

**DEVOTED TO ECOLOGY AND ENVIRONMENT
FOR A BEAUTIFUL CHINA**

**Everbright International
2018 Interim Results Presentation**

August 2018



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PART I

RESULTS REVIEW



- E Results Highlights**
- E Financial Highlights**
- E Competitive Advantages**
- E Development Strategies**



Results Highlights

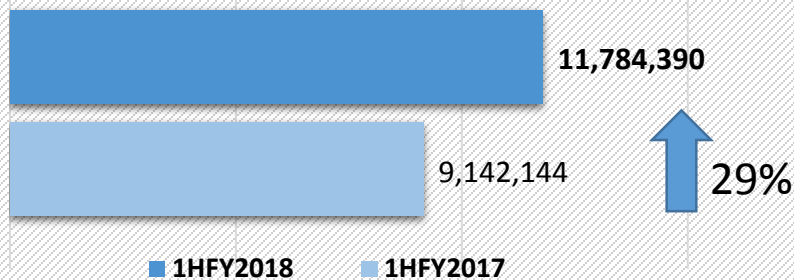


Outstanding Operating Results, with Profit Hitting Record High in Half-year Period

- With concurrent development of its major business sectors, Everbright International recorded satisfying growths in revenue and profit.
- With construction projects progressing rapidly, the number of projects under construction reached record high, resulting in continued growth in construction service revenue.
- With continued growth in the number of operating projects, revenue from operation services increased significantly.

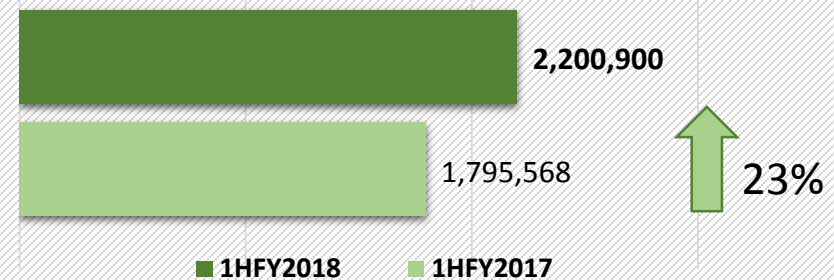
Revenue

(HK\$'000)



Profit attributable to
equity holders of the Company

(HK\$'000)

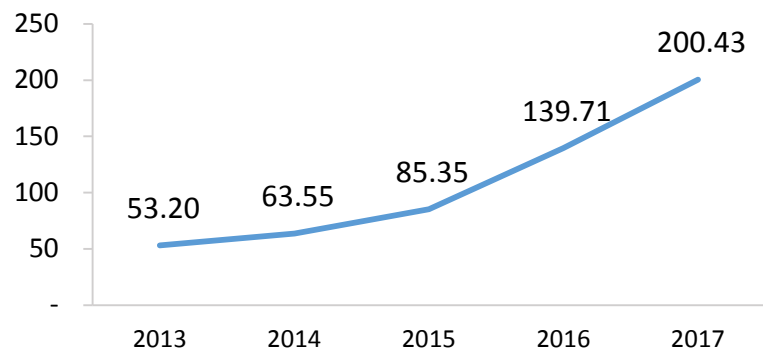


Rapid Growth of Environmental Protection Business, with Steady Growth of Operation Indicators

Revenue

CAGR: 39.32%

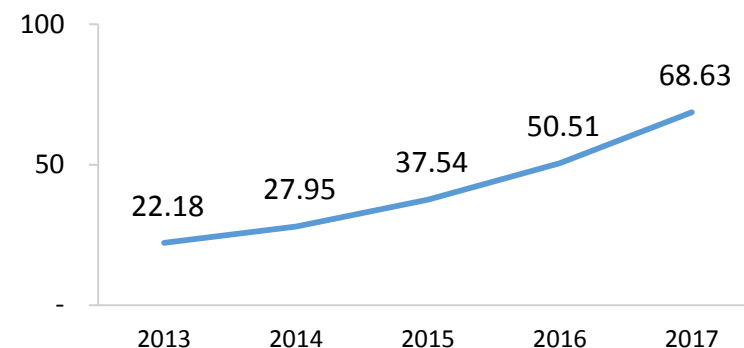
(HK\$ 100 million)



EBITDA

CAGR: 32.63%

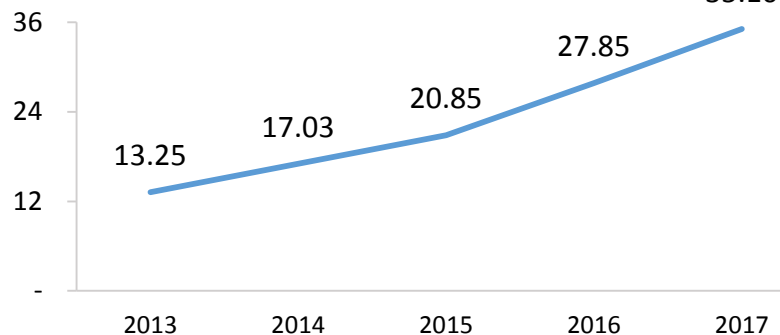
(HK\$ 100 million)



Profit attributable to equity holders of the Company

CAGR: 27.58%

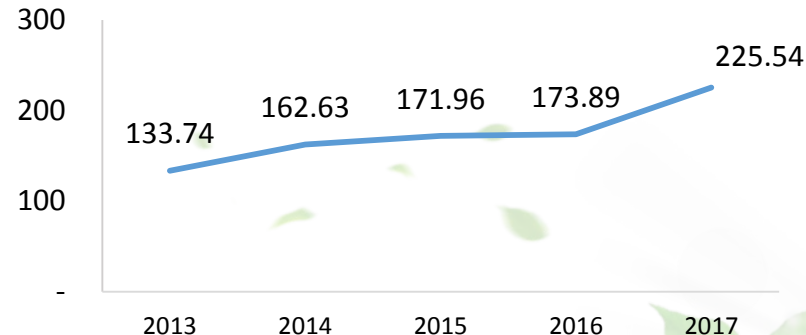
(HK\$ 100 million)



