



ZHENENG JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED

浙能锦江环境控股有限公司
(Incorporated in the Cayman Islands)
Company Registration Number: 245144

**ANNUAL GENERAL MEETING TO BE HELD ON 29 APRIL 2026
RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS**

Zheneng Jinjiang Environment Holding Company Limited ("**Company**" and together with its subsidiaries, the "**Group**") would like to thank its shareholders for submitting their questions in advance of the Company's Annual General Meeting ("**AGM**") which will be held on 29 April 2026 at 10.00 a.m. (Singapore time).

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

Please see the Appendix for the Company's responses to the substantial and relevant questions received from its shareholders.

It is important to note that these questions and responses should be read in conjunction with the Company's Annual Report for the financial year ended 31 December 2025 (the "**Annual Report**") and the Company's previous announcements released on SGXNET.

BY ORDER OF THE BOARD

Wei Dongliang
Executive Chairman

24 April 2026

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APPENDIX
RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS

- Q1. The minutes of the 2025 AGM stated that the high accounts receivable were primarily due to slow government payments for waste treatment fees and national-level electricity subsidies. However, the central government has initiated efforts to address local debt and curb the continued growth of accounts receivable.

The situation has worsened, as debt overdue for more than 120 days has increased by more than RMB100 million, based on disclosures in the Annual Report (page 230).

Will Zheneng Jinjiang continue to be burdened by this problem?

Company's Response:

The increase in the Company's accounts receivable for the full year ended 31 December 2025 ("FY2025") was mainly due to higher power supply volumes and waste treatment volumes, which led to an increase in revenue. The increase in receivables overdue for more than 120 days was mainly concentrated in Yunnan Province, where fiscal revenue is largely dependent on the tourism and real estate sectors. With the gradual recovery of the tourism sector and a steady improvement in consumer spending, the local economy has shown signs of recovery, and the collection of receivables is expected to improve progressively going forward.

In respect to national-level electricity subsidies, the government has continued to clear arrears on a rolling basis, with the amount recovered in FY2025 approximately twice that of FY2024. In addition, the government support for clearing arrears of waste treatment fees has strengthened, with special funds allocated for debt resolution. Some of the Company's subsidiaries have already received such special funds in FY2025, while debt resolution arrangements for the remaining subsidiaries are expected to be carried out progressively in the following years.

- Q2. To mitigate the impact of reduced subsidies, Zheneng Jinjiang has treated sludge, food waste, and other types of waste.

Were the WTE facilities designed for burning household waste? Does the incineration of sludge, which has high moisture content, affect efficiency?

During last year's AGM, the Company stated that steam supply can generate revenue equivalent to RMB0.85/kWh, which is higher than the revenue from selling electricity to the grid. What is the current price paid by the grid? The range given last year was RMB0.65/kWh to RMB0.40/kWh.

Does it mean that if the energy from incineration is used to generate steam instead of one kWh of electricity, the Company will receive RMB0.85?

Company's Response:

WTE facilities were originally designed to process domestic waste. Although incineration of sludge with high moisture content may reduce the boiler's processing efficiency, the Company has mitigated the impact on incineration efficiency by adopting sludge drying technology to reduce moisture content.

The current tax-inclusive electricity price paid by the grid ranges from RMB0.3644 per kilowatt-hour to RMB0.65 per kilowatt-hour, with an average tax-inclusive price of RMB0.5545 per kilowatt-hour.

Where the energy from incineration is used to generate steam instead of one kWh of electricity, the Company earns revenue based on the heating supply price.

- Q3. With reference to the graph (waste treated) on page 37 of the Annual Report, does it depict the impact of the waste sorting programmes?

Company's Response:

The graph depicts the impact of the waste sorting programs. The changes in the amount of waste treated are mainly influenced by three factors. Firstly, the continuous implementation of waste sorting policies and the slowdown of urbanisation have led to a decrease in the total volume of regional waste resources. Secondly, new capacity in the cities where the Group's WTE facilities are located has come onstream, and the municipal solid waste has been reallocated accordingly. Thirdly, efforts to secure waste resources from outside the concession region have resulted in an increase in waste volumes.

- Q4. The 2025 results announcement states that "the Group's heating or steam supply business layout continues to deepen. As of 31 December 2025, 16 facilities are operating heating or steam supply projects."

However, based on the graph (electricity generated, on-grid electricity supplied and steam supplied) on page 37 of the Annual Report, steam sales decreased in both volume and revenue, from RMB889 million in 2024 to RMB798 million in 2025.

Was this setback temporary?

Company's Response:

This decline is temporary and subject to fluctuations in market conditions. The supply of steam from the plant is primarily determined by orders from downstream users, and as such orders decreased, steam consumption declined correspondingly.

- Q5. Has progress been made for factories to purchase electricity directly from Zheneng Jinjiang?

Company's Response:

Taking into account the specific policies of each province and municipality, the Company's green electricity direct supply business is currently at a preliminary coordination stage, and no material progress has been made to date. The Company will make further announcements when there are material developments.

- Q6. Is excavating accumulated waste at landfill for incineration still being practiced?

Company's Response:

The Company does not currently engage in landfill excavation operations. A small number of the Group's subsidiaries only receive and incinerate decomposed waste after it has been excavated and screened by the local urban management bureau.

Q7. The Chairman refers to “intensified market competition” on page 6 of the Annual Report.

Does the competition come from other WTE plants offering lower disposal fees?

Company's Response:

The complex and intense competitive landscape in the market is mainly due to the fact that the average load rate of WTE plants across the country is currently below 80%. The competition for waste resources has become increasingly intense, with the scope of competition has expanded from domestic waste to general industrial solid waste and other segments. Strengthening internal management, increasing the output value per ton of waste, and reducing the operating cost per ton have become key priorities for the industry.

Q8. What is “mobile heating” as highlighted on page 7 of the Annual Report?

Company's Response:

Mobile heating is a new distributed, pipe-free heating model that integrates heat source recovery, high-density heat storage, vehicle transportation and on-site heat release. Clean energy steam generated at the Group's WTE facilities is stored in dedicated mobile heat storage devices and transported by tank trucks for release on site. This model replaces coal-fired or gas-fired boilers and addresses gaps in centralised heating coverage, thereby enabling the distribution of heat energy in a logistics-like manner.

Q9. When will the Palembang plant start operations? Will it receive government subsidies?

Company's Response:

The Palembang WTE Project is scheduled to commence operations in October 2026. Under the terms of the concession agreement, the Indonesian government will pay the facility a waste disposal fee of IDR400,000 per tonne (approximately RMB158.8 per tonne) in the first year of operation. The fee will thereafter escalate by 5% per annum for the following 15 years, and by 3% per annum for the subsequent 5 years.