

⁽³⁾ Yunnan Energy refers to Yunnan Green Energy Co., Ltd.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

15. Non-controlling interests (continued)

Summarised financial information in respect of the Group's subsidiaries that has material non-controlling interests, before intra-group eliminations is set out below.

Kunming Jinjiang

	2021	2020
	RMB'000	RMB'000
<i>Summarised balance sheet</i>		
Current assets	543,290	380,382
Non-current assets	1,198,176	1,218,717
Current liabilities	(155,730)	(116,795)
Non-current liabilities	(639,073)	(643,780)
Equity attributable to owners of the Company	930,854	824,521
Non-controlling interests	15,809	14,003
<i>Summarised statement of comprehensive income</i>		
Revenue	276,380	193,088
Expenses	(168,241)	(134,508)
Profit for the year	108,139	58,580
Profit attributable to owner of the Company	106,333	57,602
Profit attributable to non-controlling interests	1,806	978
<i>Summarised statement of cash flow</i>		
Net cash inflow from operating activities	118,480	110,336
Net cash outflow from investing activities	(21,775)	(70,561)
Net cash outflow from financing activities	(99,246)	(81,070)
Net cash outflow	<u>(2,541)</u>	<u>(41,295)</u>

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

15. Non-controlling interests (continued)

Jilin Xinxiang

	2021	2020
	RMB'000	RMB'000
<i>Summarised balance sheet</i>		
Current assets	23,219	34,888
Non-current assets	702,373	705,020
Current liabilities	(145,854)	(419,154)
Non-current liabilities	(360,379)	(131,173)
Equity attributable to owners of the Company	180,663	156,841
Non-controlling interests	38,696	32,740
<i>Summarised statement of comprehensive income</i>		
Revenue	158,047	147,061
Expenses	(128,269)	(127,664)
Profit for the year	29,778	19,397
Profit attributable to owner of the Company	23,822	15,518
Profit attributable to non-controlling interests	5,956	3,879
<i>Summarised statement of cash flow</i>		
Net cash inflow from operating activities	97,720	90,931
Net cash outflow from investing activities	(67,002)	(77,909)
Net cash outflow from financing activities	(29,949)	(13,718)
Net cash inflow/(outflow)	769	(696)

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15. Non-controlling interests (continued)

Yunnan Energy

	2021	2020
	RMB'000	RMB'000
<i>Summarised balance sheet</i>		
Current assets	200,991	175,888
Non-current assets	432,135	288,670
Current liabilities	(70,025)	(59,449)
Non-current liabilities	(294,708)	(194,741)
Equity attributable to owners of the Company	239,969	187,227
Non-controlling interests	28,424	23,141
<i>Summarised statement of comprehensive income</i>		
Revenue	293,121	121,690
Expenses	(245,096)	(78,511)
Profit for the year	48,025	43,179
Profit attributable to owner of the Company	42,742	38,429
Profit attributable to non-controlling interests	5,283	4,750
Dividends paid to owner of the Company	42,600	35,005
Dividends paid to non-controlling interests	5,265	4,326
<i>Summarised statement of cash flow</i>		
Net cash inflow from operating activities	44,785	49,379
Net cash outflow from investing activities	(142,891)	(3,277)
Net cash inflow/(outflow) from financing activities	99,151	(46,252)
Net cash inflow/(outflow)	1,045	(150)

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15. Non-controlling interests (continued)

The amounts due from non-controlling interests are as follows:

	Group	
	2021	2020
	RMB'000	RMB'000
Trade related	14,866	21,084
Non-trade related	11,030	11,030
	<u>25,896</u>	<u>32,114</u>

The trade related balances are unsecured, interest free and with a credit period of 120 days (2020: 120 days) from the invoice date and are not past due as at the end of the reporting period.

The non-trade related balances due from non-controlling interests were unsecured, interest-free and repayable on demand.

Management determines the non-trade receivables due from non-controlling interests are subject to immaterial credit loss.

The amounts due to non-controlling interests are as follows:

	Group	
	2021	2020
	RMB'000	RMB'000
Trade related	4,382	-
Non-trade related	125	-
	<u>4,507</u>	<u>-</u>

The trade related balances due to non-controlling interests are interest-free.

The non-trade related balances due to non-controlling interests are unsecured, interest-free and repayable on demand.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

16. Related party balances and transactions

Zhejiang Provincial Energy Group Co., Ltd. ("Zheneng Group") is the largest shareholder of the Group whilst Jinjiang Green Energy Limited ("Jinjiang Group") is the second largest shareholder of the Group (collectively known as the "major shareholders").

- (a) In addition to the information disclosed elsewhere in the financial statements, the following transaction took place between the Group and related parties at terms agreed between the parties.

	2021	2020
	RMB'000	RMB'000
Companies in which Zheneng Group has control over:		
- Purchases of materials	39,475	3,581
- Interest expense	29,248	10,591
Companies in which Jinjiang Group has control over:		
- Purchases of materials	38,088	93,641
- Revenue from EMC business	(56,422)	(58,786)
- Rendering of technical and management services	(4,436)	(26,289)
Joint ventures:		
- Interest income	(28,163)	(25,759)

- (b) The Group and the Company had the following balances with related parties:

	2021	2020
	RMB'000	RMB'000
Group		
Trade:		
Amounts due from companies in which the major shareholders have control over	197,743	147,541
Amounts due from joint ventures	10,513	17,169
	208,256	164,710
Non-trade:		
Amounts due from companies in which Jinjiang Group has control over	6,329	-
Amounts due from joint ventures	504,391	484,779
	510,720	484,779
	718,976	649,489

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

16. Related party balances and transactions (continued)

(b) The Group and the Company had the following balances with related parties: (continued)

	2021	2020
	RMB'000	RMB'000
Company		
Non-trade:		
Amounts due from joint ventures - current	2,258	-
Amounts due from joint ventures - non-current	-	552
	<u>2,258</u>	<u>552</u>
	2021	2020
	RMB'000	RMB'000
Group		
Trade:		
Amounts due to companies in which the major shareholders have control over	50,252	89,255
Amounts due to joint ventures	448	526
	<u>50,700</u>	<u>89,781</u>
Non-trade:		
Amounts due to companies in which the major shareholders have control over	4,345	839
Amounts due to joint ventures	635	436
	<u>4,980</u>	<u>1,275</u>
	<u>55,680</u>	<u>91,056</u>

Trade balances

The trade related balances are unsecured, interest-free and with an average credit period of 6 months (2020: 6 months).

Non-trade balances

The non-trade related balances are unsecured, interest-free and repayable on demand except for the amounts due from joint ventures which bear interest at 7% (2020: 7%) per annum and are due within one year from the end of the reporting period.

(c) Compensation of directors and key management personnel of the Group

The remuneration of directors and key management personnel during the year was as follows:

	Group	
	2021	2020
	RMB'000	RMB'000
Short-term employee benefits	9,819	10,493
Post-employment benefits	32	250
	<u>9,851</u>	<u>10,743</u>

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17. Amounts due from/to subsidiaries

The Company's receivables from and payables to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

As at 31 December 2021 and 2020, amounts due from subsidiaries have been classified as non-current assets as the Company does not expect repayment within 12 months from the end of the reporting date. Management is of the view the amounts due from subsidiaries approximate their fair values as the effect of discounting is not expected to be significant.

Management estimates the loss allowance on amounts due from subsidiaries at an amount equal to 12-month ECL, taking into account the historical default experience, current financial conditions of the subsidiaries and the future prospects of the industry of each subsidiary. None of the amounts due from subsidiaries at the end of the reporting period is past due.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for amounts due from subsidiaries.

Based on the assessment, management is of the view that the ECL is insignificant as the credit risk of the subsidiaries are low.

18. Service concession receivables

	Group	
	2021	2020
	RMB'000	RMB'000
Service concession receivables	800,408	698,986
Less: Amounts due within one year shown under current assets	(63,976)	(49,359)
Service concession receivables due after one year	<u>736,432</u>	<u>649,627</u>
Expected collection schedule is analysed as follows:		
Within 1 year	63,976	49,359
Within 2 to 5 years	209,308	190,340
Over 5 years	<u>527,124</u>	<u>459,287</u>
	<u>800,408</u>	<u>698,986</u>

As at 31 December 2021, certain of the Group's borrowings were secured by the Group's service concession receivables with aggregate carrying amount RMB728,222,000 (2020: RMB513,650,000) (Note 30).

Management estimates the loss allowance on receivables under service concession arrangements at an amount equal to 12-month ECL, taking into account the historical default experience and the future prospects of the construction and waste to energy industry. None of the receivables under service concession arrangements at the end of the reporting period is past due.

Based on the assessment, management is of the view that the ECL is insignificant.

Notes to the Consolidated Financial Statements

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19. Other tax recoverable

	Group	
	2021	2020
	RMB'000	RMB'000
Value added tax	384,869	328,362
Others	1,681	2,440
	<u>386,550</u>	<u>330,802</u>

20. Inventories

	Group	
	2021	2020
	RMB'000	RMB'000
Coal	16,655	20,408
Spare parts and other raw materials	45,561	36,376
	<u>62,216</u>	<u>56,784</u>

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For the financial year ended 31 December 2021

21. Property, plant and equipment

	Buildings	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Right-of-use assets Leasehold land	Right-of-use assets Buildings	Right-of-use assets Plant and machinery	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group									
Cost									
At 1 January 2020	2,144,663	4,554,482	47,908	83,284	1,385,748	502,350	130,521	1,652,829	10,501,785
Additions	6,311	19,921	32,058	28,063	1,631,686	27,906	10,943	-	1,756,888
Transfer	103,066	361,395	32	-	(464,493)	-	-	-	-
Disposals/Written off	(37,637)	(350,936)	(190)	(1,251)	(4,241)	-	-	(5,758)	(400,013)
Exchange difference	-	-	(572)	-	(1,121)	-	-	-	(1,693)
At 31 December 2020	2,216,403	4,584,862	79,236	110,096	2,547,579	530,256	141,464	1,647,071	11,856,967
Additions	9,025	97,237	9,306	16,212	1,028,899	60,322	-	-	1,221,001
Transfer	616,777	1,097,418	124	-	(1,714,319)	-	-	-	-
Disposals/Written off	(143)	(87,611)	(540)	(14,913)	-	-	-	-	(103,207)
Exchange difference	-	-	(102)	(1,402)	(1,377)	(1,839)	-	-	(4,720)
At 31 December 2021	2,842,062	5,691,906	88,024	109,993	1,860,782	588,739	141,464	1,647,071	12,970,041
Group									
Accumulated depreciation									
At 1 January 2020	(499,617)	(972,684)	(26,787)	(25,625)	-	(87,619)	(39,972)	(555,716)	(2,208,020)
Depreciation for the year	(66,195)	(237,501)	(8,000)	(9,420)	-	(11,065)	(9,567)	(71,398)	(413,146)
Disposals/Written off	3,646	77,614	142	1,172	-	-	-	540	83,114
Exchange difference	-	-	187	-	-	-	-	-	187
At 31 December 2020	(562,166)	(1,132,571)	(34,458)	(33,873)	-	(98,684)	(49,539)	(626,574)	(2,537,865)
Depreciation for the year	(100,495)	(252,830)	(9,554)	(12,270)	-	(11,988)	(8,903)	(60,703)	(456,743)
Disposals/Written off	9	80,997	514	7,034	-	-	-	-	88,554
Exchange difference	-	-	11	1,310	-	-	-	-	1,321
At 31 December 2021	(662,652)	(1,304,404)	(43,487)	(37,799)	-	(110,672)	(58,442)	(687,277)	(2,904,733)
Accumulated impairment									
At 1 January 2020	(33,991)	(9,381)	-	(3)	(16,435)	-	-	-	(59,810)
Impairment losses	-	(4,366)	-	-	-	-	-	-	(4,366)
Impairment write-off	33,991	2,695	-	-	-	-	-	-	36,686
At 31 December 2020	-	(11,052)	-	(3)	(16,435)	-	-	-	(27,490)
Impairment losses	-	-	-	-	-	-	-	-	-
Impairment write-off	-	-	-	-	-	-	-	-	-
At 31 December 2021	-	(11,052)	-	(3)	(16,435)	-	-	-	(27,490)
Carrying values									
At 31 December 2021	2,179,410	4,376,450	44,537	72,191	1,844,347	478,067	83,022	959,794	10,037,818
At 31 December 2020	1,654,237	3,441,239	44,778	76,220	2,531,144	431,572	91,925	1,020,497	9,291,612

