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CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED

粵豐環保電力有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1381)

CONNECTED TRANSACTIONS AND SPECIAL DEALS IN RELATION TO THE LAND DISPOSAL, SMART PARKING DISPOSAL AND OFFICE BUILDING DISPOSAL

THE LAND DISPOSAL

On 22 July 2024 (after trading hours), Canvest Kewei (an indirect wholly-owned subsidiary of the Company) entered into the Canvest Kewei Subsidiary S&P Agreement with Best Approach, pursuant to which, Canvest Kewei conditionally agreed to sell, and Best Approach conditionally agreed to purchase, the entire equity interests in Canvest Kewei Subsidiary.

THE SMART PARKING DISPOSAL

On 22 July 2024 (after trading hours), the Company entered into the Canvest Technology S&P Agreement with Best Approach, pursuant to which, the Company conditionally agreed to sell, and Best Approach conditionally agreed to purchase, the entire equity interests in Canvest Technology.

THE OFFICE BUILDING DISPOSAL

On 22 July 2024 (after trading hours), Yi Feng (a direct wholly-owned subsidiary of the Company) entered into the KK S&P Agreement with Best Approach, pursuant to which, Yi Feng conditionally agreed to sell, and Best Approach conditionally agreed to purchase, the entire equity interests in KK VII (BVI) Limited and KK VIII (BVI) Limited.

LISTING RULES AND TAKEOVERS CODE IMPLICATIONS

As at the date of this announcement, Best Approach owns approximately 54.75% of the total issued share capital of the Company and is a connected person of the Company under the Listing Rules. Accordingly, each of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of each of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal exceeds 0.1% but is less than 5%, and therefore each of the respective transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. However, as the Company is subject to a possible pre-conditional proposal for the privatisation as at the date of this announcement and the Land Disposal, the Smart Parking Disposal and the Office Building Disposal are not capable of being extended to all shareholders of the Company, the Land Disposal, the Smart Parking Disposal and the Office Building Disposal constitute special deals and require the consent of the Executive under Rule 25 of the Takeovers Code and is subject to the approval by the Independent Shareholders by way of poll pursuant to the Takeovers Code. The Land Disposal, the Smart Parking Disposal and the Office Building Disposal are also subject to the Executive's consent and Independent Financial Adviser's opinion that they are fair and reasonable as far as the Independent Shareholders are concerned and are in the interest of the Company and the shareholders as a whole.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, which comprises Mr. Feng Jun, being the non-executive Director, and Professor Sha Zhenquan, Mr. Chan Kam Kwan Jason, Mr. Chung Kwok Nam and Mr. Lee Tsung Wah Jonathan, being the independent non-executive Directors, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the terms of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal are, or are not, fair and reasonable. In addition, the Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the above matters.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who have no direct or indirect interest in the Land Disposal, the Smart Parking Disposal and the Office Building Disposal. The Independent Board Committee has reserved its opinion pending the advice of the Independent Financial Adviser.

GENERAL

An EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Land Disposal, the Smart Parking Disposal and the Office Building Disposal and the transactions contemplated thereunder.

A circular containing, among others, details of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal, the advice of the Independent Board Committee, the recommendations of the Independent Financial Adviser, and the notice of the general meeting will be dispatched to the shareholders of the Company as soon as practicable.

Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

(1) THE LAND DISPOSAL

On 22 July 2024 (after trading hours), Canvest Kewei (an indirect wholly-owned subsidiary of the Company) entered into the Canvest Kewei Subsidiary S&P Agreement with Best Approach, pursuant to which, Canvest Kewei conditionally agreed to sell, and Best Approach conditionally agreed to purchase, the entire equity interests in Canvest Kewei Subsidiary. The principal terms of the Canvest Kewei Subsidiary S&P Agreement are summarised as follows:

Date: 22 July 2024 (after trading hours)

Parties involved:

- (i) Best Approach, as buyer
- (ii) Canvest Kewei, as seller

Assets to be disposed of:

Pursuant to the Canvest Kewei Subsidiary S&P Agreement, Canvest Kewei has conditionally agreed to sell, and Best Approach has conditionally agreed to acquire the entire equity interests in Canvest Kewei Subsidiary, which is to be incorporated in the PRC as a direct wholly-owned subsidiary of Canvest Kewei.

