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 the whole prospectus before you decide to invest in Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in Offer Shares.

OVERVIEW

We are a market leader among independent flue gas treatment integrated services providers in China, namely private integrated environment protection companies providing flue gas treatment services not controlled by any power group. We have achieved a leading market position in the flue gas treatment industry, and have been gradually expanding into other environmental protection and energy saving areas. We are committed to becoming a world-class environmental industrial group. The table below sets forth our rankings and market shares in terms of cumulative installed capacity in operation by the end of 2016.

	Ranking	Market Share
Independent flue gas desulfurization EPC service provider	1st	12.2%
Flue gas desulfurization EPC service provider	2nd	7.6%
Independent desulfurization concession service provider	3rd	10.4%
Denitrification concession operation service provider	3rd	6.5%
Desulfurization operation and maintenance service provider	4th	9.5%

We commenced our flue gas treatment business in 2003 and we are among the first independent participants in the flue gas treatment industry in China. Our services cover the whole industry-chain of the flue gas treatment industry, from project designing, equipment procurement and facilities construction to operation and maintenance and concession operation of flue gas treatment facilities. Moreover, our projects have a broad geographic coverage, covering almost 30 provinces, municipalities and autonomous regions in China. Furthermore, we have been expanding our business overseas, including in Europe, South Asia, Latin America, Africa and Southeast Asia. Our solid industry experience, strict quality control, outstanding research and development capabilities, advanced core technologies and diversified business models have enabled us to maintain a market leading position over the years.

OUR BUSINESS MODELS

We provide a variety of technologies and services to coal-fired power plants to reduce pollutants emissions and improve their production efficiency. We have strategically leveraged our solid experience and professional capabilities in R&D and design, construction and implementation, operation and management to achieve synergies among our various business segments and to provide environmental protection and energy conservation solutions to customers on an integrated basis. Particularly, we provide a range of services primarily for controlling air pollution at coal-fired power plants, including desulfurization services, denitrification services, dust removal services, and integrated flue gas treatment services. We also provide water treatment services for power plants. We provide the environmental protection services through the application of various business models, mainly including environmental protection facility engineering, operation and maintenance, and concession operation.

- Our environmental protection facility engineering business primarily involves project engineering and design, procurement of equipment and materials, project construction, equipment installation and commissioning services in relation to desulfurization and denitrification and dust removal for coal-fired power plants. In a typical EPC arrangement, our revenue generated from the project comprises of (i) the sales revenue on the equipment we procured for our customers from third-party suppliers, (ii) the project design fees and the construction fees we received for each phase of the construction work through the completion of the whole project as specified in the project contracts. For the years ended December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2017, revenue attributable to our environmental protection facility engineering business amounted to RMB781 million, RMB816 million, RMB764 million and RMB261 million, representing approximately 63.0%, 60.4%, 56.5% and 32.7% of our total revenue, respectively. As of September 30, 2017, we had 27 EPC projects under construction or to be constructed, which in aggregate are currently expected to bring us revenue of RMB529 million for the year ending December 31, 2017 and RMB446 million for the year ending December 31, 2018.

- Our operation and maintenance services mainly include the provision of operation service and regular maintenance service for desulfurization and denitrification facilities and dust removal facilities owned by our customers. We primarily provide desulfurization and denitrification operation services and dust removal services to coal-fired power plants as a contractor, where our work scope includes the full operation, testing and repair, upgrading and maintenance of flue gas treatment system/facilities owned by these coal-fired power plants. We have operational responsibility for these facilities and equipment for a term specified in the contract. Our revenue from the operation of such projects includes services fees charged at a fixed contract price or by reference to on-grid tariff subsidies on a per kilowatt hour basis for power generated by the coal-fired power plant to which the project relates. In addition, we provide regular maintenance services, including the provision of technical support, professional training and regular maintenance for our customers' flue gas treatment facilities, and the provision of equipment testing and repair services and spare parts services. For the years ended December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2017, revenue attributable to our operation and maintenance business amounted to RMB256 million, RMB250 million, RMB221 million and RMB295 million, representing approximately 20.7%, 18.5%, 16.3% and 37.0% of our total revenue, respectively. We successfully renewed 100%, 57%, 83% and 88% of our O&M projects that expired in 2014, 2015 and 2016 and the first nine months of 2017, respectively. As of September 30, 2017, we had 14 on-going O&M projects with a total installed capacity of 19,680 MW.

- Our concession operation business model is mainly conducted on a BOT basis. In a typical BOT project, we are responsible for the financing, investment, construction and operation of a project according to the concession contract with our customer. In general, we finance the concession projects by our own capital or borrowings from financial institutions. After the completion of the constructions, we also own, operate and maintain the project for a period pre-defined in the concession agreement, which is typically 15 to 20 years, and we are also entitled to collecting revenues generated from the project during the term of the contract. Revenues generated from our concession operation business during the operation phase of the relevant projects are charged by reference to on-grid tariff subsidies determined on a per kilowatt hour basis for power generated by the coal-fired power plant and settled with our customer on a monthly basis. At the end of the contract period, we transfer the ownership and operational responsibilities of the project to our customer. For the years ended December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2017, revenue attributable to our concession operation business amounted to RMB172 million, RMB249 million, RMB316 million and RMB221 million, representing approximately 13.9%, 18.4%, 23.4% and 27.7% of our total revenue, respectively. As of September 30, 2017, we had two BOT projects under construction with an aggregate installed capacity of 2,100 MW and four BOT projects under operation with an aggregate installed capacity of 3,820 MW.

