



粵豐環保電力有限公司

CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1381

Annual Report 2022

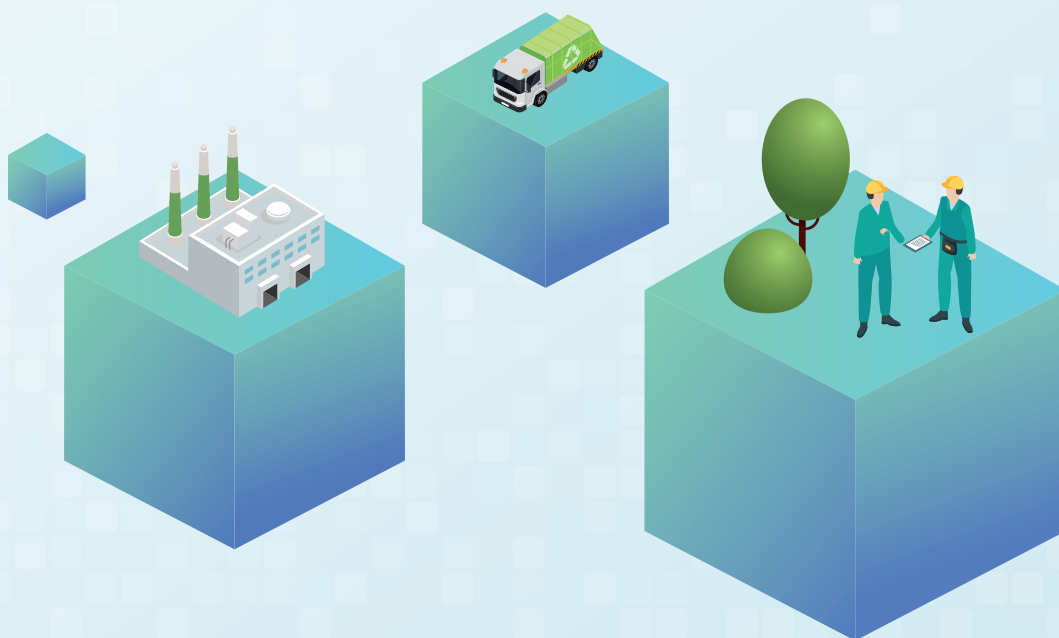


CORPORATE PROFILE

Canvest Environmental Protection Group Company Limited is a leading integrated urban environmental protection and sanitation solution provider, focusing on WTE and the provision of intelligent urban environmental hygiene and related services. As at 22 March 2023, the Group has secured 36 WTE projects, and a number of these projects have been awarded “Grade AAA Innocuous Waste Incineration Plant”, the highest ranking in the grading system. Going forward, Canvest will continue to develop its WTE business and capture new opportunities related to integrated smart city management services.

The Company was listed on the Main Board of Hong Kong Stock Exchange in December 2014, and has been selected as:

-  One of the eligible stocks included in Southbound trading through Shenzhen-Hong Kong Stock Connect and Shanghai-Hong Kong Stock Connect
-  a constituent of the following indexes:
 - Hang Seng Composite Index
 - Hang Seng Composite Industry Index — Utilities
 - Hang Seng Composite MidCap & SmallCap Index
 - Hang Seng Composite SmallCap Index
 - Hang Seng Stock Connect Hong Kong Index
 - Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index
 - Hang Seng Stock Connect Hong Kong SmallCap Index
 - Hang Seng SCHK Mainland China Companies Index
 - Hang Seng Small Cap (Investable) Index



CONTENTS

2	Financial Highlights	77	Consolidated Statement of Profit or Loss
3	Projects Overview	78	Consolidated Statement of Comprehensive Income
6	Corporate Milestones	79	Consolidated Balance Sheet
8	MSW Processing and WTE Process	81	Consolidated Statement of Changes in Equity
10	Chairlady's Statement	83	Consolidated Statement of Cash Flows
15	Management Discussion and Analysis	85	Notes to the Consolidated Financial Statements
34	Corporate Governance Report	166	Financial Summary
51	Directors' and Senior Management's Profile	168	Corporate Information
55	Report of the Directors	171	Glossary
70	Independent Auditor's Report		



FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS HIGHLIGHTS, DIVIDEND AND CASH GENERATED FROM OPERATING PROJECTS

	For the year ended 31 December		
	2022	2021	Change
Revenue (HK\$'000)	8,246,645	6,794,571	+21.4%
Included: Revenue from power sales and waste treatment (HK\$'000)	3,486,671	2,997,264	+16.3%
Gross profit (HK\$'000)	2,529,021	2,110,279	+19.8%
EBITDA (HK\$'000)**	3,086,236	2,616,444	+18.0%
Profit for the year (HK\$'000)	1,359,463	1,319,167	+3.1%
Profit attributable to equity holders of the Company (HK\$'000)	1,332,805	1,321,995	+0.8%
Basic earnings per Share (HK cents)	54.9	54.4	+0.9%
Total dividend per Share (HK cents)*	10.9	10.8	+0.9%
Cash generated from operating projects (HK\$'000)**	2,206,831	1,755,319	+25.7%

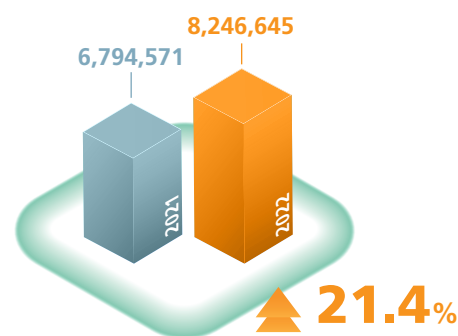
* including proposed final dividend for the year ended 31 December 2022 of HK4.7 cents (2021: HK5.8 cents) per Share

** Non-HKFRS measures

Revenue

(for the year ended 31 December)

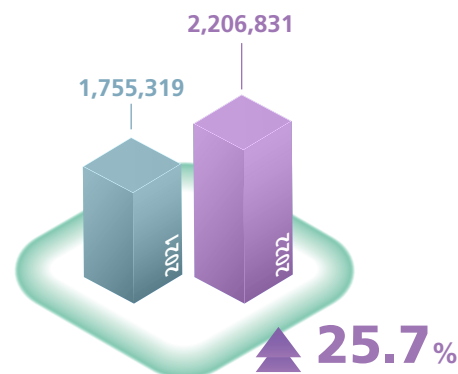
HK\$'000



Cash generated from operating projects**

(for the year ended 31 December)

HK\$'000



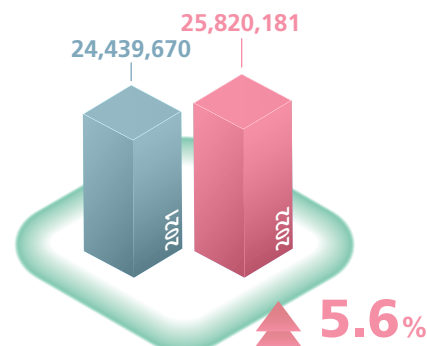
CONSOLIDATED BALANCE SHEET HIGHLIGHTS

	As at 31 December		
	2022	2021	Change
Total assets (HK\$'000)	25,820,181	24,439,670	+5.6%
Total liabilities (HK\$'000)	16,816,275	15,553,735	+8.1%
Included: Total bank borrowings (HK\$'000)	13,582,329	12,703,875	+6.9%
Equity attributable to equity holders of the Company (HK\$'000)	8,703,034	8,485,530	+2.5%
Total liabilities / total assets	65.1%	63.6%	+1.5 pts

Total assets

(as at 31 December)

HK\$'000



PROJECTS OVERVIEW

Total Operating,
Secured and
Announced Daily MSW
Processing Capacity

54,540 Tonnes
(as at 22 March 2023)



- ▲ A Environmental hygiene and landfill remediation services
- ▲ B Fly ash landfill services
- ▲ C Treatment of bottom ash services
- ▲ D Smart car parking services

	Number of Projects	Daily Processing Capacity (tonnes)
Guangdong	17	26,790
Guangxi	3	3,750
Guizhou	2	2,250
Hebei	3	2,850
Jiangsu	2	2,050
Jiangxi	1	800
Liaoning	1	2,250
Shandong	1	1,800
Shanghai	1	3,800
Shanxi	1	1,200
Sichuan	2	5,000
Yunnan	2	2,000
Total	36	54,540

