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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### HISTORY AND DEVELOPMENT<sup>1</sup>

We are one of the leading waste-to-energy companies in the PRC and one of the first companies to explore industrial applications for waste treatment in the PRC. We are also one of the earliest enterprises to build, upgrade and develop advanced international incinerator technologies. We primarily engage in the investment, technical consulting, construction, operation and maintenance of WTE plants which apply incineration technologies for treating municipal waste. Since our establishment in early 2000, we have accumulated nearly 13 years of experience in the WTE industry.

On April 23, 2012, as a result of the Reorganization, we were converted from a limited liability company into a joint stock limited liability company and our name was changed from Shenzhen Dynagreen Environmental Engineering Co., Ltd (深圳綠色動力環境工程有限公司) to our current name. After the Reorganization, we assumed all the assets and liabilities of Dynagreen Environmental Engineering.

Shenzhen Dow's Environmental Protection Technology Co., Ltd (深圳道斯環保科技有限公司) ("**Dow's Environmental Technology**"), the predecessor of Dynagreen Environmental Engineering, was a sino-foreign equity joint venture established in March 2000 in Shenzhen, the PRC by Dow's Trading (Shenzhen) Co., Ltd (道斯貿易(深圳)有限公司) ("**Dow's Trading**") and Dow's (Hong Kong) Company Limited (道斯(香港)有限公司) ("**Dow's HK**"). Dow's Environmental Technology was held as to 10% and 90% by Dow's Trading and Dow's HK, respectively, and both were controlled by a PRC natural person, Mr. Zheng Wei Xian ("**Mr. Zheng**") and his relative. The company name of Dow's Environmental Technology was changed to Shenzhen Green Power Environmental Engineering Company Limited (深圳綠動力環境工程有限公司) in 2001 and again changed to Shenzhen Dynagreen Environmental Engineering Co., Ltd (深圳綠色動力環境工程有限公司) in 2004, which has been kept unchanged until the Reorganization took place.

In March 2001, Dow's Trading transferred its 10% equity interest in Dow's Environmental Technology to Shenzhen Pinghe Trading Co., Ltd (深圳市平和貿易有限公司) ("**Pinghe Trading**"), a company controlled by Mr. Zheng. In October 2002, Dow's HK<sup>2</sup> transferred its 90% equity interest in Dow's Environmental Technology to Dow's (Hong Kong) Holding Company Limited (道斯控股(香港)有限公司)<sup>3</sup>, a company controlled by Mr. Zheng.

In August 2005, Pinghe Trading transferred its 10% equity interest (the corresponding capital contribution is HK\$1 million) in Dynagreen Environmental Engineering to Dynagreen International Holding. The original cost for acquiring such equity interest is HK\$60 thousand and the transfer price is RMB1.905 million. Pursuant to a statement issued by Mr. Zheng and his relative, Mr. Zheng is the de facto controller of the transferor, i.e., Pinghe Trading, and taxes relating to the transfer have been paid up. After such transfer, Dynagreen Environmental Engineering became a wholly foreign owned enterprise of Dynagreen International Holding.

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<sup>1</sup> Unless otherwise specified, timing mentioned in this section "History Reorganization and Corporate Structure" shall be the time of registration with relevant administration of industry and commerce (if applicable).

<sup>2</sup> The name of Dow's HK was changed to Dow's Environmental Tech (Hong Kong) Limited (道斯環保科技(香港)有限公司) in May 2000.

<sup>3</sup> Its name was changed to Dynagreen International Holding (Group) Company Limited (綠色動力國際控股(集團)有限公司) ("**Dynagreen International Holding**") in December 2002.

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In October 2005, BSAM injected RMB30 million of capital into Dynagreen Environmental Engineering, of which an equivalent of HK\$15.75 million was used as registered capital. After the capital injection, BSAM and Dynagreen International Holding held 61.16% and 38.84%, respectively, of the equity interest of Dynagreen Environmental Engineering, which then became an SOE and a sino-foreign equity joint venture.

In November 2005, Dynagreen International Holding transferred its 38.84% equity interest (the corresponding capital contribution is HK\$10 million) in Dynagreen Environmental Engineering to Blue-ocean Environment, its then wholly-owned subsidiary. The original cost for acquiring such equity interest is RMB1.905 million and HK\$100 thousand and the transfer price is RMB19.05 million. Pursuant to a statement issued by Mr. Zheng and his relative, Mr. Zheng's relative is the de facto controller of transferor, i.e. Dynagreen International Holding and taxes relating to the transfer have been paid up.

In December 2006, BSAM (HK), a wholly-owned subsidiary of BSAM, subscribed for 93,622,039 ordinary shares issued by Blue-ocean Environment at the consideration of HK\$93,622,039 and became its Controlling Shareholder by holding 80% of the equity interest in Blue-ocean Environment. In November 2009, BSAM (HK) further acquired shares of Blue-ocean Environment and increased its shareholding of Blue-ocean Environment's equity interest to 100%. From November 2009 to May 2011, BSAM indirectly held 100% of the equity interest of Blue-ocean Environment through BSAM (HK).

In November 2009, BSAM injected HK\$150 million of capital into Dynagreen Environmental Engineering. After such capital increase, the registered capital of Dynagreen Environmental Engineering increased to HK\$222 million and BSAM directly held 87.40% of, and via Blue-ocean Environment, its wholly-owned subsidiary, indirectly held 12.60% of, the equity interest in Dynagreen Environmental Engineering.

