

## **ENN Energy Holdings Limited**

**新奧能源控股有限公司**

## **ENN Energy 2020 Green Bond**

**新奧能源 2020 綠色債券**

### ***Green Finance Certification Scheme – Pre-Issuance Stage Assessment***

Prepared by: **Mr. WK Wong**

Signed: 

Position: **Lead Assessor**

Date: **21/May/2020**

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**ASSESSMENT REPORT**  
**GFCS: 2018 – PRE-ISSUANCE**

Assessment Report no.  
14699955-CA

General Information	
<b>Applicant name</b>	ENN Energy Holdings Limited 新奧能源控股有限公司
<b>HKQAA assessment number</b>	14699955-CA
<b>Type of certification</b>	Pre-Issuance Stage Certification
<b>Type of assessment (Tick option as appropriate)</b>	Validation of the adequacy of the Environmental Method Statement  Was an on-site assessment involved?  <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes  <input checked="" type="checkbox"/> Entity office site; <input type="checkbox"/> Outsourced entity(ies)/other offices )
<b>Issuer name</b>	ENN Energy Holdings Limited 新奧能源控股有限公司
<b>Name of the Green Finance</b>	ENN Energy 2020 Green Bond 新奧能源 2020 綠色債券
<b>Type of the debt instrument: e.g. bonds, loan</b>	Bonds
<b>Green or Red Track</b>	<input checked="" type="checkbox"/> Green only <input type="checkbox"/> Red only <input type="checkbox"/> Both
<b>HKQAA assessment team leader name</b>	Mr. WK Wong
<b>HKQAA assessment member's name(s)</b>	Ms. Ivy Leung, Ms. Irene Soo (Assessor) Mr. Charles Chiu (Financial Expert)
<b>On-site assessment dates (if applicable)</b>	11/5/2020
<b>Assessment status</b>	<input checked="" type="checkbox"/> Assessment finalised <input type="checkbox"/> Proposed corrective actions not accepted <input type="checkbox"/> Implemented corrective actions not accepted <input type="checkbox"/> Post HKQAA Certification Review Board decision <input type="checkbox"/> Any other status, please specify:

**SECTION A. Means of assessment**

**A.1. Desk/document review**

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- ENN Energy Green Finance Framework\_v2
- 2018 ESG Report
- 2019 Annual Report
- 附件 3-新奥能源版图
- EN\_Spring company presentation\_publish
- 2019 Annual Results\_Company Presentation

**A.2. On-site inspection**

Duration of on-site inspection: 11/5/2020

No.	Activity performed on-site	Site location	Date	Team member
1.	Pre-Issuance Stage Assessment	Client's office	11/May/2020	Mr. WK Wong, Ms. Ivy Leung, Ms. Irene Soo (Assessor) Mr. Charles Chiu (Financial Expert)

**A.3. Interviews**

No.	Interviewee	Organisation	Title
1.	Wang Dongzhi	ENN Energy Holdings Limited	Executive Director
2.	Liang Hong Yu	ENN Energy Holdings Limited	首席联席财务总监
3.	薛貴生	ENN Energy Holdings Limited	新奥能源泛能规划设计院总经理
4.	Shirley Kwok	ENN Energy Holdings Limited	Investor Relations Director
5.	Karen Yeung	ENN Energy Holdings Limited	Senior Finance Manager
6.	Vincent Pui	ENN Energy Holdings Limited	Finance Manager
7.	Olivia Xia	ENN Energy Holdings Limited	Investor Relations
8.	Luying Gan	HSBC	Head of Sustainable Bonds, Debt Capital Markets, Asia Pacific
9.	Junyi Zhou	HSBC	

**A.4. Sampling approach**

>> The assessment team didn't apply any sampling approach.



**A.5. Nonconformity (NC) raised**

Areas of validation findings	No. of NC
Handbook 5.2 Self Declaration	0
Handbook 5.3 Environmental Method Statement	0
Handbook 5.4 Use of Proceeds	0
Handbook 5.5 Green Projects Evaluation and Selection	0
Handbook 5.6 Management of Proceeds	0
Handbook 5.7 Information Disclosure and Reporting	0
Handbook 5.8 Green Projects Monitoring	0
Handbook 5.9 Impact Assessment	0
Handbook 5.10 Stakeholder Engagement	0
Others (please specify)	N/A
<b>Total</b>	<b>0</b>

