



光大國際
Everbright International

A STEADY ADVANCE TO REACH NEW HEIGHTS

2017 Interim Results Presentation

August 2017

Forward-looking statements

This presentation may contain forward-looking statements. Any such forward-looking statements are based on a number of assumptions about the operations of China Everbright International Limited (the “Company”) and factors beyond the Company's control and are subject to significant risks and uncertainties, and accordingly, actual results may differ materially from these forward-looking statements. The Company undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates.

The information in this presentation should be considered in the context of the circumstances prevailing at the time of its presentation and has not been, and will not be, updated to reflect material developments which may occur after the date of this presentation. The slides forming part of this presentation have been prepared solely as a support for oral discussion about background information about the Company. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of any information or opinion contained herein. It should not be regarded by recipients as a substitute for the exercise of their own judgment. Information and opinion contained in this presentation may be based on or derived from the judgment and opinion of the management of the Company. Such information is not always capable of verification or validation. None of the Company or financial adviser of the Company, or any of their respective directors, officers, employees, agents or advisers shall be in any way responsible for the contents hereof, or shall be liable for any loss arising from use of the information contained in this presentation or otherwise arising in connection therewith. This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. It shall not be construed as a solicitation or an offer or invitation to buy or sell any securities or related financial instruments. No part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This presentation may not be copied or otherwise reproduced.

Agenda

- E** Results Highlights
- E** Financial Highlights
- E** Investment Management
- E** Development Strategy



Results Highlights

Results Highlights (1)

Six major business sectors possess clear-cut business focuses and develop simultaneously

- E** Each of the six business sectors, namely envirotech, environmental energy, environmental water, greentech, equipment manufacturing and international business, has embarked on a professional development path with its own unique characteristics, vitality and clear-cut business scopes.
 - E** Envirotech (*technology management, technology R&D, engineering design, analysis and testing*)
 - E** Environmental energy (*waste-to-energy and environmental protection industrial parks*)
 - E** Environmental water (*water environment management, listed company on the Mainboard of the SGX, stock code: U9E.SG*)
 - E** Greentech (*biomass and hazardous waste treatment, listed company on the Mainboard of the HKEx, stock code: 1257.HK*)
 - E** Equipment manufacturing (*environmental protection equipment R&D, manufacturing, sales, technology consultancy and after-sales services*)
 - E** International business (*developing overseas environmental protection projects and exporting technologies and management expertise*)

Results Highlights (2)

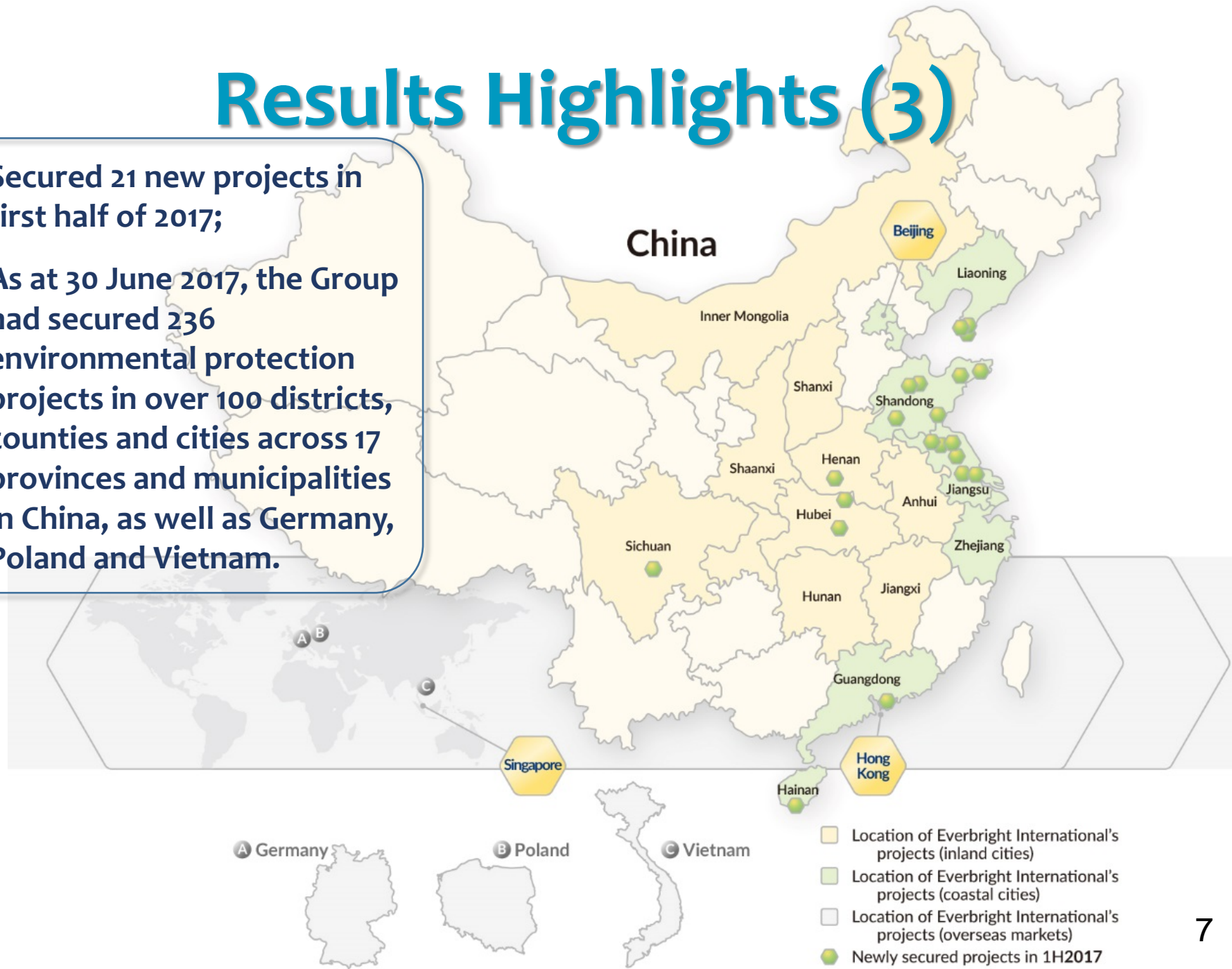
New records for market expansion and business development:

- E** During first half of 2017, the Group secured 21 new projects and signed 2 supplemental agreements, a new record for an interim results period, with a total investment of RMB8.987 billion.
- E** The number of projects under construction during the period under review hit record highs.
- E** During first half of 2017, the number of construction sites reached 53 at one point, including:
 - E** 13 projects that commenced construction, with a total investment of approximately RMB3.065 billion.
 - E** 13 projects completed construction and commenced operation, with a total investment of approximately RMB3.527 billion.
 - E** As at the end of June 2017, 40 projects were under construction, commanding a total investment of approximately RMB14 billion.



Results Highlights (3)

- Secured 21 new projects in first half of 2017;
- As at 30 June 2017, the Group had secured 236 environmental protection projects in over 100 districts, counties and cities across 17 provinces and municipalities in China, as well as Germany, Poland and Vietnam.