In January 2010, BSAM injected HK\$385 million of capital into Dynagreen Environmental Engineering. After such capital increase, the registered capital of Dynagreen Environmental Engineering increased to HK\$607 million and BSAM directly held 95.39% of, and via Blue-ocean Environment, its wholly-owned subsidiary, indirectly held 4.61% of, the equity interest in Dynagreen Environmental Engineering.

In January 2011, Blue-ocean Environment transferred its 4.61% equity interest in Dynagreen Environmental Engineering to BSAM (HK). After the transfer, BSAM directly held 95.39% of, and via BSAM (HK), its wholly-owned subsidiary, indirectly held 4.61% of, the equity interest in Dynagreen Environmental Engineering.

In May 2011, four investors, namely Jianghuai Fund, Poly Fund, Beijing Venture Capital and Jingxiu Investment, jointly injected capital in Dynagreen Environmental Engineering in the amount of HK\$78.43 million, HK\$54.90 million, HK\$23.53 million and HK\$23.53 million, respectively. After the capital injection, the registered capital of Dynagreen Environmental Engineering was increased to HK\$787.39 million and BSAM, BSAM (HK), Jianghuai Fund, Poly Fund, Beijing Venture Capital and Jingxiu Investment held 73.54%, 3.55%, 9.96%, 6.97%, 2.99% and 2.99%, respectively, of the equity interest of Dynagreen Environmental Engineering.

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### Milestones

2000	March	Dow's Environmental Technology was formally incorporated
2001	March	Dow's Environmental Technology officially changed its name to Shenzhen Green Power Environmental Engineering Company Limited
2002	December	Shenzhen Green Power Environmental Engineering Company Limited was awarded the Technology Enterprise 50 by Shenzhen Enterprise Evaluation Association (深圳市企業評價協會)
2004	March	Shenzhen Green Power Environmental Engineering Company Limited officially changed its name to Dynagreen Environmental Engineering
	May	Dynagreen Environmental Engineering was recognized as a Shenzhen Hi-tech Enterprise (“深圳市高新技術企業”)
	November	Dynagreen Environmental Engineering was granted a national invention patent for the pre-drying waste incineration methods and equipment, Patent number: ZL 1 60760.5
2005	September	Blue-ocean Environment (then named Dynagreen Holding (Group) Co., Ltd.) signed the Concession Agreement for Municipal Waste Treatment in Wujin District, Changzhou (“常州市武進區城市生活垃圾處理特許經營協議”) with the City Administration Bureau of Wujin District, Changzhou, which is our first BOT agreement <sup>(1)</sup>
2006	January	Dynagreen Environmental Engineering was granted a national invention patent for the multiple drive expeller grate waste incinerator method and equipment, Patent number: ZL 03 1 26962.1
	April	Dynagreen Environmental Engineering was awarded the Excellent Contribution to the Innovation of Environmental Friendly Technology in Guangdong Province (“廣東省環保產業科技創新傑出貢獻獎”)
2007	July	the multiple drive expeller grate waste incinerator technology was included in the core industry technologies as recommended by the Ministry of Construction for the “Eleventh Five-Year” period
2008	December	Dynagreen Environmental Engineering was awarded the Top 10 Iconic Brand Name in the Waste Treatment Industry in China (“中國垃圾處理行業十大標誌性品牌稱號”)
2009	March	Changzhou Company formally commenced commercial operations, which was our first BOT project to commence commercial operation

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(1) Such project was subsequently transferred to our Group.

