

[Press Release]



粵豐環保電力有限公司

CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED

Canvest Announces Satisfactory 2021 Interim Results
Profit Attributable to Equity Holders of the Company Increases by 36.4%
YoY to HK\$616.1 Million

* * *

Actively Complements China's "Carbon Neutrality and Carbon Peaking" Policy
Accelerates Innovative Transformation and Develops Series of
Diversified Integrated Smart City Management Services

Highlights

- ✓ For the six months ended 30 June 2021, the Group's revenue increased by 34.4% year-on-year to HK\$2,695.2 million. The gross profit increased by 42.9% year-on-year to HK\$969.0 million. Profit attributable to equity holders of the Company also increased by 36.4% year-on-year to HK\$616.1 million.
- ✓ For the six months ended 30 June 2021, the Group's gross profit margin reached 36.0%. The Group's profit margin attributable to equity holders of the Company reached 22.9%.
- ✓ At present, the Group has 35 WTE projects with total operating daily MSW processing capacity of 51,940 tonnes, of which 23 projects have commenced operation with operating daily MSW processing capacity of 30,940 tonnes.
- ✓ During the period, the Group continued to expand its project portfolio. In the first half of 2021, 4 WTE projects were newly added and the operating daily MSW processing capacity increased for 5,050 tonnes.
- ✓ The Board declared an interim dividend of HK5.0 cents per share.

Financial Highlights

	For the six months ended 30 June		Change
	2021	2020	
Revenue (HK\$'000)	2,695,248	2,005,738	+34.4%
Included: Revenue from power sales and waste treatment (HK\$'000)	1,357,999	941,174	+44.3%
Gross profit (HK\$'000)	968,978	678,283	+42.9%
EBITDA (HK\$'000)	1,202,079	877,435	+37.0%
Profit attributable to equity holders of the Company (HK\$'000)	616,091	451,688	+36.4%
Basic earnings per share (HK cents)	25.4	18.6	+36.6%
Proposed interim dividend per share (HK cents)	5.0	3.7	+35.1%

(24 August 2021, Hong Kong) – **Canvest Environmental Protection Group Company Limited** (“**Canvest**” or the “**Company**,” collectively with its subsidiaries the “**Group**,” stock code: 1381), a leading integrated urban environmental protection and sanitation solution provider in China, announced today its unaudited interim results for the six months ended 30 June 2021 (“**Review Period**”).

During the Review Period, the Group’s revenue continued to improve, increasing by 34.4% year-on-year to HK\$2,695.2 million. The growth was mainly attributable to revenue from power sales and waste treatment fee which brought by the increase in operating capacity, as well as revenue from project construction services from new projects. The Group’s gross profit increased by 42.9% year-on-year to HK\$969.0 million. Profit attributable to equity holders of the Company increased by 36.4% year-on-year to HK\$616.1 million. After taking into consideration the Group’s development plan and investment returns to its shareholders, the Board has declared an interim dividend of HK5.0 cents per share (same period in 2020: HK3.7 cents per share).

Ms. Loretta Lee, Chairlady of Canvest, said, “2021 is the first year in the implementation of the 14th Five-Year Plan, which continues to recognize the importance of environmental protection proposed by the country under the 13th Five-Year Plan. By controlling the growth of total energy consumption, improving the dual control system for energy consumption and focusing on controlling fossil energy consumption, China will continue to provide support to green industries. Furthermore, new objectives have been set for the development of the clean energy sector, with an emphasis on resource conservation and environmental protection. With the industry structure adjusted and optimized, the government is vigorously pushing forward with the development of new and renewable energy, leading the industries forward in promoting the clean, low-carbon, safe and efficient use of energy, and deepening the low-carbon transformation within the industry, as well as within sectors such as construction and transportation. As a leading integrated environmental protection and sanitation solution provider adhering to high operating standard, the Group welcomes relevant environmental policies formulated by determined government, which facilitate the healthy long-term development of the environmental industry.”

In the first half of 2021, the Group innocuously treated 4,624,000 tonnes of waste, generated 1,794,152,000 kilowatt hours of green energy, saved standard coal by 466,000 tonnes and reduced carbon dioxide equivalent emissions by 2,608,000 tonnes.