**SECTION B. Assessment findings**

**B.1. Self-Declaration**

<b>Means of assessment</b>	<p>ENN Energy Holdings Limited (2688.HK) ("ENN Energy", "the Group") the issuer, has been engaged in the urban pipeline gas business from 1992. It is one of the largest clean energy distributors and a leading integrated energy service provider in China.<sup>4</sup></p> <p>The principal businesses of ENN Energy are the investment in, construction, operation and management of natural gas pipeline infrastructure, vehicle and ship refuelling stations and integrated energy projects, the sales and distribution of piped gas, LNG and other multi-energy products in China. ENN Energy also carries out integrated energy business, energy trading business and provides other services in connection with energy supply in China.<sup>4</sup></p> <p>As of 31 December 2019, ENN Energy had 217 project cities in China in 22 provinces, municipalities and autonomous regions, namely Anhui, Beijing, Fujian, Guangdong, Guangxi, Hebei, Henan, Hunan, Inner Mongolia, Heilongjiang, Gansu, Jiangsu, Jiangxi, Liaoning, Sichuan, Shandong, Yunnan, Zhejiang, Shanxi, Shaanxi, Shanghai and Tianjin, covering a connectable urban population of 104 million.<sup>4</sup></p> <p>Meanwhile, ENN Energy also developed integrated energy projects in key regions spanning across 27 provinces and municipalities, with the accumulative number of projects in operation amounting to 98. It provided tailor-made integrated energy solutions for local governments and users based on their multi-energy needs.<sup>4</sup></p> <p>ENN Energy has developed Green Finance Framework<sup>5</sup> ("GFF" or "the Framework") and Environmental Method Statement<sup>4</sup> ("EMS") sets out how ENN Energy to fund new financing or re-financing of eligible green projects that are consistent with ENN Energy's Sustainability Management.</p>
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	<p>As confirmed with ENN Energy representatives that the net settlement proceeds for the financing or the re-financing of green projects or assets as described under the Eligible Green Projects in the Green Finance Framework<sup>24</sup> in the project's Offering Circular ("OC").</p> <p>ENN Energy Working Group ("EWG", "committee") is responsible to identify potential eligible green project and ENN Energy's committee is responsible for governing and implementing the GFF<sup>5</sup>. The committee comprises by the representatives of various departments, i.e.: Chief Financial Officer, Company Secretary, Head of Investor Relations department, Quality, Health, Safety and Environment ("QHSE") department and Human Resources department.</p> <p>The committee will review and confirm the compliance with the eligibility criteria outlined in the GFF<sup>5</sup>, and to reject project subject to ENN Energy exclusion criteria.</p> <p>If such project is considered as an Eligible Green Project by the committee in accordance with GFF<sup>5</sup>, it will be earmarked as the use of proceeds.</p> <p>The committee will meet yearly to review the allocation of the GFT proceeds and to facilitate ongoing reporting.</p> <p>ENN Energy commits to allocation proceeds of each GFT to Eligible Green Assets on a timely basis. The proceeds of each GFT to be earmarked to Eligible Green Assets.</p> <p>Green Project Evaluation &amp; Selection process stated in GFF<sup>5</sup> of ENN Energy specifics the maintenance of the GFT on Register of Green Bond Proceeds<sup>12</sup> ("Register") to keep track of the use of proceeds. The Register will contain the following information including: Type of Funding Transaction and Allocation of Use of Proceeds.</p> <p>Any balance of issuance proceeds which are not yet allocated to Eligible Green Project will be held in accordance with ENN Energy's liquidity guidelines. ENN Energy commits not to invest any unallocated proceeds to projects in the Exclusion criteria which specified in GFF<sup>5</sup>.</p> <p>ENN Energy plans to publish a Green Finance Report on an annual basis until full allocation of GFT. The annual Green Finance Report shall be posted to ENN Energy's Sustainability Report, Annual Report or website and will contain information on allocation and impacts according to GFF<sup>5</sup> requirements.</p> <p>Mechanisms for environmental and social impact assessment<sup>22</sup> have been established. The potential eligible project items will be evaluated, assessed before implementation and monitored regularly. Details will be discussed in the latter sections of this report.</p> <p>Based on the information provided and interview with responsible parties, the assessment team concurred that the current eligible project complied with the requirements set out in the HKQAA Green Finance Certification Scheme Handbook 2018 as no potential projects listed in the exclusion list would be funded.</p>
<b>Findings</b>	No non-compliance item was identified during the assessment.
<b>Conclusion</b>	The self-declaration of the application form was signed on 24/Apr/2020 and the assessment team noted that the applicant is committed to following all the requirements listed in the self-declaration requirements.



