This summary aims to give you an overview of the information contained in this Prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read this Prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors" in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a PRC specialty environmental protection service provider, focused on the biomass and hazardous waste treatment industries. We have a leading position in these markets in the PRC, with the fourth largest aggregate biomass power generation designed capacity and the third largest aggregate hazardous waste disposal designed capacity in China as of December 31, 2016 for projects in operation, under construction and at the planning stage, according to Frost & Sullivan. As environmental issues in China, especially air pollution and smog, together with their adverse impact on health, increasingly draw national and global attention, and with building an eco-friendly society featuring prominently as one of the core goals of the 13th Five-Year Plan, we believe that our commercial goals are well aligned with China's policy targets and social welfare and we are positioned to benefit from the continued growth of the environmental protection industry and rural development in China.

As of the Latest Practicable Date, we had a diversified portfolio of 68 projects, including 24 projects in operation, 14 projects under construction and 30 projects at the planning stage, in the following three business segments:

- *Biomass.* We utilize biomass raw materials, such as agricultural waste and forestry residue, to generate electricity and heat. As of the Latest Practicable Date, we had 37 biomass projects, including seven projects in operation, 12 projects under construction and 18 projects at the planning stage, with an aggregate power generation designed capacity of 810 MW, an aggregate biomass material processing designed capacity of 7,099,800 tons per annum, and an aggregate household waste processing designed capacity of 1,679,000 tons per annum. We target regions with abundant biomass resources and favorable government support such as Jiangsu Province and Anhui Province. Our operations tackle the escalating air pollution and smog issue in China by converting biomass raw materials into electricity and heat instead of burning them in the open air, as is commonly the case in many parts of China. At the same time, we provide benefits to farmers and the rural economy with employment opportunities during the course of biomass raw material purchases. In addition to electricity and heat generation from biomass raw materials, we have developed a unique business model of integrated biomass and waste-to-energy projects to provide one-stop services for local governments to handle both biomass raw materials and household waste at the same location. According to Frost & Sullivan, we were the only company to employ such integrated business model in China as of December 31, 2016. This business model is expected to not only maximize environmental service output but also to lower the overall costs of development and operation as compared with developing and operating these projects on a standalone basis, thereby increasing the overall investment returns of the relevant projects. As of the Latest Practicable Date, we had 12 pairs of integrated biomass and waste-to-energy projects accounting for 23 of our projects[(1)], among which one pair was in operation and the remaining 11 pairs were under construction or at the planning stage. With increasingly severe air pollution, in particular, the smog across China and abundant biomass resources in the rural area, we believe that our biomass business will continue to benefit from strong policy support and has the potential to achieve rapid and sustainable growth.

- *Hazardous waste treatment*. We collect and safely dispose of hazardous waste to minimize its environmental impact. As of the Latest Practicable Date, we had 22 hazardous waste treatment projects, including eight projects in operation, two projects under construction and 12 projects at the planning stage, with an aggregate hazardous waste disposal designed capacity of 504,150 tons per annum. We target regions with a high degree of industrialization and waste production such as Jiangsu Province and Shandong Province and seek to build waste treatment facilities in or close to industrial zones to ensure continuous and stable demand for our services. We currently have the ability to treat 42 out of 46 categories of hazardous waste listed in the National Catalog of Hazardous Waste. According to Frost & Sullivan, the hazardous waste disposal industry in China is highly fragmented and has a shortage of treatment capacity. We believe that our hazardous waste treatment business has strong growth potential driven by the increasingly stringent pollution discharge standards and rigorous enforcement in China.

- *Solar energy and wind power*. We operate solar energy and wind power facilities to generate electricity. As of the Latest Practicable Date, we had seven solar energy projects and two wind power projects in operation with an aggregate power generation designed capacity of 125.9 MW.

We benefit from favorable policy and industry trends. The PRC environmental protection industry as a whole, and the biomass and hazardous waste treatment industries in particular, have grown rapidly. According to Frost & Sullivan, the biomass energy generation capacity and the hazardous waste output in China grew at a CAGR of 16.3% and 5.3%, respectively, from 2011 to 2016. We believe the actual number for output of hazardous waste and its growth in China could be higher due to the large quantity of illegal disposal of hazardous waste. Favorable policy support, including preferential on-grid tariffs, mandatory offtake of electricity, governmental subsidies and beneficial tax treatment, as well as the increasingly stringent environmental standards and intensified enforcement, have all contributed to the rapid growth of the environmental protection industry as well as our own growth. According to Frost & Sullivan, supported by the favorable policy environment, growing public awareness and heavy investment from the PRC government, the environmental protection industry in China is expected to continue to grow, and investment in this industry is expected to grow at a CAGR of 17.5% from RMB1,600.0 billion in 2017 to RMB3,049.4 billion in 2021. We believe that our

(1) Note: For Zhongjiang Integrated Biomass and Waste-to-Energy Projects, we will sign another concession agreement for the waste-to-energy project and therefore we did not calculate the waste-to-energy project into the total number of projects at the current stage.

diversified and strategically located portfolio and strong pipeline of projects will enable us to capitalize on these favorable industry trends to further expand and achieve sustainable growth in the future.

We have expanded rapidly during the Track Record Period. The following table sets forth certain key statistics regarding our projects during the Track Record Period:

	As of January 1, 2014	As of December 31,			As of the Latest Practicable Date
		2014	2015	2016	
Projects in operation	11	13	15	24	24
Biomass	1	2	2	7	7
Hazardous waste treatment	3	4	4	8	8
Solar energy and wind power	7	7	9	9	9
Projects under construction	2	5	9	14	14
Biomass	1	—	5	12	12
Hazardous waste treatment	1	3	4	2	2
Solar energy and wind power	—	2	—	—	—
Projects at the planning stage	7	11	21	25	30
Biomass	—	6	16	13	18
Hazardous waste treatment	5	5	5	12	12
Solar energy and wind power	2	—	—	—	—
Total designed capacity(1):					
Power generation (MW)	185.9	290.9	573.9	807.9	935.9
Hazardous waste treatment (ton/year)	230,000	271,150	293,150	504,150	504,150

Note:

(1) Includes designed capacity of projects in operation, under construction and at the planning stage.

Our total revenue increased from HK$1,057.8 million in 2014 to HK$1,203.2 million in 2015, and further increased to HK$3,000.1 million in 2016. Our profit for the year increased from HK$199.7 million in 2014 to HK$271.4 million in 2015, and further increased to HK$629.5 million in 2016. Our EBITDA increased from HK$306.4 million in 2014 to HK$441.8 million in 2015, and further increased to HK$982.6 million in 2016.

OUR BUSINESS MODEL

As of the Latest Practicable Date, we had a total of 68 projects, including 24 projects in operation, 14 projects under construction and 30 projects at the planning stage. Of these projects, 66 are projects under either Build-Own-Operate ("**BOO**") or Build-Operate-Transfer ("**BOT**") model with local government customers. In addition to our projects under BOO or BOT model, we acquired one hazardous waste treatment project, Lianyungang Hazardous Waste Incineration Project (Phase I) in Lianyungang, Jiangsu Province, and one ground solar energy project, the German Ground Solar Energy Project, in Germany, both from independent third parties.