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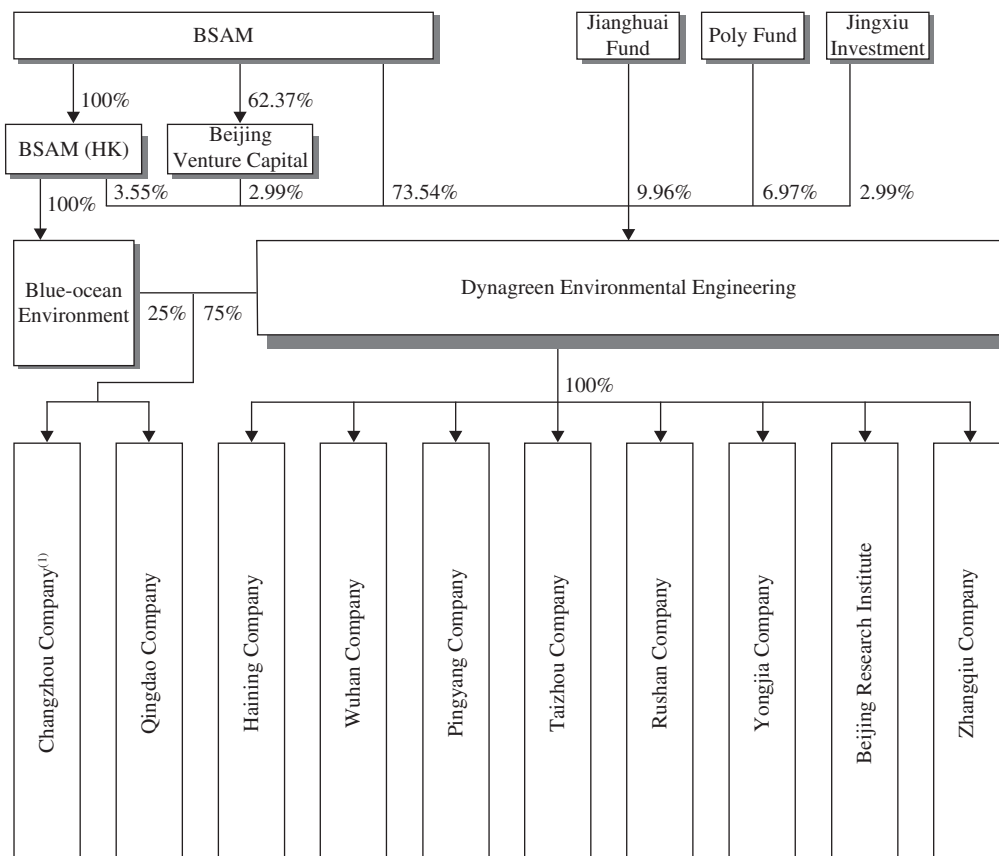
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2010	December	Dynagreen Environmental Engineering signed a contract for management services in relation to WTE in Tongcheng, Anhui (“安徽桐城垃圾焚燒發電項目工程總管理服務合同”), which is our first external management services contract
2011	January	Our Haining WTE project was registered with the United Nations as a CDM project
	March	Blue-ocean Environment was awarded the Top Ten Influential Enterprise in the Solid Waste Industry of the Year 2010 (“2010年度固廢十大影響力企業”) by <i>www.solidwaste.com.cn</i>
	May	Dynagreen Environmental Engineering signed a framework agreement for the urban municipal WTE project with LamPang City, Thailand, which is our first overseas framework agreement
	June	Dynagreen Environmental Engineering was awarded the Guangdong Province Enterprise of Observing Contract and Valuing Credit (“廣東省守合同重信用企業”)
2012	April	Dynagreen Environmental Engineering formally reorganized into joint stock limited liability company and changed its name to our Company’s current name, Dynagreen Environmental Protection Group Co., Ltd.
	November	Our Company signed the Municipal Waste Consolidated Treatment Plant BOT Project and Ancillary Supporting BT Projects Concession Agreement in Lan Zi Long, Huiyang District, Huizhou City (“惠州市惠陽區欖子壠環境園生活垃圾綜合處理場BOT項目及周邊配套工程BT項目特許經營協議”) with the Environment & Sanitation Department of Huiyang District, Huizhou City, which was our first BOT project involving both waste incineration and waste landfill
	December	Our Company was awarded the 2012 Outstanding Company of Environmental Protection Industry in China (“中國環境保護產業骨幹企業”)
2013	January	Our Company was awarded the National Environmental Protection Enterprise with Excellent Brand (“全國環保優秀品牌企業”)
	April	Our Company signed a RMB loan agreement equivalent to USD100 million with the Asian Development Bank
	July	The Changzhou project was awarded the National Key Environmental Protection Practical Technology Model Project (“國家重點環境保護實用技術示範工程”)
	October	Our Company officially acquired Zhejiang Dongyang Fuli Construction Limited Company (“浙江省東陽富力建設有限公司”), which equipped us with the qualification of providing construction project management services
	December	Our Group was awarded the Top Ten Influential Enterprise in Solid Waste Industry of the Year by <i>www.solidwaste.com.cn</i>

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### REORGANIZATION AND SHAREHOLDERS

The shareholding structure and the relevant subsidiaries of our Company prior to the Reorganization are as follows:



(1) Changzhou Zhengyuan is a joint venture partner of Changzhou Company and is a connected person of our Group.

In preparation for the Global Offering, we were converted from a limited liability company, Dynagreen Environmental Engineering, into a joint stock limited liability company and retained all the businesses owned by Dynagreen Environmental Engineering prior to the Reorganization. On October 17, 2011, BSAM, BSAM (HK), Jianghuai Fund, Poly Fund, Beijing Venture Capital and Jingxiu Investment, as the promoters, entered into a promoter agreement for the restructuring of Dynagreen Environmental Engineering as a joint stock limited liability company. According to the Approval of the Restructuring of Shenzhen Dynagreen Environmental Engineering Co., Ltd as Sino-foreign Invested Joint Stock Limited Company (《關於深圳綠色動力環境工程有限公司變更為外商投資股份公司的批覆》), issued by the Science, Industry, Trade and Information Technology Commission of Shenzhen (深圳市科技工貿和信息化委員會) on January 10, 2012, and the approval from our inaugural meeting, Dynagreen Environmental Engineering was restructured as a joint stock limited liability company on April 23, 2012 and changed its name to our Company's current name, Dynagreen Environmental Protection Group Co., Ltd. Immediately after the restructuring, our Company held an

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aggregate 700,000,000 issued shares with par value of RMB1.00 per share, of which 514,771,140 shares were held by BSAM, representing 73.54% of the total share capital; 24,859,792 shares were held by BSAM (HK), representing 3.55% of the total share capital; 69,725,295 shares were held by Jianghuai Fund, representing 9.96% of the total share capital; 48,806,817 shares were held by Poly Fund, representing 6.97% of the total share capital; 20,918,478 shares were held by Beijing Venture Capital, representing 2.99% of the total share capital; and 20,918,478 shares were held by Jingxiu Investment, representing 2.99% of the total share capital.

Incorporated on September 4, 1992, BSAM is a large-scale state-owned investment company authorized by the Beijing municipal government to engage in capital operations. In April 2001, it was restructured and reorganized by the Beijing municipal government according to the contemporary enterprise system for the management of major state-owned assets in Beijing. BSAM, as the undertaker and operator of major construction projects in Beijing, mainly focuses its business on four fields, namely finance and modern services; technology, modern manufacturing and new energies; urban functionality development and environmental protection; and culture and creativity, tourism and sports.

