



EVERBRIGHT INTERNATIONAL ANNOUNCES 2015 ANNUAL RESULTS

FUELLING NEXT ROUND OF DEVELOPMENT BY BUILDING ON PAST SUCCESS

Financial Highlights

	For the year ended 31 Dec		
	2015	2014	Change
	HK\$'000	HK\$'000	
Turnover	8,534,531	6,355,120	34%
Gross Profit	3,908,830	2,968,560	32%
EBITDA	3,754,449	2,795,219	34%
Profit attributable to equity shareholders	2,084,888	1,703,147	22%
Basic earnings per share (HK cents)	46.50	37.99	22%
Total dividends (HK cents)	18.50	11.00	68%
Cash on hand	6,673,412	5,150,149	30%
Total assets	40,623,072	31,199,794	30%
Gearing ratio	52%	43%	9ppt

Hong Kong, 29 February 2016 - China Everbright International Limited (“Everbright International” or the “Group”) (SEHK: 00257), today announced its audited annual results for the year ended 31 December 2015.

2015 was full of challenges. Faced with increased and fierce market competition, the Group adhered to the development strategy of “Producing Quality Projects and Building a Quality Brand” and continued to build new demonstration projects creating bright spots for growth. With a strong sense of social responsibility and determination to protect the environment, the Group is dedicated to the strategy of “Leveraging Talent, Science and Technology to Expand from Coastal Areas to Inland Cities, from Cities to Rural Areas, and from Domestic to Overseas Markets with High Standards” to advance the growth of all of its business units, achieving outstanding results for the year.

In 2015, the Group's construction projects continued to progress smoothly, resulting in substantial growth in construction service revenue. As for operating projects, the Group is committed to reducing costs and broadening income sources as well as optimizing its revenue structure, driving the continued growth of its overall operating efficiency. During the year under review, the Group's consolidated revenue amounted to HK\$8,534,531,000, an increase of 34% over HK\$6,355,120,000 in 2014. Profits from operations were HK\$3,576,466,000, an increase of 33% over HK\$2,680,443,000 in 2014. The EBITDA amounted to HK\$3,754,449,000, an increase of 34% over HK\$2,795,219,000 in 2014. Profit attributable to equity shareholders of the Group for the year of 2015 was HK\$2,084,888,000, 22% more than HK\$1,703,147,000 of 2014. Basic earnings per share of 2015 were HK46.50 cents, an increase of HK8.51 cents as compared to the HK37.99 cents in 2014.

During the year under review, the environmental protection business generated a total revenue of HK\$8,393,427,000 of which HK\$4,915,849,000, HK\$2,184,906,000 and HK\$1,292,672,000 accounted for construction services, operation services and finance income respectively. Year to year, revenue from construction services, operation services and finance income were increased by 36%, 24% and 35% respectively. The proportions of the revenue are as follows: construction service revenue 59%, operation service revenue 26% and finance income 15%.

During the year under review, the Group obtained additional 34 environmental protection projects and acquired Dalian Dongda Water Co., Ltd ("Dalian Dongda"), commanding a total investment of over RMB10 billion. The newly signed projects included 14 environmental energy projects, 5 environmental water projects and 15 greentech projects. The Group has a business presence in 14 provinces and municipalities and more than 70 counties and cities in China and in Germany. Both the number of new projects and the total investment hit record highs.

Environmental Energy

During the year under review, the Group's environmental energy projects processed a total 6,928,000 tonnes of household waste, and generated a total 1,883,199,000 kWh of on-grid electricity, an increase of 29% and 36% respectively as compared with 2014. The environmental energy business contributed an EBITDA of HK\$2,608,398,000, an increase of 28% over 2014. 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, the Group secured 12 waste-to-energy projects and 2 food waste treatment projects in 2015. These projects commanded a total investment of approximately RMB3.853 billion, with an increase in designed daily household waste processing capacity of 6,450 tonnes, boosting the total daily waste processing capacity to 37,800 tonnes. This enabled the Group to keep a commanding market share in the sector. The integration of the food waste treatment projects with household waste-to-energy solutions represents a new industry approach to urban solid waste problems.