For details about our key milestones in respect of the business development of our Group, please see the section headed "History, Reorganization and Group Structure" on pages 99 to 120 of this prospectus. For details of our business, please see the section headed "Business" on pages 121 to 191 of this prospectus.

The table below shows our revenue by business model and the contribution of each business segment to our total revenue during the Track Record Period.

	For the year ended December 31,						For the nine months ended September 30,			
	2014		2015		2016		2016 (unaudited)		2017	
	RMB millions	% of total	RMB millions	% of total	RMB millions	% of total	RMB millions	% of total	RMB millions	% of total
Environmental protection facility engineering	781	63.0	816	60.4	764	56.5	472	51.7	261	32.7
Operation and maintenance	256	20.7	250	18.5	221	16.3	162	17.7	295	37.0
Concession operation	172	13.9	249	18.4	316	23.4	238	26.0	221	27.7
Others	30	2.4	36	2.7	52	3.8	42	4.6	21	2.6
Total revenue	1,239	100.0	1,351	100.0	1,353	100.0	914	100.0	798	100.0

The following table sets forth our gross profit and gross profit margin for each of our business segments for the periods stated.

	For the year ended December 31,						For the nine months ended September 30,			
	2014		2015		2016		2016 (unaudited)		2017	
	RMB millions	Gross Profit Margin %	RMB millions	Gross Profit Margin %	RMB millions	Gross Profit Margin %	RMB millions	Gross Profit Margin %	RMB millions	Gross Profit Margin %
Environmental protection facility engineering	45	5.8	51	6.3	115	15.1	76	16.1	24	9.2
Operation and maintenance	69	27.0	93	37.2	51	23.1	47	29.0	103	34.9
Concession operation	76	44.2	83	33.3	78	24.7	48	20.2	79	35.7
Others	10	33.3	19	52.8	10	19.2	10	23.8	11	52.4
Total gross profit	200	16.1	246	18.2	254	18.8	181	19.8	217	27.2

The following table sets out a breakdown of our revenue by geographic region during the Track Record Period.

Business Model	Industry of Customers	Geographic Region	For the year ended December 31, 2014	2015	2016	For the nine months ended September 30, 2017
				(RMB millions)		
Environmental protection facility engineering	Power-related industries	Eastern China(1)	127	127	129	26
		Central China(2)	278	160	141	73
		Western China(3)	111	144	221	45
		Overseas	23	166	16	5
	Other Industries	Eastern China(1)	227	213	257	111
		Central China(2)	—	6	—	—
		Western China(3)	15	—	—	1
Subtotal			781	816	764	261
Operation and Maintenance	Power-related industries	Eastern China(1)	25	24	17	151
		Central China(2)	113	110	101	56
		Western China(3)	86	95	103	87
		Overseas	—	—	—	1
	Other Industries	Western China(3)	32	21	—	—
Subtotal			256	250	221	295
Concession Operation	Power-related industries	Central China(2)	172	249	316	221
Others	Power-related industries	Eastern China(1)	9	3	3	7
		Central China(2)	5	16	3	7
	Other Industries	Eastern China(1)	—	1	—	—
		Central China(2)	10	9	12	7
		Western China(3)	6	7	34	—
Subtotal			30	36	52	21
Total			1,239	1,351	1,353	798

Notes:

(1) Eastern China includes Beijing, Fujian Province, Guangdong Province, Hainan Province, Hebei Province, Jiangsu Province, Liaoning Province, Shandong Province, Shanghai, Tianjin and Zhejiang Province.

(2) Central China includes Anhui Province, Heilongjiang Province, Henan Province, Hubei Province, Hunan Province, Jiangxi Province, Jilin Province and Shanxi Province.

(3) Western China includes Chongqing, Gansu Province, Guangxi Province, Guizhou Province, Inner Mongolia, Ningxia, Qinghai Province, Shaanxi Province, Xinjiang and Yunan Province.

OUR COMPETITIVE STRENGTHS

We believe that the following strengths have contributed to our leading position in the flue gas treatment industry in the PRC.

- We are a leading independent flue gas treatment integrated service provider in the PRC and our business strengths have earned us numerous highly-recognized awards.
- Our leading market position helps us establish extensive customer base and achieve a proven track record, which in turn provides us with additional business development opportunities.

- Underpinned by our strong strengths in technology and outstanding R&D capabilities, we are committed to satisfying our clients' various demands for environmental protection solutions on an integrated basis.
- We are among the first pilot enterprises engaged in the concession operation of flue gas treatment in the PRC and have developed an all-around business structure of flue gas treatment section through pursuing concession operations and operation maintenance upgrades in recent years, as well as improving our service and project management capabilities, which have laid a solid foundation for our sustainable development.
- We have adequate experience in executing overseas projects, which enables us to capitalize the development opportunities arising from the increasing demands in the overseas environmental protection markets.
- We have established a sound corporate governance structure, a flexible and efficient management system, and a diverse shareholding structure.
- We have a stable and experienced senior management team and a highly specialized execution team, and have formed a unique talent training system.