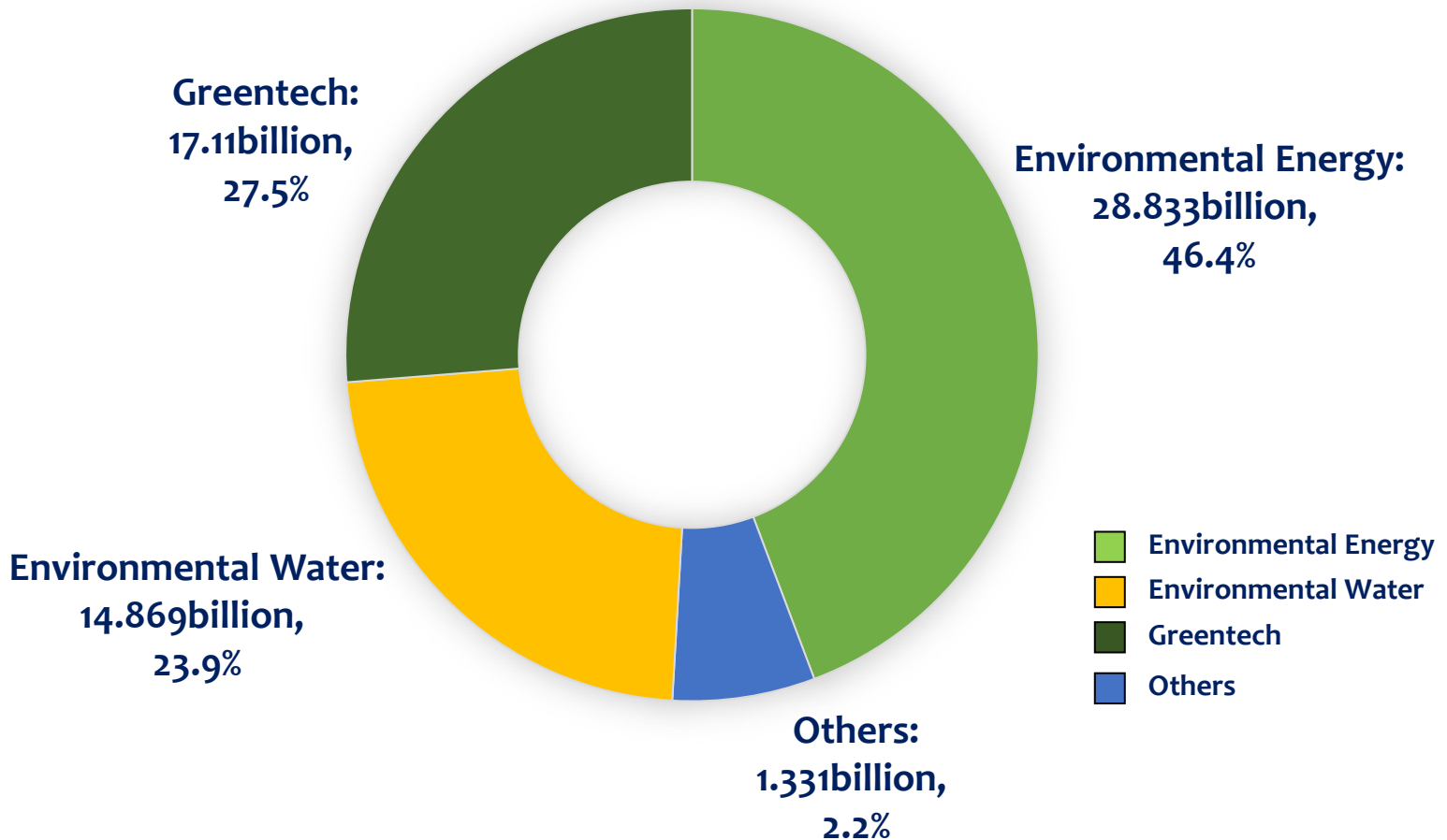


- Location of Everbright International's projects (inland cities)
- Location of Everbright International's projects (coastal cities)
- Location of Everbright International's projects (overseas markets)
- Newly secured projects in 1H2017

Results Highlights (4)

- A strong project pipeline to drive the Group's next round of development.

Investment by business sectors (RMB)



Results Highlights (5)

- As at 30 June 2017, 145 projects completed construction, including:

32

Waste-to-energy
Projects



72

Water Treatment
Projects



10

Biomass Projects



8

Hazardous Waste
Treatment
Projects



8

Solar Energy
Projects



2

Wind Power
Projects



2

Methane-to-energy
Projects



3

Sludge Treatment
and Disposal
Projects



2

Waste Water Source
Heat Pump Projects



3

Food Waste
Treatment Projects



2

Equipment
Manufacturing
Projects



1

Overseas Solid Waste
Treatment Project



Results Highlights (6)

- As at 30 June 2017, 40 projects were under construction, including:

20

Waste-to-energy
Projects



8

Water Treatment
Projects



10

Biomass Projects



2

Hazardous Waste
Treatment Projects



Results Highlights (7)

- As at 30 June 2017, 51 projects were in the preparatory stage, including:

13

Waste-to-energy
Projects



3

Water Treatment
Projects



18

Biomass Projects



16

Hazardous Waste
Treatment
Projects



1

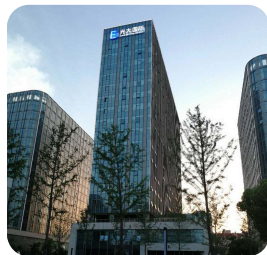
Nanjing Industrial
Park Project



Results Highlights (8)

Adhering to development driven by technological innovation

- E “Everbright Technology Hub” was officially launched in Nanjing.
- E “2 institutes, 3 research facilities and 1 center” : the two institutes comprise a technology institute and a design institute, while its three research facilities include the Environmental Energy Research Institute, the Environmental Water Research Institute and the Greentech Research Institute, together with an Analysis and Testing Center; forming a new platform that focuses on technological breakthrough, R&D, as well as solving technological issues across all business sectors.
- E The Group made solid progress in developing its self-developed 850 tonnes/day grate furnace, reciprocating water-cooled biomass grate furnace, plasma melting system for hazardous waste ash treatment, PNCR technology and the fourth generation of leachate treatment technology.
- E The Group obtained various kinds of financial subsidies from the central government in China, totalling RMB287 million.
- E During first half of 2017, the Group was granted 2 software copyright licenses and 36 patents, of which 4 were invention patents and 32 were utility invention patents.