In terms of project construction, during the year under review, 6 of the Group's waste-to-energy projects completed construction and commenced operation, including Zhenjiang Waste-to-energy Project Phase II, Changzhou Xinbei Waste-to-energy Project, Boluo Waste-to-energy Project, Ningbo Waste-to-energy Project Phase II, Rizhao Waste-to-energy Project and Weifang Waste-to-energy Project. The Group had 9 projects commence construction during the year, including Wujiang Waste-to-energy Project, Nanjing Waste-to-energy Project Phase II, Pei County Waste-to-energy Project, Yiyang Waste-to-energy Project, Pingdu Waste-to-energy Project, Tengzhou Waste-to-energy Project, Hangzhou Waste-to-energy Project, Sanya Waste-to-energy Project Phase II and Laiwu Food Waste Treatment Project. Projects in the preparatory stage are also progressing as scheduled. In addition, Hainan Sanya Sludge Treatment and Disposal Project completed construction and commenced operation during the year.

The Group is dedicated to continually innovating its business models. In addition to the traditional business revenue generating models of investment, construction, operation and management, the Group has continued to actively explore various business models such as PPP and the entrusted operation model during the year. Based on its operational experiences from managing its own projects, the Group has demonstrated expertise in fixing problems caused by a lack of experience either from the investment side or the construction side. By taking over the projects with an entrusted operation mode, the Group ensures safe production and stable operations, meeting compliance and discharge standards. The entrusted operation mode is based on a model of investment and built by local governments or investors. Upon completion, the project is then handed over to the Group for ongoing management and operation. The Group generates profit from entrusted operation service fee. During the year, the Group has signed the Guangdong Dongguan Machong Waste-to-energy Project for entrusted operation management, which is under construction currently.

The progress made during market expansion was driven by the stability of existing projects in operation which not only comply with discharge standards, but were also regarded as pioneers in industry and construction techniques standards. The Group continues to shoulder the responsibility for setting industry standards. With the successful application of grate furnace, gas emission purification and the third generation leachate treatment technologies, newly completed waste-to-energy projects have achieved significant results in operation standards and efficiency. During the year under review, the Group took the lead in disclosing environmental assessment information and emission standards of its operating waste-to-energy projects, voluntarily accepting supervision by the public, all of which have garnered widespread recognition.

Environmental Water

As at 31 December 2015, the Group owned 74.4% of Everbright Water. During the year under review, the Group's environmental water projects treated 899,163,000 m³ of waste water, increase by 54% from 2014. Environmental Water projects contributed an EBITDA of HK\$795,955,000, an increase of 39% from 2014, with the majority of the profit increase driven by revenue increases from construction services for project upgrades, growth in operation services and the processing capacity of water, as well as from positive price adjustment during the year.

Since completing the reverse takeover at the end of 2014, Everbright Water's new focus became implementing integration and obtaining steady growth in market share. During the year under review, the Group continued to develop new environmental water projects, secured 4 waste water treatment projects and 1 reusable water project, including Ju County Waste Water Treatment Project, Jinan Waste Water Treatment (Plant 1) Expansion Project ("Jinan Plant 1 Expansion Project"), Jinan Xike Waste Water Treatment Project (Plant 4) Phase II, Beijing Daxing Tiantanghe Waste Water Treatment Upgrading and Expansion Project ("Daxing Tiantanghe Project Phase II and Upgrade") and Nanjing Pukou Reusable Water Project. The new projects increased the Group's daily waste water treatment capacity by 200,000 m³ and daily reusable water treatment capacity by 20,000 m³. In addition, the Group was actively identifying acquisition targets. During the year, the Group completed the acquisition of Dalian Dongda, which has a total of 17 waste water treatment projects, representing an additional contracted daily waste water treatment capacity of 1,125,000 m³, and with an operating daily treatment capacity of 945,000 m³. The acquisition also allowed Everbright Water to extend its presence in Liaoning Province and Inner Mongolia Autonomous Region.

During the year under review, projects completed include the expansion and upgrade of Binzhou Boxing Waste Water Treatment Project Phase II, the construction and upgrade of Yangzhou Jiangdu Development Zone Waste Water Treatment Project Phase II, Sanmenxia Waste Water Treatment Project Phase I, the construction and upgrade of Nanjing Pukou Waste Water Treatment Project Phase II and Shandong Zibo Reusable Water Project Phase II. Projects in progress include the construction and upgrade of Suzhou Wuzhong Chengnan Waste Water Treatment Project Phase II, Jinan Plant 1 Expansion Project, the construction and upgrade of Daxing Tiantanghe Project Phase II and Dalian Liangjiadian Waste Water Treatment Project.