BOO Model

Under this model, the project company is responsible for designing, financing, constructing, operating and managing the project. Our management and key technicians are actively involved in each step, assuring high levels of business efficiency and regulatory compliance throughout our operations. During the operating period, the project company owns and operates the facility independently and retains all operation revenue. Under the BOO model, we obtain the ownership of the relevant facilities developed and operated by us. The relevant central or local government authorities may offer financial incentives for BOO projects, such as preferential on-grid tariffs, mandatory electricity offtake, tax exemptions and refunds, and governmental subsidies. As of the Latest Practicable Date, we had 58 projects under the BOO model, including 17 projects in operation, 14 projects under construction and 27 projects at the planning stage. For further details of contractual terms, see "Business — Our Customers — BOO and BOT Models."

BOT Model

Similar to the BOO model, the project company is responsible for designing, financing, constructing, operating and managing the project. Our management and key technicians are actively involved in each step, assuring high levels of business efficiency and regulatory compliance throughout our operations. During the concession period, which usually lasts between 20 to 30 years, the project company has the concession rights and owns and operates the facility independently and retains all operation revenue. Unlike the BOO model, the ownership of the facility under the BOT model will be transferred to the government at the end of the concession period at nil consideration. The relevant central or local government authorities may offer financial incentives for BOT projects, such as preferential on-grid tariffs, mandatory electricity offtake, tax exemptions and refunds, and governmental subsidies. As of the Latest Practicable Date, we had eight projects under the BOT model, including five projects in operation and three projects at the planning stage. For further details of contractual terms, see "Business — Our Customers — BOO and BOT Models."

Regardless of whether they are under the BOO or BOT model, most of our projects have the following characteristics:

- We develop biomass project in the regions with appropriate demand for power, supply of land and raw materials, and support from local and regional governments. Similarly, we develop hazardous waste treatment project in the regions with appropriate demand for hazardous waste treatment services, supply of land and landfill, and support from local and regional governments.

- We enter into long-term contracts with government customers or private-sector customers under which the customers commit to purchase power, household waste or hazardous waste treatment services respectively. Typically, the purchase price for electricity is fixed when our biomass, solar energy and wind power projects commence commercial operation, while the contracts for household waste or hazardous waste treatment specify the minimum volumes and prices, or establish parameters to determine future prices.

- We fund the upfront construction cost of each project.

- We receive payments from customers in the operational phase of each project, typically 20-30 years.

- Through the payment received from customers, we recoup project construction cost, cover our operational cost, and earn profits.

- As a result of this business model, we incur significant cash outflows in the early years of a project, and are exposed to operational risk and the credit risk of our customers until the end of the service period as stipulated in the contract.

- In addition, due to the accounting treatment of some of our projects, there is a substantial difference between the accounting revenue and the cash flow over the life of the project. Generally, in the early years of such projects, the project revenue, as recognized on the income statement, is significantly higher than the cash flow from that project. See "Financial Information — Impact of the Accounting Treatment for Service Concession Arrangements — Projects Accounted for as Service Concession Arrangements."

CONCENTRATION

Our operations and customers are concentrated principally in Anhui Province and Jiangsu Province. As of the Latest Practicable Date, we had 24 projects in operation, out of which six are located in Anhui Province and 14 are located in Jiangsu Province, and 44 pipeline projects, out of which ten are located in Anhui Province and 15 are located in Jiangsu Province. For the years ended December 31, 2014, 2015 and 2016, revenues contributed by projects in Anhui Province and Jiangsu Province accounted for 99.3%, 97.4% and 89.8% of our total revenues, respectively. See "Risk Factors — Risks Relating to Our Business and Industry — Our projects are geographically concentrated and may be affected by local policies, events and economic conditions, especially in Anhui Province and Jiangsu Province." For the years ended December 31, 2014, 2015 and 2016, our five largest customers were power grid companies and local governments in Anhui Province and Jiangsu Province, which collectively accounted for approximately 90.2%, 78.8% and 60.1% of our total revenues, respectively. See "Risk Factors — Risks Relating to Our Business and Industry — Our projects rely on a limited number of power purchasers."

PROJECT PROPOSAL

Once we have identified a new potential project, we will go through our budgeting process and review its potential return. For each potential project, our investment development department will obtain the proposed project specifications such as the expected power or steam generation capacity, waste treatment capacity, and site location from the relevant local government. Based on such specifications, our construction department will prepare a technical plan with respect to each potential project, and our budgeting department will provide an estimate of the total construction costs based on the costs of land, buildings and equipment. Estimated costs for construction of projects typically consist of engineering and installation cost, equipment cost, land cost, staff cost and other costs such as design cost and inspection cost. Our finance management department will adjust variables relating to funding, such as interest rate assumptions, to finalize the budget for the relevant project. Our finance management department will also make an internal forecast for the potential return of the project based on the expected on-grid tariff, hazardous waste treatment fees, and raw material costs. We assume that the current on-grid tariff will continue to be available and not adjusted with retrospective effect during the period of concession or the expected useful life of the relevant facility. We also consider raw material prices based on the actual price available in the same region as adjusted for inflation over the period. The expected future cash flow is then discounted to a present value for the calculation of the rate of return. We typically seek projects that have a rate of return greater than 10% for all of our projects. The entire proposal is submitted to our construction and technical committee for approval relating to the technical aspects, and to our project risk management committee for approval relating to the financial and legal aspects. For all of our projects, the proposal is further submitted to the management committee and the board of directors for approval.

INDUSTRY AND COMPETITIVE LANDSCAPE

We are regarded as a specialty environment protection service provider in that we have a special focus on both solid waste treatment and clean energy businesses. See "Industry Overview — Specialty Environmental Protection Service Providers in China." We are one of a few environmental protection service providers that provide services across both hazardous waste treatment and clean energy industry in China and have a leading market position in both sectors, with the fourth largest aggregate biomass power generation designed capacity and the third largest aggregate hazardous waste disposal designed capacity in China as of December 31, 2016 for projects in operation, under construction and at the planning stage, according to Frost & Sullivan.

In the biomass segment, as of December 31, 2016, we had 145MW aggregate biomass power generation designed capacity for projects in operation and ranked eighth in China whereas we ranked 13th as of December 31, 2015, according to Frost & Sullivan. The two largest biomass power generation companies, Kaidi and NBE, accounted for 16.3% and 14.8%, respectively, of the total market share in 2016 in terms of aggregate biomass power generation designed capacity for projects in operation while we accounted for 2.2% of the total market share in 2016 according to Frost & Sullivan. In the hazardous waste treatment segment, as of December 31, 2016 we had an aggregate hazardous waste disposal designed capacity of 131.0 thousand tons for projects in operation and ranked fifth in China whereas we ranked eighth as of December 31, 2015, according to Frost & Sullivan. The two largest hazardous waste treatment companies, Dongjiang Environment Company Limited and Veolia Environment Group, accounted for 3.2% and 1.1%, respectively, of the total market share in terms of aggregate hazardous waste disposal designed capacity for projects in operation while we accounted for 0.6% of the total market share in 2016 according to Frost & Sullivan.

OUR STRENGTHS

We believe that the following competitive strengths distinguish us from our competitors:

- A leader in the fast-growing environmental protection industry with substantial potential for further growth

- Diversified business segments with strategically selected project portfolio

- Rapid historic growth and significant growth prospects founded on the "Everbright" brand

- Strong project pipeline, efficient execution capabilities and strong financing capacity to achieve rapid growth

- Experienced and market-driven management team with strong execution capabilities

OUR STRATEGIES

We aim to execute the following strategies to expand our business and maintain and enhance our position in China's environmental protection industry:

- Seize policy opportunities in the environmental protection industry, further expand market share and develop a more diversified project portfolio

- Improve operational efficiency and technology research and development to strengthen our organic growth

- Enhance our integrated service capability and achieve synergies of multiple business segments

- Continue to implement ESHS system and risk management system to ensure our sustainable and stable development

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth a summary of our consolidated financial information, which is derived from the audited consolidated financial information as of and for the years ended December 31, 2014, 2015 and 2016 in the Accountants' Report set forth in Appendix I to this Prospectus.