PROJECTS OVERVIEW



			Location	Daily MSW processing capacity	Installed power generation capacity	Waste treatment fee	Status
Guangdong	1	Eco-Tech I WTE plant	Dongguan	1,800 tonnes	36MW	RMB110/tonne	In operation
	2	Eco-Tech II WTE plant	Dongguan	1,500 tonnes	50MW	RMB110/tonne	In operation
	3	Kewei WTE plant	Dongguan	1,800 tonnes	30MW	RMB110/tonne	In operation
	4	China Scivest I WTE plant	Dongguan	1,800 tonnes	42MW	RMB110/tonne	In operation
	5	China Scivest II WTE plant	Dongguan	1,200 tonnes	36MW	RMB110/tonne	In operation
	6	Machong WTE plant	Dongguan	2,250 tonnes	80MW	RMB110/tonne	In operation
	7	Zhanjiang WTE plant	Zhanjiang	1,500 tonnes	30MW	RMB81.8/tonne	In operation
	8	Qingyuan WTE plant	Qingyuan	Phase 1: 1,500 tonnes Phase 2: 1,000 tonnes	50MW	RMB88/tonne	In operation
	9	Zhongshan I WTE plant	Zhongshan	1,040 tonnes	24MW	RMB93.61/tonne	In operation
	10	Zhongshan II WTE plant	Zhongshan	2,250 tonnes	70MW	RMB93.61/tonne	In operation
	11	Lufeng WTE plant	Lufeng	Phase 1: 1,200 tonnes Phase 2: 400 tonnes	Phase 1: 30MW Phase 2: 12MW	RMB91.5/tonne	Phase 1: In operation Phase 2: Planning
	12	Xinyi WTE plant	Xinyi	1,000 tonnes	24MW	RMB79/tonne	In operation
	13	Xuwen WTE plant	Xuwen	Phase 1: 500 tonnes Phase 2: 250 tonnes	Phase 1: 12MW Phase 2: 6MW	RMB80.5/tonne	In operation
	14	Dianbai WTE plant	Maoming	Phase 1: 1,500 tonnes Phase 2: 750 tonnes	Phase 1: 25MW Phase 2: 25MW	RMB89.5/tonne	Phase 1: In operation Phase 2: Planning
	15	Shaoguan WTE plant	Shaoguan	Phase 1: 700 tonnes Phase 2: 350 tonnes	24MW	RMB88.88/tonne	Phase 1: In operation Phase 2: Planning
	16	Huizhou WTE plant	Huizhou	1,000 tonnes	30MW	RMB110/tonne	Under construction
	17	Huidong WTE plant	Huidong	1,500 tonnes	36MW	RMB76.51/tonne	Planning
Guangxi	18	Laibin WTE plant	Laibin	Phase 1: 1,000 tonnes Phase 2: 500 tonnes	Phase 1: 24MW Phase 2: Planning	RMB95/tonne	Phase 1: In operation Phase 2: Planning
	19	Beiliu WTE plant	Beiliu	Phase 1: 700 tonnes Phase 2: 350 tonnes	24MW	RMB83/tonne (Calculated on weighted average basis)	In operation
	20	Baise WTE plant	Baise	Phase 1: 700 tonnes Phase 2: 500 tonnes	Phase 1: 15MW Phase 2: 10MW	RMB97.9/tonne	Planning
Guizhou	21	Xingyi WTE plant	Xingyi	Phase 1: 700 tonnes Phase 2: 500 tonnes	Phase 1: 12MW Phase 2: 12MW	RMB80/tonne	In operation
	22	Qiandongnan Prefecture South Area WTE plant	Liping	Phase 1: 700 tonnes Phase 2: 350 tonnes	15MW	RMB66.8/tonne	Phase 1: In operation Phase 2: Planning
Shandong	23	Zaozhuang WTE plant	Zaozhuang	Phase 1: 1,000 tonnes Phase 2: 800 tonnes	Phase 1: 15MW Phase 2: 15MW	RMB49/tonne (Under negotiation)	In operation
Shanghai	24	Baoshan WTE plant	Shanghai	3,800 tonnes	126MW	Under negotiation	In operation
Jiangsu	25	Jingjiang WTE plant	Jingjiang	Phase 1: 800 tonnes Phase 2: 400 tonnes	Phase 1: 15MW Phase 2: 7.5MW	RMB67.8/tonne	Phase 1: In operation Phase 2: Planning
	26	Taizhou WTE plant	Taizhou	850 tonnes	18MW	RMB79.9/tonne	In operation