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For the financial year ended 31 December 2021

21. Property, plant and equipment (continued)

Certain of the Group's interest-bearing bank and other borrowings were secured by certain of the Group's buildings and machinery, which had an aggregate carrying amount of RMB3,808,406,000 as at 31 December 2021 (2020: RMB2,251,557,000) (Note 31).

As at 31 December 2021, property certificates in respect of certain buildings with a carrying amount of RMB105,076,000 (2020: RMB107,829,000) of the Group in the PRC have not been obtained. As advised by the Group's PRC legal advisor, management is of the opinion that the Group legally owns the rights to use these properties.

Based on the impairment assessment carried out by management, no impairment loss was recognised for the full year ended 31 December 2021. During the financial year ended 31 December 2020, an impairment of RMB4,366,000 was recognised on certain plant and machinery in preparatory stages (Note 10) due to business strategy changes of the Group's Brazil subsidiaries.

Right-of-use assets leasehold land represent land use rights located in the PRC and comprised leasehold land under medium-term lease. The land use rights in the PRC are amortised over the lease term of 30 to 50 years.

The Group leases certain buildings, plant and machinery under through sale and leaseback arrangements amounting to RMB1,037,819,000 (2020: RMB1,104,443,000). The lease terms are three to five years. The Group has options to purchase them without any extra charges and for a nominal amount at the end of the lease terms. No arrangements have been entered into for contingent rental payments. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

22. Investments in associates

The Group's interest in the associates is accounted for using the equity method in the consolidated financial statements. As at 31 December 2021 and 2020, there is no material interest in the associates.

There are no contingent liabilities relating to the Group's interest in the associates.

The following table summarises, in aggregate, the Group's share of profit of the Group's individually immaterial associates accounted for using the equity method:

	31 December	
	2021	2020
	RMB'000	RMB'000
Net loss and total comprehensive loss	(534)	(325)
	2021	2020
	RMB'000	RMB'000
Group		
Carrying value of individually immaterial associates, in aggregate	15,613	16,147

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23. Investments in joint ventures

Set out below is the joint ventures of the Group as at 31 December 2021, which are material to the Group.

Name of entity ⁽¹⁾	Place of business/country of incorporation	Principal activities	% of ownership interest	
			31 December	
			2021	2020
Zibo Green New Energy Co., Ltd. 淄博绿能新能源有限公司	Zibo, the PRC	Operation of waste- to-energy plant	30	34.88
Hohhot Jiasheng New Energy Co., Ltd. 呼和浩特嘉盛新能源有限公司	Hohhot, the PRC	Operation of waste- to-energy plant	30	30

⁽¹⁾ The English names of those companies established in the PRC are for reference only and have not been registered.

The above joint ventures are accounted for using the equity method in these consolidated financial statements.

There are no contingent liabilities relating to the Group's interest in the joint ventures.

Summarised financial information for joint venture

The following table illustrates the summarised financial information of the Group's investments in the material joint ventures

Summarised balance sheet

	Zibo Green New Energy Co., Ltd.	
	31 December	
	2021	2020
	RMB'000	RMB'000
Current assets	203,650	158,580
Includes:		
- Cash and cash equivalents	3,746	1,568
Current liabilities	(823,812)	(649,990)
Includes:		
- Financial liabilities (excluding trade payables)	(598,583)	(394,600)
Non-current assets	1,588,872	1,500,085
Non-current liabilities	(524,830)	(626,020)
Includes:		
- Financial liabilities (excluding trade payables)	(497,800)	(394,600)

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23. Investments in joint ventures (continued)

	Hohhot Jiasheng New Energy Co., Ltd.	
	31 December	
	2021	2020
	RMB'000	RMB'000
Current assets	125,585	93,140
Includes:		
- Cash and cash equivalents	2,507	1,568
Current liabilities	(343,729)	(221,639)
Includes:		
- Financial liabilities (excluding trade payables)	(327,055)	(143,136)
Non-current assets	485,831	426,913
Non-current liabilities	(133,632)	(163,603)
Includes:		
- Financial liabilities (excluding trade payables)	(125,000)	(143,136)
<i>Summarised statement of comprehensive income</i>		

	Zibo Green New Energy Co., Ltd.		Hohhot Jiasheng New Energy Co., Ltd.	
	31 December		31 December	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	154,636	157,120	68,207	72,307
Interest income	17	37	7	6
Expenses				
Includes:				
- Depreciation and amortisation	52,962	51,107	20,173	19,519
- Interest expense	58,484	35,680	14,787	15,759
Net (loss)/profit and total comprehensive (loss)/income	(33,346)	(5,743)	(756)	7,176

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint venture.

The following table summarises, in aggregate, the Group's share of loss and other comprehensive income of the Group's individually immaterial joint ventures accounted for using the equity method:

	31 December	
	2021	2020
	RMB'000	RMB'000
Net loss and total comprehensive loss	(368)	(429)

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23. Investments in joint ventures (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint venture, is as follows:

	Zibo Green New Energy Co., Ltd. 31 December		Hohhot Jiasheng New Energy Co., Ltd. 31 December		Total 31 December	
	2021	2020	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net assets	443,880	382,655	134,055	134,811	577,935	517,466
Group's equity interest	30.00%	34.88%	30.00%	30.00%	-	-
Group's share of net assets	133,164	133,470	40,217	40,443	173,381	173,913
Fair value adjustments	5,934	13,875	-	-	5,934	13,875
Carrying value	139,098	147,345	40,217	40,443	179,315	187,788
Add: Carrying value of individually immaterial joint ventures, in aggregate					25,450	25,818
Carrying value Group's interest in joint ventures					204,765	213,606

24. Investments in subsidiaries

	Company	
	2021	2020
	RMB'000	RMB'000
Beginning of financial year	1,798,280	1,790,879
Additions	-	7,401
End of financial year	1,798,280	1,798,280

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24. Investments in subsidiaries (continued)

The Group has the following significant subsidiaries as at 31 December 2021 and 2020:

Name ⁽¹⁾	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by non-controlling interests
			%	%	%
Gevin Limited	Investment holding	Hong Kong	100	100	-
Hangzhou Jinjiang Investment Co., Ltd. ("Jinjiang Investment") 杭州锦环投资有限公司	Investment holding	Hangzhou, the PRC	100	100	-
Lin'an Jiasheng Environment Co., Ltd. ("Lin'an Jiasheng") 临安嘉盛环保有限公司	Investment holding	Lin'an, the PRC	85.84	100	-
Green Energy (Hangzhou) Corporate Management Co., Ltd. ("Green Energy Hangzhou") 绿能(杭州)企业管理有限公司	Project management, technical consulting and advisory services.	Hangzhou, the PRC	100	100	-
Hangzhou Kesheng Energy Technology Co., Ltd ("Hangzhou Kesheng") 杭州科晟能源技术有限公司	Operation of energy management consulting business	Hangzhou, the PRC	100	100	-
Hangzhou Zhenghui Construction Engineering Co., Ltd. ("Hangzhou Zhenghui") 杭州正晖建设工程有限公司	Operation of engineering, design, construction and project management.	Hangzhou, the PRC	100	100	-
Jilin Xinxiang Co., Ltd. ("Jilin Xinxiang") 吉林鑫祥有限责任公司	Operation of waste- to-energy plant and sales of steam	Changchun, the PRC	80	80	20
Kunming Xinxingze Environment Resources Industry Co., Ltd. ("Kunming Jinjiang") 昆明鑫兴泽环境资源产业有限公司	Operation of waste- to-energy plant and sales of steam	Kunming, the PRC	90.59	98.33	1.67
Lianyungang Sunrise Environmental Protection Industry Co., Ltd. ("Lianyungang Sunrise") 连云港晨兴环保产业有限公司	Operation of waste- to-energy plant and sales of steam	Lianyungang, the PRC	66	100	-
Tianjin Sunrise Environmental Protection Science and Technology Development Co., Ltd. ("Tianjin Sunrise") 天津市晨兴力克环保科技发展有限公司	Operation of waste- to-energy plant and sales of steam.	Tianjin, the PRC	100	100	-
Wuhan Green Energy Co., Ltd. ("Wuhan Jinjiang") 武汉市绿色环保能源有限公司	Operation of waste- to-energy plant and sales of steam.	Wuhan, the PRC	100	100	-

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24. Investments in subsidiaries (continued)