For details, please see the section headed "Business—Our Competitive Strengths" on pages 123 to 130 of this prospectus.

OUR DEVELOPMENT STRATEGIES

We seek to strengthen our position as a leading flue gas treatment service provider in China, and further expand our market share to maximize shareholder returns. We also plan to expand our business into other environmental protection and energy conservation areas and contribute to the pollution prevention and control and energy conservation in China and around the world. We are committed to becoming a world-class environmental industrial group.

To achieve this goal, we intend to pursue the following strategies:

- We will capture the market opportunities brought by the State's "ultra-low emission" policy, further cover the overall industry chain of flue gas treatment and explore the potential markets to achieve the sustainable development of our business.
- Leveraging the policy trend of "third-party treatment" of environmental pollution advocated by the State, we will focus on the development of concession operation and operation and maintenance business to continuously optimize our business structure.
- Leveraging the implementation of the "Belt and Road" national strategy, we will further explore overseas markets.
- We will further expand our business scope based on our core competitive strengths in the flue gas treatment industry to become a comprehensive environmental protection industrial group.
- We will continue to increase our investments and efforts in technology R&D and technology innovation and strengthen the conversion of policy research results and technological achievements to provide technical support for our market development.
- We will seek strategic opportunities for mergers and acquisitions and expand the platform for capital operation to support our sustainable development.

- We will take advantage of the strategic investment of Sinopec, and vigorously expand the environmental protection market in the industries such as the petrochemical industry, to extend the industrial chain.

For details, please see the section headed "Business—Our Development Strategies" on pages 130 to 136 of this prospectus.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present the summary of our financial information as of and for the years ended December 31, 2014, 2015 and 2016 and as of and for the nine months ended September 30, 2017. You should read this summary in conjunction with the financial information set forth in the Accountants' Report in Appendix I to this prospectus, and the information set forth in the section headed "Financial Information" on pages 242 to 291 of this prospectus.

Summary of Statements of Profit or Loss

	For the year ended December 31,			For the nine months ended September 30,	
	2014	2015	2016	2016 (unaudited)	2017
			(RMB millions)		
Revenue	1,239	1,351	1,353	914	798
Cost of sales and services	(1,039)	(1,105)	(1,099)	(733)	(581)
Gross profit	200	246	254	181	217
Profit before tax	130	175	193	126	36
Net profit	104	138	152	92	10
Non-IFRS Measure:					
Adjusted profit for the year/period (unaudited)[(1)]	104	138	152	92	138

Note:

(1) Represents our net profit for the year/period excluding changes in the fair value of convertible ordinary shares. Adjusted net profit is not a measure required by, or presented in accordance with, IFRS. The use of adjusted profit for the year/period has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. See Note 30 "Convertible Ordinary Shares" to our historical financial information in the Accountant's Report set forth in Appendix I to this prospectus.

Our revenue increased by 9.0% from RMB1,239 million in 2014 to RMB1,351 million in 2015, which remained effectively stable at RMB1,353 million in 2016. Our revenue decreased by 12.7% from RMB914 million for the nine months ended September 30, 2016 to RMB798 million for the nine months ended September 30, 2017. Our net profit increased by 32.7% from RMB104 million in 2014 to RMB138 million in 2015, primarily due to an increase in our gross profit for our operation and maintenance business. Our net profit increased by 10.1% from RMB138 million in 2015 to RMB152 million in 2016, largely attributable to our other income and other gains and losses, which was in turn primarily attributable to the reversal of our allowance for trade receivables. Our net profit decreased by 89.1% from RMB92 million for the nine months ended September 30, 2016 to RMB10 million for the nine months ended September 30, 2017, primarily as a result of the fair value losses on our Class B Shares and Class C Shares. For detailed description of our results of operations during the Track Record Periods, please see "Financial Information—Results of Operations".

The following table sets forth a breakdown of our cost of sales and services by nature for the periods stated.

	For the year ended December 31,			For the nine months ended September 30,	
	2014	2015	2016	2016 (unaudited)	2017
	(RMB millions)				
Equipment procurement costs	433	492	313	192	51
Construction and installations costs	195	256	330	259	153
Raw materials costs	193	162	207	140	225
Project management costs	81	62	85	35	30
Staff costs	51	68	83	56	65
Amortization and depreciation	28	29	33	24	25
Repair & Maintenance costs	30	12	17	8	15
Design costs	21	17	20	14	10
Others	7	7	11	5	7
Total	**1,039**	**1,105**	**1,099**	**733**	**581**

Summary of Statements of Financial Position

	At December 31,			At September 30,
	2014	2015	2016	2017
	(RMB millions)			
Current assets	1,735	1,683	1,635	1,523
Total assets	2,147	2,168	2,342	2,639
Current liabilities	1,048	1,021	1,278	1,135
Total liabilities	1,135	1,088	1,325	1,831
Share capital	372	372	—	—
Reserves	633	708	1,017	807
Total equity	1,012	1,080	1,017	808

Summary of Cash Flow Statements

	For the year ended December 31,			For the nine months ended September 30,	
	2014	2015	2016	2016 (unaudited)	2017
	(RMB millions)				
Net cash generated by/(used in) operating activities	251	171	110	(13)	72
Net cash generated by/(used in) investing activities	61	(35)	(318)	(157)	66
Net cash generated by/(used in) financing activities	(78)	(139)	28	(60)	(2)
Net increase/(decrease) in cash and cash equivalents	234	(3)	(180)	(230)	136

LOSS ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2017

Our Directors estimate, on the bases set out in Appendix III to this prospectus, and in the absence of unforeseen circumstances, the estimated loss attributable to owners of our Company for the year ended December 31, 2017 as follows.

