

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(a) Balance sheet of the Company

	2022 HK\$'000	2021 HK\$'000
ASSETS		
Non-current assets		
Interests in subsidiaries	7,461,227	6,853,603
Current assets		
Prepayment and other receivables	955	465
Restricted deposits	56,102	—
Time deposits	22,500	—
Cash and cash equivalents	133,642	122,327
	213,199	122,792
Total assets	7,674,426	6,976,395
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	24,395	24,395
Share premium (Note 38(b))	2,640,551	2,640,551
Other reserves (Note 38(b))	1,060,386	1,060,386
Retained earnings (Note 38(b))	118,636	146,238
Total equity	3,843,968	3,871,570
LIABILITIES		
Non-current liabilities		
Bank borrowings	3,141,905	2,618,946
Current liabilities		
Bank borrowings	670,000	474,348
Other payables	15,391	8,191
Amounts due to subsidiaries	3,162	3,340
	688,553	485,879
Total liabilities	3,830,458	3,104,825
Total equity and liabilities	7,674,426	6,976,395
Net current liabilities	(475,354)	(363,087)
Total assets less current liabilities	6,985,873	6,490,516

The balance sheet of the Company was approved by the Board of Directors on 22 March 2023 and was signed on its behalf.

Lee Wing Yee Loretta
Director

Lai Chun Tung
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)
(b) Reserve movement of the Company

	Share premium HK\$'000	Capital reserve HK\$'000 (Note (i))	Share option reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1 January 2021	2,640,551	1,055,525	5,834	136,654	3,838,564
Dividend approved and paid in respect of the previous year	—	—	—	(119,538)	(119,538)
Interim dividend declared and paid (Note 32)	—	—	—	(121,977)	(121,977)
Share options lapsed (Note 25)	—	—	(973)	973	—
Profit for the year	—	—	—	250,126	250,126
Balance at 31 December 2021	2,640,551	1,055,525	4,861	146,238	3,847,175
Balance at 1 January 2022	2,640,551	1,055,525	4,861	146,238	3,847,175
Dividend approved and paid in respect of the previous year (Note 32)	—	—	—	(141,493)	(141,493)
Interim dividend declared and paid (Note 32)	—	—	—	(151,252)	(151,252)
Profit for the year	—	—	—	265,143	265,143
Balance at 31 December 2022	2,640,551	1,055,525	4,861	118,636	3,819,573

Note (i): The capital reserve of the Company represents the excess of the aggregate net assets values of the subsidiaries acquired by the Company over the nominal consideration payable by the Company for the acquisition of subsidiaries pursuant to the reorganisation completed in 2014.

FINANCIAL SUMMARY

CONSOLIDATED ASSETS, EQUITY AND LIABILITIES

		As at 31 December			
	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000
ASSETS					
Non-current assets	21,341,396	20,427,926	15,652,781	11,299,503	8,897,623
Current assets	4,478,785	4,011,744	3,369,054	2,167,264	2,020,629
Total assets	25,820,181	24,439,670	19,021,835	13,466,767	10,918,252
EQUITY AND LIABILITIES					
Total equity	9,003,906	8,885,935	7,419,421	6,022,707	5,294,557
Non-current liabilities	12,980,235	12,373,664	9,295,741	5,388,657	4,285,359
Current liabilities	3,836,040	3,180,071	2,306,673	2,055,403	1,338,336
Total liabilities	16,816,275	15,553,735	11,602,414	7,444,060	5,623,695
Total equity and liabilities	25,820,181	24,439,670	19,021,835	13,466,767	10,918,252

FINANCIAL SUMMARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 December			
	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000
Revenue	8,246,645	6,794,571	4,987,906	3,952,216	3,325,894
Cost of sales	(5,717,624)	(4,684,292)	(3,442,782)	(2,686,690)	(2,228,802)
Gross profit	2,529,021	2,110,279	1,545,124	1,265,526	1,097,092
General and administrative expenses	(580,010)	(517,952)	(325,363)	(241,915)	(228,299)
Other income	215,875	237,809	211,828	155,317	130,290
Other (losses)/gains, net	(108,163)	32,384	47,767	(7,832)	(8,830)
Operating profit	2,056,723	1,862,520	1,479,356	1,171,096	990,253
Interest income	14,500	11,854	10,747	7,094	6,146
Interest expense	(614,284)	(423,462)	(351,389)	(211,277)	(176,136)
Share of net profits of associates and joint ventures	189,934	96,498	118,195	54,770	32,004
Profit before income tax	1,646,873	1,547,410	1,256,909	1,021,683	852,267
Income tax expenses	(287,410)	(228,243)	(199,726)	(129,632)	(97,912)
Profit for the year	1,359,463	1,319,167	1,057,183	892,051	754,355
Attributable to:					
Equity holders of the Company	1,332,805	1,321,995	1,053,790	892,622	754,364
Non-controlling interests	26,658	(2,828)	3,393	(571)	(9)
Earnings per share (expressed in HK cents per share)					
— Basic	54.9	54.4	43.4	36.6	30.7
— Diluted	54.9	54.4	43.4	36.6	30.7