BSAM (HK) is a wholly-owned subsidiary established by BSAM in Hong Kong on May 16, 2006 and it acts in concert with BSAM. BSAM (HK) is mainly engaged in investment holding.

Jianghuai Fund was established on June 24, 2010, and is mainly engaged in venture capital and investment consulting as well as the provision of asset management services for venture capital companies.

Poly Fund was established on March 9, 2011 and is mainly engaged in the investment in unlisted companies, the investment in non-publicly issued shares by listed companies as well as the provision of relevant consulting services.

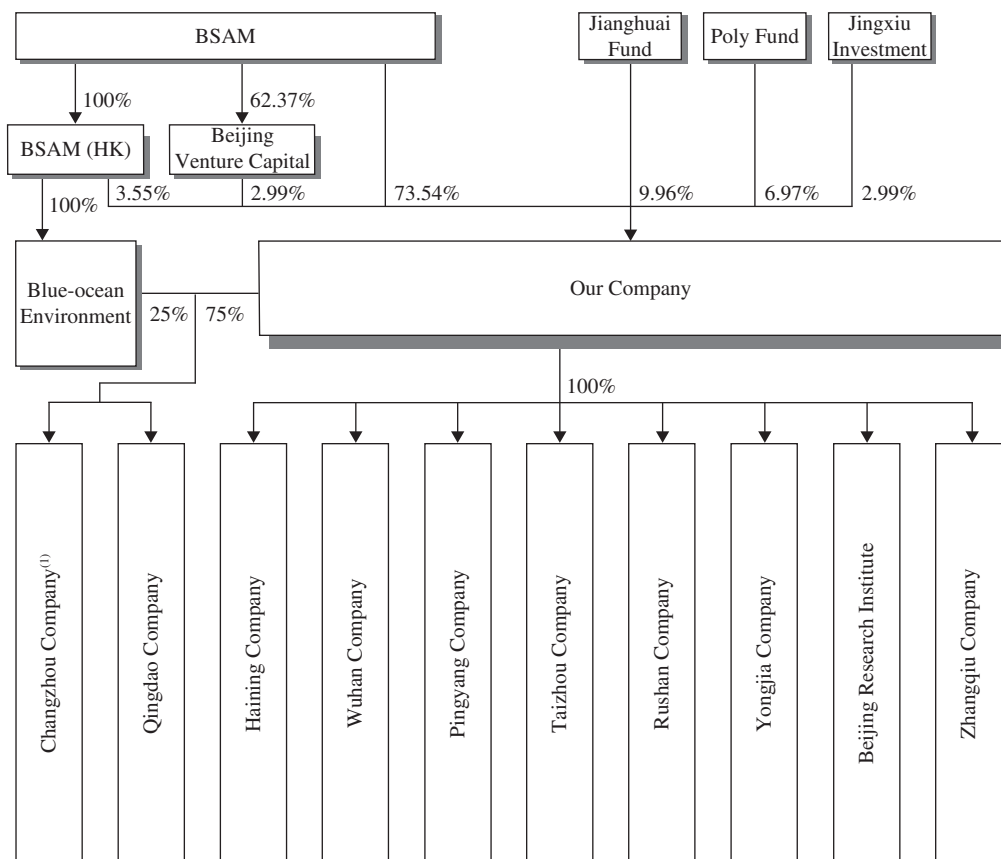
Beijing Venture Capital was established on October 28, 1998, with 62.37% of its equity interest held by BSAM and it acts in concert with BSAM. Beijing Venture Capital is mainly engaged in the investment in high-tech enterprises, investment management and investment consulting.

Jingxiu Investment is a limited partnership established by members of the senior management and other employees of our Company on April 18, 2011, and is mainly engaged in equity investment. As such, certain members of our Company's senior management and other employees have shareholding interest in our Company through Jingxiu Investment.

Save as disclosed above, each of the Shareholders are independent from each other.

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The corporate structure of our Company immediately after Reorganization is as follows:



(1) Changzhou Zhengyuan is a joint venture partner of Changzhou Company and is a connected person of our Group.

### Review and Approval

As confirmed by our PRC legal advisors, Tian Yuan Law Firm, the Reorganization was properly completed, in accordance with PRC laws and regulations, and all necessary approvals were obtained from the relevant PRC government authorities.

### MATERIAL ACQUISITIONS AND DISPOSALS

#### Material Acquisitions

##### 1. Acquisition of Haining Company

On April 30, 2006, Dynagreen Environmental Engineering entered into equity transfer agreements with Shenzhen Hanyang Investment Holdings Limited (深圳市瀚洋投資控股有限公司) (“**Shenzhen Hanyang**

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**Investment**) and Shenzhen Hanshi Solid Waste Treatment Equipment Co., Ltd. (深圳市漢氏固體廢物處理設備有限公司) (“**Shenzhen Hanshi Solid Waste Treatment**”), pursuant to which, Dynagreen Environmental Engineering agreed to acquire 90% and 10% equity interest of Haining Company for a consideration of RMB5.4 million and RMB0.6 million from Shenzhen Hanyang Investment and Shenzhen Hanshi Solid Waste Treatment, respectively. Such consideration was determined based on the appraised net asset value of Haining Company filed with BSAM. On May 20, 2006, Dynagreen Environmental Engineering further entered into equity transfer agreements with Shenzhen Hanyang Investment and Shenzhen Hanshi Solid Waste Treatment in respect of the transfer of 100% of the registered capital of Haining Company, representing RMB10 million. The registration of the equity transfer with the relevant administration of industry and commerce was completed on June 19, 2006. Both transferors, Shenzhen Hanyang Investment and Shenzhen Hanshi Solid Waste Treatment, are independent third parties of our Company.

