



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

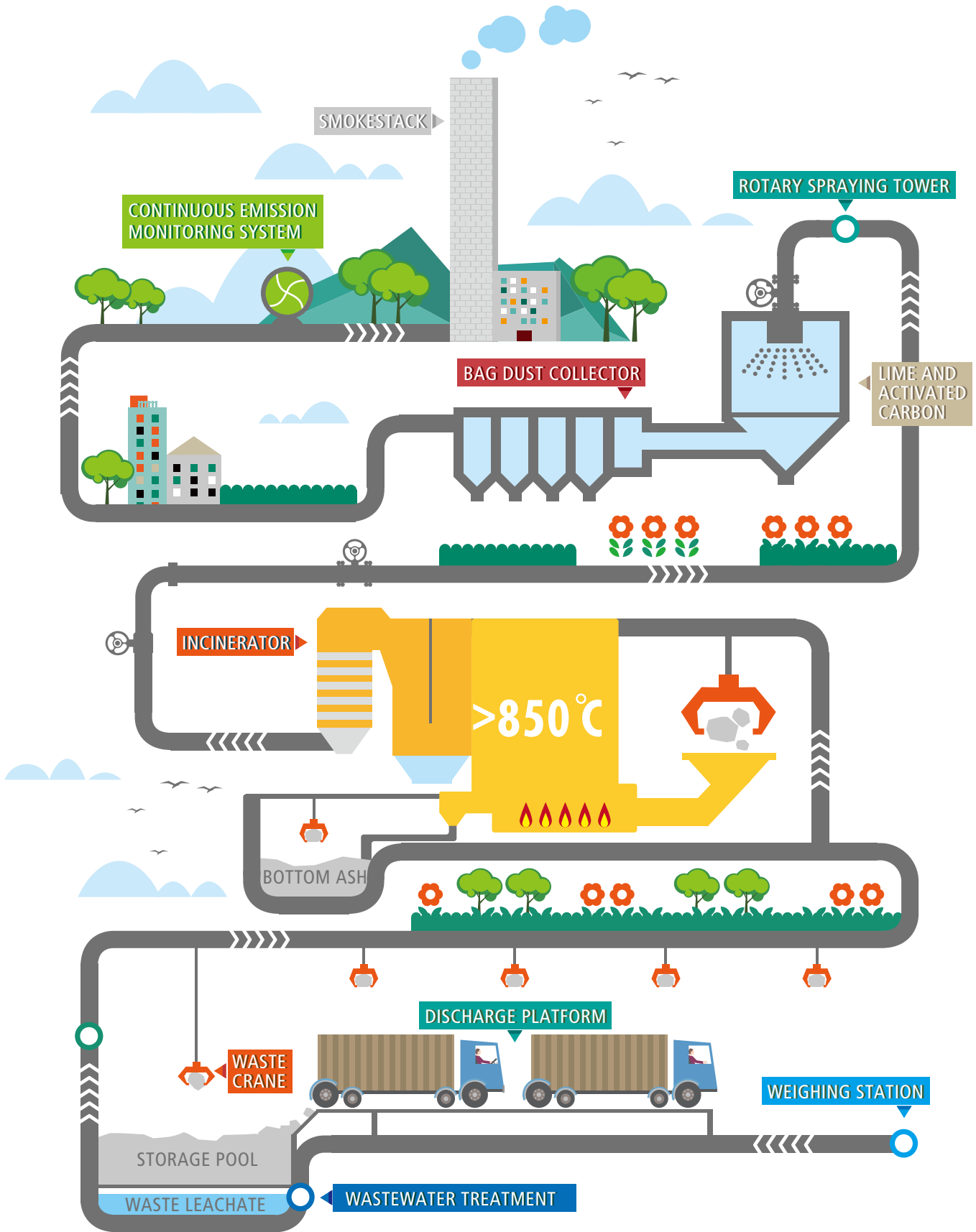
CREATING

a Bright Future Together



INTERIM REPORT 2016

WTE Process



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Project Overview



1 Eco-Tech WTE plant
(Phase 1)
(Commercial operation)



6 Zhanjiang WTE plant
(Trial operation)



2 Eco-Tech WTE plant
(Phase 2)
(Under construction)



7 Qingyuan WTE plant
(Planning)



3 Kewei WTE plant
(Commercial operation)



8 Laibin WTE plant
(Phase 1 & 2)
(Undergoing technological upgrade)



4 China Scivest WTE plant
(Phase 1)
(Commercial operation)



9 Beiliu WTE plant
(Planning)



5 China Scivest WTE plant
(Phase 2)
(Undergoing preparatory works)



10 Xingyi WTE plant
(Phase 1) (Trial operation)
(Phase 2) (Planning)

Project Overview

Total Operating, Secured and Announced Daily MSW Processing Capacity

15,700

Tonnes (as at 23 August 2016)

	Location	Daily MSW processing capacity	Installed power generation capacity	Combustion technology	Business model	Concession period	Waste treatment fee	Status
Eco-Tech WTE plant (Phase 1)	Dongguan, Guangdong Province	1,800 tonnes	36MW	Moving grate	BOO	N/A	RMB110 / tonne	Commercial operation
Eco-Tech WTE plant (Phase 2)	Dongguan, Guangdong Province	1,500 tonnes	50MW	Moving grate	BOO	N/A	RMB110 / tonne	Under construction
Kewei WTE plant	Dongguan, Guangdong Province	1,800 tonnes	30MW	Moving grate	BOO	N/A	RMB110 / tonne	Commercial operation
China Scivest WTE plant (Phase 1)	Dongguan, Guangdong Province	1,800 tonnes	42MW	Moving grate	BOT	24 years (from 10 December 2004 to 30 November 2028)	RMB110 / tonne	Commercial operation
China Scivest WTE plant (Phase 2)	Dongguan, Guangdong Province	1,200 tonnes	Planning	Moving grate	BOT	Under negotiation	RMB110 / tonne	Planning
Zhanjiang WTE plant	Zhanjiang, Guangdong Province	1,500 tonnes	30MW	Moving grate	BOT	28 years (from 18 April 2013 to 17 April 2041)	RMB81.8 / tonne	Trial operation
Qingyuan WTE plant	Qingyuan, Guangdong Province	Phase 1: 1,500 tonnes Phase 2: 1,000 tonnes	Planning	Moving grate	BOT	30 years after passing the environmental impact assessment	RMB50 / tonne (Under negotiation)	Planning
Laibin WTE plant (Phase 1 & 2)	Laibin, Guangxi Zhuang Autonomous Region	After technological upgrade: Phase 1: 1,000 tonnes Phase 2: 500 tonnes (500 tonnes before technological upgrade)	Phase 1: 24MW Phase 2: Planning	Moving grate (after technological upgrade) Fluidised bed (before technological upgrade)	BOT	Until April 2042	RMB95 / tonne	Undergoing technological upgrade
Beiliu WTE plant	Beiliu, Guangxi Zhuang Autonomous Region	Phase 1: 700 tonnes Phase 2: 350 tonnes	Planning	Moving grate	BOT	30 years commencing from the date of formal commissioning	RMB83 / tonne (Calculated on weighted average basis)	Planning
Xingyi WTE plant	Xingyi, Guizhou Province	Phase 1: 700 tonnes Phase 2: 350 tonnes	Phase 1: 12MW Phase 2: 6MW	Moving grate	BOT	30 years commencing from the date of formal commissioning	RMB80 / tonne	Phase 1: Trial operation Phase 2: Planning

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. Lui Ting Cheong Alexander
Mr. Lai Yui

Independent Non-executive Directors

Professor Sha Zhenquan
Mr. Chan Kam Kwan Jason
Mr. Chung Wing Yin

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

Company Secretary

Ms. Wong Ling Fong Lisa (*HKICPA*)

Authorised Representatives

Ms. Lee Wing Yee Loretta
Ms. Wong Ling Fong Lisa

Auditors

PricewaterhouseCoopers

Legal Advisors

as to Hong Kong law:
King & Wood Mallesons

as to PRC law:
Jingtian & Gongcheng

as to BVI and Cayman Islands law:
Maples and Calder

Corporate Information

Principal Bankers

Dongguan Rural Commercial Bank Co., Ltd.
The Hongkong and Shanghai Banking
Corporation Limited

Registered Office

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

Principal Place of Business in Hong Kong

Unit 6803B, Level 68,
International Commerce Centre,
1 Austin Road West,
Kowloon,
Hong Kong

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
Level 22, Hopewell Centre,
183 Queen's Road East,
Hong Kong

Investor Relations

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

Website

www.canvestenvironment.com

Listing Information

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

Interim Dividend

Amount payable	:	HK1.1 cents per share
Ex-entitlement date	:	Tuesday, 20 September 2016
Latest time for lodging transfer	:	At 4:30 p.m. on Wednesday, 21 September 2016
Book closure period	:	From Thursday, 22 September to Friday, 23 September 2016 (both days inclusive)
Record date	:	Friday, 23 September 2016
Payment date	:	Friday, 7 October 2016

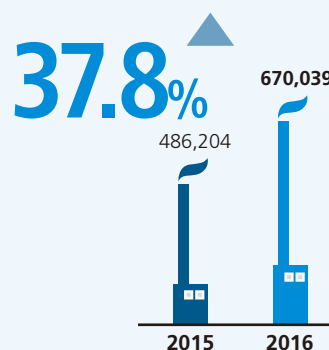
Financial Highlights

Consolidated Statement of Profit or Loss Highlights, Dividend and Cash Generated from Operating Projects

	For the six months ended 30 June		
	2016	2015	Change
Revenue (HK\$'000)	670,039	486,204	+37.8%
— Among: Revenue from power sales and waste treatment (HK\$'000)	375,470	249,118	+50.7%
Gross profit (HK\$'000)	247,575	188,743	+31.2%
EBITDA (HK\$'000)	286,964	215,491	+33.2%
Profit for the period (HK\$'000)	153,843	117,529	+30.9%
Profit attributable to equity holders of the Company (HK\$'000)	153,843	100,895	+52.5%
Basic earnings per share (HK cents)	7.7	5.0	+54.0%
Interim dividend per share (HK cents)	1.1	—	N/A
Cash generated from operating projects (HK\$'000)	193,251	119,871	+61.2%

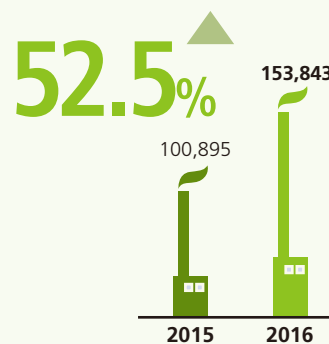
Revenue

(for the six months ended 30 June)
HK\$'000



Profit attributable to equity holders of the Company

(for the six months ended 30 June)
HK\$'000

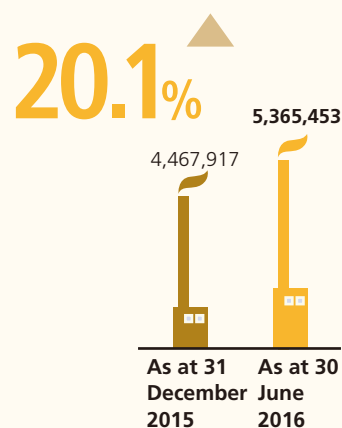


Consolidated Balance Sheet Highlights

	As at 30 June 2016	As at	Change
		31 December 2015	
Total assets (HK\$'000)	5,365,453	4,467,917	+20.1%
Total liabilities (HK\$'000)	2,743,666	2,133,516	+28.6%
— Total borrowings (HK\$'000)	2,030,781	1,419,895	+43.0%
Equity attributable to equity holders of the Company (HK\$'000)	2,621,787	2,334,401	+12.3%
Total liabilities/total assets	51.1%	47.8%	+3.3pts

Total assets

HK\$'000



Chairlady's Statement

To all honorable shareholders,

In the first half of 2016, despite concern over growth deceleration, economy in China continued to achieve steady development. Pending pollution issues resulting from urbanization continued to make environmental protection one of the key subjects in the national development policies. In March 2016, the "13th Five-Year Plan", covering five-year national development plan from 2016 to 2020, was formally introduced with emphasis on the creation of a green living environment and the recycling of resources, which would support the long-term development of the WTE industry.

