



**EVERBRIGHT INTERNATIONAL ANNOUNCES 2014 ANNUAL RESULTS**

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**REMARKABLE MARKET EXPANSION ON THE BACK OF FAVOURABLE NATIONAL POLICIES  
STEADY EARNINGS GROWTH DRIVEN BY SOUND BUSINESS STRATEGIES**

**Financial Highlights**

	For the year ended 31 Dec		Change
	2014 HK\$'000	2013 HK\$'000	
Turnover	6,355,120	5,319,866	19%
Gross Profit	2,968,560	2,375,408	25%
EBITDA	2,795,219	2,217,929	26%
Profit from operations	2,680,443	2,127,232	26%
Profit attributable to equity shareholders	1,703,147	1,324,667	29%
Basic earnings per share (HK cents)	37.99	32.60	17%
Total dividends (HK cents)	11.0	8.5	29%
Cash on hand	5,150,149	5,814,606	-11%
Total assets	31,199,794	23,471,047	33%
Gearing ratio	43%	41%	2ppt

**Hong Kong, 31 March 2015** - China Everbright International Limited ("Everbright International" or the "Group") (SEHK: 00257), today announced its audited annual results for the year ended 31 December 2014.

2014 was the 11<sup>th</sup> year following the Group's move to the environmental protection business and the beginning of a new round of developments. Benefiting from China's continued favourable policy support for the environmental protection industry and increasing market demand, during the year under review, the Group focused on China's Western Development Strategy and further deepened its market development model, which comprised supervising and managing all existing projects, based on existing project locations, while further expanding its business into provinces in the mid-west. The Group improved growth in all of its business segments and achieved outstanding results. During the year under review, the Group

successfully secured 27 environmental protection and alternative energy projects, commanding a total investment of RMB9.223 billion. Both the number of projects and the investment exceeded those of the last two years' sum.

In 2014, the Group effectively improved the overall effectiveness and profit of the projects and the company through continuous reforms and innovative project construction and production processes, and reached an annual operating profit of HK\$2,680,443,000, a growth of 26% as compared with 2013. Leveraging its rich experience, the Group fully prepared itself on projects which were in the preparatory stage, moved forward projects under construction in line with their targets, and continued to maintain the stable operation of operating projects. This facilitated continuous growth in the Group's revenue and fostered a strong profit growth driver. During the year under review, the Group's consolidated turnover amounted to HK\$6,355,120,000, an increase of 19% over HK\$5,319,866,000 of 2013. The EBITDA amounted to HK\$2,795,219,000, an increase of 26% over HK\$2,217,929,000 from 2013. Profit attributable to equity shareholders of the Company for the year of 2014 was HK\$1,703,147,000, 29% more than HK\$1,324,667,000 of 2013. Basic earnings per share of 2014 were HK37.99 cents, HK5.39 cents more than the HK32.60 cents in the previous year. The board of directors of the Group has proposed to pay a final dividend of HK6.0 cents per share. The total dividends for the year are to be HK11.0 cents per share (2013: HK8.5 cents per share).

During the year under review, the turnover from the environmental protection and alternative energy business sectors amounted to HK\$6,346,690,000, in which construction service revenue increased by 16% to HK\$3,627,456,000 as compared with 2013, accounting for 57% of the revenue; operation service revenue increased by 21% over the prior year to HK\$1,764,721,000, accounting for 28% of the revenue; and finance income increased by 28% to HK\$954,513,000, accounting for 15% of the revenue.

During the year under review, the Group continued to maintain sustainable development. It actively explored various funding channels and enhanced its financial strength. The Group not only signed loan agreements with various commercial banks but also signed a strategic cooperation agreement with China Development Bank and obtained a facility support of RMB6 billion, reserving sufficient funds for the development of its projects. As at 31 December 2014, the Group had cash on hand amounting to HK\$5,150,149,000, a gearing ratio of 43% and maintained a reasonable gearing level and healthy financial position. The Group achieved a steady growth of its business and further enhanced its competitive strength.