Estimated consolidated loss attributable to owners of our Company	no more than RMB38 million
Unaudited pro forma estimated loss per Share	no more than RMB0.06

Excluding our estimated fair value losses on our Class B Shares and Class C Shares for the year ended December 31, 2017, our estimated profit for the year ended December 31, 2017 would have been no less than RMB195 million.

For the bases and calculation method, please see "Financial Information—Loss Estimate for the year ended December 31, 2017".

ACCOUNTING TREATMENT FOR OUR CONCESSION OPERATION PROJECTS

For our concession operation projects, we review each of our service concession arrangement contract and generally classify our activities under such arrangements into two categories, namely (i) construction and upgrade, and (ii) operation. During the construction or upgrade of our concession operation projects, we design the relevant facilities, procure the necessary equipment, and build and/or upgrade the facilities. Upon the completion of the construction or upgrade, we are granted the right to operate the facilities during a specified concession period, which typically lasts for 15-20 years, and are entitled to fees during the concession period to cover our costs of investment, construction, operation and maintenance and to provide us reasonable returns.

All our concession operation projects are within the scope of service concession arrangements under IFRS Interpretations Committee Interpretation 12 — Service Concession Arrangements ("**IFRIC 12**") because, in the opinion of our Directors, our service concession arrangements contain the following:

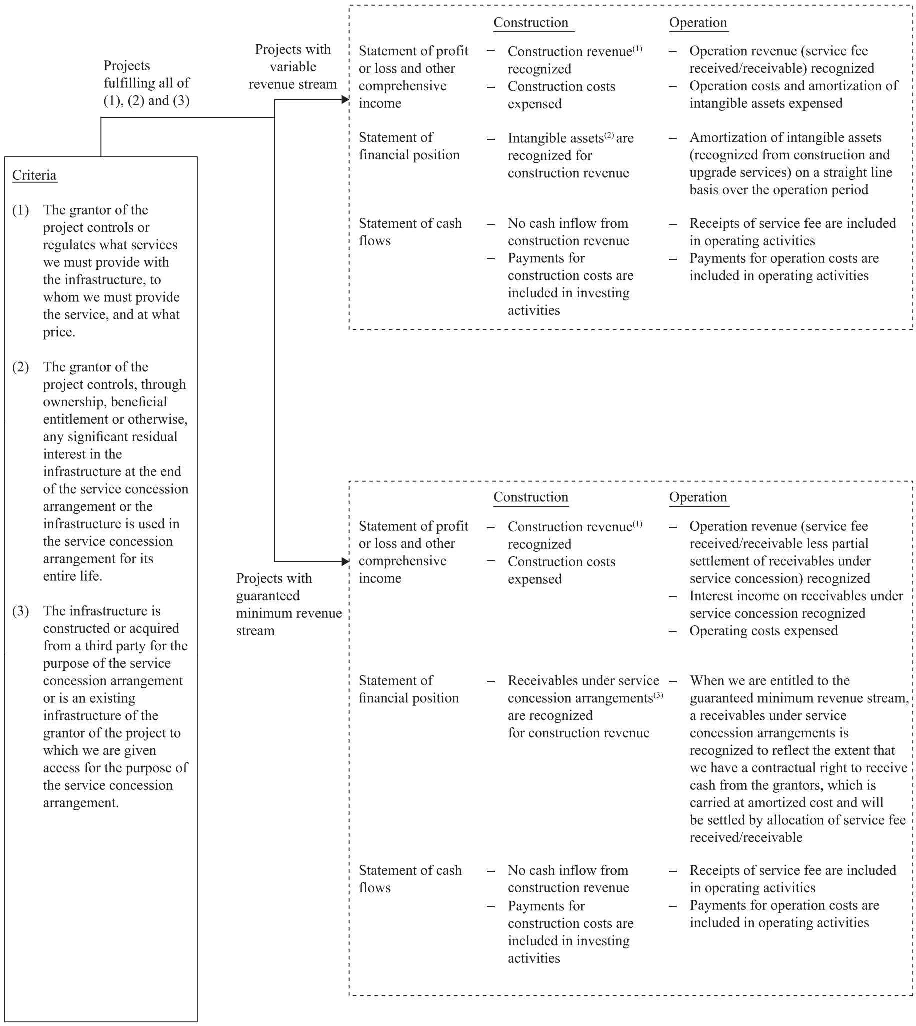
- the grantors control or regulate the services that we must provide with the infrastructure, to whom we must provide such services, and at prices agreed with the grantors;
- the grantors of the infrastructure controls, through ownership, any significant residual interest in the infrastructure at the end of the service concession agreement; and
- the grantors restrict our practical ability to sell or pledge the infrastructure that give us continuing right of use throughout the period of the arrangements.