The underlying assets to be disposed of under the Land Disposal are the land use rights and structures on the Land situated at 1/5 of land in the 3rd neighbourhood of Yuepu Town, Baoshan District, Shanghai, the PRC (中國上海市寶山區月浦鎮3街坊1/5丘土地). As at the date of this announcement, the land use rights and structures on the Land are held by Canvest Kewei. It is expected that immediately prior to the completion of the Land Disposal, the Land will be transferred to Canvest Kewei Subsidiary by Canvest Kewei.

Transfer of equity interests and registration procedures

Canvest Kewei shall cooperate with the Canvest Kewei Subsidiary in the registration procedures in respect of the Land Disposal in accordance with applicable laws and regulations, which will be completed before the date on which the Scheme becomes effective.

Upon completion of the registration procedures in respect of the Land Disposal, (i) Canvest Kewei will cease to own any interest in Canvest Kewei Subsidiary and the land use rights and structures on the Land; and (ii) Canvest Kewei Subsidiary will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

Consideration

The consideration under the Canvest Kewei Subsidiary S&P Agreement is approximately RMB135 million, which was determined after arm's length negotiations with reference to the appraised value of the underlying assets in the total amount of approximately RMB135 million as at 10 July 2024 based on a valuation report prepared by an independent valuer. The consideration shall be settled by Best Approach in cash and in a lump sum within 30 days from the date of the first payment of the cancellation price payable by the offeror to Best Approach under the Proposal in accordance with the Takeovers Code.

The original acquisition cost of the land use rights and structures on the Land to Canvest Kewei was approximately RMB135 million.

Conditions

The Canvest Kewei Subsidiary S&P Agreement and the transfer of the equity interests in Canvest Kewei Subsidiary are conditional upon satisfaction of the following conditions: (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Land Disposal is fair and reasonable as far as the Independent Shareholders are concerned; (ii) the passing of an ordinary resolution by the Independent Shareholders at the EGM to approve the Land Disposal; (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Land Disposal; and (iv) the obtaining of approval of the Scheme by the Independent Shareholders, the Scheme Shareholders and the order sanctioning by the Grand Court of Cayman Islands.

Completion

The completion of the Land Disposal shall take place upon the settlement of the consideration by Best Approach.

Financial Effect of the Land Disposal and intended Use of Proceeds

It is expected that no material gain or loss will be recorded as a result of the Land Disposal. The Group intends to utilize the net proceeds from the Land Disposal for general working capital.

(2) THE SMART PARKING DISPOSAL

On 22 July 2024 (after trading hours), the Company entered into the Canvest Technology S&P Agreement with Best Approach, pursuant to which, the Company conditionally agreed to sell, and Best Approach conditionally agreed to purchase, the entire equity interests in Canvest Technology. The principal terms of the Canvest Technology S&P Agreement are summarised as follows:

Date: 22 July 2024 (after trading hours)

Parties involved:

(iii) Best Approach, as buyer

(iv) the Company, as seller

Assets to be disposed of:

Pursuant to the Canvest Technology S&P Agreement, the Company has conditionally agreed to sell, and Best Approach has conditionally agreed to acquire the entire equity interests in Canvest Technology.

The underlying assets to be disposed of under the Smart Parking Disposal are smart car parking projects located in several regions in the PRC held by Canvest Technology through its subsidiaries and joint venture for more than twelve months.

Transfer of equity interests and registration procedures

The Company shall cooperate with Canvest Technology in the registration procedures in respect of the Smart Parking Disposal in accordance with applicable laws and regulations, which will be completed before the date on which the Scheme becomes effective.

Upon completion of the registration procedures in respect of the Smart Parking Disposal, Canvest Technology will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

Consideration

The consideration under the Canvest Technology S&P Agreement is approximately HK\$30 million, which was determined after arm's length negotiations with reference to the appraised value of the underlying assets in the total amount of approximately RMB26 million as at 30 June 2024 based on a valuation report prepared by an independent valuer. The consideration shall be settled by Best Approach in cash and in a lump sum within 30 days from the date of first payment of the cancellation price payable by the offeror to Best Approach under the Proposal in accordance with the Takeovers Code.