Summary Consolidated Income Statements

	Year ended December 31,					
	2014		2015		2016	
	Amount	%	Amount	%	Amount	%
	(HK$ in thousands, except percentages)					
Revenue	1,057,784	100.0	1,203,198	100.0	3,000,131	100.0
Direct costs and operating expenses	(764,720)	(72.3)	(768,662)	(63.9)	(2,008,620)	(67.0)
Gross profit	293,064	27.7	434,536	36.1	991,511	33.0
Other revenue	21,693	2.1	37,858	3.2	67,897	2.3
Other loss	(54)	(0.0)	(1,275)	(0.1)	(9,684)	(0.3)
Administrative expenses	(63,425)	(6.0)	(101,710)	(8.5)	(197,747)	(6.6)
Profit from operations	251,278	23.8	369,409	30.7	851,977	28.4
Finance costs	(26,228)	(2.5)	(41,202)	(3.4)	(67,715)	(2.3)
Share of loss of a joint venture	—	—	(461)	(0.0)	(867)	(0.0)
Profit before taxation	225,050	21.3	327,746	27.3	783,395	26.1
Income tax	(25,373)	(2.4)	(56,302)	(4.7)	(153,873)	(5.1)
Profit for the year	199,677	18.9	271,444	22.6	629,522	21.0

Non-HKFRS Measures

	Year ended December 31,					
	2014		2015		2016	
	Amount	%(2)	Amount	%(2)	Amount	%(2)
	(HK$ in thousands, except percentages)					
EBIT(1)	251,278	23.8	368,948	30.7	851,110	28.4
EBITDA(1)	306,430	29.0	441,849	36.7	982,617	32.8

Notes:

(1) For a reconciliation of EBIT and EBITDA to the most directly comparable financial measure calculated and presented in accordance with HKFRS, which is profit for the year, see "Financial Information — Other Financial Measures" on page 346 of this Prospectus.

(2) EBIT margin is calculated by dividing EBIT by revenue. EBITDA margin is calculated by dividing EBITDA by revenue.

The following table sets forth the segment EBITDA of our projects in pre-operating and operating stages for the years indicated. The segment EBITDA does not include unallocated head office and corporate income and expenses.

	Year ended December 31,		
	2014	2015	2016
	(HK$ in thousands)		
Biomass	153,068	300,613	666,684
Pre-operating	69,330	173,333	496,020
Operating	83,738	127,280	170,664
Hazardous waste treatment	92,142	82,156	188,799
Pre-operating	42,268	(6,187)	1,138
Operating	49,874	88,343	187,661
Solar energy and wind power	63,113	77,693	198,805
Pre-operating	(2,496)	(3,531)	—
Operating	65,609	81,224	198,805
	308,323	460,462	1,054,288

Summary Consolidated Statements of Financial Position

	As of December 31,		
	2014	2015	2016
	(HK$ in thousands)		
Non-current assets	2,697,246	3,962,291	5,878,984
Current assets	863,241	1,604,635	1,584,563
Total assets	3,560,487	5,566,926	7,463,547
Current liabilities	675,970	775,639	1,294,780
Net current assets	**187,271**	**828,996**	**289,783**
Non-current liabilities	2,256,416	1,870,152	1,968,185
Total liabilities	**2,932,386**	**2,645,791**	**3,262,965**
Total equity	**628,101**	**2,921,135**	**4,200,582**

Summary Consolidated Cash Flow Statements

	Year ended December 31,		
	2014	2015	2016
	(HK$ in thousands)		
Net cash generated from/(used in) operating activities	313,523	(29,870)	500,455
Net cash used in investing activities	(1,018,824)	(1,099,716)	(1,617,632)
Net cash generated from financing activities	964,006	1,624,084	996,604
Net increase/(decrease) in cash and cash equivalents	258,705	494,498	(120,573)
Cash and cash equivalents at the beginning of the year	318,433	569,142	1,044,475
Effect of foreign exchange rates change	(7,996)	(19,165)	(37,692)
Cash and cash equivalent at the end of the year	**569,142**	**1,044,475**	**886,210**

KEY FINANCIAL RATIOS

The following table sets out a summary of certain financial ratios as of the dates or for the years indicated:

	Year ended December 31,		
	2014	2015	2016
Return on assets[(1)]	7.0%	5.9%	9.7%
Return on equity[(2)]	36.8%	15.3%	17.7%
Current ratio[(3)]	1.3×	2.1×	1.2×
Quick ratio[(4)]	1.2×	2.0×	1.2×
Asset-liability ratio[(5)]	82.4%	47.5%	43.7%
Gearing ratio[(6)]	91.0%	39.6%	46.9%
Interest coverage ratio[(7)]	11.7×	10.7×	14.5×

Notes:

(1) Return on assets is calculated by dividing profit for the year by the average of total assets as of the beginning of the year and the end of the year.

(2) Return on equity is calculated by dividing profit for the year by the average of total equity as of the beginning of the year and the end of the year.

(3) Current ratio is calculated by dividing current assets by current liabilities at the end of each year.

(4) Quick ratio is calculated by dividing current assets less inventories by current liabilities at the end of each year.

(5) Asset-liability ratio is calculated by dividing total liabilities by total assets at the end of each year.

(6) Gearing ratio is calculated by dividing total bank loans by total equity at the end of each year.

(7) Interest coverage ratio is calculated by dividing our EBITDA by our finance costs for each year.

KEY FINANCIAL AND OPERATIONAL DATA BY SEGMENT

The following tables set forth a breakdown of our revenue, gross profit and gross profit margin by segment and by revenue source for the years indicated:

	Year ended December 31,					
	2014		2015		2016	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue
	(HK$ in thousands, except percentages)					
Biomass						
Construction service	312,994	29.6	590,941	49.1	1,963,575	65.4
Operation service	219,647	20.8	348,989	29.0	459,840	15.3
Finance income	—	—	6,390	0.5	25,838	0.9
Hazardous Waste Treatment						
Construction service	357,748	33.8	44,269	3.7	84,991	2.8
Operation service	81,545	7.7	107,587	9.0	240,033	8.0
Finance income	13,798	1.3	12,338	1.0	10,739	0.4
Solar energy and wind power	72,052	6.8	92,684	7.7	215,115	7.2
Total	1,057,784	100.0	1,203,198	100.0	3,000,131	100.0

	Year ended December 31,					
	2014		2015		2016	
	Gross Profit	Margin %	Gross Profit	Margin %	Gross Profit	Margin %
	(HK$ in thousands, except percentages)					
Biomass						
Construction service	78,913	25.2	171,911	29.1	511,898	26.1
Operation service	61,936	28.2	103,959	29.8	121,341	26.4
Finance income	—	—	6,390	—	25,838	—
Hazardous Waste Treatment						
Construction service	51,464	14.4	6,017	13.6	11,529	13.6
Operation service	39,275	48.2	73,413	68.2	165,642	69.0
Finance income	13,798	—	12,338	—	10,739	—
Solar energy and wind power	47,678	66.2	60,508	65.3	144,524	67.2
Total	293,064	27.7	434,536	36.1	991,511	33.0