In addition, to improve the Group's comprehensive strength, further expand its environmental water business, and enhance market competitiveness, China Everbright Water Holdings Limited, a wholly-owned subsidiary of the Group, completed the reverse takeover of HanKore Environment Tech Group Limited ("HanKore Environment") in December 2014. HanKore Environment has become a non-wholly owned subsidiary of the Group and was renamed to China Everbright Water Limited ("Everbright Water"). It remains listed on the main board of the Singapore Exchange Securities Trading Limited ("SGX"). The spin-off and listing of Everbright Water marked another milestone for the Group's development and will accelerate the development of the Group's environmental water business. Meanwhile, it is also conducive

for the Group to expand its environmental protection project portfolios to locations including Beijing, Shanxi, and Henan and enlarge its market share as well as reduce its overall operating costs through synergistic efforts. This will have a positive effect on the operation and development of the Group's overall business.

As at 31 December 2014, the Group secured 122 environmental protection and alternative energy projects, with a total investment of approximately RMB30.267 billion. Of these projects, those that had completed construction accounted for a total investment of approximately RMB14.605 billion, while those currently under construction accounted for a total investment of approximately RMB4.454 billion. The total investment of projects in the preparatory stage is approximately RMB9.907 billion, excluding the investment of RMB1.301 billion in the biomass power generation projects whose construction has been postponed.

### **Environmental Energy**

During the year under review, the Group's environmental protection projects processed a total household waste of 5,365,000 tonnes, industrial and hazardous waste of 57,000 tonnes, and generated a total on-grid electricity of 1,654,513,000 kWh, an increase of 21%, a decrease of 16% and an increase of 55% respectively as compared with 2013. The environmental energy projects contributed an EBITDA of HK\$2,152,185,000, an increase of 40% over 2013. The increase in profit was mainly attributable to the recognition of construction service revenue and construction cost savings during the year, as well as the increase in the operation service revenue which was boosted by continuing increases in the total processing volume of operating projects.

In terms of project expansion, during the year under review, the Group secured a total of 15 environmental energy projects, a record high, including 12 waste-to-energy projects, 2 hazardous waste treatment projects, and 1 sludge treatment and disposal project. These projects commanded a total investment of RMB6.522 billion. The new projects added a total designed daily household waste processing capacity of approximately 11,300 tonnes, boosting the total daily waste processing capacity to 32,250 tonnes. This enabled the Group to keep a leading market share in the sector.

During the year under review, the Group made a breakthrough in its investment model by introducing new partnership models. The newly secured Ma'anshan Waste-to-energy Project introduced the public-private-partnership model (PPP). In addition, the Group and the Sichuan Energy Industry Investment Group formed a joint venture called Sichuan Everbright Energy Conservation and Environmental Protection Co. Limited to explore waste-to-energy projects and other low-carbon industrial projects in Sichuan province and nearby areas. The Changzhou Hazardous Waste Treatment Project was jointly established and operated by the Group and a globally-recognized environmental protection company, and the joint-venture model enhanced construction and operation of the project. By introducing a series of partnership models, the Group has seen even more expansion in the environmental protection sector in domestic and overseas market.

In terms of project construction, during the year under review, the Group's construction

projects were advanced steadily. The Group had 5 waste-to-energy projects and 2 hazardous waste treatment projects that completed construction and commenced operation, including Ningbo Waste-to-energy Project Phase I, Nanjing Waste-to-energy Project Phase I, Sanya Waste-to-energy Project Phase I, Shouguang Waste-to-energy Project, Pizhou Waste-to-energy Project Phase I, Lianyungang Guanyun Hazardous Waste Landfill Project and Binhai Hazardous Waste Landfill Project, with other projects under construction as scheduled.