In accordance with IFRIC 12, we can:

- during the construction and upgrade of the project, recognize construction revenue based on the construction costs plus a profit mark-up, and recognize an intangible asset or receivable under service concession arrangement; and
- during the operation of the project, recognize operation revenue, and amortize the intangible assets or recognize interest income on the receivables under service concession arrangements throughout the specified concession period.

The accounting treatment of service concession arrangements involves judgment and affects the presentation of our results of operation.

The following chart sets forth a summary of our accounting treatments for our concession operation projects.



Notes:

(1) On a cost-plus basis with a fixed gross profit margin of 1%, which we determined with reference to our historical experience with the gross profit margins for our past EPC projects.

(2) At the end of each reporting period, we review the carrying amounts of our intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

(3) Our receivables under service concession arrangements are initially measured as the present value of the guaranteed minimum income from the concession operation project, and are assessed for indicators of impairment at the end of each reporting period. Impairments are made when there is objective evidence that, as a result of one or more events that occurred after their initial recognition.

During the construction of our concession operation projects, we recognize non-cash construction revenue but do not receive payment from the customer until the operation of the project commences. Thus there is a mismatch between the recognition of construction revenue and cash flows during the construction of our concession operation projects. Non-cash construction revenue is recorded as an asset on our statement of financial position.

For concession operation projects without a guaranteed stream of future payments, construction revenue is recorded on our statement of financial position as an intangible asset. Such intangible asset represents our rights to receive future revenue under such arrangements. During the operation of the project, the entire sum of service fees we receive is recorded as operating revenue. After the operation of the project commences, the intangible asset is amortized on a straight-line basis over the term of operation.

For concession operation projects with a guaranteed future revenue stream, we treat the construction revenue as receivables under service concession arrangements on our statement of financial position. The amount of the receivable is determined as the present value of such guaranteed minimum payment that we are entitled to receive, and is currently calculated using a discount rate of 6.37%, which is determined with reference to the market interest rate and our credit risk exposure to the relevant customer. When we receive service fees during the operation of the project, we allocate the service fees as follows: (i) a portion to pay down the balance of receivables under service concession arrangements, (ii) amortized interest on the receivables under service concession arrangements, and (iii) the remainder to be recognized as operating revenue. The balance of service concession receivables will be completely paid down at the end of the concession period.

Construction revenue for our concession operation projects is recognized in line with the progress of construction projects. Construction revenue for our concession operation projects is determined based on our construction costs plus a 1% profit mark-up. We determined the 1% profit mark-up with reference to our historical experience with the gross profit margins for our past EPC projects.

We assess, at the end of each reporting period, whether there is an indication that an intangible asset or receivable under service concession arrangements may be impaired. Possible indicators of asset impairment include physical damage to a project's facilities and material adverse changes in the market environment. If any such indication exists, or when an annual impairment assessment is required, we conduct an impairment test. During the Track Record Period, there was no indication that any intangible asset or receivable under service concession arrangement was impaired.

To determine the fair value of the intangible assets, we estimate the discounted future cash flow from the intangible assets, making certain assumptions about the future tax, inflation, and service fee growth rates, future demand for service, and the discount rate. In testing intangible assets for impairment, we conduct sensitivity analysis by varying our assumptions about the future electricity generation hours and the discount rate.

The recoverable amount of a receivable under service concession arrangement is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows expected to be generated by the relevant receivable under service concession arrangement are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the project. Where the carrying amount of a receivable under service concession arrangement exceeds its recoverable amount, the receivable under service concession arrangement is considered impaired and is written down to its recoverable amount.

Our ability to realize future cash flows, as assessed under an impairment test, is affected by factors such as changes in economic conditions and changes in our operating performance. As we periodically reassess our assumptions, including estimated future cash flows, changes in our estimates and assumptions may cause us to record material impairment charges in the future.

For details, please see "Business—Our Businesses—Concession Operation Business—Characteristics of Business Model and Revenue Recognition Policy" and "Financial Information—Summary of Accounting Treatment for Concession Operation Projects".

CUSTOMERS

Our customers consist primarily of national or local coal-fired power plants and coal-fired power plants owned by large industrial groups, including the Five Largest Power Groups. Leveraging our deep understanding of the industry and competitive strengths in experience, technology and service quality, we have established and maintained long-term relationships with our customers. We are also developing other industrial customers, such as manufacturers of petrochemical, metallurgy, steel and other industrial appliances which also face the challenges and regulatory requirements of environmental protection and energy conservation.

As our business is project-driven, we are not dependent on any specific customer for the success of our business. For the years ended December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2017, sales to our single largest customer accounted for 18.3%, 12.4%, 9.8% and 17.7%, respectively, of our total revenue. For the corresponding periods, sales to our five largest customers in aggregate accounted for 52.3%, 50.0%, 46.0% and 54.3%, respectively, of our total revenue. For details, please see the section headed "Risk Factors—Risks Relating to Our Businesses and Industry—A significant portion of our revenue is derived from our major customers and changes in their business or requirements may have a material and adverse effect on our business." in this prospectus.

SUPPLIERS AND SUBCONTRACTORS

We procure and source various raw materials, equipment and construction services for the operation and construction of our projects from our suppliers and third party subcontractors in the PRC.