Revenue generated from our biomass business increased by 77.7% from HK$532.6 million in 2014 to HK$946.3 million in 2015, and further increased by 158.8% to HK$2,449.3 million in 2016. The continuous increase in the revenue generated from our biomass business over the Track Record Period was primarily due to an increase in our construction revenues related to our biomass pipeline projects and an increase in our operation revenues as our biomass projects started operation. Revenue generated from our hazardous waste treatment business decreased by 63.8% from HK$453.1 million in 2014 to HK$164.2 million in 2015, primarily because construction revenue was recognized in 2014 from the construction of Binhai Hazardous Waste Landfill Project and Guanyun Hazardous Waste Landfill Project which were under construction in 2014 and most construction of these projects had been completed before 2015, but increased by 104.5% to HK$335.8 million in 2016, primarily due to an increase in our construction revenues related to Xinyi Hazardous Waste Incineration Project which commenced construction in the second half of 2015, and an increase in operation revenues from our hazardous waste treatment projects in operation, in particular, Suzhou Hazardous Waste Landfill Projects, Binhai Hazardous Waste Landfill Project, Guanyun Hazardous Waste Landfill Project and Suqian Hazardous Waste Landfill Project as a result of increase in the volume of hazardous waste we received for treatment. Revenue generated from our solar energy and wind power business increased by 28.6% from HK$72.1 million in 2014 to HK$92.7 million in 2015, and further increased by 132.1% to HK$215.1 million in 2016 primarily due to our Ningwu Wind Power Projects which started generating revenue since September 2015.

Gross profit from operations represents the excess of revenue over direct costs and operating expenses. Since the gross profit margin of operation services and construction services are similar for our biomass business, gross profit margin of our biomass business fluctuated but remained relatively stable during the Track Record Period being 26.4%, 29.8% and 26.9%, respectively, despite the fluctuation in the proportion of construction service revenue and operation service revenue. In comparison, gross profit margin of our hazardous waste treatment business fluctuated significantly during the Track Record Period being 23.1%, 55.9% and 56.0%, respectively, as a result of changes in the number of projects under construction accounted for as service concession arrangements because gross profit margin for construction service revenue is much lower than gross profit margin for operation service revenue for our hazardous waste treatment business. Gross profit margin of our solar energy and wind power business remained relatively stable during the Track Record Period being 66.2%, 65.3% and 67.2%, respectively.

The following table sets forth a breakdown of certain operational data by segment for the years indicated:

	Year ended December 31,		
	2014	**2015**	**2016**
Biomass			
Electricity sold (MWh)	271,167	440,641	618,718
Average on-grid tariff (RMB/KWh)	0.75	0.75	0.75
Biomass material processed (ton)	359,576	520,159	728,142
Household waste processed (ton)	—	—	73,526
Utilization rate (%)	82.2%	90.8%	86.8%
Hazardous waste treatment			
Hazardous waste collected (ton)	60,740.3	52,340.7	99,639.7
Average waste treatment fee (RMB/ton)	1,490.7	2,171.9	2,413.6
Solar energy			
Electricity sold (MWh)	29,829	28,909	28,134
Average on-grid tariff (RMB/KWh)	2.25	2.23	2.27
Wind power			
Electricity sold (MWh)	—	41,586	244,556
Average on-grid tariff (RMB/KWh)	—	0.61	0.61

KEY FINANCIAL DATA BY OPERATIONAL PHASES

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin by stage of projects, i.e. construction stage and operation stage (finance income is recognized during both construction and operation stages), for the years indicated:

	Year ended December 31,								
	2014			2015			2016		
	Revenue	Gross Profit	Gross Profit Margin %	Revenue	Gross Profit	Gross Profit Margin %	Revenue	Gross Profit	Gross Profit Margin %
	(HK$ in thousands, except percentage)								
Construction revenue	670,742	130,377	19.4	635,210	177,928	28.0	2,048,566	523,427	25.6
Operation revenue	373,244	148,889	39.9	549,260	237,880	43.3	914,988	431,507	47.2
Finance income	13,798	13,798	—	18,728	18,728	—	36,577	36,577	—
Total	**1,057,784**	**293,064**	**27.7**	**1,203,198**	**434,536**	**36.1**	**3,000,131**	**991,511**	**33.0**

IMPACT OF ACCOUNTING TREATMENT OF SERVICE CONCESSION ARRANGEMENTS

All of our biomass and hazardous waste treatment projects under BOT model are accounted for as service concession arrangements under HKFRS. Certain of our biomass and hazardous waste treatment projects under BOO model, are accounted for, on a case-by-case basis, as service concession arrangements under HKFRS, primarily based on whether the local government controls and regulates the services that we must provide along with the infrastructure at a pre-determined service charge. See "Financial information — Impact of the Accounting Treatment For Service Concession Arrangements". For our projects under BOT model that are accounted for as service concession arrangements, the relevant infrastructure has to be transferred to the local government at nil consideration upon the expiry of the relevant agreement. For our projects under BOO model that are accounted for as service concession arrangements, the relevant infrastructure is used under the arrangement for its entire or substantial useful life.

For projects that are accounted for as service concession arrangements under HKFRS, we recognize revenue during both the construction phase and the operational phase but the actual cash flow will only be received and recognized during the operational phase as payments for our operational services. As a result of this accounting treatment, there is a mismatch between the recognition of revenues and the underlying cash flows for such projects. Such accounting treatment and the substantial subjective judgment in connection with such treatment have had and will continue to have a material impact on our results of operations and financial position.

The following table sets forth a breakdown of our revenues by whether they are accounted for as service concession arrangements for the years indicated:

	Year ended December 31,					
	2014		2015		2016	
	Amount	%	Amount	%	Amount	%
	(HK$ in thousands, except percentages)					
Service concession arrangements						
Construction service	670,742	63.4	635,210	52.8	2,048,566	68.3
Operation service	294,620	27.9	447,248	37.2	592,519	19.8
Finance income	13,798	1.3	18,728	1.5	36,577	1.2
	979,160	92.6	1,101,186	91.5	2,677,662	89.3
Non-service concession arrangements	78,624	7.4	102,012	8.5	322,469	10.7
Total	1,057,784	100.0	1,203,198	100.0	3,000,131	100.0

The following table sets forth a breakdown of our projects, including our projects in operation and projects under construction, by whether they are accounted for as service concession arrangements at the end of the years indicated.

	Year ended December 31,		
	2014	2015	2016
Service concession arrangements:			
Biomass	2	6	17(1)
Hazardous waste treatment	5	6	6(2)
Total	**7**	**12**	**23**
Non-service concession arrangements:			
Biomass	—	1	2
Hazardous waste treatment	2	2	4
Solar energy and wind power	9	9	9
Total	**11**	**12**	**15**

Notes:

(1) Includes Dangshan Integrated Biomass and Waste-to-Energy Project (Biomass), Hanshan Biomass Direct Combustion Project, Sucheng Biomass Heat Supply Project, Xuyi Biomass Electricity and Heat Cogeneration Project, Dingyuan Biomass Direct Combustion Project, Lingbi Integrated Biomass and Waste-to-Energy Project (Biomass), Nanqiao Biomass Direct Combustion Project, Xiao County Integrated Biomass and Waste-to-Energy Project (Biomass), Guanyun Integrated Biomass and Waste-to-Energy Project (Biomass), Mianzhu Integrated Biomass and Waste-to-Energy Project (Biomass), Fengyang Integrated Biomass and Waste-to-Energy Project (Biomass) and Yeji Biomass Electricity and Heat Cogeneration Project, all of which are accounted for as service concession arrangements with intangible assets, and Dangshan Integrated Biomass and Waste-to-Energy Project (Waste-to-Energy), Lingbi Integrated Biomass and Waste-to-Energy Project (Waste-to-Energy), Xiao County Integrated Biomass and Waste-to-Energy Project (Waste-to-Energy), Guanyun Integrated Biomass and Waste-to-Energy Project (Waste-to-Energy) and Fengyang Integrated Biomass and Waste-to-Energy Project (Waste-to-Energy), all of which are accounted for as service concession arrangements with gross amounts due from customers for contract work.