**B.2. Environmental Method Statement**

<b>Means of assessment</b>	Green Projects category 1: Renewable Energy	
	Category in Green Project Classification:	<input checked="" type="checkbox"/> Green Track 1. Energy Conservation and Efficiency 6. Renewable Energy  <input type="checkbox"/> Red Track <i>Please specify the project technology and justification</i>
	Secondary Category:	1.1 Industrial Energy Saving 6.1 Wind Power Generation 6.2 Solar Photovoltaic (PV) Power Generation 6.3 Smart Grid and Energy Internet 6.4 Distributed Energy Resource 6.6 Hydropower Generation 6.7 Other New Energy Application
	Major related environmental dimensions <sup>1</sup>	Boost Renewable Energy
	SDG's Target(s) and Indicator(s) <sup>2</sup>	GOAL 7: Affordable and clean energy  Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix Target 7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology
	Item's Objectives and Targets	Projects aimed at developing the production and use of renewable energy, such as: <ul style="list-style-type: none"> <li>• Generation of energy from renewable sources, including wind, solar, seawater heat pump, biomass, hydro and geothermal</li> <li>• Transmission and distribution projects having the sole purpose of connecting renewable energy production</li> <li>• Development of boilers powered by biomass, which only utilize agricultural and forestry waste</li> </ul>
KPI measurement – Reference standard	<input type="checkbox"/> International Standard  <input type="checkbox"/> National Standard	

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		<input type="checkbox"/> Industry Standard <input checked="" type="checkbox"/> Self-development Standard <input type="checkbox"/> Others, Please specific: _____
	Significant / major environmental and social impact constituted by this type of project activities	ENN Energy imposes strict environmental and risk management policy <sup>17</sup> during its normal course of business.  EWG will ensure that the selected Eligible Green Project to comply not only with the section of Use of Proceeds but also the environmental guidelines <sup>22</sup> which are applicable for ENN Energy. Eligible Green Projects may include new projects and projects under construction in ENN Energy's portfolio.
Green Projects category 2: Pollution Prevention and Control and Energy Efficiency		
	Category in Green Project Classification:	<input checked="" type="checkbox"/> Green Track 1. Energy Conservation and Efficiency 2. Pollution Prevention and Control 3. Resource Conservation and Recycling  <input type="checkbox"/> Red Track <i>Please specify the project technology and justification</i>
	Secondary Category:	1.1 Industrial Energy Saving 2.5 Associated Environmental Monitoring System 3.1 Recycling and Utilization of Solid Wastes, Exhaust Gas, and Effluent 6.3 Smart Grid and Energy Internet
	Major related environmental dimensions <sup>1</sup>	Live & Prosper Sustainably
	SDG's Target(s) and Indicator(s) <sup>2</sup>	GOAL 11: Sustainable cities and communities  Target 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
	Item's Objectives and Targets	<ul style="list-style-type: none"> <li>Natural gas leakage detection systems, including installing Cloud Intelligent Safety Management System</li> <li>Reuse of industrial residual heat and steam for downstream production, limited to construction and operation of pipelines to collect waste heat and associated infrastructure for distributing heating</li> <li>Installation of residual gas recovery devices on LNG transportation trucks and LNG refuelling stations</li> <li>Tailor-made integrated energy solutions to help improve</li> </ul>



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		energy efficiency through ENN Ubiquitous Energy Network <sup>1</sup>
	KPI measurement – Reference standard	<input type="checkbox"/> International Standard <input type="checkbox"/> National Standard <input type="checkbox"/> Industry Standard <input checked="" type="checkbox"/> Self-development Standard <input type="checkbox"/> Others, Please specific: _____
	Significant / major environmental and social impact constituted by this type of project activities	<p>ENN Energy imposes strict environmental and risk management policy<sup>17</sup> during its normal course of business.</p> <p>EWG will ensure that the selected Eligible Green Project to comply not only with the section of Use of Proceeds but also the environmental guidelines<sup>22</sup> which are applicable for ENN Energy. Eligible Green Projects may include new projects and projects under construction in ENN Energy's portfolio.</p>
	Green Projects category 3: Sustainable Water Management	
	Category in Green Project Classification:	<input checked="" type="checkbox"/> Green Track 4. Sustainable Water  <input type="checkbox"/> Red Track <i>Please specify the project technology and justification</i>
	Secondary Category:	4.1 Water Saving and Unconventional Water Use 4.4 Sustainable Urban Drainage Systems
	Major related environmental dimensions <sup>1</sup>	Improve Soil & Water
	SDG's Target(s) and Indicator(s) <sup>2</sup>	GOAL 6: Clean water and sanitation  Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

