OVERVIEW

Prior to the [**REDACTED**], our Group has entered into financing arrangements with various commercial banks in the PRC, in respect of which each of Shanghai Pudong Environmental Energy Development Co., Ltd.* (上海浦東環保能源發展有限公司) ("**Pudong Environmental Energy**") and Yonker Environmental Protection Co., Ltd.* (永清環保股份有限公司) ("**Yonker Environmental Protection**") has provided corporate guarantees. These financial assistance transactions, involving Pudong Environmental Energy and Yonker Environmental Protection will continue after the [**REDACTED**] and hence will constitute our continuing connected transactions under Chapter 14A of the Listing Rules upon [**REDACTED**].

CONNECTED PERSONS

We have entered into certain transactions with the following connected persons, which will constitute our continuing connected transactions upon [**REDACTED**]:

Name of our connected person	Connected relationship
Pudong Environmental Energy	Pudong Environmental Energy holds 15% equity interest in Puxiang Environmental Energy and 10% equity interest in Puxiang Bioenergy, each a direct non-wholly owned subsidiary of our Company, and therefore a connected person of our Company
Yonker Environmental Protection	Yonker Environmental Protection holds 10% equity interest in Puxiang Bioenergy, a direct non-wholly owned subsidiary of our Company, and therefore a connected person of our Company

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Guarantees provided by Pudong Environmental Energy and Yonker Environmental Protection

Pudong Environmental Energy and Yonker Environmental Protection have provided guarantee ("**Connected Guarantee**") in favor of our Group in respect of certain financing arrangements entered into by our Group, which include bank facilities and issuance of letters of credit.

Pudong Environmental Energy agreed to provide guarantee for certain bank loans obtained by Puxiang Environmental Energy (a subsidiary owned as to 70% by our Group and 15% by Pudong Environmental Energy) and Puxiang Bioenergy (a subsidiary owned as to 80% by our Group and 10% by Pudong Environmental Energy), the guarantee amount of which amounts to approximately RMB112.0 million as of the Latest Practicable Date and is proportionate to Pudong Environmental Energy's respective equity interests in Puxiang Environmental Energy and Puxiang Bioenergy. The effective periods of the Connected Guarantee provided by Pudong Environmental Energy vary with the respective guarantee contracts, with the maximum term extending until September 2036.

Yonker Environmental Protection agreed to provide guarantee for certain bank loans obtained by Puxiang Bioenergy (a subsidiary owned as to 80% by our Group and 10% by Yonker Environmental Protection), the guarantee amount of which amounts to approximately RMB31.0 million as of the Latest Practicable Date and is proportionate to Yonker Environmental Protection's equity interest in Puxiang Bioenergy. The effective periods of the Connected Guarantee provided by Yonker Environmental Protection vary with the respective guarantee contracts, with the maximum term extending until April 2034.

As each of Pudong Environmental Energy and Yonker Environmental Protection is a connected person of our Company, the Connected Guarantee constitutes financial assistance (as defined under the Hong Kong Listing Rules) received by our Group from our connected persons under Rule 14A.90 of the Listing Rules. The early release of the Connected Guarantee is not in the best commercial interest of the Group and the Shareholders as a whole, thus we do not intend to discharge such guarantees prior to [**REDACTED**] and the guarantees will continue to be in effect immediately after the [**REDACTED**]. As the Connected Guarantee is conducted on normal commercial terms or better, and are not secured by the assets of our Company, the Connected Guarantee will be fully exempt from the reporting, annual review, announcement, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.