The 13th Five-Year Plan aims at resolving the domestic garbage siege problem proactively. It targets to accelerate the construction of urban waste treatment facilities and the establishment of waste collection and transportation system, increase the ratio of innocuous treatment in rural area, increase the penetration rate of incineration of waste, support the development of circular economy, and strengthen the recycling of domestic waste as a resource. Furthermore, the 13th Five-Year Plan has introduced a more stringent standard to reduce emission, covering major pollutants such as chemical oxygen demand, ammonium nitrogen, sulfur dioxide and nitrogen oxides. Under the new plan, more market opportunities are created, but at the same time more stringent regulations are released, going forward the WTE industry will likely to go through a phase of consolidation, and the industry as a whole will develop healthily in the systematic, refined and professional direction.

In May 2016, the State Council of the PRC promulgated the "Soil Pollution Prevention and Control Action Plan" (土壤污染防治行動計劃) (the "Soil Ten Plan" (土十條)), which focuses on the treatment of soil pollutions, by promoting waste sorting and separation as well as integrated recycling, in order to reduce the volume of MSW and to advocate the innocuous treatment of waste. Compared with landfill and other waste treatment methods which may cause serious pollution to land and underground water, the WTE method which enables the recycling of waste, is in line with the principles of the "Soil Ten Plan", thus has a positive outlook on development.

Under the guidance of national environmental protection policy, market research forecasts the development of the WTE industry will be flourishing. The investment in environmental protection service in China during the period under the 13th Five-Year Plan is expected to record a significantly higher growth as compared with the period under the 12th Five-Year Plan as the target percentage of MSW treated by incineration is expected to further increase, thus there is tremendous growth potential in the development of the WTE industry.

Chairlady's Statement

Financial Performance

Canvest is committed to the development, management and operation of its WTE business, and is an industry leader in terms of business scale and waste incineration technology. During the first half of 2016, the operating projects of the Group continued to contribute stable revenue to the Group, including revenue from the operation of Eco-Tech WTE plant after its technological upgrade in August 2015, revenue from Zhanjiang WTE plant after its completion of construction and commencement of trial operation, as well as the construction revenue and finance income derived from the WTE projects of Zhanjiang and Laibin. Our revenue increased by 37.8% year-on-year to HK\$670.0 million, and profit attributable to equity holders of the Company amounted to HK\$153.8 million, representing an increase of 52.5% over corresponding period in 2015.

The Board of the Company declared an interim dividend of HK1.1 cents per share (corresponding period in 2015: nil).

Business Review

Against the backdrop of the MSW processing industry being driven by environmental policies, the Group continued to focus on the operation of its WTE business, enhance its technological capabilities, and capture market opportunities from favourable national policies. During the first half of 2016, the Group successfully expanded its project portfolio through acquisition and tender bidding. On project acquisition, the Group announced to acquire a WTE plant in Xingyi City of Guizhou Province, which has a daily MSW processing capacity of 1,050 tonnes. After successful tender bidding, the Group was awarded the BOT concession right to Beiliu WTE plant, which has a daily MSW processing capacity of 1,050 tonnes. Currently, the Group has a total of 10 projects, and the daily MSW processing capacity of all the operating, secured and announced projects reached 15,700 tonnes, with an average operational production capacity of each WTE plant being 1,570 tonnes.

Currently, the Group is one of the few operators in the industry that would upgrade a plant from fluidised bed technology to moving grate technology, which require extensive operating experience and technological know-hows. The Group will continue to explore potential projects and improve the operational efficiency and overall profitability.

During the period under review, to further strengthen our financial position and capital base, the Group obtained a convertible loan with a principal amount of HK\$465.0 million from IFC, and raised a net proceed of HK\$111.4 million by allotting and issuing 34,235,294 ordinary shares to Wise Power, one of the Company's pre-IPO investors and an existing shareholder in May 2016.

Chairlady's Statement

Outlook

Looking ahead, with the gradual implementation of the 13th Five-Year Plan by provinces and municipalities in China, coupled with "Soil Ten Plan" which put great emphasis on the environment, the central government is committed to promote the environmental policies. With the growing market demand on MSW treatment service, more WTE projects will be introduced, and the cooperation with social capital and private enterprises is expected to increase in order to increase agility in execution and improve profitability of the projects.

Leveraging on the excellent track record of our existing projects, our management's vision in the WTE industry and our Group's strategic positioning, Canvest will continue to strengthen its management capability, improve corporate governance standard to reinforce its leading position in the WTE industry. Meanwhile, the Group will focus on strategic planning in order to seek projects with great potentials, make full use of its competitive advantage in technological upgrade, and advance its engineering team's technical capabilities in order to increase the operational efficiency of our WTE plants.

Continuous support from the capital market is vital for our business expansion. Our Group values investor relations greatly and we are committed to ensure the investment community understand our WTE business and development strategies through various communication channels. In the "2nd Hong Kong Investor Relation Awards 2016" held by Hong Kong Investor Relations Association, our Group won six awards in the small cap category, including the "Overall Best IR Company, Small Cap" award, which was selected among all winners within the same category. The award represents the support and recognition from the Hong Kong Investor Relations Association and the investment community of our effort. Going forward, the Group will continue to dedicate resources to investor relations and will maintain effective communication with investors with transparency and sincerity. It is our Group's mission to become an outstanding WTE enterprise by achieving sustainable growth and creating maximum value for our shareholders.

On behalf of the Board, I would like to express our deepest gratitude to our shareholders, business partners and stakeholders for their unwavering support, and also to all of our staff for their dedication and devotion.

Lee Wing Yee Loretta

Chairlady

Hong Kong, 23 August 2016

Corporate Milestones

Mar 16

- Announced 2015 annual results. Profit attributable to equity holders of the Company reached HK\$272.0 million
- Awarded the BOT concession right in Beiliu
- Commenced the technological upgrade of Laibin WTE plant

Jan 16

- Entered into an agreement with IFC for a convertible loan of HK\$465.0 million
- Entered into an agreement to acquire 100% equity interest in Xingyi

1H 2016

- Implemented innocuous treatment of waste volume amounted to 1,102,682 tonnes
- Generated 444,815,700 kWh from green energy
- Reduced emission of carbon dioxide by 480,401 tonnes

May 16

- Issued new shares to Wise Power and raised net proceeds of HK\$111.4 million

Management Discussion and Analysis

During the first half of 2016, despite concern over growth deceleration, economy in China continued to achieve steady development. Pending pollution issues resulting from urbanization continued to make environmental protection one of the key subjects in the national development policies.

With the stable contribution of Kewei WTE plant and China Scivest WTE plant, together with contribution of Eco-Tech WTE plant after technological upgrade and the construction revenue and finance income arising from BOT arrangement relating to Zhanjiang WTE plant and Laibin WTE plant, the Group recorded satisfactory results for the six months ended 30 June 2016.

Overall Performance

For the six months ended 30 June 2016, the Group's revenue was HK\$670.0 million (corresponding period in 2015: HK\$486.2 million), representing an increase of 37.8%. The operating profit and profit for the period were HK\$210.9 million (corresponding period in 2015: HK\$155.5 million) and HK\$153.8 million (corresponding period in 2015: HK\$117.5 million), representing an increase of 35.6% and 30.9%. Profit attributable to equity holders of the Company was HK\$153.8 million (corresponding period in 2015: HK\$100.9 million), representing an increase of 52.5%. Basic earnings per share was HK7.7 cents (corresponding period in 2015: HK5.0 cents).

During the period under review, the Group implemented innocuous treatment of waste volume amounted to 1,102,682 tonnes, representing an increase of 78.2% as compared to 618,912 tonnes in the corresponding period in 2015. The Group generated 444,815,700 kWh from green energy, saving 177,926 tonnes of standard coal and reducing emission of carbon dioxide by 480,401 tonnes.

Processing Capacity Expansion

Operating Processing Capacity

As at 30 June 2016, the operating daily MSW processing capacity of the Group increased from 5,400 tonnes to 6,900 tonnes, representing an increase of 27.8%.

Total Processing Capacity

As of 30 June 2016, the daily MSW processing capacity of our 10 operating, secured and announced projects reached 15,700 tonnes.

Management Discussion and Analysis

Projects

Overall

The Group holds 10 operating, secured and announced projects with a total daily MSW processing capacity of 15,700 tonnes. During the period under review, the geographical coverage of the Group reached Guangdong Province, Guangxi Zhuang Autonomous Region and Guizhou Province.

Eco-Tech WTE plant, Kewei WTE plant and China Scivest WTE plant continued to generate meaningful operating revenue for the Group during the period under review.

Guangdong Province

In January 2015, the Group was informed by Dongguan Municipal Administration that Eco-Tech WTE plant could expand the installed daily MSW processing capacity by an additional 1,500 tonnes. The expansion is under construction and expected to commence trial operation in the first half of 2017.

Construction of Zhanjiang WTE plant was completed, and the plant commenced trial operation in April 2016. Since then Zhanjiang WTE plant started to contribute operating revenue to the Group.

The Group is conducting feasibility studies regarding the expansion of China Scivest WTE plant. Qingyuan WTE plant is still under planning.

Guangxi Zhuang Autonomous Region

Laibin WTE plant commenced technological upgrade in March 2016 and is expected to commence trial operation in 2017.

On 10 March 2016, Kewei was conditionally awarded the BOT concession right in relation to the Beiliu WTE plant by Beiliu Municipal Bureau of City Administration and Law Enforcement. A BOT agreement was entered in this regard. The project is under planning and expected to commence construction in the second half of 2016.

Management Discussion and Analysis

Guizhou Province

In January 2016, Kewei acquired 100% equity interest in Xingyi at a consideration of RMB110,000,000 (approximately HK\$130,900,000). Xingyi currently operates a WTE plant in Xingyi City, Guizhou Province. As at the date of this report, the transaction has yet to be completed. Please refer to the announcement of the Company dated 26 January 2016 for further details.