<sup>1</sup> ENN Ubiquitous Energy Network provides customized integrated energy solutions. ENN Ubiquitous Energy Network has proprietary technologies including i) load forecasting, which analyzes the electricity and energy usage pattern to predict users' future energy demand; ii) quantitative screening, which compares and selects technology in terms of economics, energy saving, and emission reduction based on locally available resources; iii) integration of energy facility and network, which allow each energy end-user to complement each other's load, share energy facilities and establish energy interconnection within the region.



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		Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
	Item's Objectives and Targets	<ul style="list-style-type: none"> <li>• Installation of drainage canals in construction sites to discharge waste water into urban sewage pipelines if emission standards are met</li> <li>• Installation of mud pools to avoid infiltrating into groundwater or rivers</li> <li>• Use of reclaimed water and rainwater in production process, adoption of water-saving appliances to reduce water consumption</li> </ul>
	KPI measurement – Reference standard	<input type="checkbox"/> International Standard <input type="checkbox"/> National Standard <input type="checkbox"/> Industry Standard <input checked="" type="checkbox"/> Self-development Standard <input type="checkbox"/> Others, Please specific: _____
	Significant / major environmental and social impact constituted by this type of project activities	<p>ENN Energy imposes strict environmental and risk management policy<sup>17</sup> during its normal course of business.</p> <p>EWG will ensure that the selected Eligible Green Project to comply not only with the section of Use of Proceeds but also the environmental guidelines<sup>22</sup> which are applicable for ENN Energy. Eligible Green Projects may include new projects and projects under construction in ENN Energy's portfolio.</p>
	Green Projects category 4: Green Buildings	
	Category in Green Project Classification:	<input checked="" type="checkbox"/> Green Track 1. Energy Conservation and Efficiency  <input type="checkbox"/> Red Track <i>Please specify the project technology and justification</i>
	Secondary Category:	1.2 Sustainable Building 1.3 Sustainable Infrastructure
	Major related environmental dimensions <sup>1</sup>	Live & Prosper Sustainably
	SDG's Target(s) and Indicator(s) <sup>2</sup>	GOAL 11: Sustainable cities and communities  Target 11.6 By 2030, reduce the adverse per capita

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		environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
	Item's Objectives and Targets	<ul style="list-style-type: none"> <li>Renovation of buildings (including industrial premises), certified in accordance with any one of the following selected certification systems: <ul style="list-style-type: none"> <li>Chinese Green Building Evaluation Label(GBL) – [2] star or above</li> <li>U.S. Leadership in Energy and Environmental Design (LEED) – Gold or above</li> </ul> </li> <li>leading to an energy use reduction of at least [15%]</li> <li>On-site renewable energy installations, i.e. solar PV, which may be instead can be included in Renewable Energy depending on the scale of the projects.</li> </ul>
	KPI measurement – Reference standard	<input type="checkbox"/> International Standard <input checked="" type="checkbox"/> National Standard <input checked="" type="checkbox"/> Industry Standard <input checked="" type="checkbox"/> Self-development Standard <input type="checkbox"/> Others, Please specific: _____
	Significant / major environmental and social impact constituted by this type of project activities	<p>ENN Energy imposes strict environmental and risk management policy<sup>17</sup> during its normal course of business.</p> <p>EWG will ensure that the selected Eligible Green Project to comply not only with the section of Use of Proceeds but also the environmental guidelines<sup>22</sup> which are applicable for ENN Energy. Eligible Green Projects may include new projects and projects under construction in ENN Energy's portfolio.</p>
<i>(Replicate the table for more than 1 item)</i>		
<b>Findings</b>	No non-compliance item was revealed during the assessment.	
<b>Conclusion</b>	<p>From the above mentioned evidence, it can be concluded by the assessment team that:</p> <p>The intended green and positive environmental effects are demonstrated by associating relevant SDGs and HKQAA Green Track categories. The selection mechanism is well explained in the EMS<sup>4</sup>.</p>	