Net asset value attributable to equity holders of the Company

Up by 68.64%

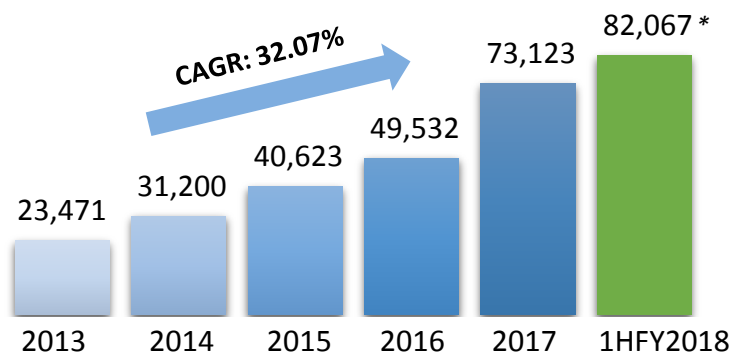
(HK\$ 100 million)



Continued Growth of Asset Scale, with Steady Increase in Shareholders' Return

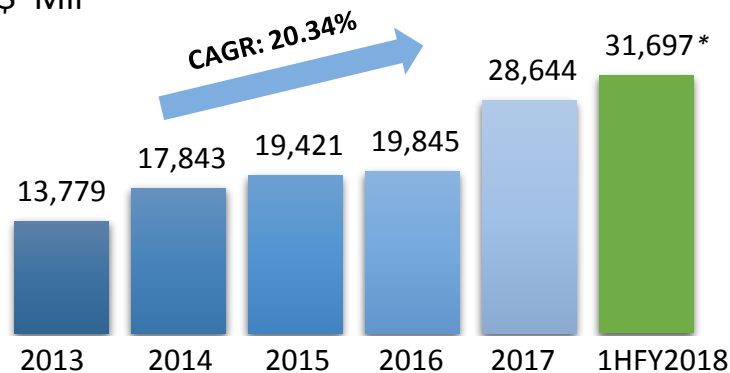
Total Assets

HK\$ 'Mil

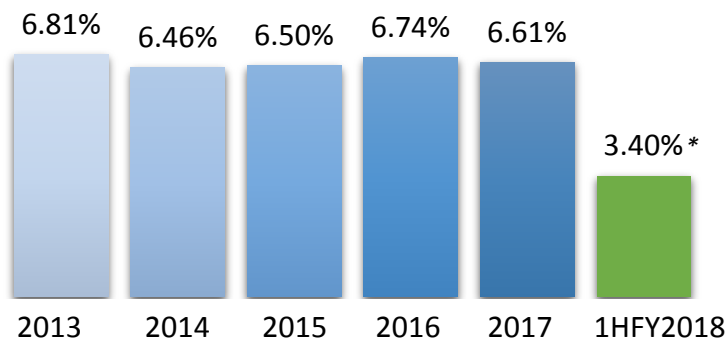


Net Assets

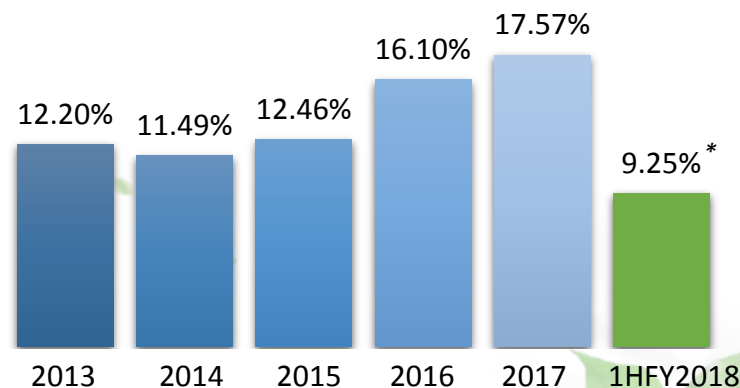
HK\$ 'Mil



Return on Assets



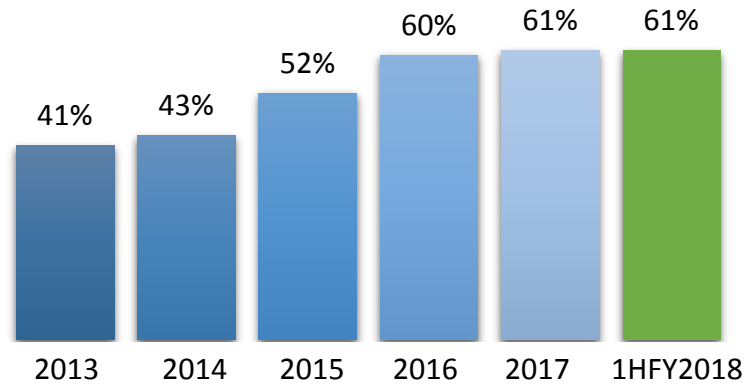
Return on Equity



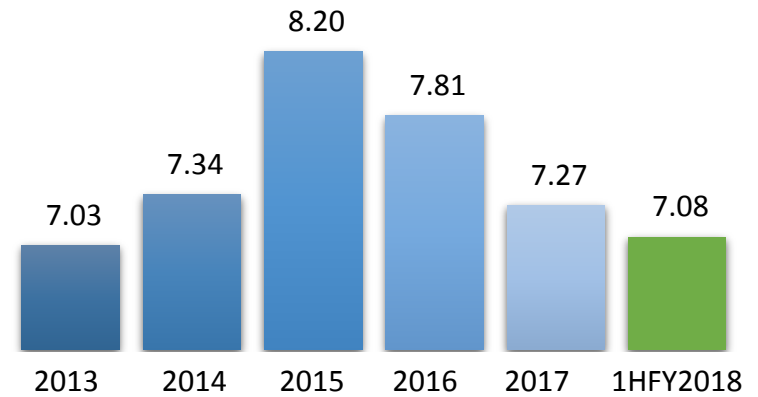
* Interim data, non-annualized data

Sound Financial Indicators as Solid Support for Future Growth

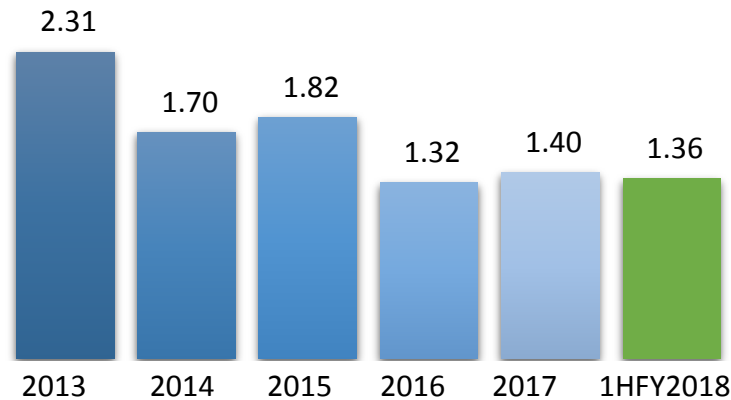
Gearing Ratio



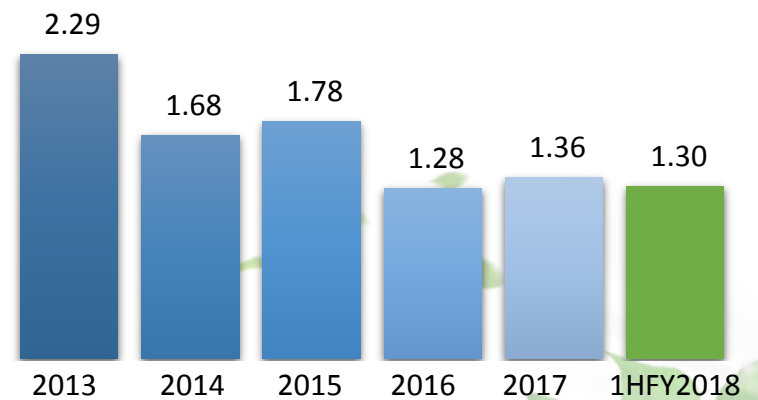
Interest Coverage Ratio (time)



Current Ratio (time)



Quick Ratio (time)



Market Expansion Reaching New Heights, Solidifying Industry-leading Position

In first half of 2018, Everbright International secured 30 new projects, which command a total investment of RMB9.539 billion. Both the number of project and investment amount reached historical highs. The total processing capacity increased significantly accordingly.

Number of waste-to-energy projects with daily processing capacity over 1,000 tonnes

6

Biomass processing capacity up by

580,000 tonnes/year

Household waste processing capacity up by

11,650 tonnes/day

Hazardous waste processing capacity up by

217,000 tonnes/year

1HFY2018

As at
30 June
2018

As at 30 June 2018, Everbright International had secured 299 environmental protection projects with a total investment of approximately RMB82.649 billion. Among them, 184 projects had completed construction, commanding a total investment of approximately RMB41.259 billion; 43 projects were under construction, commanding a total investment of approximately RMB18.625 billion; and 72 projects were in the preparatory stage, commanding a total investment of approximately RMB22.765 billion.

Endogenous Growth and External Expansion, with Proactive Strategic Market Planning