Financial Highlights



Financial Highlights (1)

(HK\$ '000)	For the six months ended 30 June		Change
	2017	2016	
Revenue	9,142,144	5,420,698	69%
Gross profit	3,307,648	2,253,095	47%
EBITDA	3,260,177	2,198,118	48%
Profit attributable to equity holders	1,795,568	1,208,912	49%
Basic EPS (HK cents)	40.06	26.96	49%
Dividends per share (HK cents)	12.0	7.5	60%

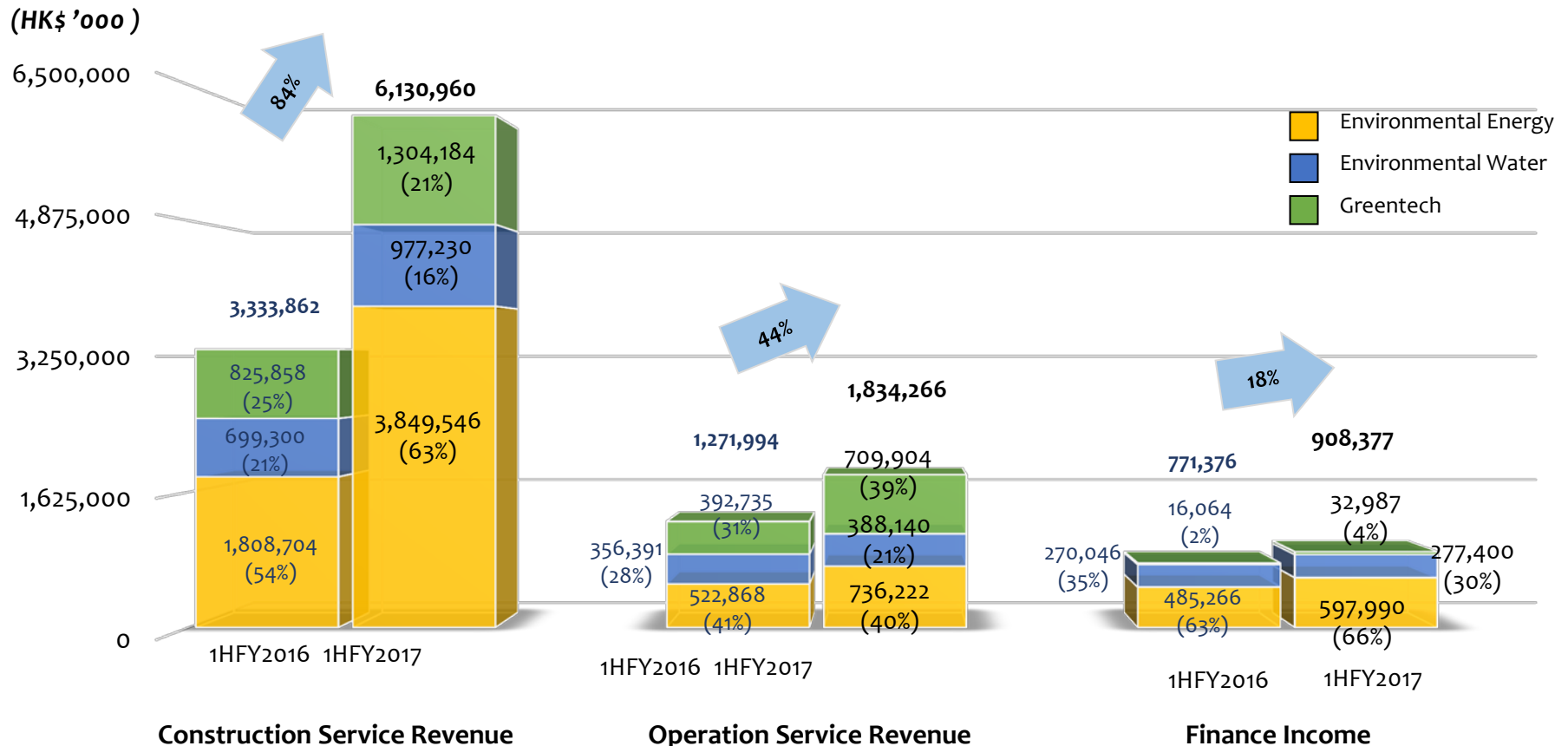
Financial Highlights (2)

HK\$ 'Mil	As at 31/12/2011	As at 31/12/2012	As at 31/12/2013	As at 31/12/2014	As at 31/12/2015	As at 31/12/2016	As at 30/06/2017
Total assets	13,880	16,583	23,471	31,200	40,623	49,532	61,964
Total Liabilities	7,218	7,913	9,692	13,357	21,203	29,687	36,417
Shareholders' equity	6,190	8,350	13,374	16,263	17,196	17,389	20,175
Cash on hand	1,900	2,797	5,815	5,150	6,673	7,038	10,788
Return on shareholders' equity (%)	13.90	15.45	12.20	11.49	12.46	16.10	9.56
Dividend payout ratio (%)	20.6	20.3	26.1	29.0	39.8	33.0	30.0
Gearing ratio (%) (Total liabilities/Total assets)	52	48	41	43	52	60	59

- High quality assets, abundant cash on hand, reasonable gearing ratio and healthy financial position.
- Received positive recognition and long-standing support from international financial institutions and policy banks such as Asian Development Bank, The World Bank and China Development Bank.
- Strong financial resources to ensure the Group has sufficient funds for its development.

Financial Highlights (3)

Revenue Analysis of the Three Business Sectors



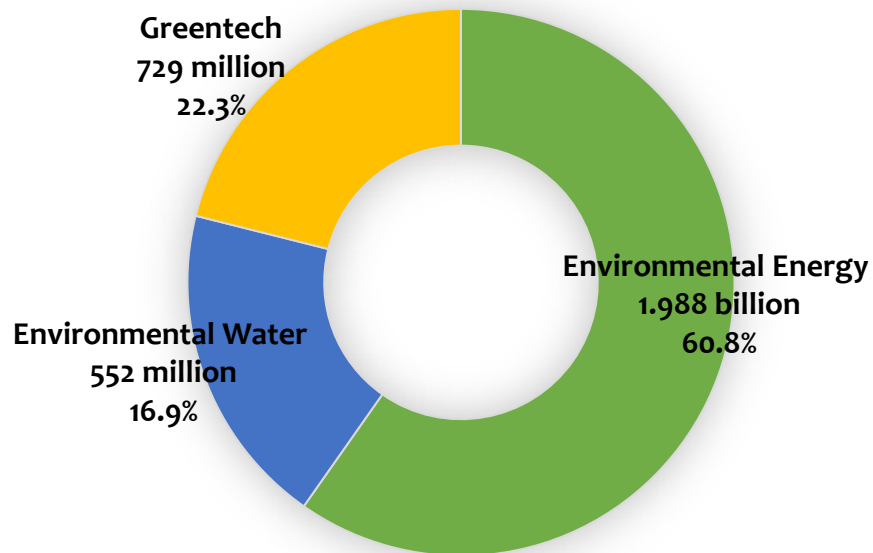
1HFY2017: HK\$8,873,603,000 (up 65%)

1HFY2016: HK\$5,377,232,000

Financial Highlights (4)

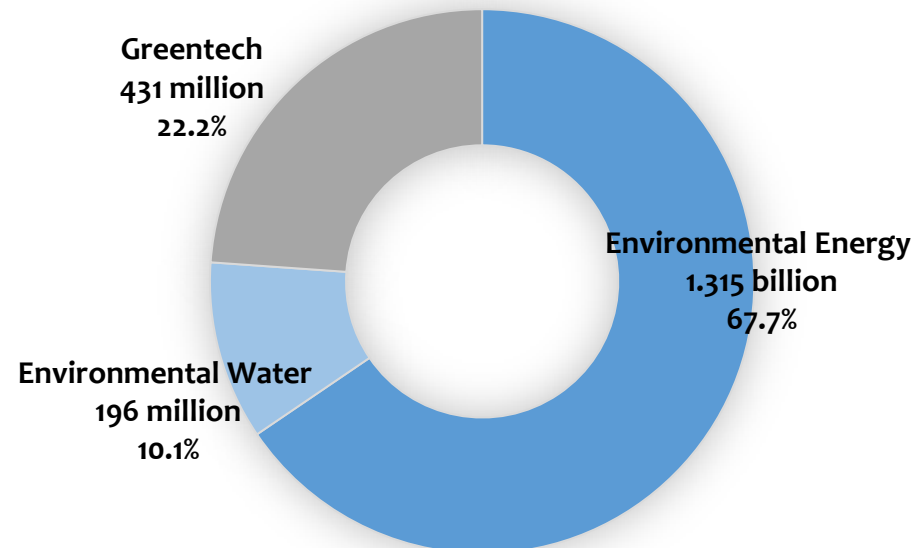
Profit Analysis of the Three Business Sectors