Conditions

The Canvest Technology S&P Agreement and the transfer of equity interests in Canvest Technology are conditional upon satisfaction of the following conditions: (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Smart Parking Disposal is fair and reasonable as far as the Independent Shareholders are concerned; (ii) the passing of an ordinary resolution by the Independent Shareholders at the EGM to approve the Smart Parking Disposal; (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Smart Parking Disposal; and (iv) the obtaining of approval of the Scheme by the Independent Shareholders, the Scheme Shareholders and the order sanctioning by the Grand Court of Cayman Islands.

Completion

The completion of the Smart Parking Disposal shall take place upon the settlement of the consideration by Best Approach.

Financial Effect of the Smart Parking Disposal and intended Use of Proceeds

It is expected that, based on, *inter alia*, the consideration for the Smart Parking Disposal, the unaudited book value of the underlying assets as at 30 June 2024 and the estimated expenses in relation to the Smart Parking Disposal, the Group will record a loss of approximately HK\$43 million as a result of the Smart Parking Disposal. The actual amount of gain or loss and the financial effect as a result of the Smart Parking Disposal to be recorded is subject to the review and final audit by the auditor of the Company. The Group intends to utilize the net proceeds from the Smart Parking Disposal for general working capital.

(3) THE OFFICE BUILDING DISPOSAL

On 22 July 2024 (after trading hours), Yi Feng (a direct wholly-owned subsidiary of the Company) entered into the KK S&P Agreement with Best Approach, pursuant to which, Yi Feng conditionally agreed to sell, and Best Approach conditionally agreed to purchase, the entire equity interests in KK VII (BVI) Limited and KK VIII (BVI) Limited. The principal terms of the KK S&P Agreement are summarised as follows:

Date: 22 July 2024 (after trading hours)

Parties involved:

(v) Best Approach, as buyer

(vi) Yi Feng, as seller

Assets to be disposed of:

Pursuant to the KK S&P Agreement, Yi Feng has conditionally agreed to sell, and Best Approach has conditionally agreed to acquire the entire equity interests in KK VII (BVI) Limited and KK VIII (BVI) Limited.

The underlying assets to be disposed of under the Office Building Disposal are (i) a commercial property situated at 28th Floor, King Kong Commercial Center, No.9 Des Voeux Road West and a car park space situated at No.P22 on 2nd floor, King Kong Commercial Center, No.9 Des Voeux Road West in Hong Kong held by KK VII (BVI) Limited for more than twelve months; and (ii) a commercial property situated at 29th Floor, King Kong Commercial Center, No.9 Des Voeux Road West, a car park space situated at No.P12 on 2nd floor, King Kong Commercial Center, No.9 Des Voeux Road West and the flat roof above 29th floor, King Kong Commercial Center, No.9 Des Voeux Road West in Hong Kong held by KK VIII (BVI) Limited for more than twelve months.

Transfer of equity interests and registration procedures

Yi Feng shall cooperate with KK VII (BVI) Limited and KK VIII (BVI) Limited in the registration procedures in respect of the Office Building Disposal in accordance with applicable laws and regulations, which will be completed before the date on which the Scheme becomes effective.

Upon completion of the registration procedures in respect of the Office Building Disposal, KK VII (BVI) Limited and KK VIII (BVI) Limited will cease to be subsidiaries of the Company and their financial results will no longer be consolidated into the consolidated financial statements of the Group.

Consideration

The consideration under the KK S&P Agreement is approximately HK\$165 million, which was determined after arm's length negotiations with reference to the appraised value of the underlying assets in the total amount of approximately HK\$165 million as at 30 June 2024 based on a valuation report prepared by an independent valuer. The consideration shall be settled by Best Approach in cash and in a lump sum within 30 days from the date of first payment of the total cancellation price payable by the offeror to Best Approach under the Proposal in accordance with the Takeovers Code.