### **Environmental Water**

During the year under review, the Group's environmental water projects treated 584,792,000 m<sup>3</sup> of waste water, up by 11% from 2013. The environmental water projects brought an EBITDA of HK\$570,800,000, an decrease of 15% as compared with 2013. The increase in profit was mainly due to the recognition of construction cost savings in 2013.

During the year under review, the Group continued to move forward the development of environmental water projects; it secured Shandong Zibo Reusable Water Project Phase II and the extension and upgrading of Boxing Waste Water Treatment Project. Meanwhile, the Group proactively continued to grow its business scale by acquiring and merging with similar businesses. It acquired a 78% equity interest in Qingdao Veolia Water Operating Company Limited and a 40% equity interest in EB-VW HK Holding Company Limited. The deal enabled the Group to lead and manage the Qingdao Waste Water Treatment Project (Haibohe & Maidao Plants).

In addition, the Group further integrated its environmental water projects. It completed the reverse takeover of HanKore Environment and listed its water business on the SGX, effectively expanding its asset scale, market reach and project diversification. Everbright Water has become a new business entity, which focuses on the investment in and operation of water environment comprehensive treatment projects, covering a number of regions in China, such as Beijing, Jiangsu, Shandong, Shaanxi and Henan.

### **Alternative Energy**

During the year under review, the Group's alternative energy projects provided a total on-grid electricity of 325,009,000 kWh, an increase of 35% as compared with 2013. The alternative energy business contributed EBITDA was HK\$259,502,000, up by 90% as compared with the previous year. The increase in profit was mainly contributed by the construction of Anhui Hanshan Biomass Power Generation Project ("Hanshan Project") and the increase in profit contribution due to the optimization of the fuel structure and improvement of operating efficiency at Anhui Dangshan Biomass Power Generation Project.

During the year under review, the Group developed 7 biomass integrated utilization projects, with a total investment of approximately RMB1.711 billion, an increased annual agricultural waste and straw processing capacity of 1,512,000 tonnes, and 116,000 tonnes of fuel particles.

During the year under review, the Group encouraged diversified development models in agricultural waste and straw treatment, such as biomass central heating projects in Jiangsu Sucheng, biomass heat and electricity cogeneration projects in Jiangsu Guanyun and Xuyi,

biomass direct combustion projects in Anhui Hanshan, Dingyuan and Huaiyuan, biomass pellet fuel processing project in Jiangsu Rudong, rural and urban waste integration projects in Anhui Dangshan and Lingbi, and straw integrated utilization demonstration projects that cover 4 cities and 6 counties of Sichuan Chengdu. Such projects are able to effectively solve air pollution problems caused by straw burning nationwide and therefore have huge market potential. It is also the Group's key growth direction in the biomass energy sector.

During the year under review, Hanshan Project commenced operation. In order to reduce the wear and tear of biomass raw materials in the open air and to make full use of the roof areas, the Group developed Hanshan Distributed Photovoltaic Energy Project on the roofs of the project's buildings. The project will become a pilot project of the Group; and relevant operating experience will be used as reference for other biomass power generation projects.

During the year under review, Shanxi Ningwu Wind Power Projects, Changfangshan Phase I and Zhaojiashan Phase I, were included in the 4<sup>th</sup> approval scheme of wind power generation projects in the 12<sup>th</sup> Five-Year Plan of the National Energy Administration, and were approved by the Shanxi Development and Reform Commission in April 2014. The two projects have now commenced construction.

#### **Environmental Protection Engineering**

During the year under review, the Group completed the construction of 11 projects, making the total number of completed construction and commenced operation projects to 73, with a total investment of RMB14.605 billion. In addition to this, there are 44 projects under construction or in the preparatory stage, commanding a total investment of over RMB14.161 billion. Both the project and contract numbers hit record highs.

As at 31 December 2014, the Group had a total of 17 projects under construction, including 6 waste-to-energy projects, 1 hazardous waste treatment project, 2 wind power projects, 1 biomass integrated utilization project, 6 water quality restoration projects and Changzhou Equipment Manufacturing Project Phase II. With more new projects continuously commencing construction, construction service revenue is expected to be the main revenue driver for the Group.