As at 30 June 2021, the Group had 35 WTE projects with total operating daily MSW processing capacity of 51,940 tonnes. Among these, 23 projects have commenced operation with operating daily MSW processing capacity of 30,940 tonnes. The remaining 12 projects were under construction or were undergoing planning according to schedule. During the Review Period, the Group was awarded the concession rights in relation to the Changning WTE project and the Huizhou WTE project. Subsequently, the Group acquired the concession rights in relation to the Yi County WTE project, further expanding its market share and deepening its nationwide strategic deployment.

Aside from new projects, the Group also maintained close cooperation with various strategic partners to further strengthen the Group's competitiveness and market leadership. In addition to the joint development of the Baoshan WTE plant in the Yangtze River Delta region with Shanghai Industrial Holdings Limited ("SIHL"), the Group acquired 30% equity interest in Sichuan SIIC Environmental Investment Development Co., Ltd in June 2021, to capture the development opportunities arising from the solid waste treatment market in Sichuan Province and to acquire other solid waste treatment companies in the future, which further demonstrates the strong strategic partnership between the Group and SIHL.

The Group has gained recognition for its commitment to promoting sustainable development and investor communications. Besides being listed in the 2021 Top 50 Environmental Protection Enterprises in China, the Group was ranked among the top "Honoured Companies" in the power sector of the "2021 All-Asia Executive Team" small and mid-cap company ranking compiled by the international authoritative financial magazine Institutional Investor. At the ESG Achievement Awards 2020 organized by the Institute of ESG & Benchmark, the Group was also awarded the "Special ESG Awards — The Outstanding ESG Performer of the Year (Platinum)" and "The Outstanding ESG Company — Criteria Set by Fund Managers (Platinum)". These awards fully endorse the Group's outstanding performance in both corporate management and environmental, social and corporate governance (ESG), representing great encouragement and inspiration to the Company, its management team and staff.

Ms. Lee concluded, "China attaches great importance to the concept of "Carbon Neutrality and Carbon Peaking", strive to achieve Carbon Peaking by 2030, and Carbon Neutrality by 2060, vigorously promote new energy and green industries. The Central Government published the "14th Five-Year Plan for the Development of Municipal Solid Waste Sorting and Treatment Facilities" in May 2021, and proposed specific targets of national municipal solid waste incineration capacity by the end of 2025. It is estimated that during the 14th Five-Year Plan period, the newly added waste incineration capacity will exceed 200,000 tonnes, and the proportion of municipal solid waste incineration capacity will be increased by approximately 15%, as the market will gradually embrace an era of refined management and operation. We

will closely follow the national policies and work closely with local governments to advance the development of WTE incineration. In addition to accelerating innovative transformation, we will also expand a wide range of integrated smart city management services to drive the development of our asset-light business as well as proactively explore carbon emission trading to generate potential income from carbon assets. We will continue to uphold the overall development of business, social and environmental values and achieve sustainable growth and generate higher returns for stakeholders.”

~ End ~

About Canvest Environmental Protection Group Company Limited

Canvest Environmental Protection Group Company Limited is a leading provider of urban environmental management services, focusing on waste-to-energy (“WTE”) and the provision of environmental hygiene and related services. Currently, the Group has 35 WTE projects, and a number of its operating projects have been awarded as “Grade AAA Innocuous Waste Incineration Plants”, the highest grade in the rating system. Going forward, Canvest will continue to expand its WTE portfolio and capture new business opportunities in integrated smart city management services. The Company was listed on the Main Board of the Hong Kong Stock Exchange on 29 December 2014 (stock code: 1381), and is an eligible stock for southbound trading through the Shenzhen-Hong Kong Stock Connect.

Media inquiries:

Strategic Financial Relations (China) Limited

Email : sprg-canvest@sprg.com.hk

Ms Anita Cheung Tel: (852) 2864 4827

Ms Evan Lu Tel: (852) 2114 4963

Mr Kenny Kwong Tel: (852) 2864 4839