Conditions

The KK S&P Agreement and the transfer of equity interests in KK VII (BVI) Limited and KK VIII (BVI) Limited are conditional upon satisfaction of the following conditions: (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Office Building Disposal are fair and reasonable as far as the Independent Shareholders are concerned; (ii) the passing of an ordinary resolution by the Independent Shareholders at the EGM to approve the Office Building Disposal; (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Office Building Disposal; and (iv) the obtaining of approval of the Scheme by the Independent Shareholders, the Scheme Shareholders and the order sanctioning by the Grand Court of Cayman Islands.

Completion

The completion of the Office Building Disposal shall take place upon the settlement of the consideration by Best Approach.

Financial Effect of the Office Building Disposal and intended Use of Proceeds

It is expected that, based on, *inter alia*, the consideration for the Office Building Disposal, the unaudited book value of the underlying assets as at 30 June 2024 and the estimated expenses in relation to the Office Building Disposal, the Group will record a loss of approximately HK\$85 million as a result of the Office Building Disposal. The actual amount of gain or loss and the financial effect as a result of the Office Building Disposal to be recorded is subject to the review and final audit by the auditor of the Company. The Group intends to utilize the net proceeds from the Office Building Disposal for general working capital.

REASONS FOR AND BENEFITS OF THE LAND DISPOSAL, THE SMART PARKING DISPOSAL AND THE OFFICE BUILDING DISPOSAL

Given that the Land Disposal, the Smart Parking Disposal and the Office Building Disposal are part of the arrangement under the possible pre-conditional proposal for the privatisation of the Company, the parties to the S&P Agreements agree that Best Approach will acquire the entire equity interests in Canvest Kewei Subsidiary, Canvest Technology, KK VII (BVI) Limited and KK VIII (BVI) Limited on the terms and subject to the conditions set out in the S&P Agreements. In addition, each of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal represents a transaction at an opportune time and allows the Group and Best Approach to reallocate their assets and also help the Group to streamline its assets structure.

The Board considers that each of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal is entered into on normal commercial terms and the terms and conditions of which are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION OF THE GROUP AND THE PARTIES

The Group and the Company

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the operation and management of waste-to-energy plants and provision of intelligent urban environmental hygiene and related services.

Best Approach

Best Approach is a limited liability company incorporated under the laws of BVI, which is directly held as to 55% by VISTA Co and indirectly held as to 45% by VISTA Co through Century Rise Development Limited. As at the date of this announcement, to the best of the knowledge and belief of the Directors, Best Approach owns approximately 54.75% of the total issued share capital of the Company and is a controlling shareholder and a connected person of the Company under the Listing Rules.

Canvest Kewei

Canvest Kewei is a limited liability company incorporated in the PRC and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding and operation and management of waste-to-energy plant in the PRC.

Yi Feng

Yi Feng is a limited liability company incorporated under the laws of BVI and is a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

FINANCIAL INFORMATION AND BACKGROUND INFORMATION ON THE TARGET COMPANIES

Canvest Kewei Subsidiary

Canvest Kewei Subsidiary is to be incorporated in the PRC as a direct wholly-owned subsidiary of Canvest Kewei and an indirect wholly-owned subsidiary of the Company. It will be principally engaged in investment holding and the development of the Land. It is expected that, after the establishment of Canvest Kewei Subsidiary and immediately prior to the completion of the Land Disposal, Canvest Kewei Subsidiary will hold the land use rights and structures on the Land to be transferred by Canvest Kewei.

Canvest Technology

Canvest Technology is a limited liability company incorporated under the laws of BVI and is a direct wholly-owned subsidiary of the Company. It is an investment holding company and principally engaged in the business of providing smart car parking solutions in the PRC through its subsidiaries and joint venture.

