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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

See “Business — Business Strategies” for details of our future plans.

### USE OF PROCEEDS

We estimate that the net proceeds we will receive from the Global Offering (after deducting underwriting commissions, fees and anticipated expenses payable by us in connection with the Global Offering) will be approximately HK\$914.1 million, assuming the Over-allotment Option is not exercised and assuming an Offer Price of HK\$3.35 per H Share, being the mid-point of the Offer Price range of HK\$3.00 to HK\$3.70 per H Share as stated in this prospectus. If the Over-allotment Option is exercised in full, we estimate that we will receive additional net proceeds of approximately HK\$149.2 million (after deducting underwriting commissions, fees and other relevant expenses payable by us in connection with the Global Offering), assuming an Offer Price of HK\$3.35 per H Share being the mid-point of the Offer Price range of HK\$3.00 to HK\$3.70. In order to further highlight and enhance core competitiveness, to improve profitability and subsequent development capacity, and to achieve our strategic goals, we currently intend to apply these net proceeds toward developing our domestic WTE business, developing our offshore WTE business, enhancing research and development capabilities and providing further liquidity for us, details of which are as follows (assuming the Over-allotment Option is not exercised):

| <u>Amount (HK\$ in millions)</u> | <u>Percentage of the<br/>total estimated net<br/>proceeds</u> | <u>Intended use of the net proceeds</u>   |
|----------------------------------|---|---|
| 685.6 .....                      | 75%   | Developing our WTE business in the PRC through repayment of debt upon Listing (such debt, comprising RMB106.4 million in bank loans obtained by the Rushan Company, RMB254.7 million in bank loans obtained by the Wuhan Company and RMB184.5 million in bank loans obtained by the Taizhou Company, was incurred to finance project construction and carries interest rate ranging from about 6.55% to 7.21% per annum as of December 31, 2013 and maturity ranging from seven to 10 years from the Latest Practicable Date) |
| 91.4 .....                       | 10%   | Developing our offshore WTE business, particularly for further capital contribution to Blue-ocean Environment for expanding offshore projects, including conducting feasibility studies, performing environmental impact assessments and undertaking other preliminary work pursuant to the non-legally binding framework agreements to construct WTE projects in Thailand and Malaysia   |

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| Amount (HK\$ in millions) | Percentage of the<br>total estimated net<br>proceeds | Intended use of the net proceeds   |
|---------------------------|--|--|
| 45.7 .....                | 5%   | Enhancing research and development capabilities and investing in research and development of waste incineration technology, including approximately RMB5 million shall be applied to improving our 350-ton grate incinerator; approximately RMB10 million shall be applied to developing a 400-ton grate incinerator; approximately RMB5 million shall be applied to developing waste incineration flue gas purification processes; and approximately RMB10 million shall be applied towards developing oxygen-enriched waste incineration processes, among others |
| 91.4 .....                | 10%  | Providing further working capital to our Company   |

We will adjust our allocation of the net proceeds for the above purposes on a pro rata basis should the amount of the proceeds differ from the estimated amount, assuming the Over-allotment Option is not exercised. If the Offer Price is set at HK\$3.70 per H Share (being the high end of the Offer Price range), and assuming that the Over-allotment Option is not exercised, the net proceeds from the Global Offering will increase by approximately HK\$99.2 million. If the Offer Price is set at HK\$3.00 per H Share (being the low end of the Offer Price range), and assuming that the Over-allotment Option is not exercised, the net proceeds from the Global Offering will decrease by approximately HK\$99.2 million.

Additional net proceeds received due to the exercise of any Over-allotment Option will be used for the above purposes on a pro rata basis in the event that the Over-allotment Option is exercised.

To the extent that the net proceeds are not immediately applied to the above purposes, we intend to deposit the same into short-term deposits with banks or financial institutions in Hong Kong or the PRC as permitted by the relevant laws and regulations. Our PRC legal advisors, Tian Yuan Law Firm, are of the view that there is no legal impediment in remittance to the PRC provided that relevant registration with SAFE for the Listing is completed within 15 working days after the Global Offering. We will comply with the PRC laws in respect of foreign exchange registration and proceeds remittance.