### 2. Acquisition of Qingdao Company

On September 22, 2009, Dynagreen Environmental Engineering acquired 55.05% equity interest in Qingdao Company from Blue-ocean Environment<sup>1</sup>, a connected person of our Company, in consideration of Dynagreen Environmental Engineering making a capital contribution of RMB45.30 million into Qingdao Company (which represents the capital contribution which should have been contributed by Blue-ocean Environment but remained outstanding at the time of transfer). The Bureau of Foreign Trade and Economic Cooperation of Qingdao Economic Development Zone/Qingdao City Huangdao District approved the transfer by document (Qing Kai Wai Jing Mao Zi Shen Zi) No. 193 [2009] on September 21, 2009.

On October 22, 2010, Dynagreen Environmental Engineering acquired 19.95% equity interest in Qingdao Company from Blue-ocean Environment<sup>1</sup>, a connected person of our Company, for a consideration of HK\$18.655 million, and its shareholding in Qingdao Company increased to 75% upon completion of acquisition. The consideration of equity transfer was determined based on the appraised net asset value filed with Beijing SASAC and fully settled on June 7, 2011. The Bureau of Foreign Trade and Economic Cooperation of Qingdao Economic Development Zone/Qingdao City Huangdao District approved the transfer by document (Qing Kai Wai Jing Mao Zi Shen Zi) No. 209 [2010] on September 20, 2010.

After our acquisition of Blue-ocean Environment as further described in paragraph 5 below, we became interested, directly and indirectly, in 100% of the equity interest in Qingdao Company.

### 3. Acquisition of Changzhou Company

On June 9, 2010, Dynagreen Environmental Engineering acquired 27.75% equity interest in Changzhou Company through subscription of a capital increase for a consideration of RMB38.4 million. The capital injection was determined based on the appraised net asset value approved by Beijing SASAC and fully paid on June 3, 2010. The Department of Commerce of Jiangsu Province approved the capital increase by document (Su Shang Zi Shen Zi) No. 04071 [2010] on May 27, 2010.

On December 3, 2010, Dynagreen Environmental Engineering acquired 47.25% equity interest in Changzhou Company from Blue-ocean Environment<sup>1</sup>, a connected person of our Company, for a consideration of



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HK\$92.80 million and its interest in Changzhou Company increased to 75% upon completion of the acquisition. The consideration for the equity transfer was determined based on the appraised net asset valuation approved by with Beijing SASAC and fully paid on June 7, 2011. The Department of Commerce of Jiangsu Province approved the transfer by document (Su Shang Zi Shen Zi) No. 04263 [2010] on November 26, 2010.

After our acquisition of Blue-ocean Environment as further described in paragraph 5 below, we became interested, directly and indirectly, in 100% of the equity interest in Changzhou Company although Changzhou Zhengyuan is a joint venture partner of Changzhou Company.

#### 4. Acquisition of Wuhan Company

On December 30, 2009, Dynagreen Environmental Engineering acquired 84.36% equity interest of Wuhan Company from Blue-ocean Environment<sup>1</sup>, a connected person of our Company, representing Blue-ocean Environment's entire interest in the company in consideration of Dynagreen Environmental Engineering making a capital contribution of HK\$124 million into Wuhan Company (which represents the capital contribution which should have been contributed by Blue-ocean Environment but remained outstanding at the time of transfer). The Wuhan City Bureau of Commerce approved the transfer by document (Wu Shang Wu) No. 458 [2009] on December 4, 2009.

On November 16, 2010, Dynagreen Environmental Engineering acquired 15.64% equity interest in Wuhan Company from Blue-ocean Environment<sup>(1)</sup>, a connected person of our Company for a consideration of HK\$23 million, and its shareholding in Wuhan Company increased to 100% upon completion of the acquisition. The consideration of equity transfer was determined based on the appraised net asset value approved by Beijing SASAC and fully settled on June 7, 2011. The Wuhan City Bureau of Commerce approved the transfer by document (Wu Shang Wu) No. 405 [2010] on October 25, 2010.

#### 5. Acquisition of Blue-ocean Environment

On March 19, 2013, our Company acquired 100% equity interest in Blue-ocean Environment from BSAM (HK), one of our shareholders and a connected person of our Company, for a consideration of RMB120,919,500 (approximately US\$19.16 million), which was based on the appraised net asset valuation approved with Beijing SASAC and fully settled on November 12, 2013. The transfer was approved by BSAM on October 15, 2012 under the document (Jing Zi Jing Si) No.163 [2012] and by Shenzhen Development and Reform Commission (深圳市發展和改革委員會) on November 12, 2012 under the document (Shen Fa Gai) No.1334 [2012] and was registered with the Department of Foreign Capital Utilization and Foreign Investment under National Development and Reform Commission (國家發展和改革委員會利用外資和境外投資司) on December 17, 2012 under the document (Fa Gai Jin Wai Deng Zi) No.365 [2012].

#### 6. Acquisition of Fuli Company

On October 17, 2013, our Company acquired 100% equity interest in Fuli Company from the original shareholders of Fuli Company, Ms. Lou Xiangqian (樓湘倩) and Mr. Guo Kangmin (郭康民), independent third

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(1) Blue-ocean Environment was then a wholly-owned subsidiary controlled by BSAM through BSAM (HK) before the acquisition by our Company in 2013 under "Material Acquisitions — 5. Acquisition of Blue-ocean Environment".