- Everbright International further expanded its business areas by securing projects in areas like environmental remediation and landfill leachate treatment.
- The Group achieved breakthroughs in business model, by securing Guangdong Zhaoqing Waste-to-energy Project via acquisition and therefore tapping into the M&A market.
- While solidifying its strategic market positions in Shandong and Jiangsu provinces, the Group further expanded its footprint to Hebei, Gansu and Fujian provinces.

The Group has been able to further expand its presence to 21 provinces and municipalities, covering over 140 locations in China, as well as overseas markets including Germany, Poland and Vietnam.



Improvement in Quality and Quantity of Construction Works, with Higher Quality and Efficiency of Operation Management



Everbright International is committed to its construction philosophy of “Producing Quality Projects and Building a Quality Brand”. During the period under review, the number of the Group’s construction sites had since reached 58, including 24 projects that had commenced operation, and 21 projects that had commenced construction.



The Group further strengthened the environmental, safety, health and social responsibility (ESHS) management system and risk management system at all levels. It also enhanced risk control for project construction via establishment of relevant systems and adjustment of relevant management structures.



The Group’s efforts in enhancing operation management improved cost control and profitability, and facilitated smooth progress in tariff/fee adjustments.



The Group further improved its standard systems, and strictly controlled discharge indicators of its projects to comply with relevant standards.



During the period under review, the Group was granted subsidies of all types totaling HKD237 million.

Everbright International Enhanced its efforts in technology R&D management, leading to smooth progress in key R&D projects, as well as the design and consulting services.