1HFY2017 EBITDA* (HK\$)
by Business Sector



1HFY2017: HK\$3.269 billion (up 45%)
1HFY2016: HK\$2.253 billion

1HFY2017 Sector Net Profit** (HK\$)
by Business Sector



1HFY2017: HK\$1.942 billion (up 47%)
1HFY2016: HK\$1.323 billion

■ Environmental Energy ■ Environmental Water ■ Greentech ■ Environmental Energy ■ Environmental Water ■ Greentech

* Excluding the EBITDA of other sectors

** Excluding the profit contribution of other sectors and before deduction of unallocated head office and corporate net expenses

Investment Management



Investment Management (1)

The Group's reputation for branding and quality further strengthened, taking the lead to foster the industry's sound development:

- A constituent stock of the Dow Jones Sustainability World Index and Dow Jones Sustainability Emerging Markets Index.
- A constituent stock of the Hang Seng Corporate Sustainability Index for a third consecutive year.
- Received a “Silver Class” Distinction in RobecoSAM's Sustainability Yearbook.
- Awarded Asia's Best CEO, Asia's Most Honored Company, Best Corporate Social Responsibility Company, and Best Social Responsibility Brand of the Year.
- The first among peers to provide online monitoring reports of the hourly average level of gas emissions for all of its operating waste-to-energy projects, setting new benchmark and creating breakthrough in the industry for information transparency and openness.
- The first among peers to launch “Open Days” to the public, joining hands with the public to generate awareness on environmental and ecological conservation; these projects already received nearly 60,000 domestic and foreign visitors in first half of 2017.



Hang Seng Corporate
Sustainability Index
Series Member 2016-2017



ROBECOSAM
Sustainability Award
Silver Class 2017

MEMBER OF

Dow Jones
Sustainability Indices

In Collaboration with RobecoSAM

Investment Management (2)

Management proficiency further enhanced, leading to healthy growth of the Group:

- Implemented the environmental, safety, health and social responsibility (“ESHS”) management system and risk management system.
- Adhered to the Group’s human resources strategy as the vision on talent management decides the Group’s vision on development.
- Adhered to the Group’s ethos of “Three Nos” (No blind expansion, No inefficient investment and No destructive competition) and grew its market share through a down-to-earth working style.



Investment Management (3)

Development driven by a strong sense of social responsibility:

- In domestic markets:
 - ▶ Accomplished three standards, including drafts for Evaluation Specifications of Waste-to-energy Plant Operation, Technical Specifications for Slag Treatment of Municipal Solid Waste Power Plants, and Leachate Treatment Project Technical Specification of Waste Incineration Power Plant, which were formulated in cooperation with the Ministry of Housing and Urban-Rural Development of the PRC, the China Urban Construction Design & Research Institute Co. Ltd. and the China Electricity Council and other organizations.
 - ▶ One of the founding members of the “Waste-to-Energy Research and Technology Council-Asia” (WTERT-Asia), and was elected its first Chair of the council.
- In overseas markets:
 - ▶ The United Nations’ PPP standards on global waste-to-energy projects, which lead by the Group, has finished the first draft of over 10 case studies.
 - ▶ Collaborated with Columbia University to develop The World Bank’s guidelines for waste-to-energy projects.



Development Strategy

Development Strategy (1)



- E Envirotech:** Push forward collaborations with higher education institutions and research institutes, enhance introduction and R&D of new technologies, and make full efforts to promote the external sales of in-house technologies.
- E Environmental Energy:** Fully leverage on advantages in the waste-to-energy business in terms of techniques and technologies, construction standards, R&D facilities, equipment manufacturing and operation management to consolidate the Group's leading position in the sector.
- E Environmental Water:** Seek new development opportunities through breakthroughs in technological and business areas; in the meantime, improve the efficiency of acquired projects so as to drive growth in both scale and efficiency.
- E Greentech:** Focus on the construction and operation of projects in the fields such as urban-rural waste integration and hazardous waste treatment.
- E Equipment Manufacturing:** Make full efforts on market expansion by strengthening the Group's position in the domestic market and also exploring and developing the overseas market.
- E International Business:** Follow the "One Belt One Road" national overseas development initiative, and explore different business models to expand into overseas markets.

Development Strategy (2)



Horizontal Development

Leveraging on talent, science and technology, as well as adhering to high standards, to expand from coastal areas to inland cities, from cities to rural areas, and from domestic to overseas markets.

- E From coastal areas to inland cities:** Develop in step with China's development plans for the Yangtze River Economic Belt, Beijing-Tianjin-Hebei region and western China; and strengthen the Group's market share based on the regions where its projects are located.
- E From cities to rural areas:** Expand in line with the development of ecological management in rural areas, and push forward the development of different operation models such as rural-urban integrated treatment and comprehensive utilisation of agricultural waste.
- E From domestic to overseas markets:** Follow China's "One Belt One Road" initiative, and push forward the export of environmental management, environmental technology and core equipment through various models such as BOT, TOT and PPP, etc.