The following table sets forth the operational details of each WTE plant:

Location	Project(s)	Six months ended 30 June	
		2016	2015
Guangdong Province	Eco-Tech WTE plant (Note 2)		
	Waste treatment		
	Received MSW (tonnes)	367,969	N/A
	Processed MSW (tonnes)	366,337	N/A
	Power generation		
	Power generated (MWh)	151,007	N/A
	Power sold (MWh)	133,714	N/A
	Sales to generation ratio (Note 1)	88.5%	N/A
	Kewei WTE plant		
	Waste treatment		
	Received MSW (tonnes)	286,053	289,155
	Processed MSW (tonnes)	286,523	282,790
	Power generation		
	Power generated (MWh)	121,479	123,143
	Power sold (MWh)	108,536	109,610
	Sales to generation ratio (Note 1)	89.3%	89.0%
China Scivest WTE plant			
Waste treatment			
Received MSW (tonnes)	341,023	356,196	
Processed MSW (tonnes)	334,675	336,122	
Power generation			
Power generated (MWh)	135,309	146,582	
Power sold (MWh)	118,710	129,052	
Sales to generation ratio (Note 1)	87.7%	88.0%	
Zhanjiang WTE plant (Note 3)			
Waste treatment			
Received MSW (tonnes)	93,567	N/A	
Processed MSW (tonnes)	91,749	N/A	
Power generation			
Power generated (MWh)	27,358	N/A	
Power sold (MWh)	22,506	N/A	
Sales to generation ratio (Note 1)	82.3%	N/A	

Management Discussion and Analysis

Location	Project(s)	Six months ended 30 June	
		2016	2015
Guangxi Zhuang Autonomous Region	Laibin WTE plant (Note 4)		
	Waste treatment		
	Received MSW (tonnes)	91,298	N/A
	Processed MSW (tonnes)	23,398	N/A
	Power generation		
	Power generated (MWh)	9,662	N/A
	Power sold (MWh)	7,067	N/A
Sales to generation ratio (Note 1)	73.1%	N/A	
Total	Waste treatment		
	Received MSW (tonnes)	1,179,910	645,351
	Processed MSW (tonnes)	1,102,682	618,912
	Power generation		
	Power generated (MWh)	444,815	269,725
	Power sold (MWh)	390,533	238,662
Sales to generation ratio (Note 1)	87.8%	88.5%	

Note 1: The difference between the power generated and the power sold is attributable to various factors, including but not limited to internal power usage and transmission losses.

Note 2: The operation of Eco-Tech WTE plant have been suspended for technological upgrade since April 2014 and resumed trial operation in August 2015.

Note 3: Zhanjiang WTE plant commenced trial operation in April 2016.

Note 4: Laibin WTE plant was acquired and its results was accounted for as part of the Group's results since 14 August 2015. The operations of Laibin WTE plant have been suspended for technological upgrade since March 2016.

Revenue

During the period under review, the Group's revenue reached HK\$670.0 million, representing an increase of 37.8% compared with HK\$486.2 million in the corresponding period of 2015. Among that, revenue from power sales and waste treatment fees for the period under review reached HK\$375.5 million, representing an increase of 50.7% from the corresponding period in 2015. It was mainly contributed by the Eco-Tech WTE plant after the completion of technological upgrade. The commencement of the technological upgrade of Laibin WTE plant contributed to the increase of construction revenue arising from the BOT arrangement.

Management Discussion and Analysis

The following table sets forth the breakdown of revenue for the six months ended 30 June 2016 and 2015:

	Six months ended 30 June			
	2016		2015	
	HK\$'000	%	HK\$'000	%
Revenue from power sales	245,165	36.6%	159,317	32.7%
Revenue from waste treatment fees	130,305	19.5%	89,801	18.5%
Construction revenue arising from BOT arrangement	278,826	41.6%	233,407	48.0%
Finance income arising from BOT arrangement	15,743	2.3%	3,679	0.8%
Total	670,039	100.0%	486,204	100.0%

The following table sets forth the revenue generated for each of the WTE plants for the six months ended 30 June 2016 and 2015:

	Six months ended 30 June			
	2016		2015	
	HK\$'000	%	HK\$'000	%
Eco-Tech WTE plant	131,722	19.7%	–	–
Kewei WTE plant	104,550	15.6%	113,997	23.4%
China Scivest WTE plant	119,309	17.8%	135,121	27.8%
Zhanjiang WTE plant	154,599	23.1%	237,086	48.8%
Laibin WTE plant	159,859	23.8%	–	–
Total	670,039	100.0%	486,204	100.0%

Cost of Sales

Cost of sales primarily consists of cost of fuels, maintenance cost, depreciation and amortisation, employee and related benefit expenses, environmental protection expenses and construction cost.

During the period under review, cost of sales increased from HK\$297.5 million in the corresponding period of 2015 by 42.0% to HK\$422.5 million. The increase was mainly attributable to the operating cost of Eco-Tech WTE plant after the resumption of operation, rising operating cost of operating plants and the construction cost incurred from the undergoing work at Laibin WTE plant.

Management Discussion and Analysis

Gross Profit and Gross Profit Margin

During the period under review, gross profit of the Group amounted to HK\$247.6 million, representing an increase of 31.2% as compared to HK\$188.7 million in the corresponding period of 2015. The increase in gross profit was mainly attributable to the contribution from the operation of Eco-Tech WTE plant after its technological upgrade and the gross profit from the technological upgrade of Laibin WTE plant.

The following table sets forth the breakdown of the gross profit by nature for the six months ended 30 June 2016 and 2015:

	Six months ended 30 June			
	2016		2015	
	HK\$'000	%	HK\$'000	%
Power sales and waste treatment operations	188,488	76.1%	146,162	77.5%
Construction service arising from BOT arrangement	43,344	17.5%	38,902	20.6%
Finance income arising from BOT arrangement	15,743	6.4%	3,679	1.9%
Total	247,575	100.0%	188,743	100.0%

Gross profit margin of the Group decreased from 38.8% in the corresponding period of 2015 to 36.9% for the period under review. The decrease was mainly due to lower gross profit margin of the operating plants as a result of increasing operating cost.

The following table sets forth the gross profit margin by nature for the six months ended 30 June 2016 and 2015:

	Six months ended 30 June	
	2016 Gross profit margin	2015 Gross profit margin
Power sales and waste treatment operations	50.2%	58.7%
Construction service arising from BOT arrangement	15.5%	16.7%
Finance income arising from BOT arrangement	100.0%	100.0%
Gross profit margin of the Group	36.9%	38.8%

Management Discussion and Analysis

General and Administrative Expenses

General and administrative expenses mainly comprise of employee and related benefit expenses for administrative personnel, promotion, entertainment and travelling expenses, depreciation and amortisation, rental expenses for offices, security expenses, office expenses and others.

During the period under review, general administrative expenses increased by 13.0% from HK\$51.9 million in the corresponding period of 2015 to HK\$58.6 million. The increase in the expenses was mainly due to the additional plants under operation.

Other Income

Other income mainly consisted of VAT refund, government grants and others. During the period under review, other income increased by 121.0% from HK\$9.1 million in the corresponding period in 2015 to HK\$20.0 million. It was mainly due to the full year claim for 2015 VAT refund related to China Scivest was received in full in the second half of 2015, yet there was no such VAT refund in the corresponding period in 2015.

Other Gain, Net

Other net gain mainly represented net exchange gain. During the period under review, other net gain of the Group decreased from HK\$9.6 million in the corresponding period of 2015 to HK\$2.0 million. It was mainly attributable to the impact from the depreciation of the exchange rate of Renminbi.

Interest Expense, Net

Net interest expense mainly consisted of interest expenses on borrowings from banks, net of interest income from bank deposits. During the period under review, net interest expenses increased by 55.5%, from HK\$24.2 million in the corresponding period of 2015 to HK\$37.7 million. The increase in interest expenses was mainly due to the increase in bank borrowings related to Eco-Tech WTE plant and Zhanjinag WTE plant while the finance costs were no longer eligible for capitalisation after the construction works completed and the plants were ready for use.

Income Tax Expenses

During the period under review, income tax expenses increased by 41.1%, from HK\$13.8 million in the corresponding period of 2015 to HK\$19.4 million. It was mainly attributable to tax incurred by China Scivest WTE plant as a result of transiting from full tax exemption in 2015 to half tax exemption in 2016 and the deferred income tax incurred by Laibin WTE plant.

Profit Attributable to The Equity Holders of The Company

During the period under review, profit attributable to the equity holders of the Company increased by 52.5%, from HK\$100.9 million in the corresponding period of 2015 to HK\$153.8 million.

Management Discussion and Analysis

Liquidity, Financial and Capital Resources**Financial resources**

During the period under review, the Group generated HK\$193.3 million cash from operating projects (corresponding period in 2015: HK\$119.9 million). Net cash used for the construction of Zhanjiang WTE plant and technological upgrade of Laibin WTE plant amounted to HK\$141.3 million under BOT arrangement (corresponding period in 2015: HK\$178.1 million), as a result, total net cash generated from operating activities amounted to HK\$52.0 million during the period under review (corresponding period in 2015: used HK\$58.2 million).

The Group generated cash flow through operating activities, convertible loan and loan facilities from banks. As at 30 June 2016, total cash and cash equivalents of the Group were HK\$834.3 million (31 December 2015: HK\$449.1 million). The Group adopts a prudent approach to balance the risk level and costs of capital. The Group has adequate financial resources to meet the future funding requirements for project development.

Use of The Net Proceeds from The Initial Public Offering

The Company raised a total of HK\$1,165.0 million in gross proceeds after the completion of the initial public offering in December 2014, and net proceeds amounted to HK\$1,068.5 million after deducting various professional expenses incurred in connection with the initial public offering. The use of proceeds has been consistent with the disclosure in the prospectus of the Company dated 15 December 2014, and the respective use of the net proceeds as at 30 June 2016 was as follows:

	Available HK\$'000	Used HK\$'000	Unused HK\$'000
Expand WTE business by developing greenfield projects or acquiring existing WTE plants	812,095	787,928	24,167
Development of phase two of Zhanjiang WTE plant	149,596	70,313	79,283
Working capital and other general corporate purposes	106,855	106,855	–
Total	1,068,546	965,096	103,450

Management Discussion and Analysis

Borrowings

The Group sensibly diversifies its funding sources to optimise its debt portfolio and lower financing cost. As at 30 June 2016, the Group's bank borrowings was HK\$1,639.2 million (31 December 2015: HK\$1,419.9 million). Such bank borrowings were secured by rights to collect revenue from power sales and waste handling services, bank deposits, land use rights, property, plant and equipment, concession rights and corporate guarantees. The borrowings were denominated in Renminbi and were at floating interest rates.

In January 2016, the Company entered into a convertible loan agreement with IFC, pursuant to which IFC agreed to lend and the Company agreed to borrow the convertible loan in a principal amount of HK\$465.0 million. The convertible loan has been drawn down. The carrying amount of the debt component as at 30 June 2016 was HK\$391.6 million. The convertible loan was denominated in Hong Kong dollar and bears interest at a rate of 2% per annum.

Net assets of the Group was HK\$2,621.8 million (31 December 2015: HK\$2,334.4 million). Increase in net assets was mainly attributable to the profit generated and the equity fund raising activity during the period under review.