**B.3. Use of Proceeds**

<b>Means of assessment</b>	As stated in the GFF <sup>5</sup> , the amount equal to the net proceeds of the GFTs will be used exclusively to fund and/or refinance capex or opex, including R&D, construction, acquisition, operation, etc., on new or existing eligible green projects that meet one or
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	<p>more of the categories of eligibility as recognized in the 2018 GBP ("Eligible Green Projects"). All eligible project types are in line with HKQAA GFCS 2018<sup>3</sup> requirements. ENN Energy potential eligible green project list<sup>12</sup> has been compiled to indicate the 4 kinds of Eligible Projects likely to be financed or re-financed under the Eligible Categories. A proceeds tracking mechanism is formulated as defined in the GFF<sup>5</sup>.</p> <p>The Eligible Projects will not include any project of sectors which are prohibited by laws and regulation in China, such as child labour, gambling industry, adult entertainment and corporations which are in association with illegal activities; Hydro power with installed capacity &gt;20MW; Nuclear fuels; Coal based energy generation and distribution infrastructure for such energy; Activities which are in relation to hazardous chemicals and radioactive substance.</p>
<b>Findings</b>	No non-compliance item was identified during the assessment.
<b>Conclusion</b>	Based on the review results of the information provided and interview with responsible parties, the assessment team considered that the use of proceeds as described in the GBP is clear and appropriate as well as complied with HKQAA GFCS 2018 <sup>3</sup> requirements.

#### **B.4. Green Projects Evaluation and Selection**

<b>Means of assessment</b>	<p>ENN Energy imposes environmental and risk management policy<sup>17</sup> during its normal course of business.</p> <p>The Eligible Green Projects are identified and selected via a process that involves participants from various functional areas. An ESG Working Group ("EWG") has been set up, composed of the senior members and representatives from the below departments: i.e.: Chief Financial Officer, Company Secretary, Head of Investor Relations department, Quality, Health, Safety and Environment ("QHSE") department, and Human Resources department. A green project internal application form (first draft)<sup>25</sup> will be used to evaluate and record the potential eligible green projects according to ENN Energy's management policy<sup>17</sup>.</p> <p>EWG will meet at least every 12 months to discuss and select eligible green projects according to the Eligible Green Projects definition in "Use of Proceeds" of the GFF<sup>5</sup>. EWG will work with Finance, Risk Management, IT and other relevant functional departments to ensure there is sufficient data and information for proper assessment. The shortlisted projects will be presented to ESG Committee (representatives from senior management including the CEO) of ENN Energy for approval.</p> <p>EWG will ensure that the selected Eligible Green Project to comply not only with the section of Use of Proceeds but also the environmental guidelines which are applicable for ENN Energy. Eligible Green Projects may include new projects and projects under construction in ENN Energy's portfolio with a disbursement date no older than [3] years. The ESG committee will exclude any projects involved in an ESG controversy.</p> <p>In addition, EWG will be responsible for managing any future updates of the Framework, including any expansion of requirements of use of proceeds. In case of divestments or if an Eligible Green Project no longer meets the eligibility criteria, the funds will be reallocated to other Eligible Green Projects.</p>
<b>Findings</b>	No non-compliance item was identified during the assessment.
<b>Conclusion</b>	Based on the review results of the information provided and interview with responsible parties, the assessment team considered that the management process for selection and evaluation of Eligible Projects is sound and justifiable.



**B.5. Management of Proceeds**

<b>Means of assessment</b>	<p>The net proceeds from each GFT will be managed by ENN Energy's finance team, and the proceeds of each GFT will be deposited in the general funding accounts and be earmarked to Eligible Green Projects.</p> <p>ENN Energy will maintain a register<sup>12</sup> to keep track of the use of proceeds for each GFT. The register will contain the following information:</p> <p>(1) Type of Funding Transaction: Key information include issuer/borrower entity, transaction date, number of transactions, principal amount of proceeds, repayment or amortization profile, maturity date and interest or coupon (and in the case of bonds, the ISIN number).</p> <p>(2) Allocation of Use of Proceeds:</p> <ul style="list-style-type: none"> <li>Name and description of Eligible Green Projects to which the proceeds of the GFTs have been allocated in accordance with this GFF;</li> <li>Amount of GFT proceeds allocated to each Eligible Green Project</li> <li>The amount and / or percentage of new and existing projects (share of financing and refinancing)</li> <li>The balance of unallocated proceeds</li> <li>Information of temporary investment for unallocated proceeds</li> </ul> <p>ENN Energy is committed to allocating all proceeds from the GFT to Eligible Project on a best effort basis within [24] months of the GFT issuance in accordance with the evaluation and selection process set out above.</p> <p>Any balance of issuance proceeds which are not yet allocated to Eligible Green Projects will be held in accordance with ENN Energy's liquidity guidelines for short term time deposits or investments, or used to repay existing borrowings within the group. ENN Energy commits not to invest temporary unallocated proceeds to sectors and activities specified in Exclusionary Criteria in the "Use of Proceeds" section above. As confirmed with the interviewee that ENN Energy's liquidity management products will mainly be money market instruments and bank deposit. ENN Energy will deposit its short term surplus with reputable banks which have tight control with their lending, and operate fully under PRC's regulation.</p> <p>During the life of the GFT issued, if the designated Projects cease to fulfil the Eligibility Criteria, the net proceeds will be re-allocated to replacement Projects that comply with the Eligibility Criteria, as soon as reasonably practicable.</p>
<b>Findings</b>	No non-compliance item was identified during the assessment.
<b>Conclusion</b>	Based on the review results of the information provided and interview the responsible parties, the assessment team considered that the use and management of proceeds is appropriate.