Equipment Manufacturing sector developed rapidly, with excellent performance in equipment manufacturing and sales:

- In first half of 2018, the Group sold 35 sets of core system equipment, with the sales volume of entire sets of systems having significantly increased when compared with the first half of 2017. The Group secured total contract sales of approximately RMB588.2 million, an increase of over 202% as compared with the first half of 2017.
 - The sets of core system equipment include: 19 sets of self-developed grate furnaces, 9 sets of gas purification systems, and 7 sets of leachate treatment systems.
- In first half of 2018, equipment manufacturing sector provided 74 service assignments, spanning across 17 provinces in China, as well as Vietnam and Ethiopia, including:
 - 71 equipment projects
 - 3 EPC projects
- The homemade large-scale 850 tonnes/day grate furnace was officially put into mass production, which will soon complete the overall assembly and trial run, and will be installed at the Group's Jiangsu Yixing Waste-to-energy Project Phase II.



Financial Highlights



Financial Highlights (1)

| (HK\$'000) | For the six months ended 30 June | | Change |
|---------------------------------------|----------------------------------|-----------|--------|
| | 2018 | 2017 | |
| Revenue | 11,784,390 | 9,142,144 | 29% |
| Gross profit | 4,483,808 | 3,307,648 | 36% |
| EBITDA | 4,414,814 | 3,260,177 | 35% |
| Profit attributable to equity holders | 2,200,900 | 1,795,568 | 23% |
| Basic EPS (HK cents) | 49.10 | 40.06 | 23% |
| Interim dividend per share (HK cents) | 12.0 | 12.0 | - |

Financial Highlights (2)

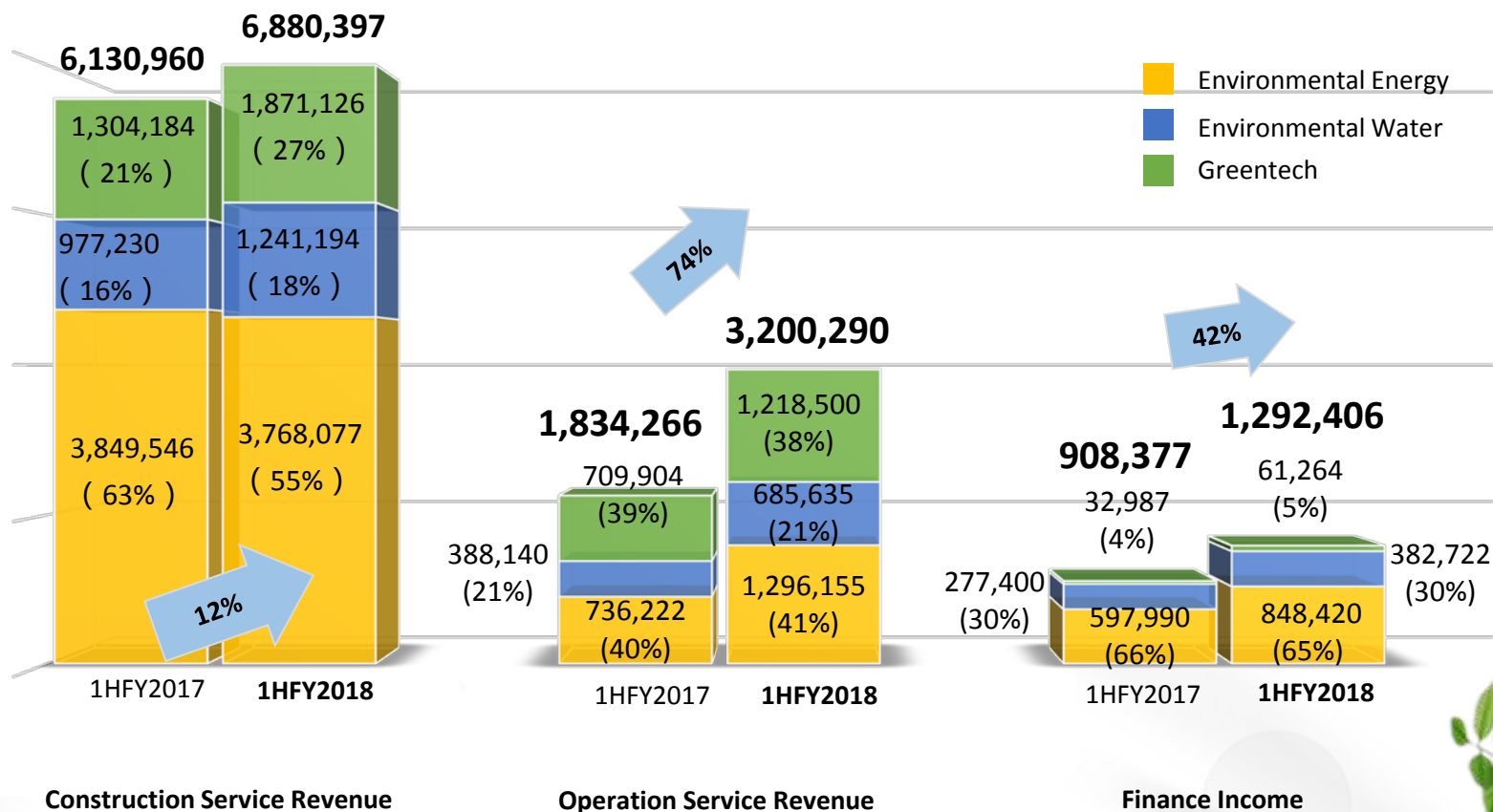
| HK\$ 'Mil | As at 31/12/2013 | As at 31/12/2014 | As at 31/12/2015 | As at 31/12/2016 | As at 31/12/2017 | As at 30/06/2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total assets | 23,471 | 31,200 | 40,623 | 49,532 | 73,123 | 82,067 |
| Total liabilities | 9,692 | 13,357 | 21,203 | 29,687 | 44,480 | 50,370 |
| Shareholders' equity of the Company | 13,374 | 16,263 | 17,196 | 17,389 | 22,554 | 25,047 |
| Cash on hand | 5,815 | 5,150 | 6,673 | 7,038 | 10,838 | 9,084 |
| Return on shareholders' equity (%) | 12.20 | 11.49 | 12.46 | 16.10 | 17.57 | 9.25 |
| Dividend payout ratio (%) | 26.1 | 29.0 | 39.8 | 33.0 | 30.7 | 24.4 |
| Gearing ratio (%) (Total liabilities/Total assets) | 41 | 43 | 52 | 60 | 61 | 61 |