The following table sets forth the analysis of borrowings as at 30 June 2016 and 31 December 2015:

	As at 30 June 2016 HK\$'000	As at 31 December 2015 HK\$'000
Portion of term loans due for repayment after one year — secured	1,333,309	1,098,852
Portion of term loans due for repayment within one year — secured	305,908	321,043
Total bank borrowings	1,639,217	1,419,895
Convertible loan — debt component — unsecured	391,564	—
Total borrowings	2,030,781	1,419,895

The gearing ratio is the ratio of total liabilities divided by total assets. As at 30 June 2016, the gearing ratio was 51.1% (31 December 2015: 47.8%).

As at 30 June 2016, the Group had banking facilities (including convertible loan agreement entered into with IFC) in the amount of HK\$2,701.5 million, of which HK\$597.2 million remained unutilized. The unutilized banking facilities were denominated in Renminbi, Hong Kong dollars and United States dollars and were at floating interest rates.

Management Discussion and Analysis

Cost of Borrowings

For the six months ended 30 June 2016, the total cost of borrowings of the Group was HK\$39.8 million (corresponding period in 2015: HK\$31.0 million), representing an increase of HK\$8.8 million. The increase was mainly attributable to the increase in bank borrowings related to Eco-Tech WTE plant and Zhanjinag WTE plant while the finance costs were no longer eligible for capitalisation after the construction works completed and the plants were ready for use. Effective interest rate ranged from 2.23% to 10.69% during the period under review, while it was from 3.00% to 6.23% in the corresponding period of 2015.

For the six months ended 30 June 2016, the imputed interest expenses and interests paid in relation to the convertible loan amounted to HK\$7.1 million and HK\$1.2 million respectively.

Foreign Exchange Risk

Major operating subsidiaries of the Group were operating in the PRC with transactions mainly settled in Renminbi, which was the functional currency of such subsidiaries. Moreover, bank deposits of the Group were denominated in Hong Kong dollars, Renminbi and United States dollars while bank loans were denominated in Renminbi. Save as disclosed above, the Group did not have any material exposures to foreign exchange risk. The Group does not have any financial instruments for the purpose of hedging. The Group manages foreign currency risk by closely monitoring the proportion of its non-Renminbi borrowings and deposits.

Commitments

As at 30 June 2016, the Group had capital commitments authorised but not contracted for amounted to HK\$787.1 million (31 December 2015: HK\$1,225.9 million) and capital commitment contracted for but not yet provided for in the consolidated financial statements amounted to HK\$403.6 million (31 December 2015: HK\$348.2 million).

As at 30 June 2016, the future aggregate minimum lease payments under non-cancellable operating leases in respect of premises and other equipment amounted to HK\$12.8 million (31 December 2015: HK\$14.2 million).

Material Acquisition and Disposal of Subsidiaries, Plan for Significant Investment or Acquisition of Capital Assets in the Future

In January 2016, Kewei entered into an agreement in connection with the acquisition of 100% equity interest in Xingyi at a consideration of RMB110,000,000 (approximately HK\$130,900,000). Xingyi currently operates a WTE plant in Xingyi City, Guizhou Province. As at the date of this report, the transaction has yet to be completed. Please refer to the announcement of the Company dated 26 January 2016 for further details.

Capital Expenditures

For the six months ended 30 June 2016, capital expenditure of the Group, mainly consisted of expenditures on equipment purchase and construction costs related to service concession arrangements, amounted to HK\$341.5 million (corresponding period in 2015: HK\$507.9 million). It was mainly funded by borrowings and fund generated from operating activities.

Management Discussion and Analysis

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2016.

Pledge of Assets

As at 30 June 2016, the Group pledged certain of its rights to collect revenue from power sales and waste handling services, land use rights, property, plant and equipment, concession rights and bank deposits with an aggregate carrying amount of HK\$1,386.8 million (31 December 2015: HK\$1,575.6 million) to certain banks to secure certain credit facilities granted to the Group.

Human Resources

As at 30 June 2016, the Group employed a total of 548 employees, 14 of them were at management level. By geographical locations, it had 529 employees in the PRC and 19 employees in Hong Kong. Employees are remunerated according to their qualifications, working experience, job nature and performance with reference to market conditions. The Group also maintained medical insurance and mandatory provident fund scheme for employees in Hong Kong.

The Company adopted a share option scheme on 7 December 2014 which became effective on 29 December 2014 (i.e. the Listing Date) and a summary of the principal terms of the share option scheme as set out in Appendix VI to the Prospectus. Under the share option scheme and at the discretion of the Board, share options might be granted as performance incentives to employees (including Directors). Total remuneration costs, including Directors' remuneration, for the six months ended 30 June 2016 were HK\$58.0 million (corresponding period in year 2015: HK\$40.4 million (including fair value of share option granted of HK\$5.8 million)).

Event After the Balance Sheet Date

In August 2016, the Group entered into a management agreement with Zhongshan Guangye and related parties of Zhongshan Guangye, pursuant to which the Group will be responsible for the management of the construction and operation of the Zhongshan WTE plant. Please refer to the announcement of the Company dated 22 August 2016 for further details.

Update on China Scivest WTE Plant

Reference is made to the undertaking given by the Company on page 190 of the Prospectus to disclose the status of rectifying the deficits in relation to certain construction related licenses and permits of the China Scivest WTE plant in the Company's interim and annual reports until China Scivest has obtained all construction related licenses and permits. During the six months ended 30 June 2016, the Group had proactively cooperated with the Dongguan Municipal People's Government and other related governing authorities in obtaining the construction related licenses and permits for China Scivest WTE plant. As at the date of this report, the Group is still in the progress of applying for such licenses and permits for China Scivest WTE plant.

Report on Review of Interim Financial Information



羅兵咸永道

**TO THE BOARD OF DIRECTORS OF
CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED**
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 23 to 51, which comprises the interim condensed consolidated balance sheet of Canvest Environmental Protection Group Company Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2016 and the related interim condensed consolidated statements of profit and loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 23 August 2016

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Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2016

	Note	Six months ended 30 June	
		2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Revenue	6	670,039	486,204
Cost of sales	7	(422,464)	(297,461)
Gross profit		247,575	188,743
General and administrative expenses	7	(58,609)	(51,872)
Other income	8	20,002	9,052
Other gain, net	9	1,967	9,583
Operating profit		210,935	155,506
Interest income	10	2,116	6,753
Interest expense	10	(39,800)	(30,980)
Interest expense, net		(37,684)	(24,227)
Profit before income tax		173,251	131,279
Income tax expense	11	(19,408)	(13,750)
Profit for the period		153,843	117,529
Profit attributable to:			
Equity holders of the Company		153,843	100,895
Non-controlling interests		–	16,634
		153,843	117,529
Earnings per share for profit attributable to equity holders of the Company (expressed in HK cents per share)			
— basic	12(a)	7.7	5.0
— diluted	12(b)	7.7	5.0

The notes on pages 31 to 51 form an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Profit for the period	153,843	117,529
Other comprehensive (loss)/income, net of tax: <i>Items that may be subsequently reclassified to profit or loss</i>		
Currency translation differences	(49,824)	991
Other comprehensive (loss)/income for the period, net of tax	(49,824)	991
Total comprehensive income for the period	104,019	118,520
Total comprehensive income attributable to:		
Equity holders of the Company	104,019	101,807
Non-controlling interests	–	16,713
	104,019	118,520

The notes on pages 31 to 51 form an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Balance Sheet

As at 30 June 2016

	Note	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
ASSETS			
Non-current assets			
Land use rights	14	148,795	153,642
Property, plant and equipment	15	1,015,204	964,989
Intangible assets	16	2,063,555	1,914,654
Long-term deposits and prepayments	17	340,109	119,892
Gross amounts due from customers for contract work	18	558,879	511,595
		4,126,542	3,664,772
Current assets			
Inventories		520	472
Trade receivables	17	118,044	86,578
Gross amounts due from customers for contract work	18	37,274	38,026
Deposits, prepayments and other receivables	17	58,480	72,373
Restricted deposits	19	190,294	156,560
Cash and cash equivalents		834,299	449,136
		1,238,911	803,145
Total assets		5,365,453	4,467,917
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	20	20,342	20,000
Share premium		1,195,835	1,084,780
Other reserves		574,566	542,876
Retained earnings		831,044	686,745
		2,621,787	2,334,401
Non-controlling interests		–	–
Total equity		2,621,787	2,334,401

Interim Condensed Consolidated Balance Sheet

As at 30 June 2016

	Note	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
LIABILITIES			
Non-current liabilities			
Bank borrowings	21	1,333,309	1,098,852
Convertible loan	22	391,564	–
Other payables	23	143,187	37,300
Deferred government grants		5,091	56
Other non-current liabilities		2,825	2,708
Deferred income tax liabilities		213,638	209,373
		2,089,614	1,348,289
Current liabilities			
Trade and other payables	23	342,517	461,003
Bank borrowings	21	305,908	321,043
Current income tax liabilities		5,627	3,181
		654,052	785,227
Total liabilities		2,743,666	2,133,516
Total equity and liabilities		5,365,453	4,467,917
Net current assets		584,859	17,918
Total assets less current liabilities		4,711,401	3,682,690

The notes on pages 31 to 51 form an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2016

	(Unaudited)								
	Attributable to equity holders of the Company								
	Share capital	Share premium	Capital reserve	Statutory reserve	Other reserves	Share option reserve	Exchange reserve	Retained earnings	Total equity
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2016	20,000	1,084,780	704,944	62,954	(140,489)	5,834	(90,367)	686,745	2,334,401
Comprehensive income									
Profit for the period	-	-	-	-	-	-	-	153,843	153,843
Other comprehensive income									
Currency translation differences	-	-	-	-	-	-	(49,824)	-	(49,824)
Total comprehensive income for the period	-	-	-	-	-	-	(49,824)	153,843	104,019
Appropriation of statutory reserve	-	-	-	9,544	-	-	-	(9,544)	-
Issue of shares through placement (Note 20(a))	342	111,055	-	-	-	-	-	-	111,397
Receipt of convertible loan (Note 22)	-	-	-	-	71,970	-	-	-	71,970
Balance at 30 June 2016	20,342	1,195,835	704,944	72,498	(68,519)	5,834	(140,191)	831,044	2,621,787

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2016

	(Unaudited)											
	Attributable to equity holders of the Company										Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Other reserves HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000			
Balance at 1 January 2015	20,000	1,084,780	704,944	49,295	8,097	–	19,473	428,403	2,314,992	102,972		
Comprehensive income												
Profit for the period	–	–	–	–	–	–	–	100,895	100,895	16,634	117,529	
Other comprehensive income												
Currency translation differences	–	–	–	–	–	–	912	–	912	79	991	
Total comprehensive income for the period	–	–	–	–	–	–	912	100,895	101,807	16,713	118,520	
Appropriation of statutory reserve	–	–	–	5,617	–	–	–	(5,617)	–	–	–	
Employees share option scheme — value of employee services (note 20(b))	–	–	–	–	–	5,834	–	–	5,834	–	5,834	
Balance at 30 June 2015	20,000	1,084,780	704,944	54,912	8,097	5,834	20,385	523,681	2,422,633	119,685	2,542,318	