**B.6. Information Disclosure and Reporting**

<b>Means of assessment</b>	As indicated in the GFF <sup>5</sup> , ENN Energy will provide information on the allocation of the net proceeds of its GFTs in ENN Energy's Sustainability Report, Annual Report or website. Such information will be provided on an annual basis until all the net proceeds have been allocated.
<b>Findings</b>	No non-compliance item was identified during the assessment.
<b>Conclusion</b>	Based on the review results of the information provided and interview with responsible parties, the assessment team noted that the Green Bond Report will be available on the



	HKSAR Government's webpage and be available to stakeholders.
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**B.7. Green Projects Monitoring**

<b>Means of assessment</b>	As confirmed with the interviewee that Sustainability Working Committee will regular <sup>17</sup> assess the project during the project period <sup>22</sup> . The relevant environmental benefit's KPIs <sup>14</sup> have been defined in the GFF <sup>5</sup> and EMS <sup>4</sup> .
<b>Findings</b>	No non-compliance item was identified during the assessment.
<b>Conclusion</b>	Based on the review results of the information provided and interview the responsible parties, the assessment team considered that the mechanisms for Eligible Project monitoring are appropriate.

**B.8. Impact Assessment**

<b>Means of assessment</b>	<p>As indicated in the GFF<sup>5</sup> and EMS<sup>4</sup>, ENN Energy will assess on the environmental and social impacts resulting from Eligible Green Projects. Mechanisms are defined for assessment of environmental impacts, including performing Environmental Impact Assessment for project going through the internal mechanism<sup>14,15, 16, 17, 18, 19, 20, 21, 22, 23</sup>.</p> <p>ENN Energy will report on the environmental and social (where relevant) impacts of the Eligible Green Projects.</p> <p>Subject to the nature of Eligible Green Projects and availability of information, ENN Energy aims to include, but not limited to, the following Impact Indicators:</p> <table border="1"> <thead> <tr> <th>Eligible Green Projects Categories</th><th>Impact Indicators</th></tr> </thead> <tbody> <tr> <td>Renewable Energy</td><td> <ul style="list-style-type: none"> <li>Renewable energy produced (MWh)</li> <li>Renewable energy capacity (MW)</li> <li>GHG emissions avoided / reduced (tCO<sub>2</sub>e)</li> <li>Annual energy savings (MWh)</li> </ul> </td></tr> <tr> <td>Pollution Prevention and Control Energy Efficiency</td><td> <ul style="list-style-type: none"> <li>Area/no. of household benefited</li> <li>Decrease in energy consumption (%)<sup>ii</sup></li> <li>Decrease in annual emissions of methane (%)<sup>iii</sup></li> </ul> </td></tr> <tr> <td>Sustainable Water Management</td><td> <ul style="list-style-type: none"> <li>Amount of water recycled (litres)</li> <li>Amount of water reused (litres)</li> </ul> </td></tr> <tr> <td>Green Buildings</td><td> <ul style="list-style-type: none"> <li>Energy efficiency gains in MWh or % vs. baseline</li> <li>Estimated avoided GHG emissions (tCO<sub>2</sub>eq)</li> <li>Annual energy savings (MWh pa)</li> </ul> </td></tr> </tbody> </table> <p>ENN Energy will disclose the key underlying methodology and/or assumptions used in the quantitative determination of the above Impact Indicators.</p>	Eligible Green Projects Categories	Impact Indicators	Renewable Energy	<ul style="list-style-type: none"> <li>Renewable energy produced (MWh)</li> <li>Renewable energy capacity (MW)</li> <li>GHG emissions avoided / reduced (tCO<sub>2</sub>e)</li> <li>Annual energy savings (MWh)</li> </ul>	Pollution Prevention and Control Energy Efficiency	<ul style="list-style-type: none"> <li>Area/no. of household benefited</li> <li>Decrease in energy consumption (%)<sup>ii</sup></li> <li>Decrease in annual emissions of methane (%)<sup>iii</sup></li> </ul>	Sustainable Water Management	<ul style="list-style-type: none"> <li>Amount of water recycled (litres)</li> <li>Amount of water reused (litres)</li> </ul>	Green Buildings	<ul style="list-style-type: none"> <li>Energy efficiency gains in MWh or % vs. baseline</li> <li>Estimated avoided GHG emissions (tCO<sub>2</sub>eq)</li> <li>Annual energy savings (MWh pa)</li> </ul>