(2) Includes Suzhou Hazardous Waste Landfill Project (Phase I), Suzhou Hazardous Waste Landfill Project (Phase II) and Suqian Hazardous Waste Landfill Project, all of which are accounted for as service concession arrangements with gross amounts due from customers for contract work, and Guanyun Hazardous Waste Landfill Project, Binhai Hazardous Waste Landfill Project and Xinyi Hazardous Waste Incineration Project, all of which are accounted for as service concession arrangements with intangible assets.

Projects Accounted for as Service Concession Arrangements

For projects accounted for as service concession arrangements, we recognize non-cash revenue during the construction phase, which appears in our financial statements as "construction service revenue." Revenue of our construction services for each project is generally recognized as a percentage of the fair value of the completed project based on the progress of construction work, and therefore is mainly affected by the number of projects under construction, the estimated fair value of those projects at completion, and the stage of completion. An increase in the number of projects under construction and progress of construction work for individual projects would lead to an increase of our construction service revenues. As the number of projects under construction depends on the timing of sourcing new pipeline projects and may fluctuate from period to period, revenue from our construction services may fluctuate accordingly. For accounting policies related to construction contracts, see "Financial Information — Critical Accounting Policies, Estimates and Judgments — Construction Contracts."

We also recognize finance income as other receivables in the statement of financial position during both the operational and construction phases for projects that are accounted for as service concession arrangements with financial assets recorded during the construction phase. Finance income represents the amount of interest accrued on the outstanding balance of the gross amounts due from customers for contract work using the effective interest method at the prevailing PBOC rate at the time we enter into the relevant agreement.

The following table sets forth our revenue from projects accounted for as service concession arrangements for the years indicated:

	Year ended December 31,					
	2014		2015		2016	
	Amount	%	Amount	%	Amount	%
	(HK$ in thousands, except percentages)					
Construction service	670,742	68.5	635,210	57.7	2,048,566	76.5
Operation service	294,620	30.1	447,248	40.6	592,519	22.1
Finance income	13,798	1.4	18,728	1.7	36,577	1.4
Total	**979,160**	**100.0**	**1,101,186**	**100.0**	**2,677,662**	**100.0**

The fair value of our construction services, which is recognized over the construction phase of a project as construction service revenue, is based on the valuation prepared by independent third party valuers, Grant Sherman Appraisal Limited and RHL Appraisal Limited, and is derived from the construction costs estimated by us at the time of valuation plus their respective mark-up, which is determined by the valuer with reference to publicly available information regarding the operating margins of selected comparable companies that provide construction services to similar projects in the PRC. We have established relevant procedures in approving our budgets for construction costs. See "— Project Proposal." For all of our projects, the proposal is submitted to the management committee and the board of directors for approval. After our board of directors approves the budget for construction cost, it will be used by the valuer in determining the valuation of our construction service.

In appraising our construction services, Grant Sherman Appraisal Limited and RHL Appraisal Limited also consider, among other things, the amount of investment, capacity, construction period and other characteristics of the construction services, and study the market conditions of projects in the relevant industry.

While we record revenue on the income statement during the construction phase, we record the relevant construction contracts in progress at the end of the reporting period in the statement of financial position either as "intangible assets" or "gross amounts due from customers for contract work" depending on whether the revenue stream under the relevant construction contract is guaranteed. If the revenue stream is not guaranteed, the construction contracts will be recorded as "intangible assets" and if the revenue stream under the construction contracts is guaranteed, the construction contracts will be recorded as "gross amounts due from customers for contract work". See "Financial Information — Critical Accounting Policies, Estimates and Judgments — Construction Contracts."

For projects accounted for as service concession arrangements with intangible assets recorded during the construction phase, such as most of our biomass projects (other than the waste-to-energy portion), the entire service fees we receive during the operational phase will be recorded as revenue from operation services, while the intangible assets we record in relation to the revenue generated from construction services will be amortized over the estimated useful life on a straight-line basis. See "Financial Information — Critical Accounting Policies, Estimates and Judgments — Intangible Assets."

With respect to each project accounted for as service concession arrangement with financial assets recorded during the construction phase, we recognize construction revenue as gross amounts due from customers for contract work during the construction phase, and recognize finance income as other receivables during both the operational and construction phases. Finance income represents the amount of interest accrued on the outstanding balance of the gross amounts due from customers for contract work using the effective interest method at the prevailing PBOC rate at the time we enter into the relevant agreement. The interest rates ranged from 5.15% to 6.91% per annum during our Track Record Period. The financial assets, which consist of gross amounts due from customers for contract work and other receivables, are offset by a portion of cash receipt generated as service fee (recorded as progress billings) on a straight-line basis during the operational phase such that the balance of the relevant financial assets will be reduced to zero at the end of the concession period. The remaining portion of the cash receipt generated as service fee is then recorded as operation revenue. As such, upon the commencement of the operational phase, based on the total balance of the financial assets with respect to a project as of that time, the amount of cash receipt to be allocated to offset the financial assets for each year over the remaining concession period is fixed, while the actual cash receipt from our operation services may fluctuate from period to period.

For projects with construction revenue recognized as intangible assets, the intangible assets are amortized on a straight-line basis over the period of their useful lives. Accordingly, upon the commencement of the operational phase, assuming the operating scale and pricing of operation services remain the same each year, the revenue, which only consists of income generated from operation services, is expected to remain stable over the operational phase. For projects with construction revenue recognized as financial assets, operation revenue accounts for the majority of the revenue during the operational phase while finance income accounts for the remainder. Finance income decreases as the outstanding balances of the financial assets decrease over the operational phase. Accordingly, upon the commencement of the operational phase, assuming the operating scale and pricing of operation services remain the same each year, the revenue, which consists of operation service revenue and finance income, is expected to decrease over the operational phase.

Intangible assets and gross amounts due from customers for contract work are subject to impairment testing when there is an impairment indicator. An example of an impairment indicator is the case that we do not receive sufficient cash payments during the operational phase if the relevant project does not materialize or if the actual cash receipts in the operational phase are smaller than expected. Besides, intangible assets that are not yet available for use are subject to impairment testing throughout the concession period of which the recoverable amount is estimated annually as to whether or not there is any indication of impairment. See "Financial Information — Critical Accounting Policies, Estimates and Judgments — Impairment of Receivables," "Financial Information — Critical Accounting Policies, Estimates and Judgments — Impairment of Other Assets," and "Risk Factors — Risks Relating to Our Business and Industry — Our results may fluctuate due to our accounting treatment with respect to service concession arrangements." We did not incur any impairment or write-offs related to insufficient cash payments in the operational phases of our projects accounted for as service concession arrangements during the Track Record Period.

Most of our biomass projects and some of our hazardous waste treatment projects as of Latest Practicable Date are accounted for as service concession arrangements. The construction contracts for the biomass portion of our integrated biomass and waste-to-energy projects and some of our hazardous waste treatment projects are recorded under "intangible assets," while the construction contracts for the waste-to-energy portion of our integrated biomass and waste-to-energy projects and some of our hazardous waste treatment projects are recorded under "gross amounts due from customers for contract work". The following table sets forth a breakdown of the construction revenue recorded under intangible assets and gross amounts due from customers for contract work for projects accounted for as service concession arrangements during the Track Record Period.