The notes on pages 31 to 51 form an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Cash flows from operating activities		
Profit before income tax	173,251	131,279
Adjustment for:		
Construction revenue arising from build-operate-transfer ("BOT") arrangement	(278,826)	(233,407)
Finance income arising from BOT arrangement	(15,743)	(3,679)
Depreciation of property, plant and equipment	35,661	18,552
Amortisation of land use rights	1,840	1,983
Amortisation of intangible assets	36,412	32,697
Interest income	(2,116)	(6,753)
Interest expense	39,800	30,980
Exchange differences	(1,683)	(9,565)
Share option expenses	–	5,834
Gain on disposals of property, plant and equipment	(284)	(18)
Changes in working capital (excluding the effects of acquisition and currency translation differences on consolidation)		
— Non-current prepayments	(13,183)	(10,875)
— Inventories	(7,558)	1,154
— Trade and other receivables	(11,222)	(9,913)
— Trade and other payables	103,960	990
Net cash generated from/(used in) operations	60,309	(50,741)
Income tax paid	(8,307)	(7,488)
Net cash generated from/(used in) operating activities	52,002	(58,229)
Cash flows from investing activities		
Deposit paid for investments	(222,308)	(60,260)
Payments for purchase of property, plant and equipment	(116,059)	(204,488)
Proceeds from disposals of property, plant and equipment	298	337
Increase in restricted deposits	(1,428)	(7,580)
Release of restricted deposits	–	6,317
Decrease in short-term bank deposits	–	25,266
Interest received	2,116	6,753
Net cash used in investing activities	(337,381)	(233,655)

Interim Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2016

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Cash flows from financing activities		
Proceeds from bank borrowings	433,813	449,217
Repayments of bank borrowings	(182,146)	(101,181)
Increase in restricted deposits	(35,100)	(252,811)
Interest paid	(40,839)	(36,701)
Repayment of ex-shareholders' loans of a subsidiary	(67,916)	–
Issuance of ordinary shares	111,397	–
Deposit paid for acquisition of non-controlling interests in Zhanjiang Yuefeng Environmental Power Company Limited ("Zhanjiang Yuefeng")	–	(55,638)
Professional expenses paid in connection with the Company's listing	–	(9,316)
Net proceeds from convertible loan	457,658	–
Net cash generated from/(used in) financing activities	676,867	(6,430)
Net increase/(decrease) in cash and cash equivalents	391,488	(298,314)
Cash and cash equivalents at beginning of period	449,136	1,328,172
Currency translation differences	(6,325)	224
Cash and cash equivalents at end of period	834,299	1,030,082

The notes on pages 31 to 51 form an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1 General information

Canvest Environmental Protection Group Company Limited (the “Company”) was incorporated in the Cayman Islands on 28 January 2014 as an exempted company with limited liability under the Companies Law, (Cap. 22, Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

The Company and its subsidiaries (together, the “Group”) are engaged in the provision of municipal solid waste handling services and operation and management of waste-to-energy (“WTE”) plants.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the Board of Directors on 23 August 2016.

This condensed consolidated interim financial information has not been audited.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2016 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

Key events

On 20 January 2016, the Company and International Finance Corporation (“IFC”) entered into a convertible loan agreement, pursuant to which the Company conditionally agreed to borrow, and IFC conditionally agree to lend, the convertible loan in the principal amount of HK\$465,012,000. Disbursement of the convertible loan had been completed on 28 April 2016 and net proceeds of HK\$457,658,000, after deducting related expenses, has been received by the Group.

On 26 January 2016, Dongguan Kewei Environmental Power Company Limited (“Kewei”) entered into an agreement in connection with the acquisition of 100% equity interest in Qianxinanzhou Xingyi City Hongda Environmental Power Company Limited (“Xingyi Hongda”) at a consideration of RMB110,000,000 (approximately HK\$130,900,000). Xingyi Hongda currently operates a WTE plant in Xingyi City, Guizhou Province. As at the date of this report, the transaction has yet to be completed.

On 17 May 2016, the Company and Wise Power Investment Limited (the “Subscriber”), a wholly-owned subsidiary of China Infrastructure Partners, L.P., entered into a subscription agreement, pursuant to which the Company conditionally agreed to issue and the Subscriber conditionally agreed to subscribe 34,235,294 ordinary shares at the subscription price of HK\$3.4 per share. The subscription has been completed on 24 May 2016 and net proceeds of HK\$111,397,000 after deducting related expenses, has been received by the Group.

Notes to the Condensed Consolidated Interim Financial Information

3 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements, except for those described below.

Amendments to HKFRSs effective for the fiscal year ending 31 December 2016 do not have a material impact on the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Compound financial instruments issued by the Group comprise convertible loan that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, which is included in shareholders' equity in other reserves. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method.

The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Notes to the Condensed Consolidated Interim Financial Information

3 Accounting policies (Continued)

A number of new standards and amendments to standards and interpretation have been issued, but are not effective for the financial year beginning 1 January 2016 and have not been early adopted. None of these is expected to have a significant impact on the consolidated financial statements of the Group, except the following new standards:

		Effective for annual periods beginning on or after
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKFRS 16	Leases	1 January 2019

The Group has already commenced an assessment of the impact of adopting the above new standards and yet to assess their full impact.

4 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

5 Financial risk management and financial instruments**5.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

There have been no changes in the risk management policies since year end.

Notes to the Condensed Consolidated Interim Financial Information

5 Financial risk management and financial instruments (Continued)**5.2 Liquidity risk**

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. Total net cash generated from operating activities for the six months ended 30 June 2016 is approximately HK\$52,002,000 (six months ended 30 June 2015: used in operating activities of HK\$58,229,000), including net operating cash used in relation to the construction of the WTE plant of Zhanjiang Yuefeng and Laibin Zhongke Environmental Power Company Limited (“Laibin Zhongke”) under BOT arrangements of approximately HK\$141,249,000 (six months ended 30 June 2015: in relation to the construction of the WTE plant of Zhanjiang Yuefeng only of HK\$178,100,000). Excluding the operating cash used in relation to the construction of the WTE plant of Zhanjiang Yuefeng and Laibin Zhongke under BOT arrangements, the Group generated operating cash of approximately HK\$193,251,000 (six months ended 30 June 2015: HK\$119,871,000). The Group’s objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long term financial liabilities as well as forecasting cash inflows and outflows due in day to day business. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls.

The tables below analyse the Group’s contractual maturities for its non-derivative financial liabilities (excluding statutory liabilities) as at 30 June 2016 and 31 December 2015. The amounts disclosed in the tables are the contractual undiscounted cash flows.

	Within 1 year or on demand HK\$'000	More than 1 year but within 2 years HK\$'000	More than 2 years but within 5 years HK\$'000	More than 5 years HK\$'000	Total HK\$'000
As at 30 June 2016 (Unaudited)					
Bank borrowings	382,636	330,547	844,779	346,280	1,904,242
Convertible loan	9,352	9,352	616,816	–	635,520
Trade and other payables	342,517	143,187	–	–	485,704
	734,505	483,086	1,461,595	346,280	3,025,466
As at 31 December 2015 (Audited)					
Bank borrowings	392,271	238,697	944,962	264,196	1,840,126
Trade and other payables	460,992	37,300	–	–	498,292
	853,263	275,997	944,962	264,196	2,338,418

Notes to the Condensed Consolidated Interim Financial Information

5 Financial risk management and financial instruments *(Continued)*

5.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from bank borrowings. Bank borrowings bearing variable rates expose the Group to cash flow interest rate risk.

The Group does not have an interest rate hedging policy. However, the management monitors the Group's interest rate exposure and will consider hedging significant exposure should the need arise.

During the six months ended 30 June 2016, if interest rates on bank borrowings had been 100 basis points higher/lower with all other variables held constant, profit after tax and retained earnings would have been approximately HK\$15,222,000 (six months ended 30 June 2015: HK\$5,030,000) lower/higher as a result of higher/lower interest expense on bank borrowings. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to cash flow interest rate risk for bank borrowings in existence at the balance sheet date.

The Group's bank deposits were at fixed rates and expose the Group to fair value interest risk. As all the Group's bank deposits were short-term in nature, any changes in the interest rate from time to time is not considered to have significant impact to the Group's financial performance.

5.4 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying values:

- Gross amounts due from customers for contract work
- Trade receivables
- Deposits and other receivables
- Restricted deposits
- Cash and cash equivalents
- Trade and other payables
- Bank borrowings
- Convertible loan

Notes to the Condensed Consolidated Interim Financial Information

6 Revenue and segment information

The chief operating decision-maker has been identified as the Executive Directors of the Group. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. For the six months ended 30 June 2016, the Executive Directors consider that the Group's operations are operated and managed as a single segment – WTE project construction and operation (2015: same). No separate segment information was presented accordingly.

The Group is mainly domiciled in the People's Republic of China ("PRC"). All of the Group's revenue are generated in the PRC and most of its non-current assets are located in the PRC for the six months ended 30 June 2016 (2015: same).

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Revenue from power sales	245,165	159,317
Waste treatment fee	130,305	89,801
Construction revenue arising from BOT arrangement	278,826	233,407
Finance income arising from BOT arrangement	15,743	3,679
	670,039	486,204

Revenue of approximately HK\$240,422,000 is derived from the largest single customer for the six months ended 30 June 2016, representing 36% of the Group's total revenue, is attributable to revenue from power sales; HK\$155,116,000 is derived from the second largest customer for the six months ended 30 June 2016, representing 23% of the Group's total revenue, and for which approximately HK\$151,235,000 is attributable to construction revenue and approximately HK\$3,881,000 is attributable to finance income; HK\$139,453,000 is derived from the third largest customer for the six months ended 30 June 2016, representing 21% of the Group's total revenue, and for which approximately HK\$127,591,000 is attributable to construction revenue and approximately HK\$11,862,000 is attributable to finance income.

Revenue of approximately HK\$237,086,000 is derived from the largest single customer for the six months ended 30 June 2015, representing 49% of the Group's total revenue, and for which approximately HK\$233,407,000 is attributable to construction revenue and approximately HK\$3,679,000 is attributable to finance income. HK\$159,317,000 is derived from the second largest customer for the six months ended 30 June 2015, representing 33% of the Group's total revenue, is attributable to revenue from power sales.

Notes to the Condensed Consolidated Interim Financial Information

7 Expenses by nature

Expenses include in cost of sales and general and administrative expenses are analysed as follows:

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Coal	1,683	–
Fuel	598	467
Maintenance cost	21,192	11,384
Environmental protection expenses	49,176	18,965
Auditor's remuneration	1,427	1,340
Employee benefit expenses	58,007	34,579
Share option expenses	–	5,834
Depreciation and amortisation		
— Land use rights	1,840	1,983
— Property, plant and equipment	35,661	18,552
— Intangible assets	36,412	32,697
Operating lease rentals	4,313	2,296
Construction cost recognised for construction of BOT projects (included in cost of sales)	235,482	194,505

8 Other income

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Value-added tax refund (Note)	18,411	7,701
Government grants	23	6
Others	1,568	1,345
	20,002	9,052

Note: The amount represents the Group's entitlement to value-added tax refund in accordance with the Notice of the Ministry of Finance and State Administration of Taxation on policies regarding the Value-Added Tax on Comprehensive Utilisation of Resources and Other Products. There were no unfulfilled conditions and other contingencies attached to the receipts of such tax refund. There is no assurance that the Group will continue to receive such tax refund in the future.