During the year under review, Everbright Water introduced two globally renowned investment institutions as strategic investors: International Finance Corporation (“IFC”), and Dalvey Asset Holding Ltd, a wholly-owned subsidiary of RRJ Capital Master Fund II, L.P., which was established by RRJ Capital. Everbright Water also obtained a long-term loan of USD 140 million from IFC. In addition to optimizing the shareholding structure of Everbright Water, these moves represented a key step towards being better equipped to embrace the huge market potential.

Greentech

In 2015, the Group established greentech sector to replace the previous alternative energy sector. The greentech sector includes biomass integrated utilization projects, photovoltaic energy projects, wind power projects and hazardous waste treatment projects. During the year under review, the greentech projects provide a total on-grid electricity of 511,852,000 kWh, an increase of 69% from last year. The greentech business contributed an EBITDA of HK\$457,546,000, an increase of 21% from last year. The increase in profit was mainly from the increase in operation service revenue driven by the growth in the processing volume of the biomass and hazardous waste treatment projects which offset the decrease in construction service revenue.

As the Chinese government continues to make extensive efforts in dealing with air pollution, the Group’s biomass integrated utilization business has moved onto a fast track development phase. By building on the experience gained from current projects, the Group actively explored new development models and successfully established four biomass business models, including the urban-rural integration model, the biomass direct combustion power generation model, the biomass cogeneration/centralized heating model and the biomass molding fuel model. The systematic processing of agricultural waste effectively solved the air pollution problem caused by the burning and littering of straws.

The new models also convert waste to energy, generating mutual benefits for local farmers, boosting economic development and reducing environment pollution.

During the year under review, the Group secured 14 biomass integrated utilization projects, including 12 urban-rural integration projects and 2 biomass direct combustion power generation projects, with a total investment of approximately RMB3.69 billion, as well as 1 hazardous waste treatment project with a total investment of approximately RMB170 million. The increased annual agricultural waste and straw processing capacity was approximately 2,070,000 tonnes, the increased annual household waste processing capacity was approximately 949,000 tonnes and the increased annual hazardous waste processing capacity was approximately 20,000 tonnes.

In terms of project construction, during the year under review, the Group had 9 greentech projects under construction, including Huaiyuan Biomass Integrated Utilization Project, Dingyuan Biomass Integrated Utilization Project, Xuyi Biomass Integrated Utilization Project, Sucheng Biomass Integrated Utilization Project, Dangshan Waste-to-energy Project Zibo Integrated Hazardous Solid Waste Treatment Project Phase I, Guanyun Hazardous Solid Waste Landfill Project Phase I, Binhai Hazardous Solid Waste Landfill Project and Xinyin Hazardous Waste Treatment Project. All projects under construction are progressing well and are expected to be completed in 2016 and 2017.

Environmental Protection Engineering

During the year under review, the Group had 37 projects under construction, with 15 projects completing and commencing operation, commanding a total investment of RMB3.55 billion. In addition, there are 22 projects under construction, commanding a total investment of over RMB7.74 billion, including 8 waste-to-energy projects, 1 food waste treatment project, 4 hazardous waste treatment projects, 5 biomass integrated utilization projects and 4 water restoration projects. 43 projects in the preparatory stage, commanding a total investment of RMB11.485 billion. The number of projects and contracts reached record highs for the corresponding periods over the years.

Despite taking on projects large in quantity and wide in regional footprint, the Group's construction engineering team overcame every difficulty by adopting a regional approach in standardizing the management of engineering technology which has since proved highly effective. The construction and commencement of operation of these projects not only established demonstration models for other projects but also laid the foundations for strong growth within the Group.

Environmental Protection Technology

During the year under review, the Everbright Environmental Protection Technology Institute was officially opened in Shenzhen. The institute, being wholly invested in and operated by the Group, is a scientific research institution consisting of three major research divisions: incineration technology, water environment technology and engineering design, as well as two research teams specializing in integrated environmental services and information and control technology. During the year under review, the Group's self-developed 750-tonne/day grate furnace was installed in the Wujiang Project. The licensed Martin-furnaces have been successfully used in projects, with two sets operating smoothly at the Changzhou Xinbei Project, producing good results. In addition to independent R&D efforts, the Group also successfully imported internationally advanced technology such as the hazardous waste countercurrent rotary kiln technology from the Belgian company BIC, as well as the water-cooling grate furnace technology from Swiss company Stiefel; therefore further improving the Group's technological development capabilities with supplementary and complementary technologies.

