
FUTURE PLANS AND USE OF PROCEEDS

Future Plans

Please see “Business — Our Strategies” in this Prospectus for a detailed discussion 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\$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 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 Lingbi Integrated Biomass and Waste-to-Energy Projects, Nanqiao Biomass Direct Combustion Project, Xiao County Integrated Biomass and Waste-to-Energy Projects, Guanyun Integrated Biomass and Waste-to-Energy Projects, Mianzhu Integrated Biomass and Waste-to-Energy Projects, Rugao Biomass Direct Combustion Project, Fengyang Integrated Biomass and Waste-to-Energy Projects, Yeji Biomass Electricity and Heat Cogeneration Project, Luhe Integrated Biomass and Waste-to-Energy Projects, Huaiyin Integrated Biomass and Waste-to-Energy Projects, Yu’an Biomass Electricity and Heat Cogeneration Project, Shayang Biomass Direct Combustion Project, Ji County Biomass Direct Combustion Project, Xiayi Integrated Biomass and Waste-to-Energy Projects, Puyang Biomass Electricity and Heat Cogeneration Project, Zhongjiang Integrated Biomass and Waste-to-Energy Projects (Biomass) and Guixi Biomass Electricity and Heat Cogeneration Project. See “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

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projects, including any one or more of Lianyungang Hazardous Waste Incineration Project (Phase II), Changzhou Hazardous Waste Incineration Project, Zibo Hazardous Waste Landfill Project, Zibo Hazardous Waste Incineration Project (Phase II), Xinyi Hazardous Waste Landfill Project, Shouguang Hazardous Waste Landfill Project, Kunshan Hazardous Waste Incineration Project, Jiangnan Hazardous Waste Treatment Projects, Linshu Hazardous Waste Treatment Projects, Jiangsu Xinyi Animal Carcass Harmless Treatment Project, Anhui Dingyuan Salt-based Chemical Industrial Park Hazardous Waste Integrated Treatment Project and Mianzhu Hazardous Waste Incineration Project. See “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.

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\$5.90 per 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\$197.1 million. If the Offer Price is set at HK\$5.18 per 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\$197.1 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 of the Global Offering are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, we intend that such proceeds will be placed in short-term deposits with banks or financial institutions in Hong Kong or the PRC.