Construction revenue recorded as additions to:	**Year ended December 31,**		
	2014	**2015**	**2016**
	(HK$ in thousands)		
Intangible assets	670,742	401,090	1,533,543
Gross amounts due from customers for contract work	—	234,120	515,023
Total	670,742	635,210	2,048,566

The following roll forward table sets forth the movement in the balances of intangible assets during the Track Record Period. Construction revenue allocated to the intangible assets is shown as the "additions" in the following roll forward table which increase the balance of the intangible assets.

	Intangible Assets		
	Biomass project operating rights	Hazardous waste treatment project operating rights	Total
		(HK$ in thousands)	
Cost:			
At January 1, 2014	692,062	83,130	775,192
Exchange adjustments	(20,986)	(5,776)	(26,762)
Additions	312,994	357,748	670,742
At December 31, 2014	984,070	435,102	1,419,172
Accumulated amortization:			
At January 1, 2014	38,463	—	38,463
Exchange adjustments	(1,225)	—	(1,225)
Charge for the year	23,132	—	23,132
At December 31, 2014	60,370	—	60,370
Net book value:			
At December 31, 2014	923,700	435,102	1,358,802
Cost:			
At January 1, 2015	984,070	435,102	1,419,172
Exchange adjustments	(50,396)	(18,801)	(69,197)
Additions	356,821	44,269	401,090
At December 31, 2015	1,290,495	460,570	1,751,065
Accumulated amortization:			
At January 1, 2015	60,370	—	60,370
Exchange adjustments	(3,418)	—	(3,418)
Charge for the year	32,484	—	32,484
At December 31, 2015	89,436	—	89,436
Net book value:			
At December 31, 2015	1,201,059	460,570	1,661,629
Cost:			
At January 1, 2016	1,290,495	460,570	1,751,065
Exchange adjustments	(151,501)	(34,001)	(185,502)
Additions	1,456,593	76,950	1,533,543
At December 31, 2016	2,595,587	503,519	3,099,106
Accumulated amortization:			
At January 1, 2016	89,436	—	89,436
Exchange adjustments	(7,563)	(249)	(7,812)
Charge for the year	36,171	5,497	41,668
At December 31, 2016	118,044	5,248	123,292
Net book value:			
At December 31, 2016	2,477,543	498,271	2,975,814

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that intangible assets may be impaired or an impairment loss previously recognized no longer exists or may have decreased. If any such indication exists, the intangible assets' recoverable amount is estimated. In addition, for intangible assets that are not yet available for use, the recoverable amount is estimated annually whether or not there is any indication of impairment. As of December 31, 2014, 2015 and 2016, there were certain projects that had not commenced operation, the amounts of the project operating rights of these projects were HK$435.1 million, HK$806.4 million and HK$894.9 million respectively.

The recoverable amount of each of these operating rights recognized as intangible assets was determined based on value-in-use calculations, i.e. the present value of the future cash flows expected to be derived from the projects. The cash flow projections are based on the most recent financial budgets approved by the senior management covering a budget period of five years. The financial budgets are prepared primarily based on the service agreements governing the relevant projects together with key assumptions such as utilization rates and gross profit margins that represent the senior management's best estimate of the set of economic conditions that will exist over the period. Such key assumptions are supported by historical data of existing projects with similar production capacity, technologies and type of biomass materials processed or hazardous waste treated.

For example, the utilization rate and gross profit margins used for determining the recoverable amount of our biomass project operating rights are supported by our existing biomass facilities' historical utilization rates which in turn are primarily affected by the quality and conversion rate of the biomass raw materials available to us, as well as our historical tariffs and our cost of biomass materials. We expect our historical utilization rate to be a reasonable indication of our utilization rate going forward because we have been able to effectively control the quality of the biomass raw materials available to us and we have been able to maintain a relatively stable conversion rate based on our quality control measures and the mature technologies we employ at our biomass facilities; as such, we do not expect any material change in the quality and conversion rate of our biomass raw materials as well as the utilization rate of our biomass facilities. We expect our historical gross profit margins to be a reasonable indication of our gross profit margins going forward because we have been able to maintain tariffs at a stable level and we have been able to effectively control the cost of our biomass materials as a result of our comprehensive and robust biomass supply networks. See "Business — Our Biomass Business — Our Biomass Supply Networks."

The cash flow projections beyond the budget period are extrapolated using an estimated inflation rate of 2% which does not exceed the average long-term growth rates for the industry in which the projects operate. Two of our main revenue sources, namely, on-grid tariff as set by the Government and hazardous waste treatment fee as agreed between us and the industrial companies and medical institutions with reference to fee guidance by the Government, are subject to adjustments by the Government based on a number of factors such as inflation and market conditions. Our material costs and labor costs are also linked to inflation. Discount rates of 13.5% to 14.3% have been adopted for the value-in-use calculations during the Track Record Period. Discount rates used are the pre-tax rates that reflect the current market assessments of the time value of money and the specific risks relating to the relevant project operating rights. In determining the discount rate, we assumed a constant level of gearing throughout the cash flow forecast period, including in the terminal value. Our cost of capital, incremental borrowing rate and other market borrowing rates have been taken into consideration. We have also made reference to discount rates adopted by certain other companies in the environmental protection industry in the PRC and considered our discount rate to be within the range of rates used by those companies.

The following table sets forth the movement in the balance of gross amounts due from customers for contract work during the Track Record Period. Construction revenue allocated to gross amounts due from customers for contract work as shown in the following roll forward table increases the balance of gross amounts due from customers for contract work while part of the future service fee received during the operational phase will be allocated to progress billings to settle the gross amounts due from customers for contract work.

	Gross Amounts due from Customers for Contract Work		
	Biomass project operating rights	Hazardous waste treatment project operating rights	Total
		(HK$ in thousands)	
At January 1, 2014	—	207,760	207,760
Construction revenue for the year	—	—	—
Progress billings for the year	—	(25,676)	(25,676)
Exchange adjustments	—	(5,084)	(5,084)
At December 31, 2014	—	177,000	177,000
At January 1, 2015	—	177,000	177,000
Construction revenue for the year	234,120	—	234,120
Progress billings for the year	—	(23,790)	(23,790)
Exchange adjustments	(7,182)	(6,366)	(13,548)
At December 31, 2015	226,938	146,844	373,782
At January 1, 2016	226,938	146,844	373,782
Construction revenue for the year	506,982	8,041	515,023
Progress billings for the year	(14,973)	(22,067)	(37,040)
Exchange adjustments	(37,166)	(9,095)	(46,261)
At December 31, 2016	681,781	123,723	805,504

For more information on the accounting treatment of our projects accounted for as service concession arrangements, including the nature of construction service revenue, operation service revenue and finance income, see "Financial Information — Impact of Accounting Treatment of Service Concession Arrangements" and "Risk Factors — Risks Relating to our Business and Industry — Our results may fluctuate due to our accounting treatment with respect to service concession arrangements."

RECENT DEVELOPMENTS

In February 2017, we entered into an investment agreement with the government of Zhongxiang City in Hubei Province with respect to a biomass direct combustion project under the BOO model. The power generation facility is designed to have a biomass processing capacity of 300,000 tons per annum with a power generation capacity of 40MW. The estimated total investment for this project is approximately RMB301.2 million. This biomass project is part of our Hubei Zhongxiang Integrated Biomass and Waste-to-Energy Projects. The project is currently at the planning stage and is expected to commence commercial operation in 2019. See "Business — Our Biomass Business — Our Biomass Project Portfolio."