Name ⁽¹⁾	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by non-controlling interests
			%	%	%
Wuhan Hankou Green Energy Co., Ltd. ("Hankou Jinjiang") 武汉汉口绿色能源有限公司	Operation of waste-to-energy plant and sales of steam	Wuhan, the PRC	100	100	-
Wuhu Lüzhou Environment Energy Co., Ltd. ("Wuhu Jinjiang") 芜湖绿洲环保能源有限公司	Operation of waste-to-energy plant and sales of steam.	Wuhu, the PRC	100	100	-
Zhengzhou Xingjin Green Environment Energy Co., Ltd. ("Zhengzhou Xingjin") 郑州荣锦绿色环保能源有限公司	Operation of waste-to-energy plant and sales of steam	Zhengzhou, the PRC	100	100	-
Zibo Green Energy Co., Ltd. ("Zibo Green Energy") 淄博绿能环保能源有限公司	Operation of waste-to-energy plant and sales of steam	Zibo, the PRC	100	100	-
Gaomi Lilangmingde Co. Ltd ("Gaomi Energy") 高密利朗明德环保科技有限公司	Operation of waste-to-energy plant	Gaomi, the PRC	100	100	-
Hangzhou Xiaoshan Jinjiang Green Energy Co., Ltd. ("Xiaoshan Jinjiang") 杭州萧山锦江绿色能源有限公司	Operation of waste-to-energy plant.	Hangzhou, the PRC	90	90	10
Qitaihe Green New Energy Co., Ltd. ("Qitaihe New Energy") 七台河绿能新能源有限公司	Operation of waste-to-energy plant.	Qitaihe, the PRC	100	100	-
Songyuan Xinxiang New Energy Co., Ltd. ("Songyuan Xinxiang") 松原鑫祥新能源有限公司	Operation of waste-to-energy plant.	Songyuan, the PRC	95	95	5
Suihua Green New Energy Co., Ltd. ("Suihua New Energy") 绥化市绿能新能源有限公司	Operation of waste-to-energy plant.	Suihua, the PRC	100	100	-
Wenling Green New Energy Co., Ltd. ("Wenling Green Energy") 温岭绿能新能源有限公司	Operation of waste-to-energy plant	Wenling, the PRC	100	100	-
Wenling Solid Waste Treatment Co., Ltd. ("Wenling Solid") 温岭绿能固废处理有限公司	Operation of solid waste treatment plant	Wenling, the PRC	51	51	49
Yinchuan Zhongke Environmental Electrical Co., Ltd. ("Yinchuan Zhongke") 银川中科环保电力有限公司	Operation of waste-to-energy plant.	Yinchuan, the PRC	96.92	100	-

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24. Investments in subsidiaries (continued)

Name ⁽¹⁾	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by non-controlling interests
			%	%	%
Yunnan Green Energy Co., Ltd. ("Yunnan Energy") 云南绿色能源有限公司	Operation of waste- to- energy plant	Kunming, the PRC	89	89	11
Zhejiang Zhuji Bafang Thermal Power Co. Ltd. ("Zhuji Bafang") 浙江诸暨八方热电有限责任公司	Operation of thermal power plant.	Zhuji, the PRC	100	100	-
Kunshan Jinkangrui Environmental Protection Technology Co., Ltd. ("Jinkangrui Technology") 昆山锦康瑞环保技术有限公司	Waste resource recycling projects	Kunshan, the PRC	100	100	-
Ecogreen Energy Gurgaon Faridabad Private Limited	Operation of waste- to- energy plant	Gurgaon, India	99.99	99.99	0.01
Ecogreen Energy Gwalior Private Limited	Operation of waste- to- energy plant	Gwalior, India	99.99	99.99	0.01
Ecogreen Energy Lucknow Private Limited	Operation of waste- to- energy plant	Lucknow, India	99.99	99.99	0.01

⁽¹⁾ The English names of those companies established in the PRC are for reference only and have not been registered. Audited by PricewaterhouseCoopers Zhong Tian LLP for consolidation purposes.

25. Investment property

	2021	2020
	RMB'000	RMB'000
Group		
Cost		
Beginning of financial year	27,618	28,976
Exchange difference	(1,196)	(1,358)
End of financial year	26,422	27,618
Accumulated depreciation		
Beginning of financial year	(1,342)	(1,771)
Depreciation for the year	(898)	(937)
Exchange difference	693	1,366
End of financial year	(1,547)	(1,342)
Carrying amount		
End of financial year	24,875	26,276

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25. Investment property (continued)

At the balance sheet date, the details of the Group's investment property are as follows:

Location	Description/existing use	Tenure
2 Venture Drive #15-17, #15/18, #15/19 Vision Exchange, Singapore Singapore 159936	Commercial	99-year leasehold commencing from 10 June 2013.

The property rental income from the Group's investment property leased out under operating lease amounted to approximately RMB335,000 (2020: RMB266,000). Direct operating expenses (including repairs and maintenance) arising from rental-generating investment property amounted to approximately RMB38,000 (2020: RMB39,000).

As at 31 December 2021 and 2020, certain of the Group's borrowings were secured by the Group's investment property (Note 30).

The fair value of the investment property is assessed to be RMB25,477,000 (2020: RMB26,630,000).

The Group engaged independent valuer who has appropriate qualification and recent experience in the fair value measurement of the properties in the relevant locations to determine the fair value of the land and buildings. The valuations were made at year end on the basis of direct comparison with recent transactions of comparable properties within the vicinity and open market value.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at end of 31 December 2021, the fair value measurements of the Group's investment property is classified within Level 3 (2020: Level 3) of the fair value hierarchy. There were no transfers between different levels during the year.

Management considers that certain unobservable inputs used in the fair value measurement of the Group's investment property are sensitive to the fair value measurement. The following information is relevant for the Group's investment property:

Name of property	Significant unobservable input(s)	Range	Sensitivity
Vision Exchange Commercial units	Price per square metre of strata floor area	RMB108,000 - RMB132,000 (2020: RMB113,000 - RMB138,000)	Any significant isolated increase/ (decrease) would result in a significantly higher/ (lower) fair value measurement.

26. Leases – The Group as a lessee

Nature of the Group's leasing activities

Leasehold land

The Group has made an upfront payment to secure the right-of-use of the land located in the PRC under medium-term lease. The land use rights in the PRC were amortised over the lease term of 30 to 50 years. These leasehold land is recognised within Property, plant and equipment (Note 21).

There are no externally imposed covenant on these lease arrangements.

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26. Leases – The Group as a lessee (continued)

Buildings

The Group leases office space for the purpose of back office operations.

Plant and machinery

The Group leases plant and machinery to render logistic services and leases equipment for the construction and waste management divisions.

(a) Carrying amounts

ROU assets classified within Property, plant and equipment

	2021	2020
	RMB'000	RMB'000
Leasehold land	478,067	431,572
Buildings	83,022	91,925
Plant and machinery	959,794	1,020,497
	<u>1,520,883</u>	<u>1,543,994</u>

(b) Depreciation charge during the year

	2021	2020
	RMB'000	RMB'000
Leasehold land	11,988	11,065
Buildings	8,903	9,567
Plant and machinery	60,703	71,398
Total	<u>81,594</u>	<u>92,030</u>

(c) Interest expense

Interest expense on lease liabilities	<u>2,691</u>	<u>26,025</u>
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(d) Lease expense not capitalised in lease liabilities

Lease expense – short-term leases	<u>20,890</u>	<u>17,784</u>
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(e) Total cash outflow for all the leases (including short-term leases) in 2021 was RMB60,201,000 (2020: RMB392,988,000).

(f) Addition of ROU assets during the financial year 2021 was RMB60,322,000 (2020: RMB38,849,000).

Lease liabilities

	Group	
	2021	2020
	RMB'000	RMB'000
<i>Current</i>		
Lease liabilities	5,035	39,194
<i>Non-current</i>		
Lease liabilities	2,457	5,482
	<u>7,492</u>	<u>44,676</u>

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26. Leases – The Group as a lessee (continued)

Lease liabilities (continued)

	Group	
	2021	2020
	RMB'000	RMB'000
Maturity analysis:		
Year 1	5,218	40,617
Year 2	2,495	4,013
Year 3	–	1,663
	7,713	46,293
Less: Unearned Interest	(221)	(1,617)
	7,492	44,676

27. Leases – The Group as a lessor

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out their owned investment property to third parties for monthly lease payments. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment property are disclosed in Note 25.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	2021	2020
	RMB'000	RMB'000
Less than one year	474	130
One to two years	198	130
Two to three years	–	54
Total undiscounted lease payment	672	314

28. Intangible assets

	Group	
	31 December	
	2021	2020
	RMB'000	RMB'000
Software (Note (a))	8,993	7,861
Service concession arrangement (Note (b))	4,280,081	3,874,688
	4,289,074	3,882,549

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28. Intangible assets

(a) Software

	Group	
	2021	2020
	RMB'000	RMB'000
<i>Cost</i>		
Beginning of financial year	25,605	23,761
Additions	3,743	1,844
End of financial year	<u>29,348</u>	<u>25,605</u>
<i>Accumulated amortisation</i>		
Beginning of financial year	(17,744)	(13,337)
Amortisation	(2,611)	(4,407)
End of financial year	<u>(20,355)</u>	<u>(17,744)</u>
Net book value	<u>8,993</u>	<u>7,861</u>

(b) Service concession arrangement

	Group	
	2021	2020
	RMB'000	RMB'000
<i>Cost</i>		
Beginning of financial year	4,294,085	3,856,607
Additions	582,034	437,478
End of financial year	<u>4,876,119</u>	<u>4,294,085</u>
<i>Accumulated amortisation</i>		
Beginning of financial year	(419,397)	(281,088)
Amortisation	(146,439)	(138,309)
End of financial year	<u>(565,836)</u>	<u>(419,397)</u>
<i>Accumulated impairment</i>		
Beginning of financial year	-	-
Impairment losses	(30,202)	-
End of financial year	<u>(30,202)</u>	<u>-</u>
Net book value	<u>4,280,081</u>	<u>3,874,688</u>

The Group entered into service concession agreements with the local government authorities (the "Grantors"), pursuant to the design, construction, operation and maintenance of waste-to-energy plants during the concession period ranging from 21 years to 30 years, starting from the commencement date of commercial operation.

Service concession construction revenue (as detailed in Note 4) recorded in 2021 and 2020 represents the revenue recognised during the construction stage of the service concession period.

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28. Intangible assets (continued)

The right that the Group has received to charge for the sale of electricity and waste treatment has been recognised as an intangible asset at the fair value of the construction services provided and is amortised over the operating period of the waste-to-energy plant on a straight-line basis from the date on which the waste-to-energy plant commences operation.

During the financial year ended 31 December 2021, the Group was unable to reach mutual agreement with the local government regarding compensation for the cessation of a BOT project in India, and had notified the local government of its intention to initiate arbitration proceedings in connection therewith and has applied to the High Court of Delhi to appoint arbitrators.

The Group made a commercial decision to cease operations of this BOT project due to its long-term negative cashflow arising from the small scale of operations in the Gwalior region, the back-loading of waste treatment fees to after commencement of operations of the waste treatment facility, the high cost of waste collection and transportation and certain cash deductions made by the local government due to inadequate coverage of waste collection. This resulted in the local government taking over the waste collection and transportation operations and project assets and later enforcing the deposit for performance bond relating to this BOT project.

Given the uncertainty in terms of the timeline and outcome of such arbitration proceedings, an impairment loss of RMB30,202,000 (2020: nil) on the intangible assets relating to the BOT project was recognised. In addition, an impairment loss of RMB10,899,000 was recognised in connection with the enforcement of the deposit for performance bond relating to this project (refer to Note 14).

The Group's intangible assets amounting to RMB1,325,563,000 as at 31 December 2021 (2020: RMB2,464,435,000) were pledged as collaterals against general loan facilities granted to the Group (Note 30).