Suppliers

Supplies purchased for our flue gas treatment business mainly include flue gas treatment equipment, steel products, nonferrous metal materials and anti-corrosive material, as well as utilities used for the operation of flue gas treatment facilities. We generally have a diverse supplier base, and have good long-term cooperation relationships with the majority of our suppliers. We have implemented a supplier certification system and qualified suppliers access system to select suppliers according to their qualification and strengths and to centralize purchasing from the certified suppliers which ensures a stable supply of quality equipment while controlling cost. We believe that our supply arrangements are adequate and that there are no material constraints on the availability of the raw materials, spare parts and equipment necessary for each segment of our business. Meanwhile, we have taken various measures to mitigate the impact on our operating costs as a result of the fluctuation in the prices of raw materials and equipment, including the reasonable adjustment of the stock according to the market condition and the actual progress of the project. When the prices of raw materials and equipment rise, we generally pass over the corresponding costs by renegotiating and amending the contract terms with suppliers and customers. We have not in the past been adversely affected by an inability to obtain raw materials, components or equipment. For details, please see the section headed "Business—Suppliers, Subcontractors and Inventories—Suppliers" in this prospectus.

Subcontractors and Sub-contracting Arrangements

In light of the professional nature of construction work, to achieve efficiency and cost saving, we generally engage construction and installation service providers to undertake the construction of our environmental protection facility engineering and concession operation projects. We typically select such service providers as our subcontractors of the relevant projects through a bidding process. We endeavor to engage qualified and reputable subcontractors based on the qualification requirements for suppliers and the cooperation agreements, in accordance with the applicable laws and regulations on bidding. We conduct due diligence on potential subcontractors before we engage them. We generally consider factors such as their track records, technical qualifications and certification. We normally select subcontractors based on the location and technical requirements of our projects. For details, please see the section headed "Business—Suppliers, Subcontractors and Inventories—Subcontractors and Sub-contracting Arrangement" in this prospectus.

STATISTICS OF THE GLOBAL OFFERING

The figures set forth in the following table are based on the following assumptions: (i) the Global Offering is completed and 216,105,000 Shares are issued in the Global Offering; (ii) the Over-allotment Option under the Global Offering is not exercised at all; and (iii) 1,010,758,799 Shares are outstanding upon completion of the Global Offering:

	Based on an Offer Price of HK$2.40 per share	Based on an Offer Price of HK$3.60 per share
Market capitalization of the Shares	HK$2,426 million	HK$3,639 million
Unaudited pro forma adjusted net tangible assets per Share(1)	HK$1.46 (or RMB1.18)	HK$1.85 (or RMB1.50)

Note:

(1) The amount of unaudited pro forma adjusted net tangible assets per share is calculated in accordance with Rule 4.29 of the Listing Rules after adjustments referred to in Appendix II—"Unaudited Pro Forma Financial Information".

DIVIDEND

We do not have a predetermined dividend policy. Upon the completion of the Global Offering, our Shareholders will be entitled to the dividends (if any) declared by us. The proposed payment and the amount of our dividends will be made at the discretion of our Board and will depend on our general business conditions and strategies, cash flows, financial performance and funding requirement, shareholders' equity, statutory and regulatory restrictions and other factors that our Board deems relevant. Any dividend distribution shall also be subject to approval of our Shareholders in a Shareholders' meeting.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Cheng and Mr. Zeng are our Ultimate Controlling Shareholders, who collectively hold, through various entities, namely, World Hero, Best Dawn, Asia Environment, Boqi Environmental Engineering and Eastasia Power, an aggregate of 53.85% of our equity interests. Mr. Cheng and Mr. Zeng entered into a confirmation and undertaking on December 8, 2016, details of which are set out in the section headed "Relationship with Controlling Shareholders" on pages 192 to 199 of in this prospectus. Boqi Environmental Engineering, as one of our Selling Shareholders, will sell its Sale Shares as part of the Global Offering. Upon the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and taking into account the

Sale Shares to be sold by the Selling Shareholders), Mr. Cheng and Mr. Zeng will collectively hold an aggregate of approximately 39.86% of our equity interests. Mr. Cheng and Mr. Zeng, together with their respective controlled corporations, namely World Hero and Best Dawn, constitute a group of Controlling Shareholders of our Company as a result of the acting-in-concert arrangement. Notwithstanding that Mr. Zeng, one of our Ultimate Controlling Shareholders, holds 47.2% of the issued shares in Asia Environment, he does not control the majority of the voting rights of Asia Environment nor control the composition of a majority of the board of directors of Asia Environment. On the other hand, Mr. Wang holds 52.8% of the issued shares in Asia Environment and is entitled to exercise the majority of the voting rights in Asia Environment and controls the majority of the board of directors of Asia Environment. Therefore, Asia Environment will not be a controlling shareholder of the Company.

Except for the businesses and equity interests disclosed in the section headed "Relationship with Controlling Shareholders" in this prospectus, none of our Ultimate Controlling Shareholders hold any interest in any business which competes or is likely to compete, either directly or indirectly, with our business, and we believe that we can operate independently from our Ultimate Controlling Shareholders upon the Global Offering. For details, please see the section headed "Relationship with Controlling Shareholders—Independence from Our Controlling Shareholders" on pages 194 to 196 of this prospectus.

SELLING SHAREHOLDERS

Pursuant to the Underwriting Agreements, Boqi Environmental Engineering and Acheson will sell 25,000,000 Shares and 11,122,000 Shares, respectively, as part of the Global Offering (excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option). For details of the Selling Shareholders, please see Appendix V—"Statutory and General Information—E. Other Information—2. Particulars of Selling Shareholders" to this prospectus.