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Lee Wing Yee Loretta
(Chairlady and Executive Director)

Mr. Lai Kin Man
(Deputy Chairman and Executive Director)

Mr. Yuan Guozhen
(Chief Executive Officer and Executive Director)

Mr. Lai Chun Tung (Executive Director)

Non-Executive Directors

Mr. Feng Jun

Mr. Lui Ting Cheong Alexander

Independent Non-executive Directors

Professor Sha Zhenquan

Mr. Chan Kam Kwan Jason

Mr. Chung Wing Yin

Mr. Chung Kwok Nam

BOARD COMMITTEES

Audit Committee

Mr. Chan Kam Kwan Jason (Chairperson)

Professor Sha Zhenquan

Mr. Chung Wing Yin

Remuneration Committee

Professor Sha Zhenquan (Chairperson)

Mr. Chan Kam Kwan Jason

Mr. Chung Wing Yin

Nomination Committee

Mr. Chung Wing Yin (Chairperson)

Professor Sha Zhenquan

Mr. Chan Kam Kwan Jason

Corporate Governance Committee

Mr. Chan Kam Kwan Jason (Chairperson)

Ms. Lee Wing Yee Loretta

Professor Sha Zhenquan

Mr. Chung Wing Yin

Strategy and Substitutability Committee

Mr. Lai Chun Tung (Chairperson)

Mr. Lui Ting Cheong Alexander

Professor Sha Zhenquan

COMPANY SECRETARY

Ms. Wong Ling Fong Lisa (HKICPA)

AUTHORISED REPRESENTATIVES

Ms. Lee Wing Yee Loretta

Ms. Wong Ling Fong Lisa

AUDITORS

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

LEGAL ADVISORS

as to Hong Kong law:

King & Wood Mallesons

as to PRC law:

King & Wood Mallesons

Jingtian & Gongcheng

as to BVI and Cayman Islands law:

Maples and Calder

PRINCIPAL BANKERS

Dongguan Rural Commercial Bank Co. Ltd.

The Hong Kong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

PO Box 309, Ugland House,
Grand Cayman, KY1-1104,
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 6803B, 68/F.,
International Commerce Centre,
1 Austin Road West,
Kowloon,
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN PRC

Level 24,
Canvest Tower,
2 San Yuan Road,
Nan Cheng District, Dongguan City,
Guangdong, PRC

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman Limited)
PO Box 1093, Boundary Hall,
Cricket Square, Grand Cayman,
KY1-1102, Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road
Hong Kong

INVESTOR RELATIONS

E-mail : info@canvest.com.hk
Telephone : (852) 2668 6596
Facsimile : (852) 2668 6597

WEBSITE

www.canvestenvironment.com

LISTING INFORMATION

Equity Securities Listing

The Company's ordinary shares are listed on the Main Board of Hong Kong Stock Exchange (Stock Code: 1381) and it 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.

CLOSURE OF REGISTER OF MEMBERS

To determine the identity of Shareholders who are entitled to attend and vote at the 2023 AGM

Latest time for lodging transfer documents of shares : 4:30 p.m. on Friday, 9 June 2023
Period of closure of register of members : Monday, 12 June 2023 to Thursday,
15 June 2023 (both dates inclusive)

To determine the shareholders' entitlement to the final dividend

Ex-entitlement date for final dividend : Monday, 19 June 2023
Latest time for lodging transfer documents of shares : 4:30 p.m. on Tuesday, 20 June 2023
Period of closure of register of members : Wednesday, 21 June 2023 to Monday,
26 June 2023 (both dates inclusive)
Record date : Monday, 26 June 2023

To qualify for attending and voting at the 2023 AGM and/or entitlement to the final dividend, all properly completed transfer forms accompanied by the Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the corresponding latest time for lodging transfer documents of Shares.