As at 31 December 2021, the Group has RMB744,627,000 (2020: RMB254,838,000) of contract assets pertaining to construction contracts in progress within the intangible assets balance. Significant changes during the reporting period was due to construction contracts in progress during the year.

Management estimates the loss allowance on such contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction and waste to energy industry. Based on the assessment, management is of the view that the ECL is insignificant.

29. Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	627,958	579,936	-	-
Bills payables	106,000	106,786	-	-
Construction and equipment payables	1,100,455	658,217	-	-
Deposits received from customers	38,437	146,406	-	-
Accrued payroll and welfare	89,990	88,327	-	-
Accrued expenses	4,812	5,086	-	-
Others	110,104	105,878	10,505	8,969
Total trade and other payables	2,077,756	1,690,636	10,505	8,969

The credit period on purchases is 90 to 120 days (2020: 90 to 120 days). No interest is charged on the overdue trade payables.

Included in deposits received from customers are contract liabilities for waste treatment and service contracts amounting to RMB35,591,000 (2020: RMB145,310,000) (Note 4).

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30. Borrowings

	Group		Company	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Guaranteed borrowings	2,498,640	2,575,438	1,495,364	2,236,791
Secured and guaranteed bank borrowings	3,456,713	3,735,436	-	-
Secured bank borrowings	719,293	117,863	519,269	-
Secured and guaranteed other borrowings	3,102,633	1,578,539	-	-
Secured other borrowings	434,254	672,064	-	-
Unsecured borrowings	269,850	-	-	-
	<u>10,481,383</u>	<u>8,679,340</u>	<u>2,014,633</u>	<u>2,236,791</u>
The borrowings comprise:				
- Fixed-rate borrowings	2,085,719	836,843	676,366	-
- Variable-rate borrowings	8,395,664	7,842,497	1,338,267	2,236,791
	<u>10,481,383</u>	<u>8,679,340</u>	<u>2,014,633</u>	<u>2,236,791</u>
Total borrowings	10,481,383	8,679,340	2,014,633	2,236,791
Less: Amount due within one year shown under current liabilities	(4,706,413)	(2,588,705)	(2,014,633)	(913,486)
Amounts shown under non-current liabilities	<u>5,774,970</u>	<u>6,090,635</u>	<u>-</u>	<u>1,323,305</u>

The carrying amount of borrowings approximate their fair value. The borrowings are secured by the pledge of certain property, plant and equipment, trade receivables, shares of a subsidiary, bank deposits, investment property, right-of-use assets and intangible assets.

Included in the above are borrowings with an aggregate principal amount of RMB840,000,000 (2020: RMB100,000,000) from subsidiaries of Zheneng Group, namely Zhejiang Provincial Energy Group Finance Co., Ltd. and Shanghai Puneng Finance Leasing Co., Ltd.

Included in the borrowings as at 31 December 2021 is an amount of RMB1,312,828,000 under a syndicated term loan facility arranged by Standard Chartered Bank (Hong Kong) Limited ("the agent") of up to US\$270,000,000 (the "Facility"), which requires that Zheneng Group maintains more than 25% shareholding interest in the Company.

Under the terms of the Facility, the Company has to ensure that the ratio of its consolidated net debt to consolidated total equity does not exceed 125% for the period from 1 January 2021 to 31 December 2021 ("Financial Covenant"). The aforesaid ratio had exceeded 125% for the financial year resulting in non-compliance by the Company of the Financial Covenant.

Due to the non-compliance of the Financial Covenant, the banks are contractually entitled to request for immediate repayment of the outstanding borrowings with covenant breaches. Accordingly, the non-current portion of the borrowings with covenant breaches of the Group and the Company amounting to RMB1,184,002,000 (2020: RMB15,000,000) and RMB1,114,002,000 (2020: nil) respectively were reclassified as current liabilities. Under the terms of the Facility, the agent of the Facility may, at its discretion and if so directed by lenders representing two-thirds of the total commitments under the Facility, by notice call for repayment ahead of the stipulated repayment dates. As of the date of this report, the Group has not received any notice for the accelerated repayment from the agent.

Notes to the Consolidated Financial Statements

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30. Borrowings (continued)

Group

<u>Type of borrowings</u>	<u>Guaranteed/secured by</u>	<u>2021</u>	<u>2020</u>
		<u>RMB'000</u>	<u>RMB'000</u>
Guaranteed borrowings	Guarantees mainly from subsidiaries of the Group	2,498,640	2,575,438
		<u>2,498,640</u>	<u>2,575,438</u>
Secured and guaranteed bank borrowings	Guarantees mainly from subsidiaries of the Group and the following:		
	Certain property, plant and equipment (Note 21)	460,000	499,790
	Certain trade receivables (Note 14)	748,644	445,189
	Certain trade receivables (Note 14), property, plant and equipment (Note 21)	1,081,647	1,198,085
	Certain service concession receivables (Note 18) and intangible assets (Note 28)	165,000	195,000
	Certain service concession receivables (Note 18), intangible assets (Note 28) and receivables (Note 14)	911,422	1,237,372
	Certain shares of a subsidiary with carrying value of RMB1,620,230,000	90,000	160,000
		<u>3,456,713</u>	<u>3,735,436</u>
Secured bank borrowings	Certain bank deposits held by the Group (Note 13)	658,897	100,000
	Certain trade receivables (Note 14)	43,972	-
	Group's investment property (Note 25)	16,424	17,863
		<u>719,293</u>	<u>117,863</u>

Notes to the Consolidated Financial Statements

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30. Borrowings (continued)

Group

Type of borrowings	Guaranteed/secured by	2021 RMB'000	2020 RMB'000
Secured and guaranteed other borrowings	Guarantees mainly from subsidiaries of the Group and the following:		
	Certain property, plant and equipment (Note 21)	1,031,512	1,289,501
	Certain trade receivables (Note 14), property, plant and equipment (Note 21)	955,291	-
	Certain intangible Asset (Note 28)	37,254	-
	Certain trade receivables (Note 14)	278,029	289,038
	Certain trade receivables (Note 14), property, plant and equipment (Note 21), and certain shares of a subsidiary with carrying value of RMB136,336,000	260,547	-
	Certain shares of a subsidiary with carrying value of RMB36,790,000	540,000	-
		<u>3,102,633</u>	<u>1,578,539</u>
Secured other borrowings	Property, plant and equipment (Note 21)	431,504	658,564
	Pledge of certain electricity tariffs receivables (Note 14)	2,750	13,500
		<u>434,254</u>	<u>672,064</u>

Company

Type of borrowings	Guaranteed/secured by	2021 RMB'000	2020 RMB'000
Guaranteed borrowings	Guarantees mainly from subsidiaries of the Group	1,495,364	2,236,791
		<u>1,495,364</u>	<u>2,236,791</u>
Secured bank borrowings	Certain bank deposits held by the Group (Note 13)	519,269	-
		<u>519,269</u>	<u>-</u>

The ranges of effective interest rates on the Group's and Company's borrowings are as follows:

	Group		Company	
	2021	2020	2021	2020
Effective interest rate:				
- Fixed-rate borrowings	0.9% to 10.25%	2.25% to 10.75%	0.9% to 3.50%	NA
- Variable-rate borrowings	2.86% to 6.54%	2.05% to 8.54%	2.86% to 2.90%	2.90% to 4.86%

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

30. Borrowings (continued)

Reconciliation of liabilities arising from financing activities.

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2021	Financing cash flows	Other changes ⁽¹⁾	Exchange difference	31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings	8,679,340	1,838,340	17,428	(53,725)	10,481,383
Lease liabilities	44,676	(35,274)	(1,910)	-	7,492
	<u>8,724,016</u>	<u>1,803,066</u>	<u>15,518</u>	<u>(53,725)</u>	<u>10,488,875</u>
	1 January 2020	Financing cash flows	Other changes ⁽¹⁾	Exchange difference	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings	6,039,296	2,831,201	5,971	(197,128)	8,679,340
Lease liabilities	375,200	(366,963)	36,439	-	44,676
Notes payable	1,423,212	(1,415,900)	(27,721)	20,409	-
	<u>7,837,708</u>	<u>1,048,338</u>	<u>14,689</u>	<u>(176,719)</u>	<u>8,724,016</u>

⁽¹⁾ Other changes include interest accruals and payments

The cash flows make up the net amount of proceeds and repayments of the financial liabilities presented under the financing activities in the statement of cash flows.

The carrying amount of borrowings approximate their fair value.

31. Deferred income taxes

	Undistributed earnings of PRC subsidiaries	Fair value adjustment on acquisition of subsidiaries	Accelerated tax depreciation	Profit recognised on construction services provided under service concession arrangements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2020	59,939	4,207	249,366	169,234	482,746
Charge/(credit) to profit or loss (Note 11)	(208)	(325)	14,984	45,195	59,646
At 31 December 2020	59,731	3,882	264,350	214,429	542,392
Charge/(credit) to profit or loss (Note 11)	-	(134)	30,449	46,246	76,561
At 31 December 2021	<u>59,731</u>	<u>3,748</u>	<u>294,799</u>	<u>260,675</u>	<u>618,953</u>

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For the financial year ended 31 December 2021

31. Deferred income taxes (continued)

At 31 December 2021, the Group has unused tax losses of approximately RMB 754,036,000 (2020: RMB657,029,000), available for offset against future profits. No deferred tax asset has been recognised in respect of those tax losses due to no certainty of the tax losses being utilised.

The unrecognised tax losses will expire in the following years:

	Group	
	2021	2020
	RMB'000	RMB'000
2021	–	19,242
2022	20,384	20,514
2023	81,281	95,834
2024	135,519	156,362
2025	330,099	365,077
2026	186,753	–
	754,036	657,029

At 31 December 2021, the Group has deductible temporary differences of RMB187,571,000 (2020: RMB138,743,000). No deferred tax asset has been recognised in relation to such deductible temporary differences due to uncertainty of the deductible temporary differences being utilised.

At 31 December 2021, temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised are RMB5,016,030,000 (2020: RMB4,535,903,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

32. Share capital

	Group and Company	
	Number of ordinary shares	Share capital
	'000	RMB'000
As at 1 January 2020	1,454,025	96
Issued during the year	–	–
At 31 December 2020	1,454,025	96
Issued during the year	–	–
At 31 December 2021	1,454,025	96

Fully paid ordinary shares have a par value of US\$0.00001 (2020: US\$0.00001), carry one vote per share and carry a right to dividend, amounting to equivalent RMB96,000 (2020: RMB96,000).