PRE-IPO INVESTMENTS

During the Track Record Period and up to the Latest Practicable Date, Great Origin, Asia Environment, Smart Triumph, Sinopec and Full Synergy acquired a total of 368,662,076 Shares of our Company, consisting of 49,285,714 Class A Shares, 125,000,000 Class B Shares and 194,376,362 Class C Shares. The consideration of the Pre-IPO Investments was irrevocably settled on January 20, 2017. Class B Investor and Class C Investors have been granted certain special rights as set out in section headed "History, Reorganization and Group Structure—Details of the Pre-IPO Investments", all of which will be terminated upon Listing. The relevant Shares held by Smart Triumph and Full Synergy will be counted as part of the public float upon Listing and those held by Great Origin, Asia Environment and Sinopec will not be counted as part of the public float upon Listing. For details, please see the section headed "History, Reorganization and Group Structure—Pre-IPO Investments" on pages 108 to 117 of this prospectus.

Our Class B Shares and Class C Shares are recognized as liability at fair value through profit and loss to reflect our liability to Class B Investor and Class C Investors. Changes in the fair value of our Class B Shares and Class C Shares are recognized in the consolidated statements of profit or loss and other comprehensive income in the period in which they arise. For the nine months ended September 30, 2017, we recorded fair value loss of RMB128 million on our Class B Shares and Class C Shares. We may continue to incur fair value losses prior to our Listing due to increases in the fair value of our Class B Shares and Class C Shares. In addition, each Class B Share and Class C Share will be converted into one Class A Share upon our Listing. We will, upon the conversion, record a decrease in our liabilities and an increase in our total equity. The difference between the fair value of our Class B Shares and Class C Shares immediately prior to our Listing and the Offer Price of our Shares will be recognized as a fair value loss upon such conversion. Therefore, we may incur further fair value losses due to the conversion of our Class B Shares and Class C Shares upon our Listing, and there will be no further fair value losses going forward, as the Class B Shares and Class C Shares will no longer exist after our Listing. The actual amount of any fair value losses will depend on the fair value of our Class B Shares and Class C Shares and the Offer Price at the relevant dates. Please see "Risk Factors—Risks Relating to Our Business and Industry—We have incurred fair value losses on the Class B Shares and Class C Shares, and may incur additional losses upon the conversion of Class B Shares and Class C Shares into Class A Shares" on pages 46 to 47 of this prospectus.

PRE-IPO SHARE AWARD SCHEME

We first adopted the Pre-IPO Share Award Scheme on April 15, 2016, details of which are set out in Appendix V—"Statutory and General Information—D. Pre-IPO Share Award Scheme" on pages V-20 to V-23 of this prospectus. On May 11, 2016, a total of 25,000,000 Shares (the "**Awarded Shares**") were issued to Acheson, representing 3.15% of our total issued share capital immediately before the Global Offering. Acheson, as one of our Selling Shareholders, will sell its Sale Shares as part of the Global Offering, representing approximately 1.10% of our issued share capital at the Global Offering (excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment option and taking into account the Sales Shares to be sold by the Selling Shareholders). Acheson will hold 13,878,000 Shares representing approximately 1.37% of the issued share capital of our Company immediately upon the completion of the Global Offering (excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment option and taking into account the Sales Shares to be sold by the Selling Shareholders). As of the Latest Practicable Date, 22,245,000 of the Awarded Shares had been awarded to a total of 112 employees of our Group (the "**Selected Employee(s)**") in accordance with the terms of the Pre-IPO Share Award Scheme, which are held by Acheson as the Trustee under the Trust which facilitates the purchase, holding and/or vesting of such Awarded Shares for the benefit of the Selected Employees. No further Shares will be issued by our Company for the purpose of the Pre-IPO Share Award Scheme. To the best of the knowledge of our Directors, none of the Selected Employees is a Director or connected person of our Company.

PREVIOUS LISTING OF BOQI ENVIRONMENTAL SOLUTIONS

In 2007, our predecessor, Boqi Environmental Solutions, sought an initial public offering on Section 1 of the Main Board of Tokyo Stock Exchange, and was successfully listed on August 8, 2007. The subsequent downturn in the Japanese stock market, however, made the stock price of Boqi Environmental Solutions unable to reflect the true value of our Company and made it difficult to raise equity capital to meet the requirement of our business development, while the listing maintenance cost was high. Therefore, Boqi Environmental Solutions applied for its delisting from the Tokyo Stock Exchange, and was delisted from the Tokyo Stock Exchange in November 2012. Prior to our delisting, our revenue and net profit amounted to RMB1,199 million and RMB41 million, respectively, for the year ended December 31, 2011, and our total assets amounted to RMB2,746 million at December 31, 2011. Based on the price of our shares immediately prior to our delisting and the number of our shares then outstanding, immediately prior to our delisting, our market capitalization amounted to JPY4,332 million. Please see "History, Reorganization and Group Structure—Previous Listing of Boqi Environmental Solutions" on page 102 of this prospectus.