Notes to the Condensed Consolidated Interim Financial Information

9 Other gain, net

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Gain on disposal of property, plant and equipment	284	18
Exchange gains, net	1,683	9,565
	1,967	9,583

10 Interest income and expense

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Interest expense on bank borrowings	(39,599)	(36,701)
Imputed interest expense on convertible loan	(7,116)	–
	(46,715)	(36,701)
Less: amount capitalised on qualifying assets	6,915	5,721
	(39,800)	(30,980)
Interest income from bank deposits	2,116	6,753
Interest expense, net	(37,684)	(24,227)

Notes to the Condensed Consolidated Interim Financial Information

11 Income tax expense

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Current income tax		
PRC enterprise income tax	10,858	8,453
Hong Kong profits tax	–	–
Total current income tax	10,858	8,453
Deferred income tax	8,550	5,297
Income tax expense	19,408	13,750

Subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% on the estimated assessable profits for the six months ended 30 June 2016 and 2015. No Hong Kong profits tax have been provided as the subsidiaries incorporated in Hong Kong have no assessable profits during the period (2015: same).

Subsidiaries incorporated in the PRC are subjected to a tax rate of 25% on the assessable profits arising in or derived from the PRC except the followings:

- (i) Kewei has obtained an approval for an enterprise income tax (“EIT”) incentive that it was fully exempted from the PRC EIT for three years starting from 2011 to 2013, and followed by a 50% tax reduction for the ensuing three years from 2014 to 2016. Accordingly, the applicable tax rate for Kewei was 12.5% for the six months ended 30 June 2016 (for the six months ended 30 June 2015: 12.5%).
- (ii) Dongguan China Scivest Environmental Power Company Limited (“China Scivest”) has obtained an approval for an EIT incentive that its project was fully exempted from the PRC EIT for three years starting from 2013 to 2015, and followed by a 50% tax exemption for the ensuing three years from 2016 to 2018. Accordingly, the applicable tax rate of China Scivest was 12.5% for the six months ended 30 June 2016 (for the six months ended 30 June 2015: 0%).
- (iii) Dongguan Eco-tech Environmental Power Company Limited (“Eco-tech”) has obtained an approval for an EIT incentive that its project will be fully exempted from the PRC EIT for three years starting from 2015 to 2017, and followed by a 50% tax exemption for the ensuing three years from 2018 to 2020. Accordingly, the applicable tax rate of Eco-Tech was 0% for the six months ended 30 June 2016 (for the six months ended 30 June 2015: 0%).
- (iv) Zhanjiang Yuefeng has obtained an approval for an EIT incentive that it will be fully exempted from the PRC EIT for three years starting from 2016 to 2018, and followed by a 50% tax reduction for the ensuing three years from 2019 to 2021. Accordingly, the applicable tax rate of Zhanjiang Yuefeng was 0% for the six months ended 30 June 2016 (for the six months ended 30 June 2015: 25%).

Notes to the Condensed Consolidated Interim Financial Information

12 Earnings per share**(a) Basic**

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company and weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2016 (Unaudited)	2015 (Unaudited)
Profit attributable to equity holders of the Company (HK\$'000)	153,843	100,895
Weighted average number of ordinary shares in issue (thousand shares)	2,007,109	2,000,000
Basic earnings per share (HK cents)	7.7	5.0

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has three categories of dilutive potential ordinary share: the Over-allotment Option ("Over-allotment Option"), share options and convertible loan. For the Over-allotment Option, management has performed a calculation to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period from 1 January 2015 to 16 January 2015 (date of Over-allotment Option lapsed)) based on the monetary value of the subscription right attached to outstanding Over-allotment Option. For the share options, a calculation was performed to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares for the period) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the Over-allotment Option and share options. The convertible loan has assumed to have been converted into ordinary shares, and the profit for the period has been adjusted to eliminate the interest expense of the convertible loan.

Diluted earnings per share for the six months ended 30 June 2016 is the same as the basic earnings per share as the conversion of potential ordinary shares in relation to the outstanding share options and convertible loan would have an anti-dilutive effect to the basic earnings per share.

Diluted earnings per share for the six months ended 30 June 2015 is the same as the basic earnings per share as the conversion of potential ordinary shares in relation to the outstanding Over-allotment Option and share options would have an anti-dilutive effect to the basic earnings per share.

Notes to the Condensed Consolidated Interim Financial Information

13 Dividends

The board of directors of the Company has resolved to declare an interim dividend of HK1.1 cents per ordinary share for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil), totaling to HK\$22,377,000 (six months ended 30 June 2015: Nil) payable on Friday, 7 October 2016 to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 23 September 2016. The amount of interim dividend declared was calculated based on the number of ordinary shares in issue at the date of approval of the condensed consolidated interim financial information.

14 Land use rights

	HK\$'000
For the six months ended 30 June 2016 (Unaudited)	
Opening net book amount at 1 January 2016	153,642
Amortisation (Note 7)	(1,840)
Currency translation differences	(3,007)
Closing net book amount at 30 June 2016	148,795
For the six months ended 30 June 2015 (Unaudited)	
Opening net book amount at 1 January 2015	167,087
Amortisation (Note 7)	(1,983)
Currency translation differences	88
Closing net book amount at 30 June 2015	165,192

Notes to the Condensed Consolidated Interim Financial Information

15 Property, plant and equipment

	HK\$'000
For the six months ended 30 June 2016 (Unaudited)	
Opening net book amount at 1 January 2016	964,989
Additions	106,035
Disposals	(16)
Depreciation (Note 7)	(35,661)
Currency translation differences	(20,143)
Closing net book amount at 30 June 2016	1,015,204
For the six months ended 30 June 2015 (Unaudited)	
Opening net book amount at 1 January 2015	530,272
Additions	313,430
Depreciation (Note 7)	(18,552)
Currency translation differences	889
Closing net book amount at 30 June 2015	826,039

16 Intangible assets

	Goodwill HK\$'000	Concession rights HK\$'000	Total HK\$'000
For the six months ended 30 June 2016 (Unaudited)			
Opening net book amount at 1 January 2016	169,752	1,744,902	1,914,654
Additions for BOT arrangement	–	226,395	226,395
Amortisation (Note 7)	–	(36,412)	(36,412)
Currency translation differences	(3,356)	(37,726)	(41,082)
Closing net book amount at 30 June 2016	166,396	1,897,159	2,063,555
For the six months ended 30 June 2015 (Unaudited)			
Opening net book amount at 1 January 2015	180,281	1,090,382	1,270,663
Additions for BOT arrangement	–	125,012	125,012
Amortisation (Note 7)	–	(32,697)	(32,697)
Currency translation differences	66	626	692
Closing net book amount at 30 June 2015	180,347	1,183,323	1,363,670

Notes to the Condensed Consolidated Interim Financial Information

17 Trade receivables, other receivables, deposits and prepayments

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Non-current assets		
Deposits for investments (note)	278,580	62,067
Prepayments for property, plant and equipment	59,912	56,208
Rental deposits	1,617	1,617
	340,109	119,892
Current assets		
Trade receivables-net	118,044	86,578
Deposits and prepayments	5,016	5,686
Other receivables	4,505	2,190
Value-added tax recoverable	48,959	64,497
	176,524	158,951
	516,633	278,843

Note: As at 30 June 2016, non-current deposits included balances of total HK\$20,357,000 advanced to various companies which the directors consist of the Group's key management personnel (2015: Nil).

The credit period granted by the Group is generally 30 days. The ageing analysis of gross trade receivables based on invoice date is as follows:

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Up to 1 month	47,293	43,532
1 to 3 months	43,754	34,169
3 to 6 months	20,120	7,691
Over 6 months	6,877	1,186
	118,044	86,578

Notes to the Condensed Consolidated Interim Financial Information

18 Gross amounts due from customers for contract work

Certain subsidiaries of the Group entered into service concession arrangements with the local government authorities in the PRC (the “grantors”). Pursuant to the service concession arrangements, the Group has to design, construct and operate and manage WTE projects in the PRC for specific periods. The grantors guarantee that the Group will receive minimum annual payments under the service concession arrangements.

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Contract costs incurred plus recognised profits	596,153	549,621
Representing:		
Gross amounts due from customers for contract work		
— Non-current	558,879	511,595
— Current	37,274	38,026
	596,153	549,621

The amounts are not yet due for payment and will be settled by revenue to be generated during the operating periods of the service concession arrangements.

19 Restricted deposits

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Restricted deposits, denominated in RMB	190,294	156,560

Restricted deposit of HK\$7,020,000 (2015: HK\$7,162,000) represents deposit pledged for a BOT service concession arrangement in relation to a WTE plant in Zhanjiang, the PRC. Restricted deposit of HK\$1,404,000 (2015: Nil) represents deposit pledged for a BOT service concession arrangement in relation to a WTE plant in Beiliu, the PRC. Restricted deposits of HK\$181,870,000 (2015: HK\$149,398,000) represent deposits pledged for bank borrowings of the Group. The effective interest rate on restricted bank deposits is 0.3%–3.05% per annum (2015: 0.3%–0.35% per annum).

Notes to the Condensed Consolidated Interim Financial Information

20 Share capital and reserves**(a) Share capital**

	Number of shares	Total HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 December 2015, 1 January 2016 and 30 June 2016	5,000,000,000	50,000
Issued and fully paid:		
At 31 December 2015, 1 January 2016	2,000,000,000	20,000
Issue of shares on 24 May 2016 (note)	34,235,294	342
At 30 June 2016	2,034,235,294	20,342

Note: On 24 May 2016, an aggregate of 34,235,294 placing shares were issued at HK\$3.4 each. Net proceeds amounted to HK\$111,397,000.

(b) Share options

On 24 April 2015, the board of the Company has granted share options to certain employees, officers and directors of the Company or any of its subsidiaries to subscribe for a total of 3,000,000 ordinary shares of the Company under the Share Option Scheme ("Scheme") adopted on 7 December 2014. The acceptance of the grant of the share option can be made with a payment of HK\$1 from the grantee. All share options granted were accepted. All share options granted under the Scheme are exercisable in whole or in part within 10 years from the date of grant. The details of the share options granted are as follows:

— Number of share options granted	3,000,000
— Exercise price	HK\$4.39 per share
— Weighted average fair value	HK\$1.9445 per share

No share option granted was exercised or lapsed during the six months ended 30 June 2016.