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33. Other reserves

	Group		Company	
	31 December		31 December	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Capital reserve (i)	393,694	393,694	1,057,112	1,057,112
Merger reserve (ii)	(67,642)	(67,642)	-	-
Statutory surplus reserve (iii)	191,243	155,288	-	-
Foreign currency translation reserve (iv)	(57,577)	(46,405)	-	-
Other reserve (v)	56,172	56,172	-	-
	<u>515,890</u>	<u>491,107</u>	<u>1,057,112</u>	<u>1,057,112</u>

(i) Capital reserve

	Group		Company	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January and 31 December	<u>393,694</u>	<u>393,694</u>	<u>1,057,112</u>	<u>1,057,112</u>

The Group's capital reserve represents deemed capital contribution. The Company's capital reserve represents waiver of debts by its subsidiaries and deemed capital contribution.

(ii) Merger reserve

	Group	
	2021	2020
	RMB'000	RMB'000
At 1 January and 31 December	<u>(67,642)</u>	<u>(67,642)</u>

Merger reserves represents the differences between the existing book values of the net assets of the subsidiaries under common control and the consideration paid when the Group acquired subsidiaries from the then ultimate holding company or ultimate shareholder using the merger accounting method.

(iii) Statutory surplus reserve

	Group	
	2021	2020
	RMB'000	RMB'000
At 1 January	155,288	118,271
Appropriation to reserves	35,955	37,017
At 31 December	<u>191,243</u>	<u>155,288</u>

Pursuant to the relevant laws and regulations in the People's Republic of China ("PRC") and the Articles of Association of the subsidiaries established in PRC, the PRC subsidiaries are required to make appropriation from profit after tax to a statutory surplus reserve at rate determined by their respective Board of Directors before distributing dividends to equity holders.

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For the financial year ended 31 December 2021

33. Other reserves (continued)

(iv) Foreign currency translation reserve

	Group	
	2021	2020
	RMB'000	RMB'000
At 1 January	(46,405)	(8,575)
Other comprehensive income	(11,172)	(37,830)
At 31 December	(57,577)	(46,405)

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(v) Other reserve

	Group	
	2021	2020
	RMB'000	RMB'000
At 1 January and 31 December	56,172	56,172

Other reserve represents the difference between the carrying amount of the non-controlling interest and the consideration arising from equity transactions with the non-controlling shareholders without loss of control in the subsidiaries by the Group.

34. Deferred grant

	Group	
	2021	2020
	RMB'000	RMB'000
Grant received in advance	381,085	363,058
Analysed as:		
- Current liabilities	17,065	17,080
- Non-current liabilities	364,020	345,978
	381,085	363,058

Assets related grants are recognised over the estimated useful lives of the related assets. Income related grants are recognised on a systematic basis over the periods to match the related costs.

35. Other tax liabilities

	Group	
	2021	2020
	RMB'000	RMB'000
Value added tax	41,540	59,803
Others	19,556	19,067
	61,096	78,870

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36. Provision for major overhauls

Pursuant to the service concession agreements, the Group has contractual obligations to maintain the facilities to a specified level of serviceability and/or to restore the plants to a specified condition before they are handed over to the grantors at the end of the service concession periods. These contractual obligations except for any upgrade element, are recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period. The future expenditure on these maintenance and restoration costs is collectively referred to as "major overhauls". The estimation basis is reviewed on an ongoing basis, and revised where appropriate.

Movements in provision and the balances of the liabilities for major overhauls are as follows:

	Group	
	2021	2020
	RMB'000	RMB'000
At beginning of the year	23,053	19,032
Provision made during the year	1,773	4,021
At end of the year	<u>24,826</u>	<u>23,053</u>

37. Contingencies

Contingent liabilities

Legal claims were lodged by certain third parties against the Group's subsidiaries, in relation to alleged non-performance under sales or service contracts.

As at 31 December 2021, no contingent liabilities were provided, as management assessed that it is not practical to estimate the potential effect of the ongoing litigation and legal advice indicates that it is not probable that a significant liability will arise.

As at 31 December 2020, contingent liabilities of RMB2,400,000 were provided, as management assessed that the probability of litigation settlement for relevant cases was not remote with reference to the preliminary decision the court made. The judgements on the cases were issued during the financial year ended 31 December 2021 and all liabilities were settled during the year.

38. Commitments

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associates (Note 22) and investments in joint ventures (Note 23), are as follows:

	Group	
	2021	2020
	RMB'000	RMB'000
Property, plant and equipment	<u>816,755</u>	<u>1,475,812</u>

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39. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's risk management policies and guidelines are set to monitor and control the potential material adverse impact of these exposures. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Market risk

(i) Currency risk

The Group collects most of its revenue and incurs most of its expenditures in RMB. Cash and cash equivalents of the Group are mainly denominated in RMB and United States Dollar ("USD"). The Group currently does not have a foreign currency hedging policy as management considers the foreign exchange risk exposure of the Group to be limited. However, the Group monitors currency risk exposure by periodically reviewing foreign currency exchange rates and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's and Company's monetary assets and liabilities which are significant at the reporting date that are denominated in currencies other than the respective functional currency of the group entities are as follows:

	Group		Company	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
USD	106,548	414,727	95,036	109,917
Financial liabilities				
USD	2,159,512	2,236,791	2,019,870	2,236,791

Sensitivity analysis

The following table details the Group's and Company's sensitivity to a 10% increase and decrease in the RMB against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

39. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

If the relevant foreign currency weakens by 10% against the functional currency of each group entity, profit before tax will increase/ (decrease) by:

	Group		Company	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
USD	205,296	182,206	192,483	212,687

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, profit before tax will decrease/ (increase) by the same amount above.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to fair value interest rate risk related primarily to its fixed-rate borrowings (Note 30) and lease liabilities. The Group's exposure to cash flow interest rate risk relates primarily to its variable-rate borrowings (Note 30).

The Group and Company currently do not have a specific policy to manage its interest rate risk and has not entered into any interest rate swaps to hedge against the exposure. However, the Group and Company will monitor the interest rate exposure and manage interest cost using a mix of fixed and variable-rate debts.

Sensitivity analysis

The sensitivity analyses below have been prepared based on the exposure to interest rates for the variable-rate borrowings and bank balances at the end of the reporting period and the stipulated change taking place at the beginning of the year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates on variable-rate borrowings.

If interest rates had been 50 basis points higher/lower, the decrease/increase on profit before tax will be:

	Group		Company	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Profit before tax	41,978	39,212	6,691	11,184

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

39. Financial risk management (continued)

(b) Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties of the Group is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

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 consists of regional state-owned grid companies, local government and certain manufacturing companies whose production relies on the supply of electricity and steam by the Group. In this regard, management considers the Group's credit risk is significantly reduced.

As at 31 December 2021, the Group has trade balances due from 4 customers (2020: 4) who individually accounted for 5% or more of the total balance of trade receivables amounted to RMB687,033,000 (2020: RMB367,104,000).

As at 31 December 2021, the Group has trade balances due from 3 related parties (2020: 2) who individually accounted for 5% or more of the total balance of trade receivables amounted to RMB164,106,000 (2020: RMB142,992,000).

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except that the Company has significant non-trade receivables from 10 subsidiaries (2020: 8 subsidiaries) amounting to RMB2,112,195,000 (2020: RMB2,406,240,000) as at 31 December 2021. This represents advances made to the subsidiaries for purpose of capital expenditure fundings and working capital to other subsidiaries of the Group. Other than the above, there are no other significant receivables in the Company as at 31 December 2021 and 2020.

Receivables under service concession arrangements relate to consideration recoverable from certain governing bodies and agencies of the government of the PRC in respect of construction of WTE plants and are generally considered as having low risk of default.

Trade receivables and trade related amounts due from related parties and non-controlling interests

Loss allowance for trade receivables and trade related amounts due from related parties and non-controlling interests have been measured at an amount equal to lifetime ECL. Trade and bill receivables are mainly amounts due from local electrical power grid companies and local government sectors for the sale of electricity and waste treatment. Trade related amounts due from related parties and non-controlling interests are mainly for the sale of waste treatment.

The ECL on trade balances are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forward-looking macroeconomic factors affecting the ability of the debtors to settle the receivables.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

None of the trade receivables that have been written off are subject to enforcement activities.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

39. Financial risk management (continued)

(b) Credit risk (continued)

Trade receivables and trade related amounts due from related parties and non-controlling interests (continued)

The following is an aged analysis of trade receivables and bills receivable at the end of the reporting period, net of loss allowance for trade and bill receivables:

	Group	
	2021	2020
	RMB'000	RMB'000
Current	1,628,741	941,681
Within 60 days	48,813	72,329
60 days to 90 days	37,883	29,273
90 days to 120 days	27,949	27,323
Over 120 days	236,396	171,883
	1,979,782	1,242,489

The following is an aged analysis of trade receivables due from related parties at the end of the reporting period

	2021	2020
	RMB'000	RMB'000
Current	92,194	34,524
0 to 90 days	2,078	11,858
91 to 120 days	6,259	7,729
Over 120 days	107,725	110,599
	208,256	164,710

For the financial year ended 31 December 2021 and 2020, the trade receivables have been assessed based on lifetime ECL individually and loss allowance was recognised for trade receivables that are credit impaired.

Other receivables and non-trade related amounts due from related parties and non-controlling interests

For purpose of impairment assessment, other receivables and non-trade related amounts due from related parties and non-controlling interests are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition.

In determining the ECL, management has estimates the loss allowance on other receivables and non-trade related amounts due from related parties and non-controlling interests at an amount equal to 12-month ECL, taking into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each these financial assets and the loss upon default.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

For the financial year ended 31 December 2021 and 2020, other receivables and non-trade related amounts due from related parties and non-controlling interests have been assessed based on 12-month ECL individually and are not credit impaired.

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For the financial year ended 31 December 2021

39. Financial risk management (continued)

(b) Credit risk (continued)

The Group's and the Company's credit risk on cash and cash equivalents and pledged bank deposits is limited because the counterparties are banks with good reputation.

The Group develops and maintains its credit risk grading to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group does not hold any collateral to cover its credit risks associated with its financial assets.