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parties of our Company, for a consideration of RMB27.05 million. The consideration of equity transfer was determined based on the appraised net asset value filed with BSAM and fully settled on January 24, 2014. As confirmed by our PRC legal advisors, Tian Yuan Law Firm, no governmental approval in respect of such acquisition is required.

### Material Disposals

On August 26, 2011, due to adjustments of business strategies and to focus on the power generation business through incineration of municipal waste, Dynagreen Environmental Engineering transferred its 100% equity holding in Jiangmen Company to Beijing Guo Tong Asset Management Co., Ltd (北京市國通資產有限責任公司), a subsidiary of BSAM and a connected person of our Company, for a consideration of RMB3.823 million, which was based on the appraised net asset valuation filed with Beijing SASAC and was settled by a one-off payment on August 29, 2011. Beijing SASAC approved the transfer on July 20, 2011 under the document (Jing Guo Zi Chan Quan) No.110 [2011]. As the asset size of Jiangmen Company was relatively small and Jiangmen Company falls into our Company's plan of segregation, such disposal will have no material impact on the production and business activities as well as financial status of our Company.

As confirmed by our PRC legal advisors, Tian Yuan Law Firm, the aforesaid disposal and acquisition of assets by our Company complied with the then applicable PRC laws, regulations and regulatory documents, fulfilled the necessary legal formalities in the PRC and were approved by the relevant authorities in the PRC. Also, the equity transfer procedures of the related enterprises in the PRC had been completed properly and legally.

### Major Subsidiaries

#### 1. Haining Company

Haining Company was established on March 15, 2004 and has a registered capital of RMB100 million. Its principal businesses include power generation through the incineration of municipal and other waste, and the sale of power, steam and slag produced in the waste incineration process. As of the Latest Practicable Date, Haining Company was our wholly-owned subsidiary.

#### 2. Wuhan Company

Wuhan Company was established on September 15, 2006 and has a registered capital of RMB129,484,280. Its principal businesses include municipal and industrial waste incineration and treatment, power generation with the heat produced from incineration of waste and the use of slag to produce environmental-friendly construction materials. As of the Latest Practicable Date, Wuhan Company was our wholly-owned subsidiary.

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### 3. Taizhou Company

Taizhou Company was established on November 2, 2009 and has a registered capital of RMB180 million. Its principal businesses include power generation through the incineration of municipal and other waste, and the import and export of environmental protection equipment and parts. As of the Latest Practicable Date, Taizhou Company was our wholly-owned subsidiary.

### 4. Yongjia Company

Yongjia Company was established on February 1, 2010 and has a registered capital of RMB100 million. Its principal businesses include power generation through the incineration of municipal and other waste, the sale of power and slag produced in the waste incineration process, and the import and export of environmental protection equipment and parts. As of the Latest Practicable Date, Yongjia Company was our wholly-owned subsidiary.

### 5. Pingyang Company

Pingyang Company was established on April 6, 2010 and has a registered capital of RMB100 million. Its principal business include power generation through the incineration of municipal and other applicable waste, the sale of power and slag produced in the waste incineration process, and the import and export of environmental protection equipment and parts. As of the Latest Practicable Date, Pingyang Company was our wholly-owned subsidiary.

### 6. Rushan Company

Rushan Company was established on October 25, 2010 and has a registered capital of RMB100.88 million. Its principal businesses include power generation through the incineration of domestic and other waste, sale of power and slag produced in the waste incineration process, and the import and export of environmental protection equipment<sup>(1)</sup>. As of the Latest Practicable Date, Rushan Company was our wholly-owned subsidiary.

### 7. Beijing Research Institute

Beijing Research Institute was established on December 7, 2010 and has a registered capital of RMB5 million. Its principal businesses include technology development, technology transfer, technology consulting services, technology support services and the sale of mechanical and electrical equipment. As of the Latest Practicable Date, Beijing Research Institute was our wholly-owned subsidiary.

### 8. Zhangqiu Company

Zhangqiu Company was established on February 16, 2012 and has a registered capital of RMB120.88 million. Its principal businesses include power generation through the incineration of municipal and other waste,

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(1) (To the extent approvals are required for any operations under the aforesaid business scope, valid permits shall be obtained for such operations.)

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and the preparation of self-produced power and slag sales projects (the preparation period lasts for two years, during which no business can be conducted). As of the Latest Practicable Date, Zhangqiu Company was our wholly-owned subsidiary.

### 9. Changzhou Company

Changzhou Company was established on December 31, 2005 and has a registered capital of RMB138.4 million. Its principal businesses include power generation through the incineration of municipal and other waste and the sale of power, steam, slag and by-products generated in the waste incineration process. As of the Latest Practicable Date, our Company directly held 75% equity interest in Changzhou Company and indirectly held the remaining 25% equity interest through Blue-ocean Environment, its wholly-owned subsidiary. Changzhou Zhengyuan is a joint venture partner of Changzhou Company.

### 10. Qingdao Company

Qingdao Company was established on September 23, 2005 and has a registered capital of HKD93.50 million. Its principal businesses include municipal and industrial waste incineration and treatment, power generation with the heat produced from incineration of waste and the use of slag to produce environmentally-friendly construction materials. The project is currently in preparation and no operations are allowed during such preparation period. Where approval is a prerequisite for any operation under the aforesaid business scope, valid permits shall be obtained for such operation. As of the Latest Practicable Date, our Company directly held 75% equity interest in Qingdao Company and indirectly held the remaining 25% equity interest through Blue-ocean Environment, its wholly-owned subsidiary.