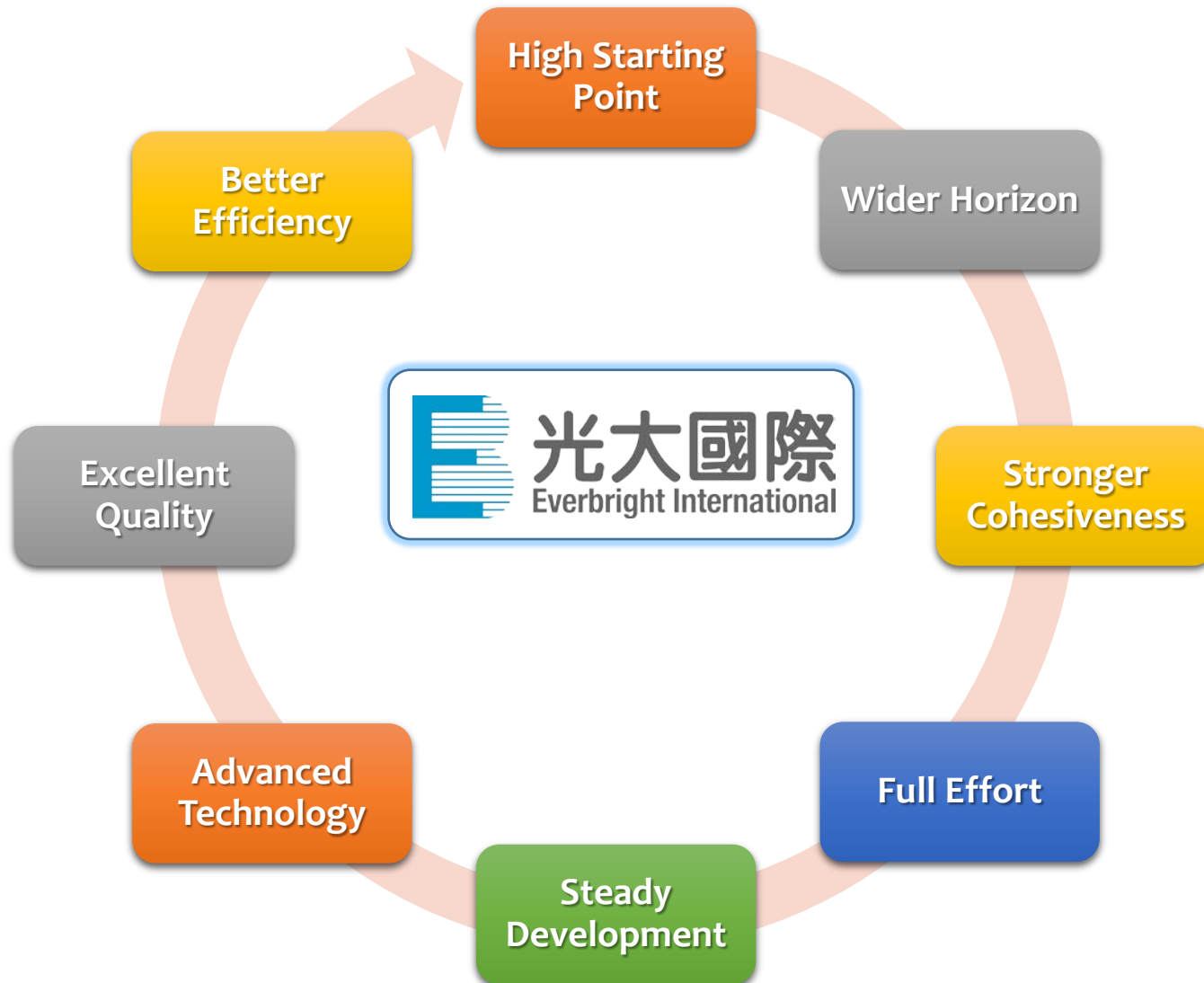
Development Strategy (3)

- Continue to achieve growth in both scale and efficiency.
- Pursue its operating strategies aimed at delivering a satisfactory return for shareholders.
- Maintain its long-term commitment to sharing its achievements with society and its shareholders.

Leverage on **talent, science and technology** to drive the development of the Group's six major business sectors - **Envirotech, Environmental Energy, Environmental Water, Greentech, Equipment Manufacturing and International Business**

Establish the Group's presence in new markets and explore new business opportunities through **various methods, channels and models** (new construction, M&A, restructuring, joint venture, entrusted operation management and technical services offerings, etc.)

Positioning

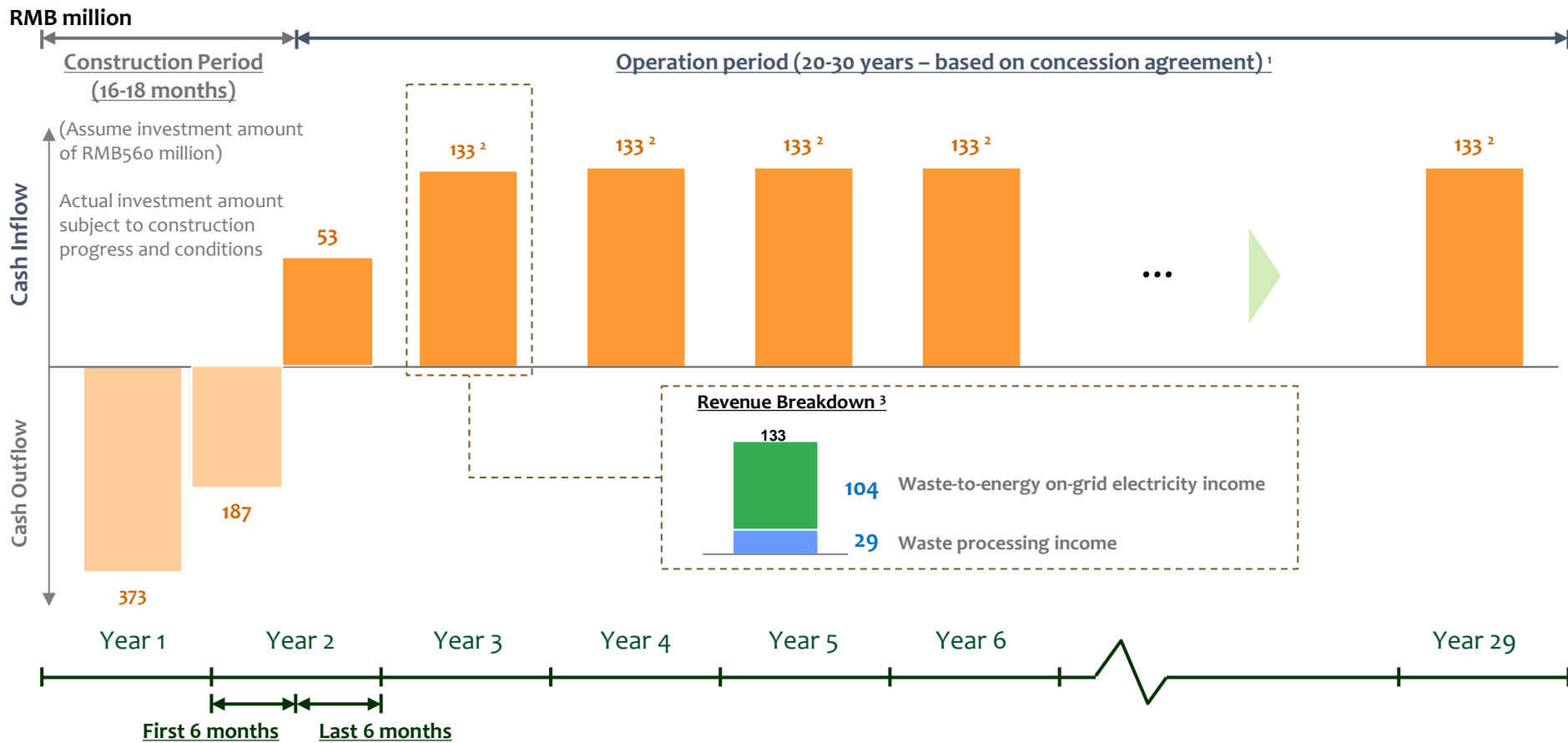


Q&A



Waste-to-energy Project – Cash Flow Illustration

(For reference only)



Capex requirement is typically funded by project financing (2/3) and equity capital (1/3), while the loans typically are long-term (8-12 years) loans