- High quality assets, abundant cash on hand, reasonable gearing ratio and healthy financial position.
- Everbright International received positive recognitions and long-standing supports from international financial institutions and policy banks, such as Asian Development Bank, The World Bank and China Development Bank.
- In first half of 2018, the Group received a loan of US\$100 million from Asian Development Bank to focus on the waste-to-energy development in Vietnam; it also signed strategic cooperation agreement with the Shenzhen Branch of Bank of China, which will provide up to RMB12 billion financial support to the Group.

Financial Highlights (3)

Revenue Analysis of the Three Major Business Sectors

(HK\$'000)

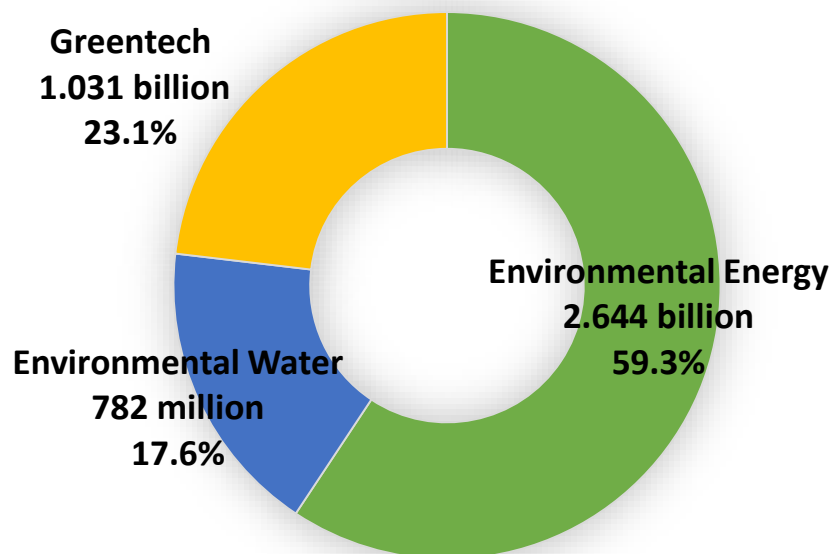


1HFY2018: HK\$11,373,093,000 (up 28%)

1HFY2017: HK\$8,873,603,000

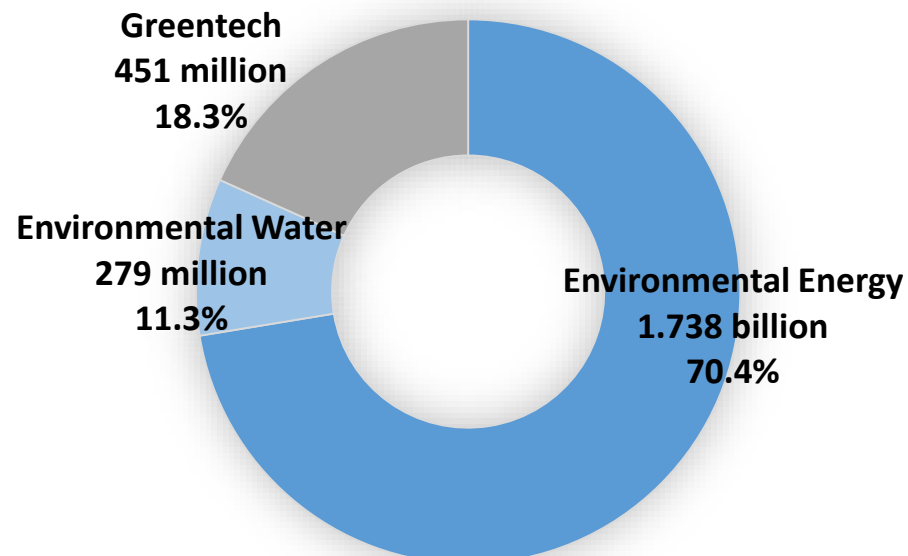
Profit Analysis of the Three Major Business Sectors

1HFY2018 EBITDA* (HK\$)
by Business Sectors



1HFY2018: HK\$4.457 billion (up 36%)
1HFY2017: HK\$3.269 billion

1HFY2018 Sector Net Profit** (HK\$)
By Business Sector



1HFY2018: HK\$2.468 billion (up 27%)
1HFY2017: HK\$1.942 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

Competitive Advantages



Advantages of Scale

Strong project pipeline makes Everbright International rank among the top players in the global environmental protection industry: As at 30 June 2018, the Group had secured 299 environmental protection projects, with a total investment of approximately RMB82.649 billion.