FUTURE PLAN AND USE OF PROCEEDS

Assuming an Offer Price of HK$3.00 per Offer Share (which is the mid-point of the indicative Offer Price range set forth in this prospectus) and that the Over-allotment Option is not exercised, we estimate that we will receive net proceeds of approximately HK$618 million from the Global Offering after deducting the underwriting commissions and other estimated expenses payable by us. Assuming an Offer Price of HK$3.00 per Offer Share (which is the mid-point of the indicative Offer Price range set forth in this prospectus) and that the Over-allotment Option is exercised in full, we estimate that the additional net proceeds from the offering of these additional Offer Shares received by us will be approximately HK$109 million from the offering of these additional Offer Shares, after deducting the underwriting commissions and other estimated expenses. In line with our business development strategies, we intend to use the net proceeds from the Global Offering for the purposes and in the amounts set forth below (assuming that the Over-allotment Option is not exercised):

1. approximately 65%, or HK$401 million, is expected to be used for the expansion of our concession operation business which is comprised of
   - (1) approximately 35% of the net proceeds, or HK$216 million, is expected to be used for strategic acquisitions; and
   - (2) approximately 30% of the net proceeds, or HK$185 million, is expected to be used for the new concession projects or the upgrades of the concession projects;
2. approximately 20%, or HK$124 million, will be used for sewage treatment, soil and solid waste treatment fields and the development of new business of non-electricity industry;
3. approximately 10%, or HK$62 million, will be used for working capital and other general corporate purposes;
4. approximately 5%, or HK$31 million, will be used for R&D expenditures, focusing on flue gas treatment, water treatment, solid waste treatment and other energy conservation and environmental protection solutions.

To the extent that our net proceeds are either more or less than expected (assuming that the Over-allotment Option is not exercised), we will adjust the allocation of our net proceeds for the above purposes on a pro rata basis.

Additional net proceeds received due to the exercise of any Over-allotment Option will be used for the above purpose accordingly 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 required to be used for the above purposes, the Directors currently intend that such proceeds will be placed with licensed banks or other financial institutions as short-term deposits.

HISTORICAL NON-COMPLIANCE

Save as disclosed in this prospectus, during the Track Record Period and up to the Latest Practicable Date, we have complied with applicable PRC laws and regulations in all material aspects.

As of the Latest Practicable Date, we leased 11 properties in aggregate but failed to conduct the filing and registration formalities for these 11 leased properties due to the lessor did not provide the required documents for registration as requested by us. For details, please see the section headed "Business — Properties — Leased Properties" on pages 183 to 184 of this prospectus.

In addition, several of our domestic subsidiaries had certain non-compliance incidents related to social insurance and housing provident funds, including: (i) we failed to pay the full amount of social insurance and housing provident fund for certain employees of our certain domestic subsidiaries under the PRC laws; (ii) as of September 2016, we failed to open an account of the housing provident fund for three domestic subsidiaries, namely Puzhou Boqi, Hejin Boqi and Jinggangshan Boqi, and failed to make contributions to the housing provident fund for their employees.

For details, please see the section headed "Business — Non-compliance" in this prospectus.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our business continued to grow since September 30, 2017. In November 2017, we signed the contracts for two new EPC projects, where we will build new flue gas desulfurization facilities for the aluminum electrolytic units of two aluminum product manufacturers in Shandong Province. The contract value of the new EPC projects amounted to approximately RMB22 million and RMB20 million, respectively. In November 2017, we successfully renewed our Tianjin SDIC Jinneng Power Plant Desulfurization, WESP and Water Intake Operation and Cleaning Project, where we will continue to provide operation and cleaning services for the power plant's flue gas desulfurization and dust removal facilities from 2018 to 2020. In January 2018, we signed the contract for a new EPC project, where we will build new flue gas desulfurization and denitrification facilities for the sintering units of a steel manufacturer in Hebei Province. The contract value of this new EPC project amounted to RMB105 million. Our Directors confirm that, save for the listing expenses and the fair value losses on our Class B Shares and Class C Shares, there has been no material adverse change in our financial or trading position since September 30, 2017 to the date of this prospectus.

LISTING EXPENSES

We will incur listing expenses in connection with the Listing, which include professional fees, underwriting commissions and other fees. Assuming an Offer Price of HK$3.00 per Offer Share, being the mid-point of the range of the Offer Price as stated in this prospectus, and the Over-allotment Option is not exercised, the listing expenses to be borne by us are estimated to be RMB44 million. Listing expenses of RMB19 million had been incurred as of September 30, 2017, which has been charged to our profit or loss. Listing expenses of approximately RMB25 million are expected to be incurred after September 30, 2017, of which RMB6 million is expected to be charged to our profit or loss and RMB19 million is expected to be accounted for as a deduction from equity. The listing expenses above are the latest practicable estimate for reference only and the actual amount may differ from this estimate. Our Directors do not expect such expenses to have a material adverse impact on our financial results for the year ending December 31, 2017.

RISK FACTORS

A number of risks and uncertainties are associated with investment in our Shares, primarily including the following: (1) risks associated with laws, regulations and rules and policies applicable to the environmental protection industry in the PRC; (2) risks associated with competition; (3) risks associated with the development of new business; (4) risks associated with failure to retain or hire management team and technology specialists.

For details, please see the section headed "Risk Factors" on pages 36 to 58 of this prospectus. You should read the entire section carefully before investing our shares.