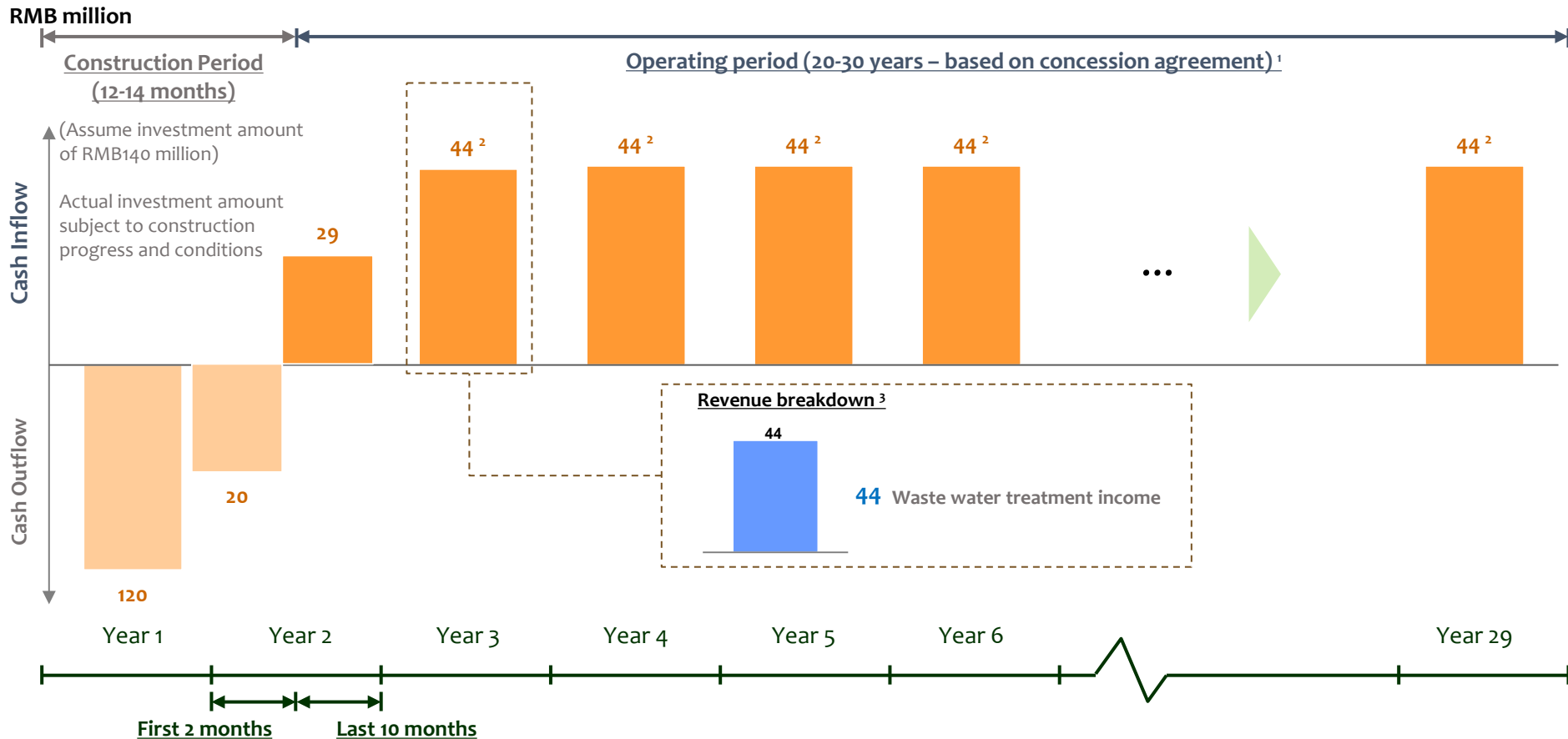
¹ Operating cash flows indicated above do not take into account operating costs, expenses and taxes

² Waste processing fee may be adjusted in accordance with changes in the consumer price index levels

³ Assumptions: WTE's power generation capacity is 20MW; on-grid tariff for power generated by WTE is RMB0.65 per kWh (inclusive of VAT); annual WTE operating hours is 8,000 (91% utilisation rate); annual designed waste processing capacity is 365,000 tonnes; waste processing fee is RMB80 per tonne; utilisation during the 1st year of operations assumes to be lower (80%)

Waste Water Treatment Project – Cash Flow Illustration

(For reference Only)



Capex requirement is typically funded by project financing (2/3) and equity capital (1/3), while the loans typically are long-term (8-12 years) loans

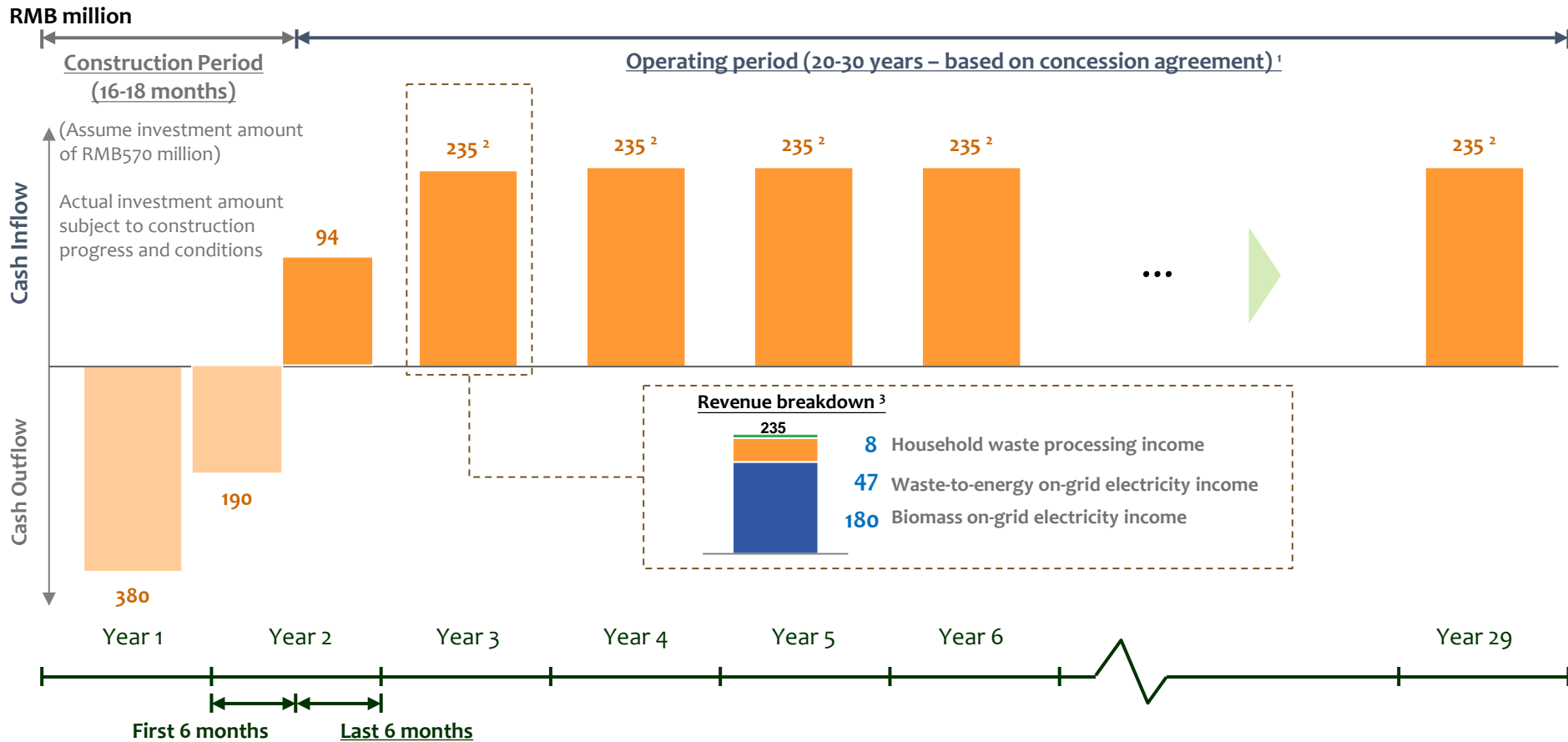
¹ Operating cash flows indicated above do not take into account operating costs, expenses and taxes