The Group's current credit risk framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is more than 90 days past due for corporate/individual debtors, more than 180 days past due for amounts due from related parties and more than 3 years past due for government debtors or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is more than 1 year past due for corporate/individual debtors, more than 2 years past due for amounts due from related parties and more than 5 years past due for government debtors or there is evidence indicating the asset is credit impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The assessment of the credit quality and exposure to credit risk of the Group's and Company's trade and other receivables, amounts due from non-controlling interests, related parties and subsidiaries, service concession receivables and contract assets have been disclosed in Notes 14, 15, 16, 17, 18 and 4 to the financial statements respectively. The tables below detail the credit quality of the Group's financial assets and contract assets, as well as maximum exposure to credit risk by credit risk rating grades:

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39. Financial risk management (continued)

(b) Credit risk (continued)

The movements in credit loss allowance are as follows:

	Trade receivables	Other receivables	Total
	RMB'000	RMB'000	RMB'000
Group			
2021			
Balance at 1 January 2021	24,990	31,457	56,447
Loss allowance recognised in profit or loss during the year	5,918	10,899	16,817
Balance at 31 December 2021	<u>30,908</u>	<u>42,356</u>	<u>73,264</u>
2020			
Balance at 1 January 2020	13,900	18,141	32,041
Loss allowance recognised in profit or loss during the year	11,090	13,316	24,406
Balance at 31 December 2020	<u>24,990</u>	<u>31,457</u>	<u>56,447</u>

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				RMB'000	RMB'000	RMB'000
Group						
2021						
Trade and bills receivables	14	(i)	Lifetime ECL (simplified approach)	2,010,690	(30,908)	1,979,782
Other receivables	14	Performing	12-month ECL	406,102	(42,356)	363,746
Trade amounts due from non-controlling interests	15	(i)	Lifetime ECL (simplified approach)	14,866	-	14,866
Non-trade amounts due from non-controlling interest	15	Performing	12-month ECL	11,030	-	11,030
Trade amounts due from related parties	16	(i)	Lifetime ECL (simplified approach)	208,256	-	208,256
Non-trade amounts due from related parties	16	Performing	12-month ECL	510,720	-	510,720
Contract assets	4	(i)	Lifetime ECL (simplified approach)	17,832	-	17,832
Service concession receivables	18	Performing	12-month ECL	800,408	-	800,408
					<u>(73,264)</u>	
Company						
2021						
Amount due from subsidiaries	17	Performing	12-month ECL	2,116,567	-	2,116,567
					<u>-</u>	

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

39. Financial risk management (continued)

(b) Credit risk (continued)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Group						
<u>2020</u>						
Trade receivables	14	(i)	Lifetime ECL (simplified approach)	1,267,479	(24,990)	1,242,489
Other receivables	14	Performing	12-month ECL	396,104	(31,457)	364,647
Trade amounts due from non- controlling interests	15	(i)	Lifetime ECL (simplified approach)	21,084	-	21,084
Non-trade amounts due from non-controlling interest	15	Performing	12-month ECL	11,030	-	11,030
Trade amounts due from related parties	16	(i)	Lifetime ECL (simplified approach)	164,710	-	164,710
Non-trade amounts due from related parties	16	Performing	12-month ECL	484,779	-	484,779
Contract assets	4	(i)	Lifetime ECL (simplified approach)	81,540	-	81,540
Service concession receivables	18	Performing	12-month ECL	698,986	-	698,986
					(56,447)	
Company						
<u>2020</u>						
Amount due from subsidiaries	17	Performing	12-month ECL	2,410,053	-	2,410,053
					-	

- (i) For trade related balances and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Notes 14, 15, 16 and 4 includes further details on the loss allowance for these receivables and contract assets.

(c) Liquidity risk

To manage the liquidity risk, the Group and the Company maintain a level of cash and cash equivalents considered adequate by management to finance the Group's and the Company's operations. Management monitors the level of bank borrowings and ensures compliance with loan undertakings. The Group and the Company also rely on borrowings and amounts due to related parties for liquidity requirements. The directors believe the Group and the Company have sufficient resources to continue its operational existence for the foreseeable future.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

39. Financial risk management (continued)

(c) Liquidity risk (continued)

Liquidity and interest risk tables

The following table details the Group's and Company's remaining contractual maturity for its financial liabilities as at the end of the reporting period. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The undiscounted cash flows column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

Group	Weighted average effective interest rate	On demand, or less than 1 year	1 - 5 years	>5 years	Undiscounted cash flows	Carrying amount closing balance
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2021						
Non-derivative financial liabilities						
Trade and other payables	-	2,039,319	-	-	2,039,319	2,039,319
Amounts due to related parties	-	55,680	-	-	55,680	55,680
Borrowings	4.63	3,930,789	6,174,653	1,587,806	11,693,248	10,481,383
Lease liabilities	4.85	5,218	2,495	-	7,713	7,492
		<u>6,031,006</u>	<u>6,177,148</u>	<u>1,587,806</u>	<u>13,795,960</u>	<u>12,583,874</u>
2020						
Non-derivative financial liabilities						
Trade and other payables	-	1,544,230	-	-	1,544,230	1,544,230
Amounts due to related parties	-	91,056	-	-	91,056	91,056
Borrowings	4.89	2,908,725	5,057,728	1,996,236	9,962,689	8,679,340
Lease liabilities	5.56	40,617	5,676	-	46,293	44,676
		<u>4,584,628</u>	<u>5,063,404</u>	<u>1,996,236</u>	<u>11,644,268</u>	<u>10,359,302</u>
Company						
2021						
Non-derivative financial liabilities						
Trade and other payables	-	10,505	-	-	10,505	10,505
Amounts due to subsidiaries	-	85,884	-	-	85,884	85,884
Borrowings	2.47	938,574	1,138,470	-	2,077,044	2,014,633
		<u>1,034,963</u>	<u>1,138,470</u>	<u>-</u>	<u>2,173,433</u>	<u>2,111,022</u>
2020						
Non-derivative financial liabilities						
Trade and other payables	-	8,969	-	-	8,969	8,969
Amounts due to subsidiaries	-	85,885	-	-	85,885	85,885
Borrowings	3.65	953,193	1,395,829	-	2,349,022	2,236,791
		<u>1,048,047</u>	<u>1,395,829</u>	<u>-</u>	<u>2,443,876</u>	<u>2,331,645</u>

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

39. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are 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 adjust the amount of dividend payments, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The Group's and the Company's current strategy remains unchanged from the previous financial year.

The Group monitors capital based on a net debt to total equity ratio. The net debt to total equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalents and pledged bank deposits. Total equity comprises share capital, share premium, other reserves, retained profits/(accumulated losses) and non-controlling interests.

	Group		Company	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Net debt	9,275,348	8,075,415	1,919,488	2,126,508
Total equity	6,544,892	6,103,002	1,906,267	1,993,717
Net debt to equity ratio	142%	132%	101%	107%

Under the terms of the major borrowing facilities, as of 31 December 2021, the group is required to comply with the following financial covenants:

- Net debt to equity ratio shall not at any time exceed 125% (2020: 145%);
- Earnings before interest and tax expense, depreciation and amortisation to interest expense ratio shall not less than 2.75 times (2020: 3 times); and
- Tangible net worth shall not be less than RMB 5,500,000,000 (2020: RMB3,500,000,000).

Except for the borrowing facilities which require the fulfilment of covenants relating to certain of the Group's financial ratios as disclosed in Note 30, the Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2021 and 2020.

(e) Fair value measurements

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices or rates from observable current market transactions as input.

Management considers the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

39. Financial risk management (continued)

- (f) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Group 31 December		Company 31 December	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost	4,294,441	3,673,190	2,213,970	2,522,043
Financial liabilities at amortised cost	12,583,874	10,438,172	2,025,138	2,245,760

40. Segment information

The Executive Committee ("Exco") is the Group's chief operating decision-maker. The Exco comprises the Chief Executive Officer, the Chief Financial Officer, and the heads of each business within each primary geographic segment. Management has determined the operating segments based on the reports reviewed by the Exco that are used to make strategic decisions, allocate resources and assess performance.

The Exco considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the two primary geographic areas namely People's Republic of China and the India. From a business segment perspective, management separately considers the waste-to-energy project construction and operation and project technical and management service, equipment selection and sale and EMC business in these geographic areas.

Specifically, the group's reportable segment and operating segments are as follows:

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

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

40. Segment information (continued)

(a) Segment revenue and profit

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment:

2021	Waste-to-energy project construction and operation	Project technical and management service, equipment selection and sale and EMC business	Total
	RMB'000	RMB'000	RMB'000
Segment revenue			
External revenue - non-related parties	3,596,312	400,218	3,996,530
External revenue - related parties (Note 4)	2,988	60,858	63,846
Inter-segment revenue	-	503,858	503,858
	3,599,300	964,934	4,564,234
Elimination	-	(503,858)	(503,858)
Revenue	3,599,300	461,076	4,060,376
Segment profit	974,408	78,103	1,052,511
Government grants and value added tax refund	60,264	1,716	61,980
Loss on disposal of property, plant and equipment	(444)	-	(444)
Other gains relating to closure of WTE plant	2,750	-	2,750
Impairment loss on intangible assets	(30,202)	-	(30,202)
Impairment loss on prepayments	(71)	-	(71)
Loss on disposal of shares of joint venture			(556)
Administrative expenses			(233,372)
Foreign exchange gains			42,059
Other income			79,603
Loss allowance recognised on financial assets			(16,817)
Finance costs			(361,676)
Share of loss of associates			(534)
Share of loss of joint ventures			(11,931)
Profit before tax			583,300

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

40. Segment information (continued)

(a) Segment revenue and profit (continued)

2020	Waste-to-energy project construction and operation	Project technical and management service, equipment selection and sale and EMC business	Total
	RMB'000	RMB'000	RMB'000
Segment revenue			
External revenue - non-related parties	2,870,756	127,315	2,998,071
External revenue - related parties (Note 4)	1,518	85,075	86,593
Inter-segment revenue	-	190,643	190,643
	2,872,274	403,033	3,275,307
Elimination	-	(190,643)	(190,643)
Revenue	2,872,274	212,390	3,084,664
Segment profit			
Government grants and value added tax refund	74,986	1,366	76,352
Loss on disposal of property, plant and equipment	(52,055)	-	(52,055)
Compensation income on closure of WTE plant	21,026	-	21,026
Write-off of property, plant and equipment upon closure of WTE plant	(12,896)	-	(12,896)
Other gains relating to closure of WTE plant	4,155	-	4,155
Impairment loss on property, plant and equipment	(4,366)	-	(4,366)
Impairment loss on prepayments	(33,152)	-	(33,152)
Administrative expenses			(252,518)
Foreign exchange gains			161,276
Other losses			(2,553)
Other income			59,139
Loss allowance recognised on financial assets			(24,406)
Finance costs			(355,490)
Share of loss of associates			(325)
Share of profit of joint ventures			1,004
Profit before tax			477,683

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

40. Segment information (continued)

(b) Segment assets

The following is an analysis of the Group's assets by reportable and operating segment.

	Waste-to-energy project construction and operation	Project technical and management service, equipment selection and sale and EMC business	Total
	RMB'000	RMB'000	RMB'000
<u>2021</u>			
Segment assets	16,543,333	1,593,395	18,136,728
Unallocated			2,243,999
Consolidated total assets			<u>20,380,727</u>
<u>2020</u>			
Segment assets	15,033,801	1,099,278	16,133,079
Unallocated			1,633,605
Consolidated total assets			<u>17,766,684</u>

All assets are allocated to reportable segments other than investments in joint ventures and associates, other tax recoverable, pledged bank deposits, cash and cash equivalents and the non-trade related balances due from related parties and non-controlling interests.

(c) Segment liabilities

The following is an analysis of the Group's liabilities by reportable and operating segment.