In February 2017, we also entered into a concession agreement with the government of Zhongxiang City in Hubei Province with respect to a waste-to-energy project under the BOO model. The waste-to-energy facility is designed to have a household waste processing capacity of 292,000 tons per annum and 800 tons per day in two phases with 400 tons daily capacity in phase one and another 400 tons daily capacity reserved for phase two. Phase one of this project is designed to have a power generation capacity of 9MW. The estimated total investment for phase one is approximately RMB231.3 million. This waste-to-energy project is part of our Hubei Zhongxiang Integrated Biomass and Waste-to-Energy Projects. The project is currently at the planning stage and is expected to commence commercial operation in 2019. See "Business — Our Biomass Business — Our Biomass Project Portfolio."

In February 2017, we entered into an investment agreement with the government of Sheqi County in Nanyang City, Henan Province with respect to a biomass electricity and heat cogeneration project under the BOO model. The power generation facility is designed to have a biomass processing capacity of 300,000 tons per annum, a power generation capacity of 40 MW, and a steam generation capacity of 30 tons per hour. The estimated total investment for this project is approximately RMB306.0 million. Pursuant to the investment agreement, we have the exclusive right to operate electricity and heat cogeneration project in Sheqi County. This biomass project is part of our Sheqi Integrated Biomass and Waste-to-Energy Projects. The project is currently at the planning stage and is expected to commence commercial operation in 2019. See "Business — Our Biomass Business — Our Biomass Project Portfolio."

In February 2017, we also entered into a concession agreement with the government of Sheqi County in Nanyang City, Henan Province with respect to a waste-to-energy project under the BOT model for a concession period of 30 years. The waste-to-energy facility is designed to have a household waste processing capacity of 800 tons per day in two phases with 400 tons daily capacity in phase one. Phase one of this project is designed to have a power generation capacity of 9MW. The estimated total investment for this project is approximately RMB233.0 million. This waste-to-energy project is part of our Sheqi Integrated Biomass and Waste-to-Energy Projects. The project is currently at the planning stage and is expected to commence commercial operation in 2019. See "Business — Our Biomass Business — Our Biomass Project Portfolio."

In February 2017, we entered into an investment agreement with the government of Lianshui County, Jiangsu Province with respect to a biomass electricity and heat cogeneration project under the BOO model. The power generation facility is designed to have a biomass processing capacity of 300,000 tons per annum and a power generation capacity of 30 MW for phase one. The estimated total investment for phase one is approximately RMB318.0 million. Pursuant to the investment agreement, we have the exclusive right to operate electricity and heat cogeneration projects in Lianshui County. The project is currently at the planning stage and is expected to commence commercial operation in 2019. See "Business — Our Biomass Business — Our Biomass Project Portfolio."

LEGAL COMPLIANCE

During the Track Record Period, we were involved in certain non-compliance incidents in relation to our operations, which involved (i) failure to obtain the land use right certificates for the Ningwu Wind Power Projects; (ii) failure to obtain the license for the road transportation of medical waste for one of our projects; (iii) unauthorized occupation of land in relation to Zibo Hazardous Waste Incineration Project (Phase I); (iv) failure to obtain permits before commencement of construction for three of our projects; (v) late registration for completion certificate for construction work in relation to a number of our projects; (vi) failure to obtain pollutant discharge licenses for two of our projects; and (vii) failure to timely obtain the hazardous waste business license for one of our projects. As at the Latest Practicable Date, save for the non-compliance incidents in relation to the Ningwu Wind Power Projects, the lack of road transportation of medical waste for one project and the late registration for completion certificate for construction work for one project, we had either rectified all of these non-compliance incidents or obtained confirmations from the competent government authorities that the relevant requirements were not applicable. Our Directors are of the view that such incidents of non-compliance would not have any material adverse impact on our business, financial condition and results of operations. For further details, see "Business — Legal Compliance."

RISK FACTORS

Our operations and this Global Offering involve certain risks, some of which are beyond our control and may affect your decision to invest in us and/or the value of your investment. These risk factors are set out in "Risk Factors" starting on page 60 of this Prospectus. You should read that section in its entirety carefully before you decide to invest in the Offer Shares. Some of the major risks we face include:

- Existing economic incentives for our projects may be reduced, modified or eliminated.
- The preferential tax treatments granted to us could expire or be discontinued.
- The development of our industries is highly dependent on the PRC government's environmental protection and energy policies, which may change from time to time.
- Our results may fluctuate due to our accounting treatment with respect to service concession arrangements.
- There is a mismatch between our revenue and the underlying cashflows for our projects accounted for as service concession arrangements.

- Our biomass projects in operation depend on a stable supply of high-quality biomass raw materials.

- Fluctuations in the price of biomass raw materials may affect the profitability of our biomass projects.

- We rely on power grid companies for grid connection and electricity transmission and distribution services and may experience limitations on the dispatch of our electricity due to grid congestion or other grid constraints.

OUR SHAREHOLDING STRUCTURE

Our Controlling Shareholder

Immediately following the completion of the Capitalization Issue and the Global Offering, CEIL will control an aggregate of approximately 72.0% of the issued share capital of our Company through China Everbright Green Holdings, assuming the Over-allotment Option is not exercised. Accordingly, CEIL will, indirectly through its wholly-owned subsidiary China Everbright Green Holdings, continue to be our Controlling Shareholder. Save as disclosed, there is no competition between the business of our Controlling Shareholder and our business. For details of the delineation of the Group's business with that of the Remaining CEIL Group (including the profitability and service fees), see the section headed "Relationship with our Controlling Shareholder — Clear Delineation of Business". The Directors believe that our Group is capable of carrying out its business independently of our Controlling Shareholder and its associates. For further information, see the section headed "Relationship with our Controlling Shareholder".

THE SPIN-OFF

The proposed Spin-off involves a spin-off of the Group from CEIL by way of a separate listing of the Shares on the Stock Exchange to be effected by the Global Offering including the Preferential Offering. CEIL considers the Spin-off to be in the interests of its shareholders as a whole and will provide substantial room for the development of the business of our Group. For further information about the reasons for the Spin-off and the expected benefits to the Group, see "Our History, Reorganization and Corporate Structure — The Spin-off".

Following the Listing, we will be principally engaged in the greentech business while the CEIL Group will continue to be principally engaged in environmental energy business. For further information, see the section headed "Relationship with our Controlling Shareholder".

In accordance with the requirements of Practice Note 15 of the Hong Kong Listing Rules, CEIL will give due regard to the interests of its shareholders by providing Qualifying CEIL Shareholders with an assured entitlement to the Shares by way of the Preferential Offering. Details of the Preferential Offering are described in the section headed "Structure of the Global Offering — The Preferential Offering" in this Prospectus.

OFFER STATISTICS

The Global Offering comprises of: (i) the Hong Kong Public Offering of 56,000,000 Shares (subject to reallocation) in Hong Kong; (ii) the International Offering of 504,000,000 Shares (subject to reallocation and the Over-allotment Option) in the United States to Qualified Institutional Buyers in reliance on Rule 144A or another exemption from the registration requirements of the U.S. Securities Act, and outside the United States in offshore transactions in reliance on Regulation S; and (iii) the Preferential Offering of 56,000,000 Reserved Shares, which are being offered out of the International Offer Shares under the International Offering and are not subject to reallocation. The following table sets out certain offering related data, assuming that: (a) the Global Offering has been completed and 560,000,000 Shares are in issue; and (b) the Over-allotment Option has not been exercised.