² Waste water treatment fee may be adjusted in accordance with changes in the consumer price index levels

³ Assumptions: Daily waste water treatment capacity is 100,000 m³; waste water treatment fee is RMB1.2 per m³; utilisation during the 1st year of operations assumes to be lower (80%)

Integrated Biomass and WTE Projects – Cash Flow Illustration

(For reference only)



Capex requirement is typically funded by project financing (2/3) and equity capital (1/3), while the loans typically are long-term (8-12 years) loans

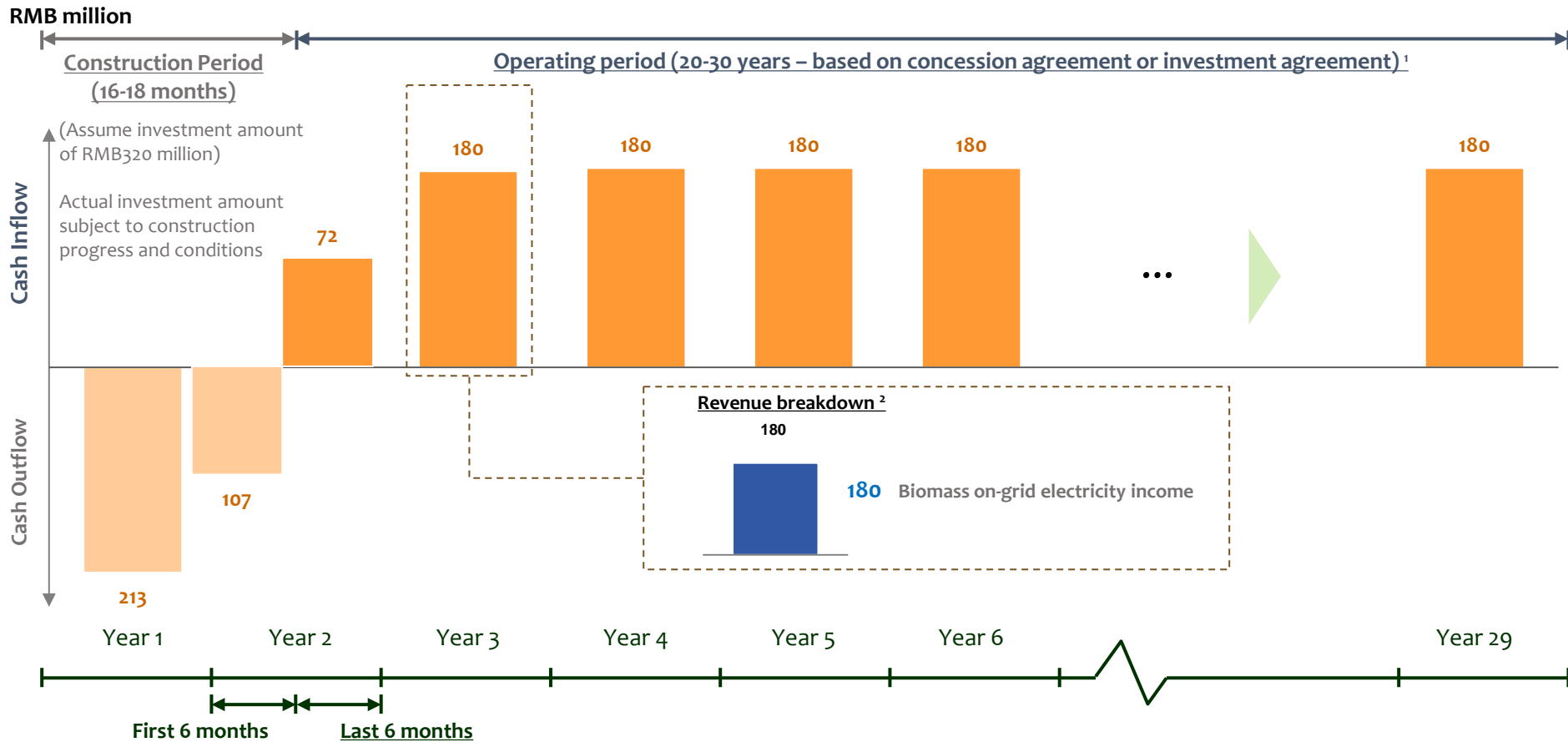
¹ Operating cash flows indicated above do not take into account operating costs, expenses and taxes

² Waste processing fee may be adjusted in accordance with changes in the consumer price index levels

³ Assumptions: Biomass's power generation capacity is 30MW; on-grid tariff for power generated by biomass is RMB0.75 per kWh (inclusive of VAT); annual biomass operating hours is 8,000 (91% utilisation rate); WTE's power generation capacity is 9MW; on-grid tariff for power generated by WTE is RMB0.65 per kWh (inclusive of VAT); annual WTE operating hours is 8,000 (91% utilisation rate); annual waste processing capacity is 146,000 tonnes; waste processing fee is RMB55 per tonne; utilisation during the 1st year of operations assumes to be lower (80%)

Biomass Direct Combustion Project – Cash Flow Illustration

(For reference only)



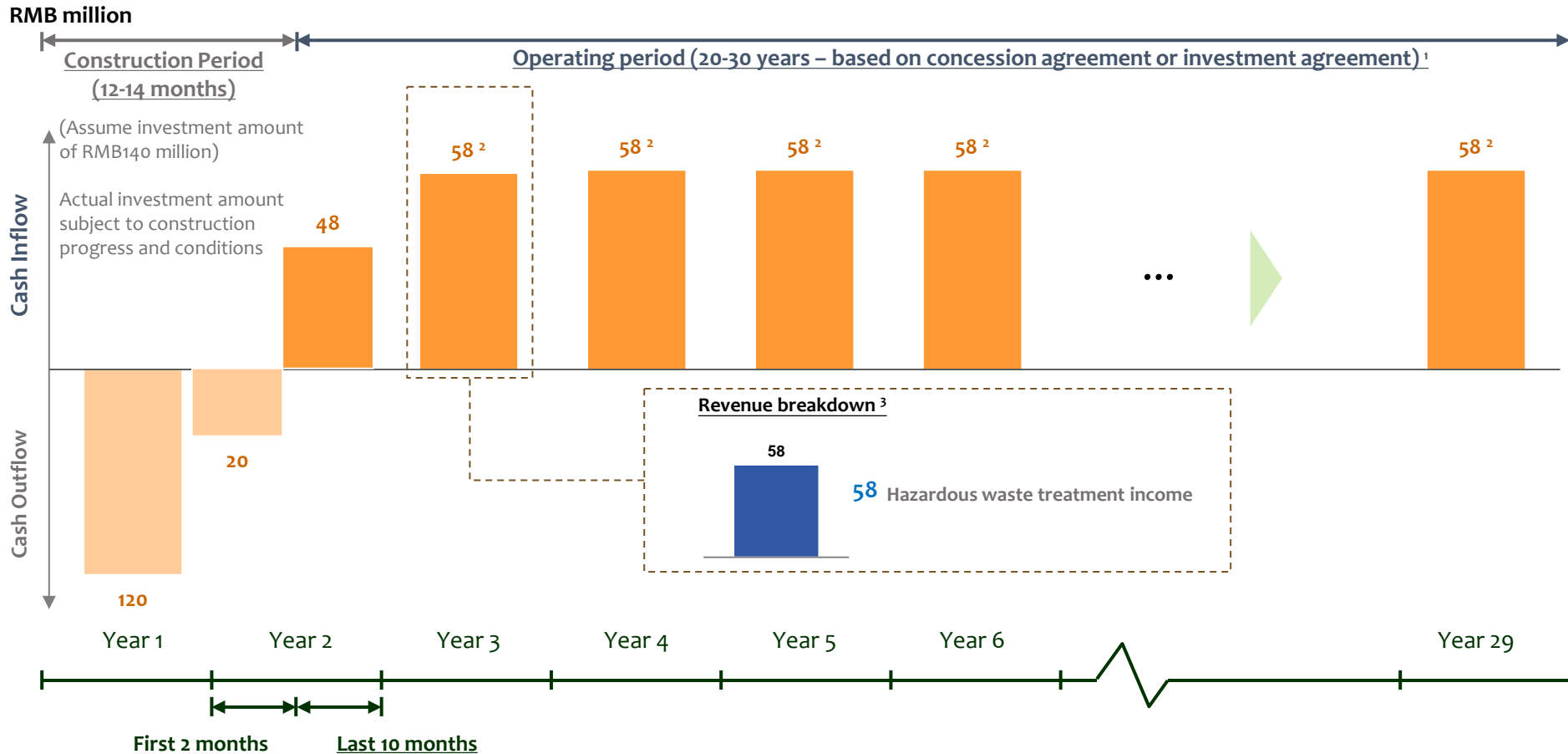
Capex requirement is typically funded by project financing (2/3) and equity capital (1/3), while the loans typically are long-term (8-12 years) loans