Notes to the Condensed Consolidated Interim Financial Information

21 Bank borrowings

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Bank borrowings, secured		
Non-current	1,333,309	1,098,852
Current	305,908	321,043
Total	1,639,217	1,419,895

Borrowings are analysed as follows:

	As at 30 June 2016 (Unaudited) HK\$'000	As at 30 June 2015 (Unaudited) HK\$'000
At 1 January	1,419,895	1,028,686
Proceeds from borrowings	433,813	449,217
Repayments of borrowings	(182,146)	(101,181)
Currency translation differences	(32,345)	1,550
At 30 June	1,639,217	1,378,272

Bank borrowings are secured by rights to collect revenue from power sales and waste handling service, land use rights, property, plant and equipment, concession rights, bank deposits and corporate guarantees.

Notes to the Condensed Consolidated Interim Financial Information

22 Convertible loan

On 28 April 2016, the Company borrowed the convertible loan in the aggregate principal amount of HK\$465,012,000 from IFC. IFC has the right to convert all or any part of the outstanding principal amount of the convertible loan into fully paid ordinary shares with a par value of HK\$0.01 each of the Company at any time after the date of the disbursement and prior to the maturity date. The initial conversion price is HK\$3.91 per share, subject to customary adjustments as set out in the convertible loan agreement.

The total net proceeds of the convertible loan of HK\$457,658,000, after deducting related expenses, has been received by the Group.

The major terms and conditions of the convertible loan are as follow:

(i) Interest rate

The outstanding principal of the convertible loan bears interest at a rate of 2% per annum.

(ii) Conversion price

The conversion price is initially HK\$3.91 per share, subject to customary adjustments as set forth in the convertible loan agreement.

(iii) Maturity date

The maturity date of the convertible loan is 27 April 2021.

(iv) Repayment

The outstanding principal amount of the convertible loan shall be repaid on the maturity date, together with the make whole premium (if any).

Make whole premium is calculated by IFC, which would yield a minimum internal rate of return for IFC on the principal amount of the convertible loan repaid or prepaid of 7% per annum, calculated from the date of the disbursement and ending on the date of such repayment.

Notes to the Condensed Consolidated Interim Financial Information

22 Convertible loan (Continued)

The convertible loan was recognised as a equity component and a debt component as follows:

- equity component, comprise the fair value of the option of IFC to convert the convertible loan into ordinary shares of the Company at the conversion price at any time before the maturity.
- debt component initially recognised at its fair value, and is subsequently carried at amortised cost.

The movements of the convertible loan are set out below:

	Debt component HK\$'000	Equity component HK\$'000	Total HK\$'000
For the six months ended 30 June 2016 (Unaudited)			
Convertible loan disbursed on 28 April 2016	385,688	71,970	457,658
Imputed interest expense	7,116	–	7,116
Interest paid	(1,240)	–	(1,240)
As at 30 June 2016	391,564	71,970	463,534

There was no conversion of the convertible loan from 28 April 2016 (date of disbursement) to 30 June 2016.

23 Trade and other payables

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Non-current liabilities		
Other payables (Note)	143,187	37,300
Current liabilities		
Trade payables	67,671	49,642
Accruals and other payables (Note)	274,846	411,361
	342,517	461,003
	485,704	498,303

Note: The balances mainly include accrued staff costs and other staff benefits, construction payables and VAT payables.

Notes to the Condensed Consolidated Interim Financial Information

23 Trade and other payables (Continued)

The ageing analysis of trade payables based on invoice date is as follows:

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Up to 1 month	49,745	34,192
1 to 2 months	7,598	2,914
2 to 3 months	2,805	3,187
Over 3 months	7,523	9,349
	67,671	49,642

24 Commitments**(a) Capital commitments**

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Authorised but not contracted to:		
Property, plant and equipment	274,858	559,847
Construction cost for BOT	512,260	666,023
	787,118	1,225,870
Contracted but not provided for:		
Acquisition of subsidiaries	38,610	–
Property, plant and equipment	336,393	211,338
Construction cost for BOT	28,602	136,887
	403,605	348,225

Notes to the Condensed Consolidated Interim Financial Information

24 Commitments *(Continued)***(b) Operating lease commitments**

The Group leases various offices and premises under non-cancellable operating lease agreements.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Contracted		
— No later than 1 year	7,920	6,610
— Later than 1 year and no later than 5 years	4,765	7,617
— Later than 5 years	157	–
	12,842	14,227

25 Significant related party transactions

The Group is controlled by Best Approach Developments Limited (incorporated in the British Virgin Islands), which owns approximately 64.0% of the Company's shares. The remaining 36.0% of the shares are widely held.

The directors are of the view that the following companies are related parties of the Group:

Name	Relationship with the Group
Dongguan Yuexin Construction Co. Ltd. 東莞市粵星建造有限公司 ("Dongguan Yuexin")	A company controlled by Mr. Lai Chun Tung, an Executive Director of the Company

(a) Transactions with related parties

During the six months ended 30 June 2016, the Group paid rental expenses of HK\$1,001,000 for office to Dongguan Yuexin as agreed by both parties (six months ended 30 June 2015: Nil).

Notes to the Condensed Consolidated Interim Financial Information

25 Significant related party transactions *(Continued)***(b) Key management compensation**

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Wages and salaries	8,142	7,541
Pension costs — defined contribution plans	182	129
Welfare and other expenses	460	1,235
Subtotal	8,784	8,905
Share option expenses (Note 20(b))	—	4,038
Total	8,784	12,943

Corporate Governance

The Company pursues good corporate governance practices and procedures, and considers them crucial in maintaining and building of our brand, maximizing the profit of the Group and enhancing the long-term benefits of the Group as well as its Shareholders. As such, the Company has adopted the CG Code.

Maintaining a high level of corporate governance can uplift a high standard of the Group's credibility and transparency. It can strengthen the confidence of the Shareholders and the public.

During the six months ended 30 June 2016, the Company has complied with the code provisions of the CG Code.

Major identified risks and uncertainties faced by the Group are set out in detail in our 2015 annual report.

Model Code for Securities Transactions by Directors

The Company adopted the Model Code. After specific enquiry, each of the Directors has confirmed to the Company that he or she had completely complied with the Model Code for the six month period ended 30 June 2016.

The Committees of the Board

The Board of the Company has established 4 committees namely the audit committee, the corporate governance committee, the nomination committee and the remuneration committee. The respective chairperson and majority of the members of each of the committees are Independent Non-executive Directors. Terms of reference of each of the committees have posted on corporate website (www.canvestenvironment.com) and Hong Kong Stock Exchange's website (www.hkexnews.hk), and will be amended by the Board from time to time as appropriate.

Audit Committee

The Company has set up an audit committee in compliance with the Listing Rules. The members of the audit committee comprise Mr. Chan Kam Kwan Jason, Professor Sha Zhenquan and Mr. Chung Wing Yin, and are chaired by Mr. Chan Kam Kwan Jason.

Main duties of the audit committee include (but without limitation): (i) assisting our Board to provide an independent review of the effectiveness of the financial reporting process, internal control and risk management system of our Group; (ii) overseeing the audit process; (iii) performing other duties and responsibilities as assigned by our Board; and (iv) considering and reviewing the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial function, and report to the Board. The audit committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of the Company.

During the six months ended 30 June 2016, the audit committee has held one meeting and performed the following major works:

- review and discussion of the annual financial statements, results announcement and report for the year ended 31 December 2015, the related accounting principles and practices adopted by the Group and internal controls related matters; and recommendation of the re-appointment of the external auditor.

The external auditor attended the above meeting to discuss with the audit committee on issues arising from the audit and financial reporting matters.

Corporate Governance

There is no disagreement between the Board and the audit committee regarding the appointment of external auditor or the accounting treatment adopted by the Company.

The audit committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2016 and reviewed, in the presence of the management of the Group, the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

Remuneration Committee

The Company has set up a remuneration committee in compliance with the Listing Rules. The members of the remuneration committee comprise Professor Sha Zhenquan, Mr. Chan Kam Kwan Jason and Mr. Chung Wing Yin, and are chaired by Professor Sha Zhenquan.

Main duties of the remuneration committee include (but without limitation): (i) making recommendations to our Directors on our policy and structure for all remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of each executive Director and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time; and (iv) considering and approving the grant of share options to eligible participants pursuant to the share option scheme.

During the six months ended 30 June 2016, the remuneration committee has held two meetings and performed the following major works:

- Performance evaluation of directors and management team; and
- Generally reviewed and discussed the remuneration packages of directors and management team.

Nomination Committee

The members of nomination committee comprise Mr. Chung Wing Yin, Professor Sha Zhenquan and Mr. Chan Kam Kwan Jason and are chaired by Mr. Chung Wing Yin.

Main duties of nomination committee include, without limitation: (i) reviewing the structure, size and composition of the Board; (ii) assessing the independence of independent non-executive directors; and (iii) making recommendations to the Board on matters relating to the appointment of Directors.

Nomination committee has adopted a policy of diversity for memberships of the Board. It has considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Corporate Governance

During the six months ended 30 June 2016, the nomination committee has held one meeting and performed the following major works:

- Review of the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group;
- Recommendation of the re-election of the retiring directors standing for re-election at the Company's annual general meeting held on 16 June 2016; and
- Assessment of the independence of all the Company's independent non-executive directors.

Corporate Governance Committee

The members of corporate governance committee comprise Mr. Chan Kam Kwan Jason, Ms. Loretta Lee, Professor Sha Zhenquan and Mr. Chung Wing Yin, and are chaired by Mr. Chan Kam Kwan Jason.

Main duties of corporate governance committee include (but without limitation): (i) reviewing and assessing compliance with internal policies of our Group; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and developing our Company's policies and practices on corporate governance; and (iv) reviewing our Company's compliance with Appendix 14 to the Listing Rules.

During the six months ended 30 June 2016, the corporate governance committee has held one meeting and performed the following major works:

- Reviewed and assessed the continuous professional development of Directors and senior management;
- Reviewed the Company's policies and practices on corporate governance; and
- Reviewed the Company's compliance with Appendix 14 to the Listing Rules.

Other Information

The Company has adopted a share option scheme on 7 December 2014. On 24 April 2015, the Company has granted a total of 3,000,000 share options to the eligible participants of the Company. Please refer to the Company's announcement dated 24 April 2015, 2015 annual report and note 20 to the condensed consolidated interim financial information for further details.

Name or category of participant	Outstanding as at 1 January 2016	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as at 30 June 2016	Date of grant of share options	Exercise period of share options*	Exercise price of share options** HK\$ per share
Directors									
Ms. Loretta Lee	250,000	-	-	-	-	250,000	24 April 2015	24 April 2015 to 23 April 2025	4.39
Mr. Yuan Guozhen	250,000	-	-	-	-	250,000	24 April 2015	24 April 2015 to 23 April 2025	4.39
Mr. CT Lai	250,000	-	-	-	-	250,000	24 April 2015	24 April 2015 to 23 April 2025	4.39
Subtotal	750,000	-	-	-	-	750,000			
Other employees working under continuous employment contracts									
In aggregate	2,250,000	-	-	-	-	2,250,000	24 April 2015	24 April 2015 to 23 April 2025	4.39
Total	3,000,000	-	-	-	-	3,000,000			

* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

** The number and/or exercise price of the share options is/are subject to adjustment in the case of rights or bonus issues, or other changes in the Company's share capital.