Eligible Green Projects Categories	Impact Indicators										
Renewable Energy	<ul style="list-style-type: none"> <li>Renewable energy produced (MWh)</li> <li>Renewable energy capacity (MW)</li> <li>GHG emissions avoided / reduced (tCO<sub>2</sub>e)</li> <li>Annual energy savings (MWh)</li> </ul>										
Pollution Prevention and Control Energy Efficiency	<ul style="list-style-type: none"> <li>Area/no. of household benefited</li> <li>Decrease in energy consumption (%)<sup>ii</sup></li> <li>Decrease in annual emissions of methane (%)<sup>iii</sup></li> </ul>										
Sustainable Water Management	<ul style="list-style-type: none"> <li>Amount of water recycled (litres)</li> <li>Amount of water reused (litres)</li> </ul>										
Green Buildings	<ul style="list-style-type: none"> <li>Energy efficiency gains in MWh or % vs. baseline</li> <li>Estimated avoided GHG emissions (tCO<sub>2</sub>eq)</li> <li>Annual energy savings (MWh pa)</li> </ul>										
<b>Findings</b>	No non-compliance item was identified during the assessment.										
<b>Conclusion</b>	Based on the review results of the information provided and interview with responsible parties, it is noticeable that the applicant has an impact assessment mechanism established										

<sup>ii</sup> Compared to traditional coal based energy solutions

<sup>iii</sup> Compared to traditional coal based energy solutions

and the assessment team considered such mechanism is justifiable.

#### **B.9. Stakeholder Engagement**

<b>Means of assessment</b>	As confirmed with the interviewee and indicated on ENN Energy ESG report <sup>8</sup> , the management of ENN Energy is highly concern about stakeholder requirements. Various formalised communication channels were established. Instant feedback will be made after received stakeholder's needs and expectations. Stakeholder can use online and offline channels to receive related sustainability issues. ENN Energy will make use of Social Media, Official Accounts, Survey <sup>19, 21</sup> and Email...etc to distribute investigation survey.
<b>Findings</b>	No non-compliance item was identified during the assessment.
<b>Conclusion</b>	The applicant has a stakeholder engagement mechanism established. The assessment team considered the mechanism is justifiable.

#### **SECTION C. Internal quality control**

The technical review and the quality control process was performed by an internal technical reviewer team in accordance with the HKQAA's internal procedures for carrying out certification assessment of Pre-issuance stage of Green Finance Certification Scheme 2018 ("GFCS"). The technical and quality reviewers are qualified in accordance with the HKQAA's professional qualification scheme for GFCS. After approval by HKQAA Certification Review Board meeting on the recommended project, the certification will issue to the applicant.

#### **SECTION D. Assessment opinion and Recommendation**

HKQAA has performed a pre-issuance certification assessment of the bond which will be issued by ENN Energy Holdings Limited. The assessment was performed on the basis of HKQAA Green Finance Certification Scheme 2018 (GFCS). The review of the environmental method statement and related documentation, as well as the on-site assessment and interviews has provided HKQAA with sufficient evidence to determine the fulfilment of stated criteria. In our opinion, the project meets all relevant HKQAA pre-issuance stage requirements for the GFCS and all relevant criteria. The project will hence be recommended by the assessment team for certification.



**Acknowledgement:**

We acknowledge the receipt of this assessment report and agree with the content of this assessment report.