According to the unaudited consolidated financial information of Canvest Technology prepared in accordance with Hong Kong Financial Reporting Standards the consolidated total assets and net assets of Canvest Technology as at 31 December 2023 are approximately HK\$124,036,000 and HK\$81,585,000, respectively. A summary of the consolidated financial information of Canvest Technology for years ended 31 December 2022 and 2023 is tabled below:

	For the year ended 31 December 2022 <i>HKD'000</i>	For the year ended 31 December 2023 <i>HKD'000</i>
Net loss before taxation and extraordinary items	29,004	23,624
Net loss after taxation and extraordinary items	28,533	22,808

KK VII (BVI) LIMITED AND KK VIII (BVI) LIMITED

KK VII (BVI) Limited and KK VIII (BVI) Limited are both limited liability companies incorporated under the laws of BVI and are indirect wholly-owned subsidiaries of the Company. They are both principally engaged in investment holding.

According to the audited financial information of KK VII (BVI) Limited and KK VIII (BVI) Limited prepared in accordance with Hong Kong Financial Reporting Standards, the total assets and net assets of KK VII (BVI) Limited as at 31 December 2023 are approximately HK\$131,753,000 and HK\$33,016,000, the total assets and net assets of KK VIII (BVI) Limited as at 31 December 2023 are approximately HK\$139,723,000 and HK\$33,183,000, respectively. A summary of the financial information of KK VII (BVI) Limited and KK VIII (BVI) Limited for years ended 31 December 2022 and 2023 is tabled below:

	For the year ended 31 December 2022 <i>HKD'000</i>	For the year ended 31 December 2023 <i>HKD'000</i>
KK VII (BVI) Limited		
Net loss before taxation and extraordinary items	833	3,028
Net loss after taxation and extraordinary items	328	2,913
KK VIII (BVI) Limited		
Net loss before taxation and extraordinary items	941	2,884
Net loss after taxation and extraordinary items	941	2,111

LISTING RULES AND TAKEOVERS CODE IMPLICATIONS

As at the date of this announcement, Best Approach owns approximately 54.75% of the total issued share capital of the Company and is a connected person of the Company under the Listing Rules. Accordingly, each of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of each of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal exceeds 0.1% but is less than 5%, and therefore each of the respective transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. However, as the Company is subject to a possible pre-conditional proposal for the privatisation as at the date of this announcement and the Land Disposal, the Smart Parking Disposal and the Office Building

Disposal are not capable of being extended to all shareholders of the Company, the Land Disposal, the Smart Parking Disposal and the Office Building Disposal constitute special deals and require the consent of the Executive under Rule 25 of the Takeovers Code and is subject to the approval by the Independent Shareholders by way of poll pursuant to the Takeovers Code. The Land Disposal, the Smart Parking Disposal and the Office Building Disposal are also subject to the Executive's consent and Independent Financial Adviser's opinion that they are fair and reasonable as far as the Independent Shareholders are concerned and are in the interest of the Company and the shareholders as a whole.

For details of the possible pre-conditional proposal for the privatisation, please refer to the announcement of the Company dated 22 July 2024.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, which comprises Mr. Feng Jun, being the non-executive Director, and Professor Sha Zhenquan, Mr. Chan Kam Kwan Jason, Mr. Chung Kwok Nam and Mr. Lee Tsung Wah Jonathan, being the independent non-executive Directors, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the terms of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal are, or are not, fair and reasonable. In addition, the Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the above matters.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who have no direct or indirect interest in the Land Disposal, the Smart Parking Disposal and the Office Building Disposal. The Independent Board Committee has reserved its opinion pending the advice of the Independent Financial Adviser.

GENERAL

An EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Land Disposal, the Smart Parking Disposal and the Office Building Disposal and the transactions contemplated thereunder.

A circular containing, among others, details of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal, the advice of the Independent Board Committee, the recommendations of the Independent Financial Adviser, and the notice of the general meeting will be dispatched to the shareholders of the Company as soon as practicable.

As at the date of this announcement, as Ms. Lee Wing Yee Loretta, Mr. Lai Kin Man and Mr. Lai Chun Tung, holds a position and/or an interest in Best Approach, they are deemed to have a material interest in the Land Disposal, the Smart Parking Disposal and the Office Building Disposal and are required to abstain from voting on the relevant board resolutions. Save for the above, none of other Directors has been or is deemed to be materially interested in the Land Disposal, the Smart Parking Disposal and the Office Building Disposal.

Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

Definitions:

“Best Approach”	Best Approach Developments Limited (臻達發展有限公司), a company incorporated under the laws of the BVI with limited liability and holds 1,335,615,837 Shares, representing approximately 54.75% of the total issued share capital of the Company as at the date of this announcement
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Canvest Kewei”	Canvest Kewei Environmental Investment (Guangdong) Company Limited* (粵豐科維環保投資(廣東)有限公司) (formerly known as Dongguan Kewei Environmental Power Company Limited)* (東莞科維環保投資有限公司)), a company incorporated in the PRC with limited liability and is an indirect wholly-owned by the Company
“Canvest Kewei Subsidiary”	a company to be incorporated in the PRC as a direct wholly-owned by the Company prior to the completion of the Land Disposal
“Canvest Kewei Subsidiary S&P Agreement”	the sale and purchase agreement dated 22 July 2024 and entered into by Canvest Kewei and Best Approach in respect of the Land Disposal
“Canvest Technology”	Canvest Technology Company Limited (粵豐科技有限公司), formerly known as Canvest Environmental (Overseas) Company Limited, a company incorporated under the laws of BVI with limited liability and is an indirect wholly-owned by the Company prior to the completion of the Smart Parking Disposal
“Canvest Technology S&P Agreement”	the sale and purchase agreement dated 22 July 2024 and entered into by the Company and Best Approach in respect of the Smart Parking Disposal
“Company”	Canvest Environmental Protection Group Company Limited (Stock Code: 1381), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Hong Kong Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it in the Hong Kong Listing Rules

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened for the purposes of considering, and if thought fit, approving, among other things, the Land Disposal, the Smart Parking Disposal and the Office Building Disposal
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company established by the Board to make a recommendation to the Independent Shareholders in respect of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal
“Independent Shareholder(s)”	Shareholder(s) other than Best Approach
“KK S&P Agreement”	the sale and purchase agreement dated 22 July 2024 and entered into by Yi Feng and Best Approach in respect of the Office Building Disposal
“Land”	the land situated at 1/5 of land in the 3rd neighbourhood of Yuepu Town, Baoshan District, Shanghai, the PRC (中國上海市寶山區月浦鎮3街坊1/5丘土地)
“Land Disposal”	the disposal of the Land or all equity interest of the company holding the Land to Best Approach (or its connected party)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the main board maintained and operated by the Stock Exchange

“Office Building Disposal”	the disposal of all the equity interest of KK VII (BVI) Limited and KK VIII (BVI) Limited to Best Approach (or its connected party)
“PRC”	the People’s Republic of China (for the purpose of this Joint Announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan)
“Proposal”	the proposal for the privatisation of the Company by the offeror and the withdrawal of the listing of the Shares from the Stock Exchange. For details of the Proposal, please refer to the announcement of the Company dated 22 July 2024
“Scheme”	a scheme of arrangement between the Company and the registered holder(s) of scheme shares under section 86 of the Companies Act involving, among other things, the cancellation of all the scheme shares. For details of the Scheme and scheme shares, please refer to the announcement of the Company dated 22 July 2024
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Smart Parking Disposal”	the disposal of all the equity interest of Canvest Technology to Best Approach (or its connected party)
“S&P Agreements”	the Canvest Kewei Subsidiary S&P Agreement, the Canvest Technology S&P Agreement and the KK S&P Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers in Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America
“Yi Feng”	Yi Feng Development Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly-owned by the Company

By Order of the Board
Canvest Environmental Protection Group Company Limited
Lee Wing Yee Loretta
Chairlady

Hong Kong, 22 July 2024

As at the date of this announcement, the Board comprises Ms. Lee Wing Yee Loretta, Mr. Lai Kin Man, Mr. Yuan Guozhen and Mr. Lai Chun Tung, as executive Directors; Mr. Feng Jun, as non-executive Director; Professor Sha Zhenquan, Mr. Chan Kam Kwan Jason, Mr. Chung Kwok Nam and Mr. Lee Tsung Wah Jonathan, as independent non-executive Directors.