*** The closing price of the Shares immediately before the date of grant of such share options was HK\$4.39 per share.

The number of shares available for issue under the share option scheme is 197,000,000 Shares, representing 9.85% of the issued share capital of the Company as at the date of the Company's 2015 annual report, and representing 9.68% as at the date of the interim result announcement dated 23 August 2016 and as at the date of this interim report, respectively.

Other Information

Directors' Interests in Shares, underlying Shares and Short Positions

As at 30 June 2016, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which (i) were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

(1) Long positions in shares of the Company

Name of Director	Number of Shares/Underlying Shares Held				Total interests ⁽⁴⁾	Total interests as % of the issued share capital
	Personal interest	Number of underlying shares held under equity derivatives ⁽²⁾	Spouse interests	Founder of a discretionary trust ⁽¹⁾		
Ms. Loretta Lee	1,626,000	250,000	250,000	1,301,652,837	1,303,778,837	64.1%
Mr. KM Lai	–	–	10,000,000	1,301,652,837	1,311,652,837	64.5%
Mr. Yuan Guozhen	–	250,000	357,000	–	607,000	0.03%
Mr. CT Lai	–	250,000 ⁽³⁾	1,303,528,837	–	1,303,778,837	64.1%
Professor Sha Zhenquan	100,000	–	–	–	100,000	0.00%

Note:

- The entire issued share capital of Best Approach is directly and indirectly held by VISTA Co, whose entire issued share capital held by HSBC International Trustee Limited as trustee of the Harvest VISTA Trust, a trust with Mr. KM Lai and Ms. Loretta Lee as founders and established in accordance with the laws of the BVI. The discretionary beneficiaries of the Harvest VISTA Trust include Mr. KM Lai, Ms. Loretta Lee and the personal trust of Ms. Loretta Lee (the beneficiaries of which are Ms. Loretta Lee and her immediate family members).
- Details of share options held by the directors are shown in page 55.
- These represent the 250,000 share options held by Mr. CT Lai.
- Both Ms. Loretta Lee and Mr. CT Lai are Directors. Under the SFO, if a director's spouse is himself a director or chief executive of the listed corporation concerned, the director need not aggregate his interest. As such, in his capacity as a Director, Mr. CT Lai is not required to aggregate the interests of Ms. Loretta Lee under the SFO. However, Mr. CT Lai is still required to aggregate the interest of Ms. Loretta Lee in determining whether he falls under the definition of "substantial shareholders" under the SFO.

(2) Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Approximate percentage of interest
Ms. Loretta Lee (Note 1)	Best Approach	100.0%
Mr. KM Lai (Note 1)	Best Approach	100.0%

Note:

- The entire issued share capital of Best Approach is directly and indirectly held by VISTA Co, whose entire issued share capital is held by HSBC International Trustee Limited as trustee of the Harvest VISTA Trust, a trust with Mr. KM Lai and Ms. Loretta Lee as founders and established in accordance with the laws of the BVI. The discretionary beneficiaries of the Harvest VISTA Trust include Mr. KM Lai, Ms. Loretta Lee and the personal trust of Ms. Loretta Lee (the beneficiaries of which are Ms. Loretta Lee and her immediate family members).

Other Information

Substantial Shareholders' Interests in Shares, underlying Shares and Short Positions

So far as is known to the Directors or chief executives of the Company, as at 30 June 2016, the interests or short positions of substantial shareholders (other than Directors or the chief executives of the Company) in the shares or underlying shares of the Company which (i) would fall to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO or, who are directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

(1) Our Company

Name of Shareholder	Nature of Interest	Number of Shares Held	Number of Underlying Shares	Approximate percentage of shareholding
HSBC International Trust Limited	Trustee	1,301,652,837 ⁽¹⁾	–	64.0%
VISTA Co	Interest of controlled corporation	1,301,652,837 ⁽²⁾	–	64.0%
Century Rise	Interest of controlled corporation	1,301,652,837 ⁽³⁾	–	64.0%
Best Approach	Beneficial owner	1,301,652,837	–	64.0%
AEP Green Power, Limited	Beneficial owner	128,305,678 ⁽⁴⁾	–	6.3%

Notes:

- The entire issued share capital of Best Approach is directly and indirectly held by VISTA Co, whose entire issued share capital is held by HSBC International Trustee Limited as trustee of the Harvest VISTA Trust, a trust with Mr. KM Lai and Ms. Loretta Lee as founders and established in accordance with the laws of the BVI. The discretionary beneficiaries of the Harvest VISTA Trust include Mr. KM Lai, Ms. Loretta Lee and the personal trust of Ms. Loretta Lee (the beneficiaries of which are Ms. Loretta Lee and her immediate family members).
- VISTA Co holds 55% of the issued share capital of Best Approach and the entire issued share capital of Century Rise. Therefore, VISTA Co is deemed or taken to be interested in all our Shares held by Century Rise and Best Approach for the purposes of the SFO.
- Century Rise holds 45% of the issued share capital of Best Approach. Therefore, Century Rise is deemed or taken to be interested in all our Shares held by Best Approach for the purposes of the SFO.
- AEP Green Power, Limited increased their shareholding from 103,305,678 Shares to 116,305,678 Shares on 21 January 2016. It further increased their shareholding from 116,305,678 Shares to 128,305,678 Shares, or 6.3% of the total issued share capital of the Company on 3 June 2016.

Other Information

(2) Beiliu

Name	Nature of Interest	Registered capital held	Approximate percentage of shareholding
Beiliu Runtang	Beneficial owner	RMB35,350,000	20%

Note:

1. As at 30 June 2016, the registered capital of Beiliu to be injected by Beiliu Runtang has not yet paid-in.

Interests of any Other Persons

Save as disclosed in the foregoing, as at 30 June 2016, none of any other persons had informed to the Company that they had any interests or short positions in the shares which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO.

Disclosure pursuant to rule 13.21 of the Listing Rules

Pursuant to the convertible loan agreement entered between IFC and the Company on 20 January 2016, unless otherwise agreed in writing by IFC, the Company shall, within 10 days following the occurrence that Ms. Loretta Lee, Mr. KM Lai and Mr. CT Lai, as a group ceases to own, directly and indirectly, at least 51% of both the economic and voting interests in the Company, prepay the outstanding principal amount of the convertible loan, together with accrued interest, the make whole premium (if any) and all other amounts payable under the convertible loan agreement.

Purchase, Sale or Redemption of listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six month period ended 30 June 2016.

Public Float

Based on the information that is available to the Company and to the knowledge of the Directors, they confirm that the Company has maintained at least 25% of the Company's total issued share capital held by the public for the six months ended 30 June 2016 and as at the date of this interim report.

Interim Dividend

The Board has declared an interim dividend of HK1.1 cents (the corresponding period in 2015: Nil) per share payable in cash to shareholders of the Company. Interim dividend will be payable on or about Friday, 7 October 2016 to the shareholders whose names appear on the register of members of the Company on Friday, 23 September 2016.

Closure of Register of Members

The Company's register of members will be closed from Thursday, 22 September 2016 to Friday, 23 September 2016 (both days inclusive), during such period no transfer of shares will be effected. To qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 pm on Wednesday, 21 September 2016.

Glossary

Beiliu	Beiliu Yuefeng Environmental Power Company Limited (北流粵豐環保電力有限公司), a company established under the laws of the PRC with limited liability on 3 June 2016 and a 80% indirectly owned subsidiary of the Company
Beiliu Runtang	Beiliu Runtang Environmental Investment Company Limited (北流市潤通環保投資有限公司), a company which holds 20% interest in Beiliu
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 Consultancy	Dongguan Canvest Enterprise Consultancy and Management Company Limited (東莞市粵豐企業諮詢管理有限公司), a company established under the laws of the PRC with limited liability on 10 April 2014 and an indirect wholly owned subsidiary of the Company
Cash generated from operating projects*	Net cash generated from/used for operating activities for the period, excluding net operating cash used in relation to the construction of Zhanjiang WTE plant and technological upgrade of Laibin WTE plant 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
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

Glossary

China Scivest	Dongguan China Scivest Environmental Power Company Limited (東莞粵豐環保電力有限公司)(formerly known as 東莞中科環保電力有限公司), a company established under the laws of the PRC with limited liability on 5 November 2004 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
Director(s)	director(s) of the Company
Dongguan Municipal Administration	東莞市城市綜合管理局, formerly known as Dongguan Municipal Utilities Administration (東莞市市政公用事業管理局), a government department under the Dongguan People's Government responsible for municipal management, and an Independent Third Party
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 established under the laws of the PRC with limited liability on 19 June 2003 and an indirect wholly owned subsidiary of the Company
Group	the Company and its subsidiaries
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
Hong Kong	Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
HK\$	Hong Kong dollar(s), the lawful currency of Hong Kong
IFC	International Finance Corporation, an international organisation established by Articles of Agreement among its member countries
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
Kewei	Dongguan Kewei Environmental Power Company Limited (東莞科維環保投資有限公司) (formerly known as 東莞市科維環保電力有限公司), a company established under the laws of the PRC with limited liability on 13 February 2009 and an indirect wholly owned subsidiary of the Company

Glossary

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 Zhongke Environmental Power Company Limited (來賓中科環保電力有限公司), a company established in the PRC with limited liability and became an indirect wholly owned subsidiary of the Company since 14 August 2015
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
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
Main Board	the Main Board of the Hong Kong Stock Exchange
Mr. CT Lai	Mr. Lai Chun Tung (黎俊東), an executive Director and the husband of Ms. Loretta Lee and a cousin of Mr. KM Lai and Ms. Guo Huilian, a senior management
Mr. KM Lai	Mr. Lai Kin Man (黎健文), also known as Li Jianwen (黎建文), one of our controlling shareholders and an executive Director, our deputy chairman and a cousin of Mr. CT Lai and Ms. Guo Huilian, a senior management
Ms. Loretta Lee	Ms. Lee Wing Yee, Loretta (李詠怡), one of our controlling shareholders, an executive Director, chairlady of our Company, the wife of Mr. CT Lai, the sister of Mr. Lee Kar Lung and cousin-in-law of Mr. KM Lai and Ms. Guo Huilian, a senior management
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
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.
RMB	Renminbi, the lawful currency of PRC
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
Shareholder(s)	holders of Shares

Glossary

VAT	Value-added tax
Wise Power	Wise Power Investment Limited, a private company limited by shares incorporated under the laws of Cayman Islands with limited liability and is a wholly owned subsidiary of China Infrastructure Partners, L.P. and is a Pre-IPO Investor
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
WTE	waste-to-energy, the process of generating electricity from the incineration of waste
Xingyi	Qianxinanzhou Xingyi City Hongda Environmental Power Company Limited (黔西南州興義市鴻大環保電力有限公司), a company established in the PRC with limited liability
Zhanjiang Yuefeng	Zhanjiang Yuefeng Environmental Power Company Limited (湛江市粵豐環保電力有限公司), a company established under the laws of the PRC on 3 April 2013 with limited liability and a indirectly wholly owned subsidiary of the Company
Zhongshan Guangye	Zhongshan City Guangye Longcheng Environmental Company Limited (中山市廣業龍澄環保有限公司), a company established in the PRC with limited liability
%	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 the inclusion of non-HKFRS measures provides consistency in our financial reporting.