¹ Operating cash flows indicated above do not take into account operating costs, expenses and taxes

² Assumptions: Biomass's power generation capacity is 30MW; on-grid tariff for power generated by biomass is RMB0.75 per kWh (inclusive of VAT); annual biomass operating hours is 8,000 (9% utilisation rate); utilisation during the 1st year of operations assumes to be lower (8%)

Hazardous Waste Landfill Project – Cash Flow Illustration

(For reference only)



Capex requirement is typically funded by project financing (2/3) and equity capital (1/3), while the loans typically are long-term (8-12 years) loans

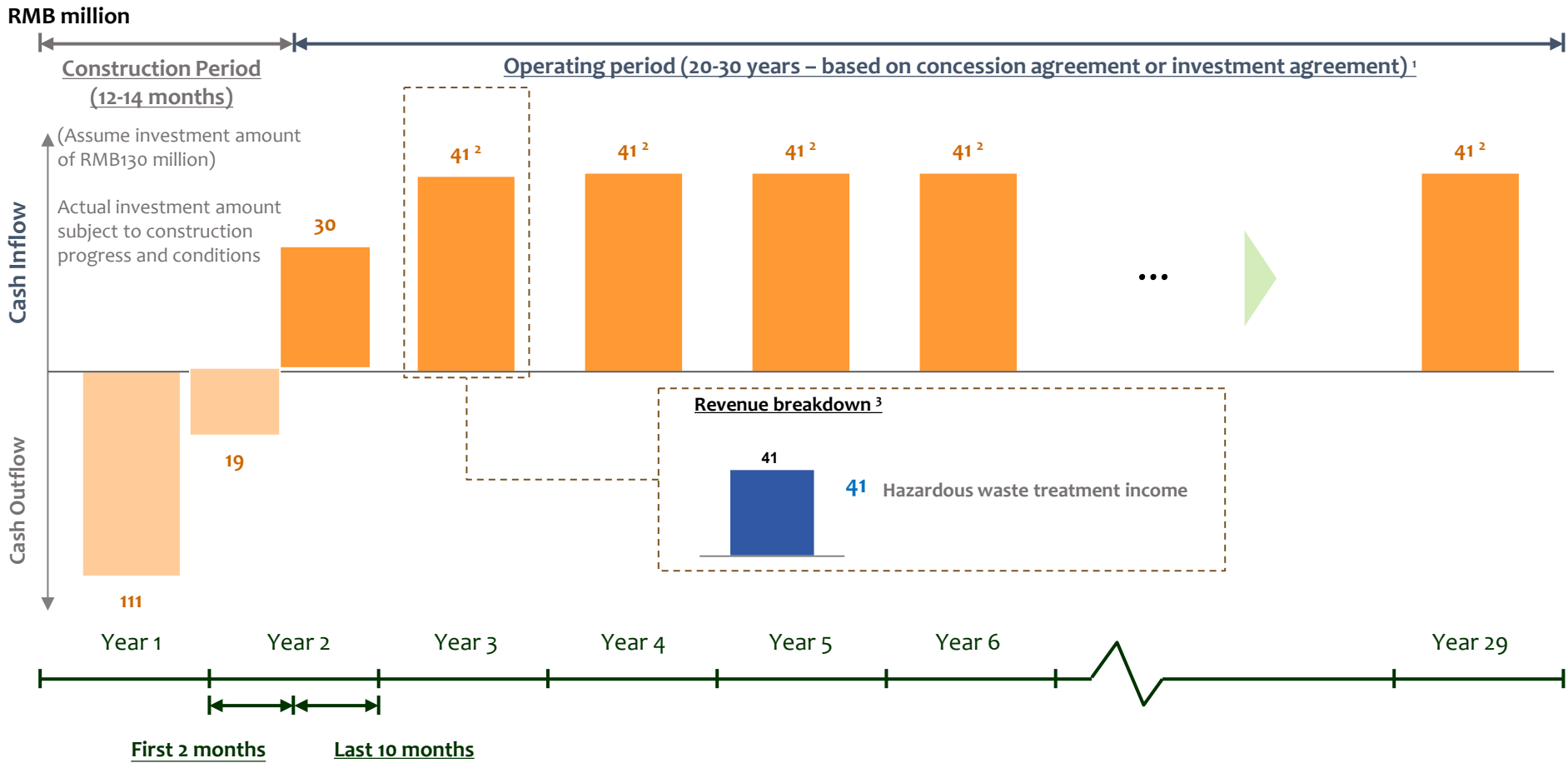
¹ Operating cash flows indicated above do not take into account operating costs, expenses and taxes

² Hazardous waste treatment fees may be adjusted in accordance with changes in the market price levels

³ Assumptions: Hazardous waste landfill designed capacity is 20,000 tonnes; hazardous waste treatment fee is RMB2,900 per tonne (inclusive of VAT)

Hazardous Waste Incineration Project – Cash Flow Illustration

(For reference only)



Capex requirement is typically funded by project financing (2/3) and equity capital (1/3), while the loans typically are long-term (8-12 years) loans

¹ Operating cash flows indicated above do not take into account operating costs, expenses and taxes
² Hazardous waste treatment fee may be adjusted in accordance with changes in the market price levels
³ Assumptions: Annual designed hazardous waste incineration capacity is 9,900 tonnes annually; hazardous waste treatment fee is RMB4,500 per tonne (inclusive of VAT); annual project operating days is 333 days (91% utilisation rate); utilisation during the 1st year of operations assumes to be lower (80%)