Asia's largest waste-to-energy investor and operator, with a total designed waste processing capacity of 81,900 tonnes/day

Waste-to-energy

Water Treatment

Ranks No.4 among water treatment companies in China, with a total designed treatment capacity of approximately 5 million tonnes/day

Integrated Biomass Utilisation

Hazardous Waste Treatment

Ranks No.4 among biomass companies in China, with a designed total power generation capacity of 1,078 MW

Ranks No.3 among hazardous waste processing company in China, with a total designed processing capacity of 891,000 tonnes/year

Three “First”

- The first company to promote and adopt the EU2000 standard
- The first to connect with local environmental protection regulation departments to share emissions data of its projects
- The first to provide an hourly disclosure of emission standards to the public through the internet

One Luban Prize

Shandong Ji’nan Waste-to-energy Project was the only awardee of the Luban Prize in the environmental protection industry in 2013, the most prestigious construction and engineering award in China

Four “Withstands”

- The Group’s projects are able to deliver superior performance in four aspects: factory appearance, odor management, noise control and emissions indicators
- An aggregation of over one million visitors have visited the Group’s projects

Multiple Demonstration Projects

Many of the Group’s projects, including Shandong Ji’nan Water Treatment Project, Jiangsu Zhenjiang Sponge City Construction PPP Project, Hunan Yiyang Waste-to-energy Project and Yongzhou Waste-to-energy Project, have been designated as PPP demonstration projects by the United Nations or China

Ten “National AAA-rated” Projects

The Group’s waste-to-energy projects in Suzhou, Nanjing, Wujiang, Changzhou, Changzhou Xinbei, Ningbo, Sanya, Boluo, Weifang and Rizhao have all received recognition of “the National AAA-Rated Waste-to-energy Plant”

A Series of Hubs

Several projects have been named as hubs for environmental education, environmental science popularisation, industrial tourism and circular economy, at national, provincial and city (county) levels



Everbright International has created its core competitive edge in areas like waste-to-energy grate furnace, leachate treatment, gas purification and automation technology, all of which have reached internationally-advanced standards.

The Group has set an R&D budget of RMB100 million, and enhances its industrial-academic research collaboration to encourage commercialisation of research results.

By focusing on innovation of technology and product, the Group has created a set of application technologies and products with Independent intellectual property rights.



As at 30 June 2018, the Group had been granted 25 software copyright licenses and 351 authorised patents, of which 56 were invention patents and 295 were utility invention patents.

The Group has established a multi-level R&D team covering different areas and professions, with the number of team members increasing to more than 500.

The Group was approved to establish a corporate substation under a national post-doctoral research center.

Corporate
Vision

> To Become a World-leading Ecological and Environmental Group

Corporate
Mission

> Devoted to Ecology and Environment for a Beautiful China

Corporate
Pursuit

> To Create more Business Value and Undertake More Social Responsibility

Development
Philosophy

> Taking Quality as the Top Mission, Keeping Efficiency as the Priority, and Pursuing Growth in Business Scale

Operation
Philosophy

> Pursuing Excellence and Close to Zero Discharge

Management
Philosophy

> People-oriented, Pragmatism, Creativity and Systematic Management

- Everbright International continued to enrich its management level talent pool across all business sectors. There are over 660 management personnel who will be the main and new power to support the future development of the Group.
- Through competition and selection processes, new project leaders and department heads were selected, and staff members were highly motivated, allowing those who have passion and vision to grow and unleash their potential in the right job positions.

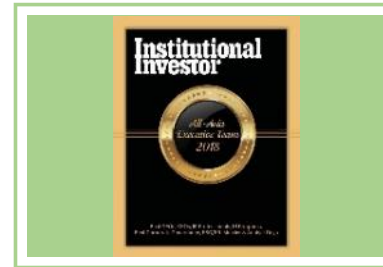
Advantages of Brand



Steady expansion and growth, backed by China Everbright Group's well-established "Everbright" brand



Strategic partners of the Belt and Road International Alliance for Green Development and the Ecological Protection and Green Development of the Yangtze River Economic Belt



2018 All-Asia (ex-Japan) Executive Team rankings "Most Honored Company"



MSCI China Index



Dow Jones Sustainability Index



Hang Seng Corporate Sustainability Index



Hang Seng China (Hong Kong-listed) 100 Index



FTSE4Good Index

Development Strategies



Three Strategic Considerations

A leading enterprise in
China's environmental
protection industry and
a world-renowned
environmental protection
company



Market
Status

We are witnessing
a golden era of
opportunities that
cannot be missed



Strategic
Timing

To become
a leading player
in global environmental
protection industry
in 5 to 10 years



Strategic
Positioning

Key National Policies Inspiring Market Opportunities and Contributing to Enterprises' Development

Ecological and environmental protection industry has entered into a new stage of development

- Ecological conservation has been written into the CPC's Constitution, elevating it to the status of a national goal and one of the "Five Key Civilisation Initiatives".
- China's state council established the Ministry of Ecology and Environment, advancing the country's system and capability relating to ecological conservation.
- The National Conference on Ecological and Environmental Protection was held to plan and develop fully-fledged strategies for the tough battle on environmental pollution control and prevention.

Steady progress in implementation of key national strategies

- Implementation of national strategic plans, such as the Beijing-Tianjin-Hebei integration, the Xiongan New Area, the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macau Greater Bay Area, and the Belt and Road initiative, are well under way.

Unprecedented supervision on environmental protection imposed by the central government

- Environmental protection companies are facing more stringent requirements, as environmental cost has become an internal concern for enterprises that produce waste.
- China's environmental protection industry has entered into a phase in which strong players are driving out the weak.

Standardised and rational management for the PPP market

- Tightened criteria for PPP projects have helped to standardise management of investments and financing by the local governments and the state-owned enterprises.
- Timely rectifications of the PPP program and effective measures have curbed local governments' implicit debt risks.
- Chinese President Xi Jinping said that the country should fully leverage market-oriented and diverse tools to support PPP projects.

Backed by the strategic, financial and mechanism supports from China Everbright Group, Everbright International will closely follow key national policies, adhere to its strategic focus, and make full effort to achieve its strategic goal of becoming a domestically-leading and world-class ecological and environmental group.

Five Key Strategic Focuses

Increase Business Scale

- Boost the Group's key business indicators, including revenue, asset, profit, treatment capacity, output, number of employee, etc.
- Seize opportunities arising from the golden era to boost the Group's business scale in five to ten years.
- Adopt endogenous growth and acquisition as key methods to increase the Group's business scale.