We acknowledge and agree that the Environmental Method Statement with its supplementary information attached with this assessment report will be disclosed to public via HKQAA website or the institutions participating in the loan.

We acknowledge that we shall inform HKQAA by returning the Environmental Method Statement Confirmation Notice once the debt instrument is issued.

We confirm that the below information are correct and agree to be shown on the Certificate.

We acknowledge that any revision on the Environmental Method Statement and the assessment document may lead to delay of certificate issuance.

Name of Company (Name of Issuer): ENN Energy Holdings Limited

公司名稱(發行者名稱) 新奧能源控股有限公司

Name of Green Finance: ENN Energy 2020 Green Bond

綠色金融名稱 新奧能源 2020 綠色債券

**For and on behalf of**

(Authorized Signature)

Signature

: 

Name

: *Liang Hongyu*

Title

: *Financial Controller*

Date

: *27 May 2020*

**Appendix 1. Reference**

No.	Author	Title
1	United Nations Environmental Programme (UNEP)	Sustainable Development Goals: United Nations Environment Programme: Annual Report 2015 <a href="https://wedocs.unep.org/bitstream/handle/20.500.11822/7506/-Sustainable%20Development%20Goals%20-%20UNEP%20annual%20report%202015-2016UNEP-AR-2015-SustainableDevelopmentGoals.pdf.pdf?sequence=3&amp;isAllowed=y">https://wedocs.unep.org/bitstream/handle/20.500.11822/7506/-Sustainable Development Goals - UNEP annual report 2015-2016UNEP-AR-2015-SustainableDevelopmentGoals.pdf.pdf?sequence=3&amp;isAllowed=y</a>
2	UNEP	About the Sustainable Development Goals on UNEP <a href="https://www.unenvironment.org/explore-topics/sustainable-development-goals/about-sustainable-development-goals">https://www.unenvironment.org/explore-topics/sustainable-development-goals/about-sustainable-development-goals</a> <a href="https://sustainabledevelopment.un.org/topics">https://sustainabledevelopment.un.org/topics</a>
3	HKQAA	Green Finance Certification Scheme Handbook, 2018
4	ENN Energy	ENN Environmental Method Statement ("EMS")
5	ENN Energy	Green Finance Framework, May 2020
6	ENN Energy	Annual Report 2019, <a href="https://doc.irasia.com/listco/hk/ennenergy/annual/ar226979-e_2019annualreport.pdf">https://doc.irasia.com/listco/hk/ennenergy/annual/ar226979-e_2019annualreport.pdf</a>
7	ENN Energy	2018 Environmental, Social and Governance Report
8	ENN Energy	ENN 2019 ESG_Chi_3
9	ENN Energy	EN_Spring company presentation_publish
10	ENN Energy	附件 1：新奧能源 ESG 制度列表
11	ENN Energy	附件 2：综合能源业务及泛能科技
12	ENN Energy	附件 3：泛能科技已提供服务的 120 个项目清单-20200513
13	ENN Energy	附件 4：Green Bond project list and register-20200512
14	ENN Energy	附件 5：综合能源项目及绿色建筑节能减排指标清单
15	ENN Energy	附件 6：新奧能源综合能源业务投资指引
16	ENN Energy	附件 7：新奧能源综合能源项目投资决策规则
17	ENN Energy	附件 8：综合能源业务双周例会会议方案



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18	ENN Energy	附件 9：综合能源项目建设交付体系文件
19	ENN Energy	附件 10 居民影响调查问卷模板-QHSE
20	ENN Energy	附件 11 泛能项目专项治理方案-V6(1)
21	ENN Energy	居民调查问卷模板-附件 3 验收公参调查表(1)-QHSE
22	ENN Energy	综合能源项目管理流程图
23	ENN Energy	List of ENN ESG Policy
24	ENN Energy	Project Magnolia_OC_full set v0.3 ; Email to HKQAA on 18/05/2020 12:22
25	ENN Energy	绿色项目内部申请表(初稿)

**Appendix 2. Nonconformity (NC)**

**Table 1. NCs from this assessment**

<b>NC ID</b>	<b>XX</b>	<b>Section no.</b>	<b>Date: DD/MM/YYYY</b>
<b>Description of NC</b>			
<b>Applicant response</b>			<b>Date: DD/MM/YYYY</b>
<b>Documentation provided by applicant</b>			
<b>HKQAA assessment team follow-up</b>			<b>Date: DD/MM/YYYY</b>