During the year under review, the Group was granted with 31 patents, of which 7 were invention patents and 24 were utility invention patents, and 3 were software copyright licenses. In addition, the Group received approximately RMB5.5 million in technology subsidies and achievement grants from central and local governments. The Group will continue to strengthen its efforts in advancing R&D, fueling the Group's capability, market expansion and sustainability.

Environmental Protection Equipment Manufacturing

In 2015, the Group's environmental protection equipment manufacturing business experienced steady growth. Currently, the Group's production of environmental protection equipment is located in Changzhou City in Jiangsu Province ("Changzhou Equipment Manufacturing Project"), mainly manufacturing incinerators, leachate treatment systems, gas emission purification equipment and other major equipment used at the Group's waste-to-energy projects. In addition, the Group is developing the business of equipment sales to external parties. With the completion construction and commencement of operation of Changzhou Equipment Manufacturing Project Phase II, the Group's manufacturing capability increased significantly. It will meet growing internal demand from project expansion within the Group and create new opportunities for external sales.

During the year under review, in accordance with the pace of the Group's project

construction, Changzhou Equipment Manufacturing Project completed the production and commissioning of 13 sets of incinerators, 8 sets of gas purification systems and production of 7 sets of leachate treatment systems. The Group obtained a number of supporting grants totaling RMB11.28 million.

In external equipment sales, leveraging on its outstanding performance quality and technological strength, the Group markets the “made by Everbright” series through various channels and platforms such as trade exhibitions and conferences, direct sales and strategic collaboration. In 2015, the external sales of waste incinerators, gas purification system and leachate treatment equipment, set a new record again with a total contract value approximately RMB240 million. In the overseas market, the Group further expanded into Ethiopia and the U.K., providing leachate and gas treatment systems for new clients.

Mr. Chen Xiaoping, CEO of Everbright International said, “2015 was the final year of China’s 12th Five-year Plan and also the year for the Group to charge ahead with its mission. Over the past year, with the launch of a series of environmental protection related policies in China, boosting the development of the environmental protection industry, the Group thrived in an industrial environment filled with huge opportunities. While strengthening the strategic deployment of its business units, the Group also improved its management and operational capabilities. In the ever-changing market environment, the Group remains committed to the guiding principle that “An Enterprise is not only a Creator of Wealth, but also the Safeguard of Environmental and Social Responsibility”. In the meantime, the Group continues to invest, build and operate a number of high-quality environmental protection projects, as well as continuously seeking innovation. As a result, the Group has consolidated its position as a leading integrated solution provider for the environmental market at home, as well as abroad.”

Mr. Chen Xiaoping continued, “2016 marks the first year of China’s 13th Five-year Plan. A number of issues, such as the imbalance of rural and urban development, an increasing shortage of resources and ecological degradation that has not seen any improvement, will pose challenges as well as immense opportunities in the next five years. As the country pays more attention to and invests more in environmental protection causes, the Group will take the lead among environmental protection enterprises, conducting strategic business planning with a long-term view, leveraging on the strength of all of its business units, making full use of its potential and advantages within its departments, following market trends closely to identify development opportunities, and seeking innovative business models, ensuring the Group maintains a healthy growth. The Central Government’s 13th Five-year

Plan places an important emphasis on green development, ecological management and the construction of ecological civilization, creating unprecedented opportunities for enterprises in the environmental protection industry. Led by these policies and supported by China Everbright Group, the Group will continue to adhere to its core business value, closely follow policy trends, remain in tune with market pulses, committ to improving risk management and control, and continue to explore domestic and overseas markets, ensuring steady growth in all of its business units. While creating value for its Shareholders, the Group will also actively carry out its corporate social responsibility in addition to acting as the lead amongst environmental protection enterprises in China, contributing to the environmental protection industry and environmental protection business in China. In the meantime, by following the “One Belt One Road” strategy set by the country, the Group will grow from serving domestic markets to abroad, setting a path for future growth and assuming greater responsibility for the benefit of the global ecological environment.”

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About China Everbright International Limited

China Everbright International Limited focuses on its core businesses in environmental energy, environmental water and greentech. These mainly include waste-to-energy, hazardous waste integrated treatment, biomass integrated utilisation, solar photovoltaic energy, wind power, methane-to-energy, water restoration, 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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