	Waste-to-energy project construction and operation	Project technical and management service, equipment selection and sale and EMC business	Total
	RMB'000	RMB'000	RMB'000
<u>2021</u>			
Segment liabilities	11,938,893	1,046,589	12,985,482
Unallocated			850,353
Consolidated total liabilities			<u>13,835,835</u>
<u>2020</u>			
Segment liabilities	10,246,973	628,891	10,875,864
Unallocated			787,818
Consolidated total liabilities			<u>11,663,682</u>

All liabilities are allocated to reportable segments other than income tax liabilities, other tax liabilities, dividend payable, deferred tax liabilities and the non-trade related balances due to related parties.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

40. Segment information (continued)

(d) Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets) by geographical location are detailed below:

	Revenue from external customers (including related parties)	Non-current assets
	RMB'000	RMB'000
<u>2021</u>		
<u>Based on location of customer</u>		
PRC	3,909,722	14,829,441
India	130,200	213,088
Others	20,454	198,118
	<u>4,060,376</u>	<u>15,240,647</u>

	Revenue from external customers (including related parties)	Non-current assets
	RMB'000	RMB'000
<u>2020</u>		
<u>Based on location of customer</u>		
PRC	2,988,856	13,569,716
India	84,856	257,254
Others	10,952	190,753
	<u>3,084,664</u>	<u>14,017,723</u>

(e) Information about major customers

Waste-to-energy project construction and services

Customers of the Group mainly consist of regional state-owned grid companies, local government environmental sectors and certain manufacturing companies whose production relies on the supply of electricity and steam by the Group.

In 2021 and 2020, no single customer accounted for 10% or more of the Group's revenue.

Project technical and management services, equipment selection and sale and EMC business

In 2021 and 2020, no single customer accounted for 10% or more of the Group's revenue.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

41. Events occurring after balance sheet date

Subsequent to year end, as of the date of this report, the Group refinanced short-term borrowings amounting to RMB247,363,000 by renewing the maturity date to another 12 months.

The Group has also secured additional credit facilities amounting to RMB1,343,000,000 with tenure ranging from 1 to 13 years, inclusive of RMB460,000,000 and RMB369,000,000 for finance leases and project financing respectively.

42. Business impact and financial implications of the Coronavirus Disease 2019 (“COVID-19”) Pandemic

On 30 January 2020, the World Health Organisation announced the Coronavirus Disease 2019 (“COVID-19”) as a global health emergency and has impacted adversely the economic activities globally, which included China and other geographical regions where the Group operates.

In 2021, the COVID-19 situation in the PRC has been on a steady recovery trend. The resumption of work, production, business and market activities has been accelerated. The Group’s WTE and other facilities in the PRC are essential services and have remained operational in 2021.

As the impact of the COVID-19 pandemic gradually decreases, the amount of waste treated and steam supply business increased 6.8% and 11.3% in 2021 as compared with the prior year.

In 2020, the Group had obtained RMB19,285,000 social security relief and RMB3,543,000 in various subsidies. In 2021, the Group no longer enjoys the preferential policies for epidemic social security exemptions.

The Company and its subsidiaries have not exercised temporary relief, force majeure clauses or termination of contractual obligations for material contracts nor faced any threats to its contractual rights or ability to fulfil its obligations for material contracts as a result of the COVID-19 situation. There were no material contractual terms that have been waived or newly imposed. The Company has not been in breach of any COVID-19 restrictions which may lead to penalties from the authorities.

43. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group’s accounting periods beginning on or after 1 January 2022 and which the Group has not early adopted.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to IFRS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IFRS 1 means when it refers to the ‘settlement’ of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2021

43. New or revised accounting standards and interpretations (continued)

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

44. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Zheneng Jinjiang Environment Holding Company Limited on 8 April 2022.

Statistics of Shareholdings

As at 18 March 2022

Class of shares	:	Ordinary shares of US\$0.00001 each
Authorised share capital	:	US\$50,000.00 divided into 5,000,000,000 ordinary shares of par value US\$0.00001 each
Issued and fully paid-up capital	:	Aggregate of US\$10,000, RMB748,000,000 and S\$1,510,857,322
Number of Ordinary Shares issued	:	1,454,024,700
Voting rights	:	One vote per share

The Company has no treasury shares and subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
100 - 1,000	102	19.96	90,100	0.01
1,001 - 10,000	181	35.42	1,041,900	0.07
10,001 - 1,000,000	213	41.68	17,276,900	1.19
1,000,001 and above	15	2.94	1,435,615,800	98.73
	511	100.00	1,454,024,700	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 18 MARCH 2022

No.	Name of Shareholders	Number of Shares	%
1.	RAFFLES NOMINEES (PTE.) LIMITED	556,926,151	38.30
2.	UOB KAY HIAN PRIVATE LIMITED	442,316,275	30.42
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	220,387,500	15.16
4.	DBS NOMINEES (PRIVATE) LIMITED	193,092,374	13.28
5.	WANG YUANLUO	5,140,000	0.35
6.	LIM & TAN SECURITIES PTE LTD	2,957,700	0.20
7.	WANG RUIHONG	2,100,000	0.14
8.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,086,200	0.14
9.	WANG WUZHONG	1,993,300	0.14
10.	PHILLIP SECURITIES PTE LTD	1,964,800	0.14
11.	OCBC SECURITIES PRIVATE LIMITED	1,782,100	0.12
12.	E HONGBIAO	1,260,000	0.09
13.	XU YONGQIANG	1,260,000	0.09
14.	LIM PUAY TIANG	1,191,000	0.08
15.	GOH BEE LAN	1,158,400	0.08
16.	IFAST FINANCIAL PTE. LTD.	615,700	0.04
17.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	615,000	0.04
18.	ZHOU RONGQIN	500,000	0.03
19.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	417,000	0.03
20.	YANG LEIYUAN	401,000	0.03
	Total	1,438,164,500	98.90

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

11.73% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Statistics of Shareholdings

As at 1 April 2022

SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2022

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest ⁽²⁾	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Zhejiang Energy Hong Kong Holding Limited ⁽³⁾	-	-	430,000,000	29.57
Zheneng Capital Holdings Co., Ltd. ⁽⁴⁾	-	-	430,000,000	29.57
Zhejiang Energy International Limited ⁽⁴⁾	-	-	430,000,000	29.57
Zhejiang Provincial Energy Group Co., Ltd. ⁽⁴⁾	-	-	430,000,000	29.57
Win Charm Limited ⁽⁵⁾	-	-	372,560,575	25.62
Hangzhou Zhengcai ⁽⁶⁾	-	-	372,560,575	25.62
Jinjiang Group ⁽⁷⁾	-	-	372,560,575	25.62
Dou Zhenggang ⁽⁸⁾	-	-	372,560,575	25.62
Wei Xuefeng ⁽⁹⁾	-	-	372,560,575	25.62
Zhejiang Hengjia ⁽¹⁰⁾	-	-	372,560,575	25.62
Dou Baibing ⁽¹¹⁾	-	-	372,560,575	25.62
Hangzhou Yande ⁽¹²⁾	-	-	372,560,575	25.62
Harvest Global Dynamic Fund SPC acting on behalf of and for the account of Harvest Environmental Investment Fund SP ⁽¹³⁾	214,000,000	14.72	-	-
Kung Chak Ming ⁽¹³⁾	2,487,300	0.17	214,000,000	14.72
Jee Up Enterprises Limited ⁽¹³⁾	-	-	214,000,000	14.72
Huang Bohao ⁽¹³⁾	-	-	214,000,000	14.72
Whitel Management Company Limited ⁽¹⁴⁾	180,620,574	12.42	-	-
Whitel International Management Holding Limited ⁽¹⁴⁾	-	-	180,620,574	12.42
HOPU USD Master Fund III, L.P. ⁽¹⁴⁾	-	-	180,620,574	12.42
HOPU Investments Co. III Ltd ⁽¹⁴⁾	-	-	180,620,574	12.42
Fang Fanglei ⁽¹⁴⁾	-	-	180,620,574	12.42
Lau Teck Sien ⁽¹⁴⁾	-	-	180,620,574	12.42
AEP Investments (Mauritius) Limited ⁽¹⁵⁾	81,478,351	5.60	-	-

Notes:

- (1) Based on 1,454,024,700 Shares in issue as at 18 March 2022.
- (2) Deemed interests refer to interests determined pursuant to Section 4 of the Securities and Futures Act ("SFA").
- (3) Zhejiang Energy Hong Kong Holding Limited (浙江能源香港控股有限公司) is deemed to have an interest in 430,000,000 Shares held by Raffles Nominees (Pte.) Limited.
- (4) Zhejiang Energy International Limited (浙江能源国际有限公司) owns the entire issued and paid-up share capital of Zhejiang Energy Hong Kong Holding Limited (浙江能源香港控股有限公司). Zhejiang Provincial Energy Group Co., Ltd. (浙江省能源集团有限公司) and Zheneng Capital Holdings Co., Ltd. (浙能资本控股有限公司) own 60% and 40% of the equity interests in Zhejiang Energy International Limited (浙江能源国际有限公司), respectively. Zheneng Capital Holdings Co., Ltd. (浙能资本控股有限公司) is 100% controlled by Zhejiang Provincial Energy Group Co., Ltd. (浙江省能源集团有限公司). Zhejiang Provincial Energy Group Co., Ltd. (浙江省能源集团有限公司) is 100% controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Zhejiang Province (浙江省人民政府国有资产监督管理委员会). Accordingly, each of Zhejiang Energy International Limited (浙江能源国际有限公司), Zheneng Capital Holdings Co., Ltd. (浙能资本控股有限公司) and Zhejiang Provincial Energy Group Co., Ltd. (浙江省能源集团有限公司) are deemed to have an interest in the Shares in which Zhejiang Energy Hong Kong Holding Limited (浙江能源香港控股有限公司) has an interest by virtue of Section 4 of the SFA.

