
GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this Prospectus. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

asset-liability ratio	calculated by dividing total liabilities by total assets at the end of each year
average on-grid tariff	calculated by dividing the actual revenue from power sales by the total power sold for each period. In particular, the average on-grid tariff with respect to the Track Record Period is calculated by dividing the aggregate revenue from power sales by the aggregate power sales volume in terms of kilowatt-hours for the period from January 1, 2014 to December 31, 2016
average waste treatment fee	calculated by dividing the actual revenue from waste treatment by the total hazardous waste collected for each period. In particular, the average waste treatment fee with respect to the Track Record Period is calculated by dividing the aggregate revenue from waste treatment by the aggregate volume of hazardous waste collected in terms of tons for the period from January 1, 2014 to December 31, 2016
biomass	including agricultural waste such as straw and husks, and forestry residues such as waste wood and debris from construction and demolition, tree trimmings and other manufacturing wood waste, which is a renewable resource for energy generation
biomass molding fuel	a renewable solid fuel made from agricultural and forestry biomass through a controllable process of dehydration, smash and extrusion
CAGR	compound annual growth rate
current ratio	calculated by dividing current assets by current liabilities at the end of each year
designed capacity	designed capacity with respect to biomass, hazardous waste treatment, solar energy and wind power projects, including projects in operation, projects under construction and projects at the planning stage, as applicable. Designed capacity with

GLOSSARY OF TECHNICAL TERMS

	<p>respect to our pipeline projects are determined based on the equipment purchased for the relevant project, or if that is not available, based on the specification under the relevant investment or concession agreement with respect to the project; cumulative capacity for a market sector refers to the capacity of all projects in operation in the relevant sector</p>
environmental energy	<p>processing of non-agricultural waste to generate energy, and with respect to the business of the CEIL, mainly refers to the municipal waste-to-energy projects, but also includes to a smaller extent methane-to-energy projects, sludge treatment and disposal projects and food waste treatment projects</p>
ESHS	<p>environment, safety, health and social responsibility</p>
fluidized bed (incinerator)	<p>fluidized bed incinerator adopts a combustion technology used to burn solid fuels. In its most basic form, fuel particles are suspended in a hot, bubbling fluidity bed of ash and other particulate materials (sand, limestone, etc.) through which jets of air are blown to provide the oxygen required for combustion. The resultant fast and intimate mixing of gas and solids promotes rapid heat transfer and chemical reactions within the bed</p>
GDP	<p>gross domestic product, a measure of the aggregate value of goods and services produced by a country or region</p>
greentech	<p>with respect to our business, (1) the biomass business, (2) the hazardous waste treatment business and (3) the solar energy and wind power business</p>
interest coverage ratio	<p>calculated by dividing our EBITDA by our finance costs for each year</p>
internal rate of return	<p>the discount rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero</p>
kWh	<p>kilowatt-hour. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour</p>
m ³	<p>cubic meters</p>

GLOSSARY OF TECHNICAL TERMS

mark-up	operating income as a percentage of total production and operating costs
moving grate (incinerator)	moving grate incinerator adopts combustion technology in which a trash passes through the hopper into the downward inclined moving grate (fire grate is separated into three zones: drying zone, combustion zone, and burnout zone). The movement between moving grates will push the garbage to the downward direction and through the three zones in sequence, until burnout. Combustion air inlets from beneath the fire grate and mixes with the garbage. High temperature flue gas heats the surface of the furnace and will be cooled at the same time. Finally, the flue gas is discharged after the treatment
mu	Chinese acre. One mu is approximately 666.7 sq.m.
MW	megawatt, or one thousand kilowatts. The power generation capacity of power plants is generally expressed in MW
MWh	megawatt-hour, one thousand kilowatt-hours
on-grid tariff	the selling price, inclusive of VAT, of electricity for which a power generating project could sell the electricity it generated to the power grid companies, usually denominated in RMB per kWh
parasitic load	electricity consumed by the power generating facility, which is not available for transmission to electricity grid and sale to external customers
pipeline project	project under construction or at the planning stage
(project) at the planning stage	projects with respect to which the relevant investment or concession agreement has been executed, excluding projects that are already under construction or in operation
(project) in operation	(i) projects that have commenced commercial operation, (ii) our Ningwu Wind Power Projects, which started to generate electricity and operating revenue in the second half of 2015 (iii) our Xuyi Biomass Electricity and Heat Cogeneration Project, Dingyuan Biomass Direct Combustion Project and Huaiyuan Biomass Direct Combustion Project, which started to generate operation revenue in the second half of 2016 and

GLOSSARY OF TECHNICAL TERMS

	(iv) our Dangshan Integrated Biomass and Waste-to-Energy Project (Waste-to-Energy), which started to generate electricity and operation revenues in April 2016
(project) under construction	projects with respect to which actual construction work has commenced, and we treat either the erection of poles for site perimeter or the preparation for laying of foundation, whichever is earlier, as the commencement of construction
pyrolyzing/ pyrolyze	thermochemical decomposition/ decompose of organic material at elevated temperatures in the absence of oxygen (or any halogen)
resource zone	with respect to solar energy resources and wind power resources for generating electricity, the region in which a uniform on-grid tariff is applicable
rural areas	with respect to the business of our Group and the Remaining CEIL Group, areas classified as rural areas within the territory of China based on “Regulation on Statistical Classification of Urban and Rural Areas” issued by the National Bureau of Statistics in 2008, which generally include rural townships (集鎮) and villages (農村)
sq.m.	square meter(s)
ton	a unit of mass
total investment amount	the total investment amount as determined based on (i) the actual amount of the project after its completion with respect to a completed project, and (ii) the budgeted total investment amount based on the investment proposal, as adjusted by budget adjustment notice, if any, with respect to a pipeline project
urban areas	with respect to the business of our Group and the Remaining CEIL Group, areas classified as urban areas within the territory of China based on “Regulation on Statistical Classification of Urban and Rural Areas” issued by the National Bureau of Statistics in 2008, which generally include cities (城市) and towns (鎮)

GLOSSARY OF TECHNICAL TERMS

utilization hours	with respect to a power generation system, its actual hours of operation during a given period
utilization rate	with respect to a period, calculated by dividing the actual power output by the aggregated designed capacity, and further divided by the actual number of hours of such period. If a project commences commercial operation after the beginning of the period, the denominator will be adjusted with respect to such project to start from the date of its commencement of commercial operation. Downtime during the relevant period due to repair and maintenance is not deducted from the denominator
waste-to-energy	the process of generating electricity or heat from the incineration of household waste