PROJECTS OVERVIEW

			Location	Daily MSW processing capacity	Installed power generation capacity	Waste treatment fee	Status
Sichuan	27	Jiayang WTE plant	Jiayang	Phase 1: 1,500 tonnes Phase 2: 1,500 tonnes	Phase 1: 18MW Phase 2: 18MW	RMB93.1/tonne	Phase 1: In operation Phase 2: Planning
	28	Dazhou WTE plant	Dazhou	Phase 1: 1,200 tonnes Phase 2: 800 tonnes	Phase 1: 25MW Phase 2: 18MW	RMB95.6/tonne	Phase 1: In operation Phase 2: Planning
Yunnan	29	Ruili WTE plant	Ruili	Phase 1: 600 tonnes Phase 2: 400 tonnes	Phase 1: 15MW Phase 2: Planning	RMB75/tonne	Phase 1: In operation Phase 2: Planning
	30	Xiangyun WTE plant	Xiangyun	Phase 1: 500 tonnes Phase 2: 500 tonnes	18MW	RMB56.8/tonne	Phase 1: In operation Phase 2: Planning
Hebei	31	Mancheng WTE plant	Mancheng	Phase 1: 500 tonnes Phase 2: 500 tonnes	24MW	RMB76.8/tonne	In operation
	32	Yi County WTE plant	Yi County	800 tonnes	18MW	RMB106.68/tonne	Under construction as at 22 March 2023 and commenced trial operation in late March 2023
	33	Quyong WTE plant	Quyong	Phase 1: 700 tonnes Phase 2: 350 tonnes	Planning	RMB89.5/tonne	Planning
Shanxi	34	Linfen WTE plant	Linfen	Phase 1: 800 tonnes Phase 2: 400 tonnes	Phase 1: 15MW Phase 2: 15MW	RMB94.6/tonne	Phase 1: In operation Phase 2: Planning
Liaoning	35	Yingkou WTE plant	Yingkou	Phase 1: 1,500 tonnes Phase 2: 750 tonnes	Phase 1: 30MW Phase 2: 15MW	RMB66/tonne	Phase 1: In operation Phase 2: Planning
Jiangxi	36	Xinfeng WTE plant	Xinfeng	Phase 1: 400 tonnes Phase 2: 400 tonnes	15MW	RMB85/tonne	In operation



CORPORATE MILESTONES

**Q1
2022**

- Established the Strategy and Sustainability Committee
- Succeeded for the first time to obtain a loan amounted to RMB25.0 million from a financial institution by pledging the national subsidy receivables
- Entrusted to manage and operate Baoshan WTE plant
- Dianbai WTE plant was awarded the Luban Prize for China Construction Engineering 2020–2021 (National Prime-quality Project) and was recognised as “Grade AAA Innocuous Waste Incineration Plant”
- Conditionally awarded the WTE project located in Quyang County, Baoding City, Hebei Province

**Q2
2022**

- Phase 1 of Linfen WTE plant commenced trial operation
- Awarded waste collection and transportation projects in Laishui County and Quyang County, Hebei Province
- Conditionally awarded the WTE project located in Huidong County, Guangdong Province
- China Scivest WTE plant was selected by the Department of Ecology and Environment of Guangdong Province as “Top 10 Guangdong Province Advanced Entities with Open Environmental Facilities”
- Environmental Protection Education Centre in Lufeng WTE plant and Dianbai WTE plant were awarded as “2021 Environmental Education Centre of Guangdong Province” by the Department of Ecology and Environment of Guangdong Province



CORPORATE MILESTONES

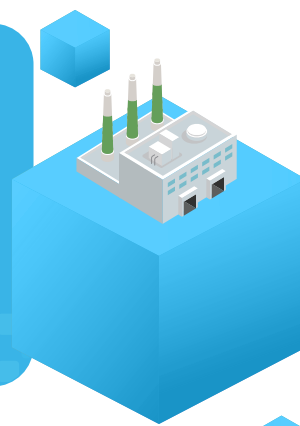
- Sichuan SIIC completed the acquisition of all equity interests in Dazhou Jiajing, which holds the right to a WTE project with the total daily MSW processing capacity of 2,000 tonnes in Dazhou City, Sichuan Province
- Entrusted to manage and operate Dazhou WTE project

Q3
2022

- Baoshan WTE plant commenced trial operation
- Taizhou WTE plant commenced trial operation
- Phase 1 of Dazhou WTE plant commenced trial operation
- Conditionally awarded the WTE project located in Baise City, Guangxi Zhuang Autonomous Region
- Environmental Protection Education Centre in Zhongshan WTE plant was awarded as "AAA National Tourist Attraction" by China National Tourist Attractions Quality Evaluation Committee

Q4
2022

- Entered into the waste processing service agreement with Dazhou SIIC pursuant to which the Group will (i) transport approximately 200,000 tonnes of waste from the landfill to Dazhou WTE plant; (ii) dispose the solidified fly ash generated by Dazhou WTE plant to the landfill; and (iii) detect and repair impermeable membranes at the landfill for three years
- Yi County WTE plant commenced trial operation

Q1
2023

MSW PROCESSING AND WTE PROCESS