#### **Environmental Protection Technology**

During the year under review, the group focused on 10 fields in R&D which were planned at the beginning of 2014 with a total budget of more than RMB44 million. The Group has achieved a number of substantial breakthroughs including the production of large scale grate furnaces, production line equipment for agricultural biomass and straw pellet fuel, purification systems for gas emitted from waste-to-energy plants, and leachate treatment technology.

During the year under review, the Group's self-developed 750-tonne/day grate furnace was operated successfully and reached international standards. It is now in the patent application process. In addition, the 500-tonne/day grate furnace was operated at the Nanjing Waste-to-energy Project Phase I and Ningbo Waste-to-energy Project Phase I; the product achieved great success in both electricity generation per tonne of waste and various

parameters of operating systems.

During the year under review, the Group was granted 3 software copyright licences and 17 patents, of which 7 were invention patents and 10 were utility invention patents. The Group will continue to strengthen its efforts in advancing R&D to develop its business, and to fuel the expansion of the Group's sustainable development and business scope.

### **Environmental Protection Equipment Manufacturing**

The Group's environmental protection equipment manufacturing business has gradually become a new business sector for the Group. The Changzhou Environmental Protection Equipment Manufacturing Project mainly manufactures incinerators, leachate systems, gas emission purification equipment and other major equipment for use at the Group's waste-to-energy projects. The project is now expanding Phase II, which is expected to commence commercial operation in the first half of 2015. Upon completion, the project's production will be doubled, further enhancing the operation efficiency of the Group's projects and reducing operation costs.

During the year under review, the Group completed the unit assembly and commissioning of 7 sets of incinerators (including 2 sets of 750-tonne/day prototypes). The Group also implemented an overhaul of the incinerators in the Changzhou Waste-to-energy Project, Suzhou Waste-to-energy Project Phase I and Phase II, Zhenjiang Waste-to-energy Project, and advanced the centralized purchase and supply of backup products for operating projects. In addition to the projects within the Group, it has actively developed the sales of its equipment and technical services. During the year under review, the Group signed a series of equipment supply and technical service contracts for both domestic and overseas markets, with a cumulative total value of contracts amounting to RMB141 million, adding new bright opportunities for the Group's future profit growth.

The Group's self-developed grate furnace product series received the EU's CE certificate, which will help accelerate the Group's expansion into overseas markets.

**Mr. Chen Xiaoping, CEO of Everbright International**, said, "The year 2014 was another year of 'setting sail' for the Group. Due to its successful development in the environmental protection business over the last decade, Everbright International has built a solid business foundation, multi-business strategic layout, and leading management team. As China has entered into a 'New Normal' economy and with the nation attaching great importance to environmental management, China's green economy and environmental protection industry will embrace a historical opportunity for long-term development. To meet the huge development space, the Group will further enhance its management standards and technology innovation, leverage its comprehensive strength, discover the market direction in real-time, and pay attention to risk control, with a focus on environmental energy, environmental water and alternative energy business sectors. As one of the leaders in China's environmental protection industry, Everbright International will adhere to its visions, gather collective wisdom, and leverage advanced operating and management skills and strategic plans to develop its business and make new achievements. The Group will pursue comprehensive

development of its business, and at the same time fulfill its commitment to environmental sustainability and responsibility to the community in order to further contribute to social development, economic growth and the well-being of society.”

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About China Everbright International Limited

China Everbright International Limited focuses on its core businesses in green environmental protection and alternative energy. These mainly include waste-to-energy, industrial and hazardous waste integrated treatment, biomass power generation, solar photovoltaic energy, wind power, methane-to-energy, waste water treatment, reusable water, environmental protection engineering, technological research and development, environmental protection equipment manufacturing as well as the planning and construction of environmental protection industrial parks.

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