	Based on minimum indicative Offer Price of HK$5.18	Based on maximum indicative Offer Price of HK$5.90
Market capitalization of our Shares	HK$10,360 million	HK$11,800 million
Unaudited *pro forma* adjusted net tangible assets per Share	HK$2.01	HK$2.21

The Shares will not be securities eligible for the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect. Pursuant to Article 23 of the ChinaClear Stock Connect Implementing Rules, ChinaClear will not provide services relating to IPO subscriptions to southbound investors. Based on the above and as confirmed by our PRC legal advisors, Allbright Law Offices and Grandall Law Firm (Beijing), the southbound shareholders of CEIL will not be able to subscribe for the Shares under the Preferential Offering.

APPLICATION FOR THE HONG KONG OFFER SHARES AND THE RESERVED SHARES

The applications for the Hong Kong Offer Shares and the Reserved Shares will commence on Friday, April 21, 2017 through Thursday, April 27, 2017, being longer than normal market practice of four days. The application monies (including the brokerage fees, SFC transaction levies and Stock Exchange trading fees) will be held by the receiving banks on behalf of the Company after the closing of the application lists and the refund monies, if any, will be returned to the applicants without interest on Friday, May 5, 2017. Investors should be aware that the dealings in the Shares on the Stock Exchange are expected to commence on Monday, May 8, 2017.

LISTING EXPENSES

The listing expenses in connection with the Global Offering consist primarily of underwriting commission and professional fees, and, assuming an offer price of HK$5.54 per Share, being the mid-point of the proposed offer price range, are estimated to be HK$137.7 million. During the Track Record Period, we incurred listing expenses of HK$52.7 million of which HK$40.2 million was recognized in the consolidated income statements and HK$12.5 million was recognized as prepayments in the consolidated statements of financial position which will be accounted for as a deduction from equity upon Listing. Subsequent to the Track Record Period, we expect to further incur listing expenses of HK$85.0 million prior to and upon completion of the Global Offering, of which (i) HK$14.0 million is expected to be recognized as expenses in our consolidated income statements during the year ending December 31, 2017; and (ii) HK$71.0 million is expected to be accounted for as a deduction from equity upon Listing. We do not expect these expenses to have a material impact on our results of operations for 2017.

FUTURE PLANS AND 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$3,005.0 million, assuming the Over-allotment Option is not exercised and assuming an Offer Price of HK$5.54 per Share, being the mid-point of the Offer Price range of HK$5.18 to HK$5.90 per 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$454.9 million (after deducting underwriting commissions, fees and anticipated expenses payable by us in connection with the Global Offering), assuming an Offer Price of HK$5.54 per Share, being the mid-point of the Offer Price range of HK$5.18 to HK$5.90 per Share as stated in this Prospectus. 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 the development of our pipeline projects and providing further liquidity for us, details of which are as follows (assuming the Over-allotment Option is not exercised):

- Approximately HK$2,404.0 million, or 80% of the total estimated net proceeds, is expected to be used for developing our business in the PRC through capital contribution to our pipeline projects for the development and construction of the facilities, among which:

  - Approximately HK$1,352.2 million, or 45% of the total estimated net proceeds, is expected to be used for the investment in biomass pipeline projects, including any one or more of the projects described in "Business — Our Biomass Business — Our Biomass Project Portfolio."

  - Approximately HK$1,051.8 million, or 35% of the total estimated net proceeds, is expected to be used for the investment in hazardous waste treatment pipeline projects, including any one or more of the projects described in "Business — Our Hazardous Waste Treatment Business — Our Hazardous Waste Treatment Project Portfolio."

  Allocation of proceeds among these pipeline projects may change depending on the timing and progress of the development of each project. If suitable opportunities arise, we may also allocate the proceeds to biomass or hazardous waste treatment projects that we obtain after the Listing. The remaining funds required for the development of these projects are expected to be funded by our internally generated cash and bank borrowings. See "Financial Information — Liquidity and Capital Resources — Capital Expenditures and Investment."

- Approximately HK$300.5 million, or 10% of the total estimated net proceeds, is expected to be used for research and development and acquisitions of advanced technologies. See "Business — Research and Development."

- Approximately HK$300.5 million, or 10% of the total estimated net proceeds, is expected to be used for working capital and other general corporate purposes.

For more information, see the section headed "Future Plans and Use of Proceeds — Use of Proceeds" on page 384 of this Prospectus.

UNAUDITED *PRO FORMA* ADJUSTED NET TANGIBLE ASSETS

Our unaudited *pro forma* adjusted net tangible assets has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of our financial position had the Global Offering been completed as of December 31, 2016 or at any future date. It is prepared based on our consolidated net assets as of December 31, 2016 as set forth in the Accountants' Report in Appendix I to this Prospectus, and adjusted as described below. Our unaudited *pro forma* adjusted net tangible assets does not form part of the Accountants' Report in Appendix I to this Prospectus.

	Consolidated net tangible assets attributable to equity shareholders of the Company as of December 31, 2016(1)	Estimated net proceeds from the Global Offering(2)	Unaudited *pro forma* adjusted net tangible assets attributable to equity shareholders of the Company	Unaudited *pro forma* adjusted net tangible assets per Share(3)(4)
	(HK$ in thousands)	*(HK$ in thousands)*	*(HK$ in thousands)*	*(HK$)*
Based on an offer price of:				
HK$5.18 per Share	1,211,407	2,807,912	4,019,319	2.01
HK$5.90 per Share	1,211,407	3,202,040	4,413,447	2.21

Notes:

(1) Our consolidated net tangible assets attributable to equity shareholders of the Company as of December 31, 2016 is arrived at after deducting intangible assets of HK$2,975.8 million from the consolidated net assets attributable to equity shareholders of the Company of HK$4,187.2 million as of December 31, 2016, as shown in the Accountants' Report set out in Appendix I to this Prospectus.

(2) The estimated net proceeds from the Global Offering are based on the indicative offer prices of HK$5.18 per Share (being the minimum Offer Price) and HK$5.90 per Share (being the maximum Offer Price), after deduction of the estimated underwriting fees and other listing expenses, and 560,000,000 Shares expected to be issued under the Global Offering, assuming that the Over-allotment Option is not exercised.

(3) Our unaudited *pro forma* adjusted net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis of 2,000,000,000 Shares in issue immediately following completion of the Capitalization Issue and the Global Offering, assuming that the Over-allotment Option is not exercised.

(4) No adjustment has been made to the unaudited *pro forma* adjusted net tangible assets to reflect any of our trading results or other transactions of the Group entered into subsequent to December 31, 2016.

DIVIDEND

We have not declared or paid any dividend since the date of incorporation of the Company up to the Latest Practicable Date except that on November 17, 2015, CE Environmental Solid Waste Treatment Holdings, one of our subsidiaries, declared dividends of HK$207.0 million to its then immediate holding company. Our Board has absolute discretion in deciding whether to declare any dividend for any year and, if it decides to declare a dividend, how much dividend to declare. We currently do not have a dividend policy. The determination to pay dividends will be made at the discretion of our Board and will be based upon our earnings, cash flow, financial condition, capital requirements, statutory fund reserve requirements and any other conditions that our Directors deem relevant. The payment of dividends may also be limited by legal restrictions and by financing agreements that we may enter into in the future. There can be no assurance that dividends of any amount will be declared or distributed in any year. For further details, see "Financial Information — Dividend and Distributable Reserves" on page 380 of this Prospectus.