Broaden Service Scope

- Target to develop full-service and full industry chain.
- Expand new business areas, such as waste sorting and environmental sanitation integration, so as to extend the industry chain.
- Explore new business sectors, such as environmental remediation and atmospheric management, and environmental monitoring.
- Proactively explore new business model, such as asset-light business development path.

Enhance Technological Strength

- Uphold the Group's development ethos of "Technology Leads Development".
- Enhance investment in R&D, and boost R&D efficiency and proficiency.
- Accelerate recruitment of talent by improving relevant incentive mechanism.
- Enhance industrial-academic research collaboration to foster strength in tackling tough R&D projects.
- Carry out technological innovation planning to boost the Group's overall strength and core competitiveness.
- Facilitate technological innovation by leveraging opportunities arising from the Guangdong-Hong Kong-Macau Greater Bay Area initiative.

Expand Overseas

- Continuously increase the proportion of overseas investment in the Group's total investment.
- Enhance team building for the Group's overseas business and boost the team's overall capability.
- Expand the Southeast Asian market by leveraging advantages and experience from the Group's project in Vietnam.
- Expand market in central and eastern Europe by leveraging advantages and experience from the Group's project in Poland.
- Leverage the Belt and Road International Alliance for Green Development for future development.
- Pursue growth in both domestic and global markets.

Foster Flexible Management System

- Learn from good experience and practices in relation to corporate management and mechanism innovation.
- Continuously improve the Group's major management mechanisms in areas like market expansion, construction and operation management.
- Optimise the Group's human resources management system and incentive mechanism.

Six Strategic Areas of Work

Boost scale: strive to achieve world-class business scale in terms of asset, revenue, market capitalisation, treatment capacity, among others, in five to ten years.

Enhance efficiency: Uphold the concept of “Taking Quality as the Top Mission and Keeping Efficiency as the Priority” to boost efficiency and scale.

Strengthen quality of services: Pursue excellence and close-to-zero discharge, and strive to develop the Group’s projects into quality projects, demonstration projects and future-oriented conceptual plants and four “Withstands”.

Strengthen the quality of the brand: enhance corporate brand value by improving its advantages and capabilities, with an aim of growing from an outstanding domestic-leading Chinese company into an excellent world-class global enterprise.

Drive growth through innovation: Adhere to its principle of development driven by technology and innovation, improve overall business quality through technological innovation, drive business development through industrial innovation, improve efficiency through management innovation, and boost capabilities through innovation in business model.

Drive growth through talent management: Improve talent management and incentive mechanisms, by adhering to its “people-oriented”, “talent-driven” corporate development philosophy, as well as following the practices of retaining talent by giving every employee a career instead of a job, by building a family instead of just offering a place to work, and by providing additional benefits instead of just a basic compensation.



Part II

INFORMATION OF THE RIGHTS ISSUE



Overview of the Rights Issue

Issuer

- China Everbright International Limited

Stock Code

- 257.HK

Stock Exchange

- The Hong Kong Stock Exchange of Hong Kong Limited (“SEHK”)

Basis of the Rights Issue

- 10 rights share for every 27 existing shares held on the record date

Subscription Price

- HK\$6.00 per rights shares, representing a discount of 25.09% to TERP

Size of the Offering

- ~ HK\$9.962 billion

Underwriting Method

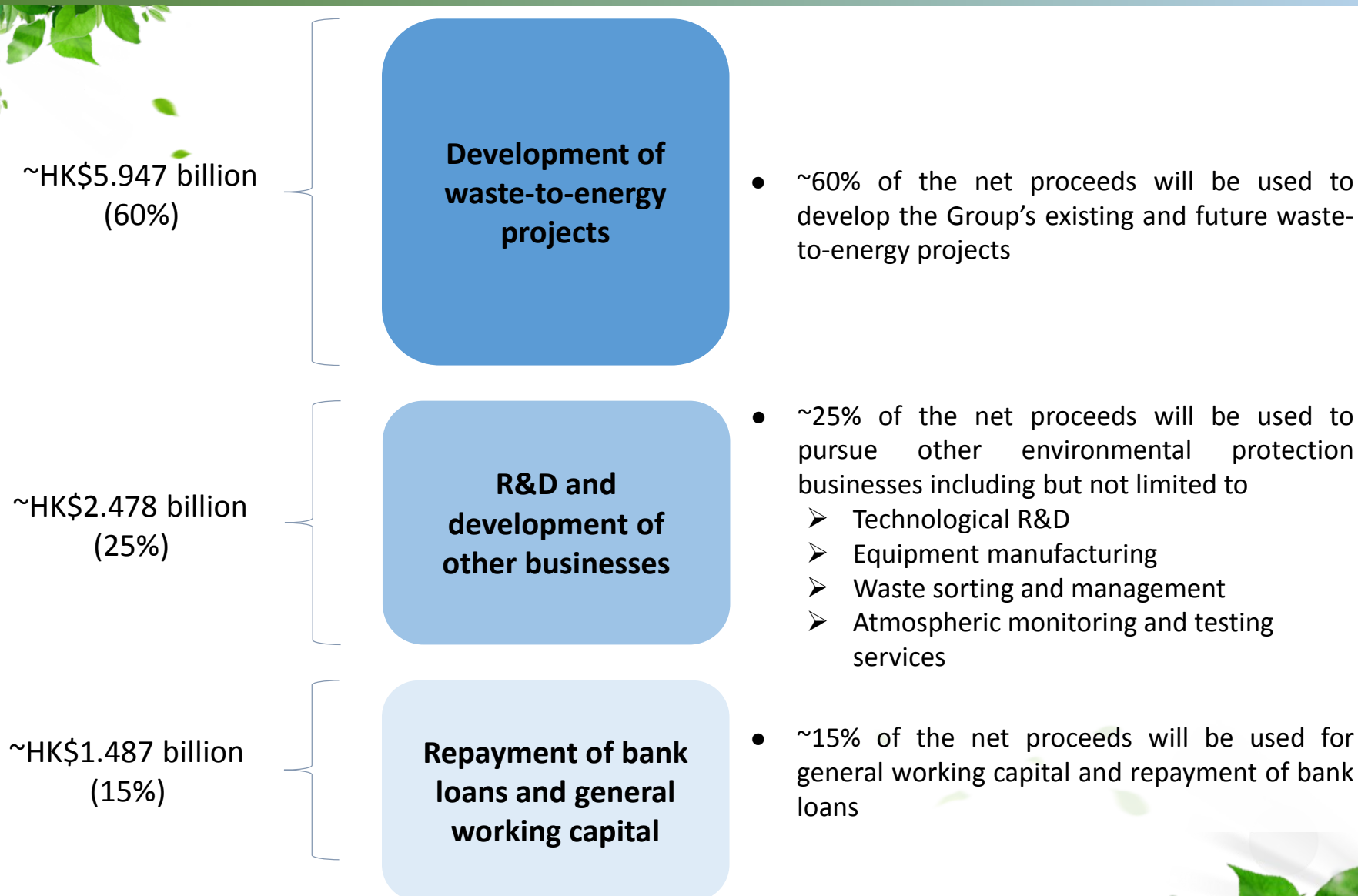
- The controlling shareholder irrevocably undertakes to take up i) 41.60% rights shares (representing its full provisional entitlement to the new shares under the rights issue); and ii) additional rights shares by excess application
- The remaining rights shares will be fully underwritten by the underwriter