CORPORATE INFORMATION

ANNUAL GENERAL MEETING

The 2023 AGM will be held on Thursday, 15 June 2023. Notice of the 2023 AGM will be published on the websites of the Company (www.canvestenvironment.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) and dispatched to the shareholders of the Company within the prescribed time and in such manner as required under the Listing Rules.

The Company recommends the Shareholders to exercise their voting rights by appointing the Chairman of the AGM as their proxy instead of attending the AGM in person. All Shareholders are encouraged to vote on all resolutions to be proposed at the AGM.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual report is printed in both English and Chinese versions and is delivered to Shareholders. This annual report is also published on the websites of the Company (www.canvestenvironment.com) and the Hong Kong Stock Exchange (www.hkexnews.hk).

For environmental protection reason, the Company encourages Shareholders to view the contents of this annual report posted on the aforesaid websites.

GLOSSARY

AGM	Annual general meeting
Baoshan WTE plant	the WTE plant located in Baoshan District, Shanghai municipality and owned by SIIC Baojingang
Beiliu	Beiliu Canvest Environmental Power Company Limited** (北流粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Best Approach	Best Approach Developments Limited (臻達發展有限公司), a company incorporated under the laws of BVI on 2 January 2014 with limited liability and a controlling shareholder of the Company
Board	the board of Directors
BOO	build-own-operate, a project model in which a private entity builds, owns and operates their facilities and assets with no obligation to transfer their ownership of their relevant facilities and assets to any specified parties at any specified time
BOT	build-operate-transfer, a project model in which a private entity receives a concession from the public sector to finance, design, construct and operate a facility stated in the concession contract for a definite period of time and transfer the facility and assets to the public sector after the completion of the concession period, at which point the obligation of the private entity to operate the designed and constructed facility effectively terminates
BVI	the British Virgin Islands
Canvest or the Company	Canvest Environmental Protection Group Company Limited (粵豐環保電力有限公司), an exempted company incorporated with limited liability in the Cayman Islands on 28 January 2014, and where the text requires, "we", "us" or "our" shall mean the Group
Canvest ECT	Guangdong Canvest Energy Conservation Technology Co., Ltd.** (廣東粵豐節能科技有限公司), a company incorporated in the PRC and is held by Mr. Guo Huiqiang** (郭惠強), an associate of Mr. CT Lai, as to 51.0% and Mr. CT Lai as to 49.0%
Canvest Yuezhao	Canvest Yuezhao Environmental Investment (Guangdong) Company Limited** (粵豐粵展環保投資(廣東)有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It holds approximately 73.9% equity interest in Shanghai Shengong Environmental Protection Co., Ltd.** (上海神工環保股份有限公司)
Canvest Yuezhao Solid	Canvest Yuezhao Solid Waste Treatment Technology (Guangdong) Company Limited (粵豐粵展固體廢物處理科技(廣東)有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Cash generated from operating projects*	Net cash generated from/used in operating activities for the year, excluding net operating cash used for construction of various WTE plants under BOT arrangements
Century Rise	Century Rise Development Limited (誠朗發展有限公司), a company incorporated under the laws of BVI on 6 January 2012 with limited liability and a controlling shareholder of the Company

GLOSSARY

Changning	Hengyang Canvest Environmental Construction Power Company Limited** (衡陽粵豐環建電力有限公司), a company incorporated in the PRC with limited liability and the Group holds 55% equity interest of it as at 31 December 2022
China or PRC	the People's Republic of China, except where the context otherwise requires, does not include Hong Kong, Macau Special Administrative Region and Taiwan
China Scivest	Dongguan China Scivest Environmental Power Company Limited** (東莞粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
CG Code	Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
Dazhou Jiajing	Dazhou Jiajing Environment Renewable Resource Company Limited** (達州佳境環保再生資源有限公司), a company incorporated in the PRC with limited liability and Sichuan SIIC holds 100% equity interest of it
Dazhou SIIC	Dazhou SIIC Environment Protection Co., Ltd** (達州上實環保有限公司), a company incorporated in the PRC with limited liability, is an indirect non-wholly owned subsidiary of Sichuan SIIC, and is principally engaged in the operation of the Dazhou WTE plant
Dianbai	Maoming Canvest Environmental Power Company Limited** (茂名粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Director(s)	director(s) of the Company
Dongguan Xindongqing	Dongguan Xindongqing Environmental Investment Company Limited** (東莞市新東清環保投資有限公司), a company incorporated in the PRC with limited liability and Dongguan Xindongyuan holds 30% equity interest of it
Dongguan Xindongyuan or Machong	Dongguan Xindongyuan Environmental Investment Company Limited** (東莞市新東元環保投資有限公司), a company incorporated in the PRC with limited liability and the Group holds 49% equity interest of it
Dongguan Xindongyue	Dongguan Xindongyue Environmental Company Limited** (東莞新東粵環保實業有限公司), a company incorporated in the PRC with limited liability and the Group holds 35% equity interest of it
EBITDA*	Earnings before interest expense, income tax expense, depreciation and amortisation
Eco-Tech	Dongguan Eco-Tech Environmental Power Company Limited** (東莞市科偉環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Eligible Person(s)	(i) employees (whether full-time or part-time and including any executive Director), consultants or advisers of or to the Group, and (ii) any non-executive Director (including independent non-executive Directors) of the Group
Group	the Company and its subsidiaries