### 11. Anshun Company

Anshun Company was established on May 18, 2012 and has a registered capital of RMB100 million. Its principal businesses include the preparation of power generation projects<sup>(1)</sup>. As of the Latest Practicable Date, our Company directly held 98% equity interest in Anshun Company and indirectly held the remaining 2% equity interest through Beijing Research Institute, its wholly-owned subsidiary.

### 12. Jurong Company

Jurong Company was established on September 24, 2012 and has a registered capital of RMB100 million. Its principal businesses include power generation through the incineration of municipal solid waste, biomass and other waste, the sale of power and slag produced in the incineration process, and the import and export of environmental protection equipment and parts. As of the Latest Practicable Date, our Company directly held a 98% equity interest in Jurong Company and indirectly held the remaining 2% equity interest through Beijing Research Institute, its wholly-owned subsidiary.

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(1) (no business can be conducted during the preparation period; subject to the obtaining of all approvals, licenses and registrations required, operations may commence after the preparation period).

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### 13. Pingyao Company

Pingyao Company was established on November 14, 2012 and has a registered capital of RMB100 million. It is mainly engaged in the provision of relevant services for projects under preparation and is prohibited from operating any production business. As of the Latest Practicable Date, our Company directly held a 99% equity interest in Pingyao Company and indirectly held the remaining 1% equity interest through Beijing Research Institute, its wholly-owned subsidiary.

### 14. Huizhou Company

Huizhou Company was established on December 19, 2012 and has a registered capital of RMB220 million. It is prohibited from operating any business. As of the Latest Practicable Date, our Company directly held a 99% equity interest in Huizhou Company and indirectly held the remaining 1% equity interest through Beijing Research Institute, its wholly-owned subsidiary.

### 15. Blue-ocean Environment

Blue-ocean Environment was established on June 30, 2005 under the name of Dynagreen Holding (Group) Co., Ltd., which was changed to the current name on January 4, 2012. Its issued share capital is HKD126,733,344.00 and its principal businesses include the investment holding of our certain PRC subsidiaries. As of the Latest Practicable Date, our Company held 100% equity interest in Blue-ocean Environment.

### 16. Fuli Company

Fuli Company was established on December 15, 2011 and has a registered capital of RMB20.8 million. It is mainly engaged in housing construction, municipal public projects, landscape projects, earthwork engineering, steel structure engineering, intelligent building engineering, lighting engineering, indoor and outdoor decoration, ground foundation projects, curtain wall construction and sports equipment installation. As of the Latest Practicable Date, our Company held 100% equity interest in Fuli Company.

### 17. Jixian Company

Jixian Company was established on June 6, 2013 and has a registered capital of RMB100 million. Its principal businesses include technological research in environmentally friendly waste-incineration, research and development systems design for related equipment, management of waste treatment projects, provision of relevant operation, management and technological services and consulting<sup>(1)</sup>. As of the Latest Practicable Date, our Company directly held a 60% equity interest in Jixian Company and indirectly held the remaining 40% equity interest through Blue-ocean Environment, its wholly-owned subsidiary.

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(1) (where administrative approval is required for any operation under the aforesaid business scope, such operation shall be conducted within the valid term and where there are any applicable concession regulations, such State regulations shall be complied with).

## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

### 18. Ninghe Company

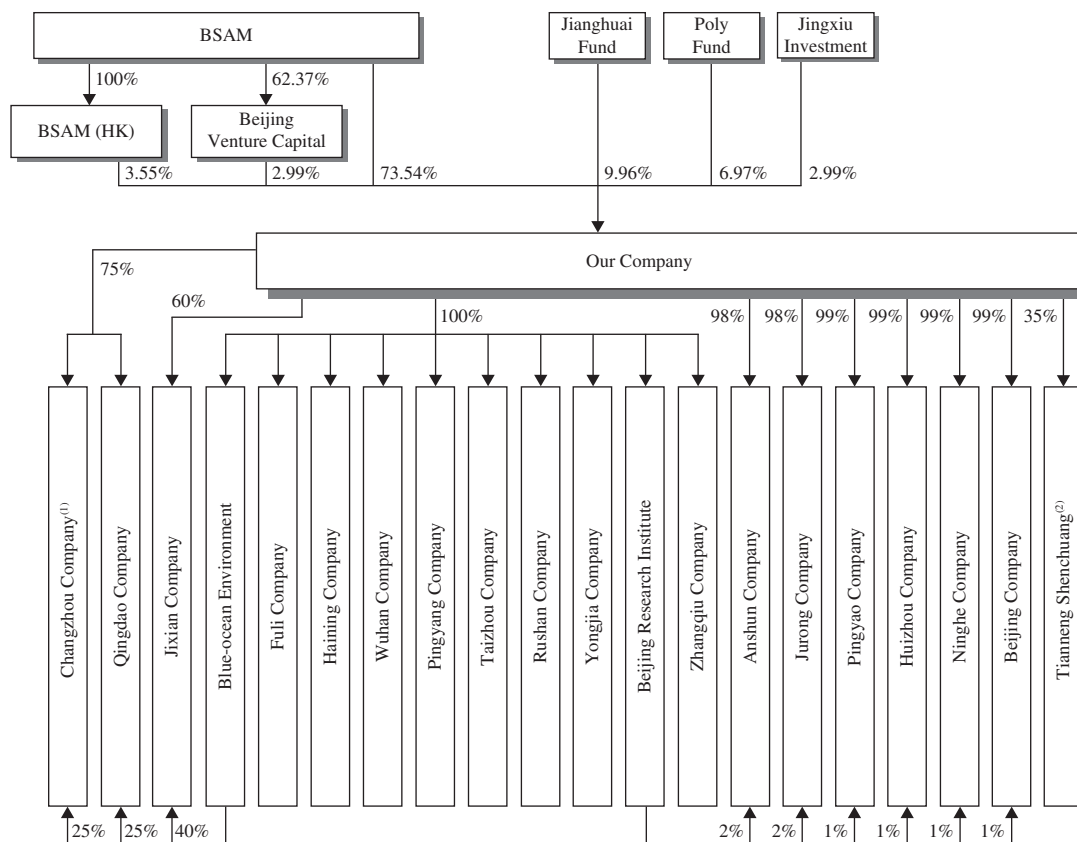
Ninghe Company was established on November 13, 2013 and has a registered capital of RMB100 million. Its principal businesses include technological research in environmentally friendly waste-incineration, research and development systems design for related equipment, management of waste treatment projects, provision of relevant operation, management and technological services and consulting. As of the Latest Practicable Date, our Company held 99% equity interest in Ninghe Company and indirectly held the remaining 1% equity interest through Beijing Research Institute, its wholly-owned subsidiary.