Statistics of Shareholdings

As at 1 April 2022

- (5) Win Charm is deemed to have an interest in 328,365,000 Shares held by UOB Kay Hian Private Limited. Win Charm holds approximately 50.0% of the voting shares in the issued and paid-up share capital of Jin Jiang Green Energy Limited ("**Jinjiang Green Energy**"), which in turn is deemed to have an interest in 44,195,575 Shares held by UOB Kay Hian Private Limited. Accordingly, Win Charm is also deemed to have an interest in the Shares in which Jinjiang Green Energy has an interest by virtue of Section 4 of the SFA.
- (6) Hangzhou Zhengcai holds 45.0% of the issued and paid-up share capital of Win Charm. Win Charm is deemed to have an interest in the Shares held by Jinjiang Green Energy by virtue of Section 4 of the SFA – please refer to Note (5) above. Accordingly, Hangzhou Zhengcai is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA.
- (7) Jinjiang Group directly and indirectly (through its wholly-owned subsidiary Hangzhou Zhengcai) holds the entire issued and paid-up share capital of Win Charm. Win Charm is deemed to have an interest in the Shares held by Jinjiang Green Energy by virtue of Section 4 of the SFA – please refer to Note (5) above. Accordingly, Jinjiang Group is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA.
- (8) Dou Zhenggang holds approximately 46.63% of the registered capital of Jinjiang Group. Jinjiang Group is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA – please refer to Note (7) above. Accordingly, Dou Zhenggang is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA.
- (9) Wei Xuefeng, who is Dou Zhenggang's spouse, holds the entire registered capital of Zhejiang Hengjia. Zhejiang Hengjia holds approximately 27.04% of Jinjiang Group's registered capital. Jinjiang Group is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA – please refer to Note (7) above. Accordingly, Wei Xuefeng is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA.
- (10) Zhejiang Hengjia holds approximately 27.04% of Jinjiang Group's registered capital. Jinjiang Group is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA – please refer to Note (7) above. Accordingly, Zhejiang Hengjia is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA.
- (11) Dou Baibing, who is Dou Zhenggang's daughter, holds 90% of the registered capital of Hangzhou Yande. Hangzhou Yande holds approximately 26.33% of Jinjiang Group's registered capital. Jinjiang Group is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA - please refer to Note (7) above. Accordingly, Dou Baibing is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA.
- (12) Hangzhou Yande holds approximately 26.33% of Jinjiang Group's registered capital. Jinjiang Group is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA - please refer to Note (7) above. Accordingly, Hangzhou Yande is deemed to have an interest in the Shares in which Jinjiang Green Energy and Win Charm have an interest by virtue of Section 4 of the SFA.
- (13) While Harvest Global Capital Investments (Cayman) Limited is the manager of the relevant fund, the investment committee of the fund comprises a representative from the fund manager, and a representative from each of its two investors, being Kung Chak Ming and Jee Up Enterprises Limited. Accordingly, each of Kung Chak Ming and Jee Up Enterprises Limited has control over the business and affairs of Harvest Global Dynamic Fund SPC acting on behalf of and for the account of Harvest Environmental Investment Fund SP (the "**SPC**"), including making investment and divestment decisions and voting the securities and interests held by the SPC, including those in the Company. Pursuant to Section 4 of the SFA, each of Kung Chak Ming and Jee Up Enterprises Limited is deemed to have an interest in the Shares held by the SPC. Huang Bohao is the sole shareholder of Jee Up Enterprises Limited. Accordingly, each of Kung Chak Ming, Jee Up Enterprises Limited and Huang Bohao is deemed to have an interest in the Shares held by the SPC by virtue of Section 4 of the SFA.
- (14) Whitel Management Company Limited is 100% owned by Whitel International Management Holding Limited. Whitel International Management Holding Limited is in turn 100% owned by HOPU USD Master Fund III, L.P. HOPU Investments Co. III Ltd is the general partner of HOPU USD Master Fund III, L.P., and each of Fang Fenglei and Lau Teck Sien is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of HOPU Investments Co. III Ltd. Accordingly, each of Whitel International Management, HOPU USD Master Fund III, L.P., HOPU Investments Co. III Ltd, Fang Fenglei and Lau Teck Sien may be deemed to have an interest in the Shares held by Whitel Management Company Limited by virtue of Section 4 of the SFA.
- (15) The shares in AEP Investments (Mauritius) Limited corresponding to its investment in the Company are held by Asia Environmental Partners, L.P. and its parallel fund, Asia Environmental Partners (PF1), L.P. (collectively, "**AEP**"). AEP's general partner is Olympus Green Capital Partners, L.P., holding a 0.99% interest in AEP. AEP's limited partners are passive investors consisting of pension funds, government entities, financial institutions, endowments and family offices from North America, Asia, Europe and the Middle East (none of whom owns more than 1% of the Company on a fully diluted, look-through basis).

Notice of Annual General Meeting

Due to the COVID-19-related control and safe distancing measures put in place in Singapore, members of the Company will not be able to attend the AGM in person. Please refer to the explanatory notes to this Notice of AGM for further details.

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “AGM” or “Meeting”) of Zheneng Jinjiang Environment Holding Company Limited 浙能锦江环境控股有限公司 (the “Company”) will be held at 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)) on Monday, 25 April 2022 at 3.00 p.m. for the following purposes:-

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 2021 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 Wang Ruihong **(Resolution 2)**
Mr Hee Theng Fong **(Resolution 3)**
Mr Tan Huay Lim **(Resolution 4)**
[See Explanatory Note (i)]
- To approve the payment of Directors’ fees of S\$420,000 for the financial year ended 31 December 2021.
(Resolution 5)
- To re-appoint Messrs PricewaterhouseCoopers LLP as the Company’s auditors and to authorise the Directors to fix their remuneration.
(Resolution 6)
- To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modifications:-

6. “THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

That:-

- approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual (“Chapter 9”) of the Singapore Exchange Securities Trading Limited (“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 8 April 2022 (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;
- the approval given in paragraph (a) 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

Notice of Annual General Meeting

- (c) 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.”
[See Explanatory Note (ii)]

(Resolution 7)

By Order of the Board of Directors

Wei Dongliang
Executive Chairman
8 April 2022

Explanatory Notes:-

- (i) The Ordinary Resolution 3 proposed in item 2. above is to re-elect Mr Hee Theng Fong as a Director of the Company. Mr Hee Theng Fong will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual.

The Ordinary Resolution 4 proposed in item 2. above is to re-elect Mr Tan Huay Lim as a Director of the Company. Mr Tan Huay Lim will, upon re-election as a Director of the Company, remain as Chairman of the Audit and Risk Management Committee and a member of the Nominating Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual.

The profile of Mr Wang Ruihong, Mr Hee Theng Fong and Mr Tan Huay Lim can be found under the sections entitled “Board of Directors” and “Supplemental Information on Director Seeking Re-election” of the Company’s Annual Report for the financial year ended 31 December 2021 (“**Annual Report 2021**”).

- (ii) The Ordinary Resolution 7 proposed in item 6. above, if passed, is to authorise the interested person transactions as described in Appendix to this Notice of Annual General Meeting and recurring in the year, and will empower the Directors to do all acts necessary to give effect to the IPT General Mandate. This authority will, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. Please refer to the Appendix to this Notice of Annual General Meeting for more details.

Notes:-

1. In respect of the AGM of the Company to be held on Monday, 25 April 2022 at 3.00 p.m. (Singapore time) at 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)) (and any adjournment thereof), notwithstanding the place in which the AGM is to be physically held, other than in respect of the Chairman, Directors and/or representatives of the Company present at such location, the AGM is being convened, and will be 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, 1 October 2020 and 4 February 2022 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. Printed copies of this Notice of AGM and the proxy form will not be sent to members. Instead, this Notice of AGM and the proxy form will be sent to members by electronic means via publication on the Company’s website at <http://en.znjhj.com/info.html> and the SGXNet.

Notice of Annual General Meeting

- The proceedings of this AGM will be broadcasted “live” through an audio-and-video webcast and an audio-only feed. Members and investors holding shares in the Company through the Central Provident Fund (“CPF”) or Supplementary Retirement Scheme (“SRS”) (“CPF/SRS investors”) who wish to follow the proceedings through a “live” webcast via their mobile phones, tablets or computers or listen to the proceedings through a “live” audio feed via telephone must pre-register at <https://smartagm.sg/ZhenengJinjiangAGM2022> (the “Pre-registration Website”) no later than 3.00 p.m. on Friday, 22 April 2022 (“Registration Cut-Off Time”). Following verification, an email containing instructions on how to access the “live” webcast and audio feed of the proceedings of the AGM will be sent to authenticated members and CPF/SRS investors by Saturday, 23 April 2022. Members and CPF/SRS investors who do not receive any email by 5.00 p.m. on Sunday, 24 April 2022, but have registered by the Registration Cut-Off Time, should contact the Company at AGM.TeamE@boardroomlimited.com.

Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) (“Investors”) (other than CPF/SRS investors) will not be able to pre-register at the Pre-registration Website for the “live” broadcast of the AGM. An Investor (other than CPF/SRS investors) who wishes to participate in the “live” broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/passport number) to the Company’s Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., via email to AGM.TeamE@boardroomlimited.com no later than 3.00 p.m. on Friday, 22 April 2022.

- Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19, members will not be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman of the Meeting, as proxy, need not be a member of the Company.** The accompanying proxy forms for the AGM will be announced together with this Notice and may be accessed at the Company’s website at <http://en.znjhj.com/info.html> and on the SGXNet.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give 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 will be treated as invalid.

- The proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator at least 7 working days before the date of the AGM to submit his/her voting instructions.
- The proxy form must be submitted to the Company in the following manner:**
 - if submitted by post, be lodged at the office of the Company’s Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07, Keppel Bay Tower, Singapore 098632; or
 - if submitted electronically, be submitted via email to the Company’s Share Transfer Agent at AGM.TeamE@boardroomlimited.com.

in either case, **not less than 72 hours before the time appointed for the AGM.**

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

- In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any Proxy Form lodged if such members are not shown to have Shares entered against their names in the Depository Register (as defined in Part IIIA of the Securities and Futures Act 2001 of Singapore), as at 72 hours before the time appointed for holding this AGM as certified by The Central Depository (Pte) Limited to the Company.

Notice of Annual General Meeting

7. **Members and Investors will not be able to ask questions “live” during the broadcast of this AGM. All members and Investors may submit questions relating to the business of this AGM no later than 3.00 p.m. Saturday, 16 April 2022:**
- (a) via the Pre-registration Website <https://smartagm.sg/ZhenengJinjiangAGM2022>; or
 - (b) by email to AGM.TeamE@boardroomlimited.com; or
 - (c) by post to the Company’s Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07, Keppel Bay Tower, Singapore 098632.

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, members and Investors are strongly encouraged to submit their questions via the Pre-registration Website or by email.

The Company will address all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM or the Company’s businesses and operations by publishing its responses to such questions, if any, on the Company’s corporate website at the following URL: <http://en.znjjhj.com/info.html> and on SGXNET at the following URL: <https://www.sgx.com/securities/company-announcements> at least 48 hours prior to the closing date and time for the lodgement of the proxy forms (“**Responses to Q&A**”).

8. All documents (including the Annual Report 2021, proxy forms, this Notice of Annual General Meeting and the Appendix to this Notice of Annual General Meeting) or information relating to the business of this AGM have been, or will be, published on SGXNet and/or the Company’s website at <http://en.znjjhj.com/info.html>. **Printed copies of the documents will not be despatched to members.** Members and CPF/SRS investors are advised to check SGXNet and/or the Company’s website regularly for updates.

Personal data privacy:-

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company’s businesses and operations, a member of the Company: (i) consents to the collection, use and disclosure of such member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”); (ii) warrants that where such member discloses the personal data of such member’s proxy(ies) and/or representative(s) to the Company (or its agents), such member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that such member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member’s breach of warranty.



ZHENENG JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED
FORMERLY KNOWN AS CHINA JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED



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