GLOSSARY

Harvest VISTA Trust	The Harvest VISTA Trust, a discretionary trust founded by Ms. Loretta Lee and Mr. KM Lai, with Ms. Loretta Lee, Ms. Loretta Lee's personal trust and Mr. KM Lai as beneficiaries
HK\$	Hong Kong dollar(s), the lawful currency of Hong Kong
Hong Kong	Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hungyuan	Datong Canvest Environmental Power Company Limited** (大同粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
Independent Third Party(ies)	an individual(s) or a company(ies) which is/are independent of and not connected with (within the meaning of the Listing Rules), the directors, the chief executives and the substantial Shareholders of our Company and our subsidiaries and their respective associates
Jianyang or Jianyang Canvest	Jianyang Canvest Environmental Power Company Limited** (簡陽粵豐環保發電有限公司), a company incorporated in the PRC with limited liability and the Group holds 50% equity interest of it
Jingjiang	Jingjiang Canvest Environmental Power Company Limited** (靖江粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
Johnson	Hong Kong Johnson Holding Co., Ltd. (香港莊臣控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Hong Kong Stock Exchange (stock code: 1955) and the Group holds 30.75% equity interest of it
Kewei	Canvest Kewei Environmental Investment (Guangdong) Company Limited (formerly known as "Dongguan Kewei Environmental Power Company Limited")** (粵豐科維環保投資(廣東)有限公司) (formerly known as 東莞科維環保投資有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
kWh	kilowatt-hour. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
Laibin	Laibin Canvest Environmental Power Company Limited** (formerly known as "Laibin Zhongke Environmental Power Company Limited") (來賓粵豐環保電力有限公司) (formerly known as 來賓中科環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Linfen	Linfen Canvest Environmental Power Company Limited** (臨汾粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
Liping	Qiandongnanzhou Liping Canvest Environmental Power Company Limited** (黔東南州黎平粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Listing Date	29 December 2014, the date which our Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange

GLOSSARY

Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Lufeng	Lufeng Canvest Environmental Power Company Limited** (陸豐粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Main Board	the Main Board of the Hong Kong Stock Exchange
Mancheng	Baoding Canvest Kewei Environmental Power Company Limited** (保定粵豐科維環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
Mr. CT Lai	Mr. Lai Chun Tung (黎俊東), an executive Director
Mr. KM Lai	Mr. Lai Kin Man (黎健文), also known as Li Jianwen (黎建文), one of our controlling shareholders, an executive Director and deputy chairman
Ms. Loretta Lee	Ms. Lee Wing Yee, Loretta (李詠怡), one of our controlling shareholders, an executive Director and chairlady
MSW	municipal solid waste, a waste type consisting of everyday solid items that are produced from urban residents' daily life activities and services for their everyday life, as well as other solid waste deemed by the authorities as waste, including household waste, commercial waste, waste from trading markets, streets and other public places, as well as non-industrial waste from institutions, schools, factories, etc.
PPP	Public-private-partnership
Qingyuan	Qingyuan City Zhongtian New Energy Company Limited (清遠中田新能源有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
RMB	Renminbi, the lawful currency of PRC
Ruili	Dehong Canvest Environmental Power Company Limited** (德宏粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
Sanyang	Dongguan Sanyang Industrial Development Co., Ltd.** (東莞市三陽實業發展有限公司), a company incorporated in the PRC and is jointly-owned by Mr. CT Lai and his associate
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shaoguan	Shaoguan Canvest Environmental Power Company Limited** (韶關粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
Share Award Scheme	the share award scheme of the Company adopted by the Board on 3 May 2019 in accordance with the rules relating to the said scheme as amended from time-to-time
Share(s)	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company