### 19. Beijing Company

Beijing Company was established on February 21, 2014 and has a registered capital of RMB100 million. Its principal business is the preparatory construction of solid waste treatment project. As of the Latest Practicable Date, our Company held 99% equity interest in Beijing Company and indirectly held the remaining 1% equity interest through Beijing Research Institute, its wholly-owned subsidiary.

## CORPORATE STRUCTURE

The diagram below shows our corporate structure as of the Latest Practicable Date:

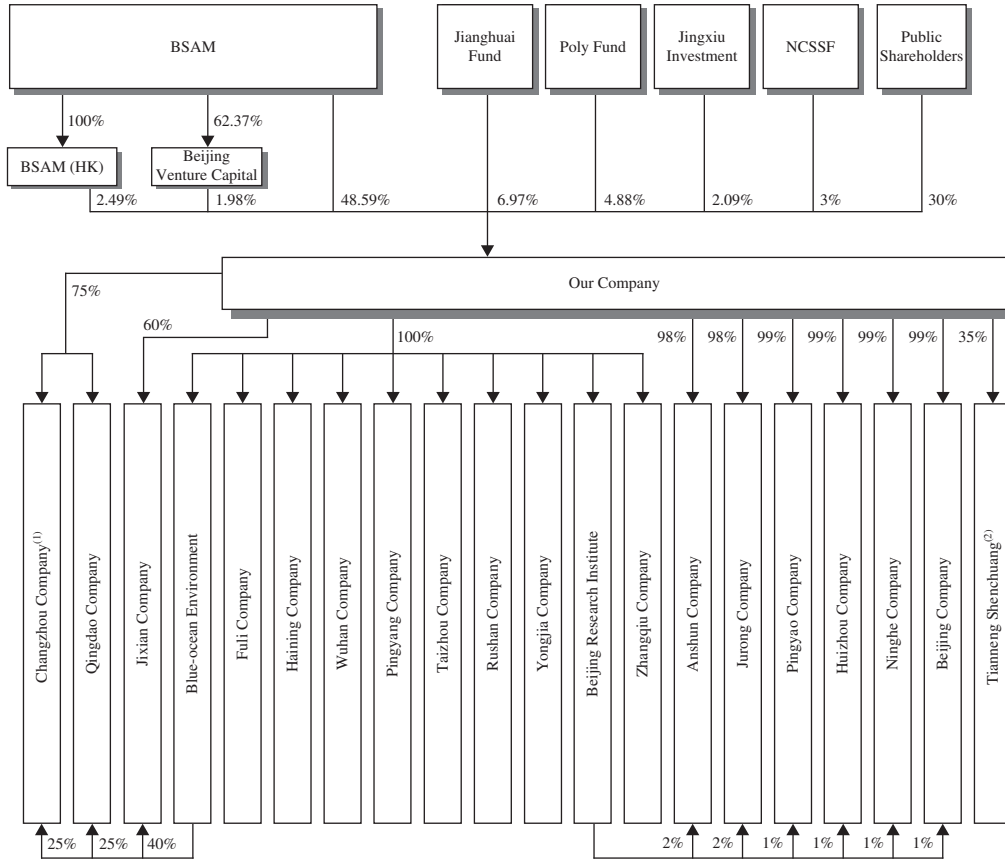


(1) Changzhou Zhengyuan is a joint venture partner of Changzhou Company and is a connected person of our Group.

(2) Beijing Environment Sanitation Engineering Group Co., Ltd (北京環境衛生工程集團有限公司) is the other shareholder of Tianneng Shenchuang (holding 65% of its equity interest), and is an independent third party of our Group.

## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The diagram below shows our corporate structure immediately after the completion of the Global Offering, assuming the Over-allotment Option is not exercised:



(1) Changzhou Zhengyuan is a joint venture partner of Changzhou Company and is a connected person of our Group.

(2) Beijing Environment Sanitation Engineering Group Co., Ltd (北京環境衛生工程集團有限公司) is the other shareholder of Tianneng Shenchuang (holding 65% of its equity interest), and is an independent third party of our Group.