GLOSSARY

Shareholder(s)	holders of Shares
Shen County	Shen County Nanyi New Energy Power Company Limited (formerly known as "Shen County Shanghai Industrial Environmental Energy Company Limited")** (莘縣南一新能源發電有限公司) (formerly known as "莘縣上實環保能源有限公司"), a company incorporated in the PRC with limited liability and the Group holds 20% equity interest of it as at 31 December 2022
Sichuan Jiajieyuan	Sichuan Jiajieyuan Environmental Technology Company Limited** (四川佳潔園環保科技有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Sichuan SIIC	Sichuan SIIC Ecological Environmental Co., Ltd. (formerly known as "Sichuan SIIC Environmental Investment Development Co., Ltd.")** (四川上實生態環境有限責任公司) (formerly known as 四川上實環境投資發展有限公司), a company incorporated in the PRC with limited liability. The Group effectively holds 30% equity interest of it
SIHL	Shanghai Industrial Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability whose shares are listed on the Hong Kong Stock Exchange (stock code: 363) and a substantial Shareholder of the Company
SIIC	Shanghai Industrial Investment (Holdings) Company Limited (上海實業(集團)有限公司), a company incorporated under the laws of Hong Kong with limited liability
SIIC Baojingang	Shanghai SIIC Baojingang Environmental Resources Technology Co., Ltd.** (上海上實寶金剛環境資源科技有限公司), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of SIHL. The Group effectively holds 18% equity interest of it
SIIC Environment	SIIC Environment Holdings Limited, a company incorporated in the Republic of Singapore with limited liability whose shares are listed on the Hong Kong Stock Exchange (stock code: 807) and Singapore Exchange Limited (stock code: BHK.SG)
Taizhou	Taizhou Canvest Environmental Power Company Limited** (泰州粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
True Victor	True Victor Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of SIHL
Trustee	Bank of Communications Trustee Limited (which is independent and not connected with the Company) and any additional or replacement trustees, being the trustee or trustees for the time being to be declared in the trust deed entered into with the Company
US dollars or USD	United States dollars, lawful currency of the United States of America
VAT	Value-added tax in the PRC
VISTA Co	Harvest Vista Company Limited, a company incorporated in the British Virgin Islands on 18 June 2014, whose entire issued share capital is held by HSBC International Trustee Limited in its capacity as trustee of Harvest VISTA Trust

GLOSSARY

WTE	waste-to-energy, the process of generating electricity from the incineration of waste
Xiangyun	Xiangyun Shengyun Environmental Energy Co., Ltd** (祥雲盛運環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Xinfeng	Xinfeng Canvest Environmental Power Company Limited** (信豐粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Xingyi	Qianxinan Canvest Environmental Power Company Limited** (黔西南粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Xinyi	Xinyi Canvest Environmental Power Company Limited** (信宜粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Xuwen	Xuwen Canvest Environmental Power Company Limited** (徐聞粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Yingkou	Yingkou Canvest Power Environmental Company Limited** (營口粵豐電力環保有限公司), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
Yue Xing	Dongguan City Yue Xing Company Limited** (東莞市粵星建造有限公司), a company incorporated in the PRC and is jointly-owned by Mr. CT Lai and his associate
Zaozhuang or Zaozhung Zhongke	Zaozhuang Zhongke Environmental Energy Company Limited** (棗莊中科環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
Zhanjiang	Zhanjiang Canvest Environmental Power Company Limited** (湛江市粵豐環保電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Zhongshan	Zhongshan City Guangye Longcheng Environmental Company Limited** (中山市廣業龍澄環保有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
Zhongzhou Environmental	Huizhou City Zhongzhou Environmental Resources Company Limited** (惠州市中洲環保資源有限公司), a company incorporated in the PRC with limited liability and the Group holds 40% equity interest of it
%	per cent

* Cash generated from operating projects and EBITDA are non-HKFRS measures which are useful in gaining a more complete understanding of the Group's operational performance and of the underlying trends of its business. Additionally, as the Group has historically reported certain non-HKFRS results to investors, the Group considers that the inclusion of non-HKFRS measures provides consistency in our financial reporting.

** For identification purposes only