Sole Underwriter



Note: The Group undertakes, from the date of the Underwriting Agreement to 90 days after the first day of trading of the Rights Shares on the SEHK, the Group will not allot or issue, pledge, lend, mortgage, purchase or enter into any transaction with the same economic effect, except under certain limited circumstances

Use of Proceeds

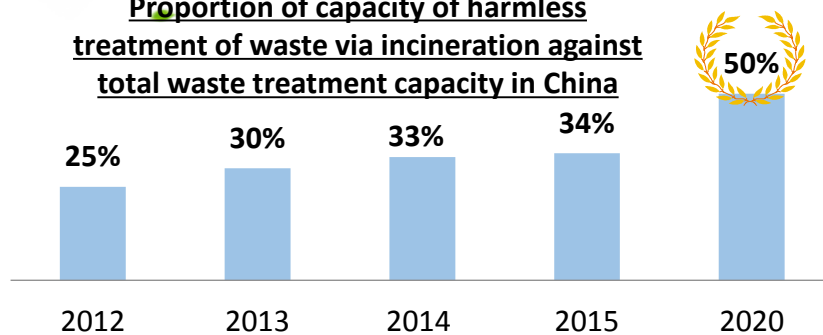


* Net of rights issue expense of approximately HK\$50 million

Capture of Opportunities arising from Robust Industrial Development

Seize opportunities arising from favorable policies and the industry

Proportion of capacity of harmless treatment of waste via incineration against total waste treatment capacity in China



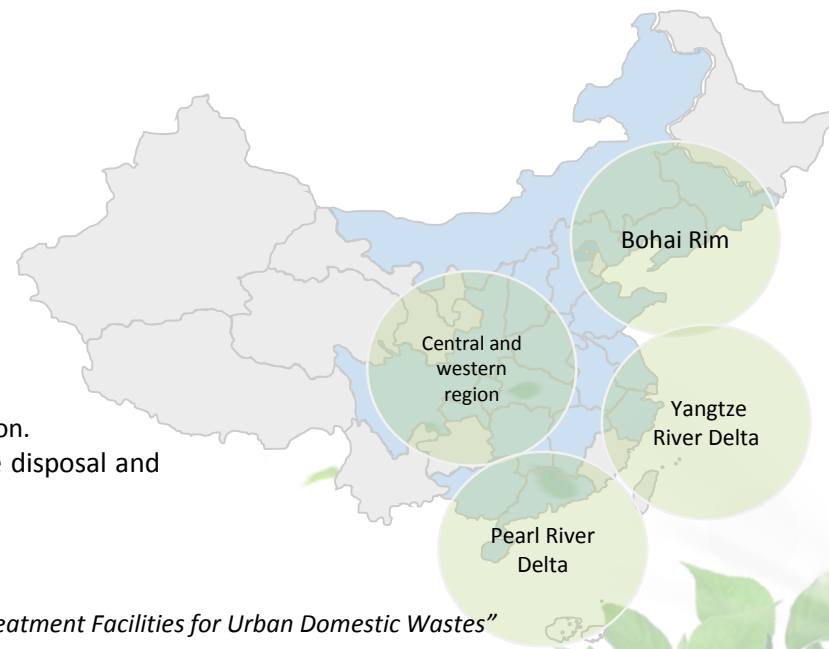
- During the 13th Five-Year Plan period, China's harmless treatment facilities for household waste command a total investment of **RMB251.84 billion**, with the proportion of the harmless treatment capacity increasing from 34% in 2015 to **50% in 2020**.
- The daily incineration capacity is expected to increase from 230,000 tonnes in 2015 to 600,000 tonnes in 2020, with **the absolute volume more than doubled**.
- **Many policies** were launched to regulate and support the planning, construction and operation of waste-to-energy projects.

Strategic planning in domestic market

- ✓ Seize development opportunities by conducting strategic planning in domestic areas with higher population density, better economic performance and higher per capital income, such as the Bohai Rim, the Yangtze River Delta, the Pearl River Delta, among other areas.
- ✓ Proactively explore domestic markets such as the central and western markets in China.

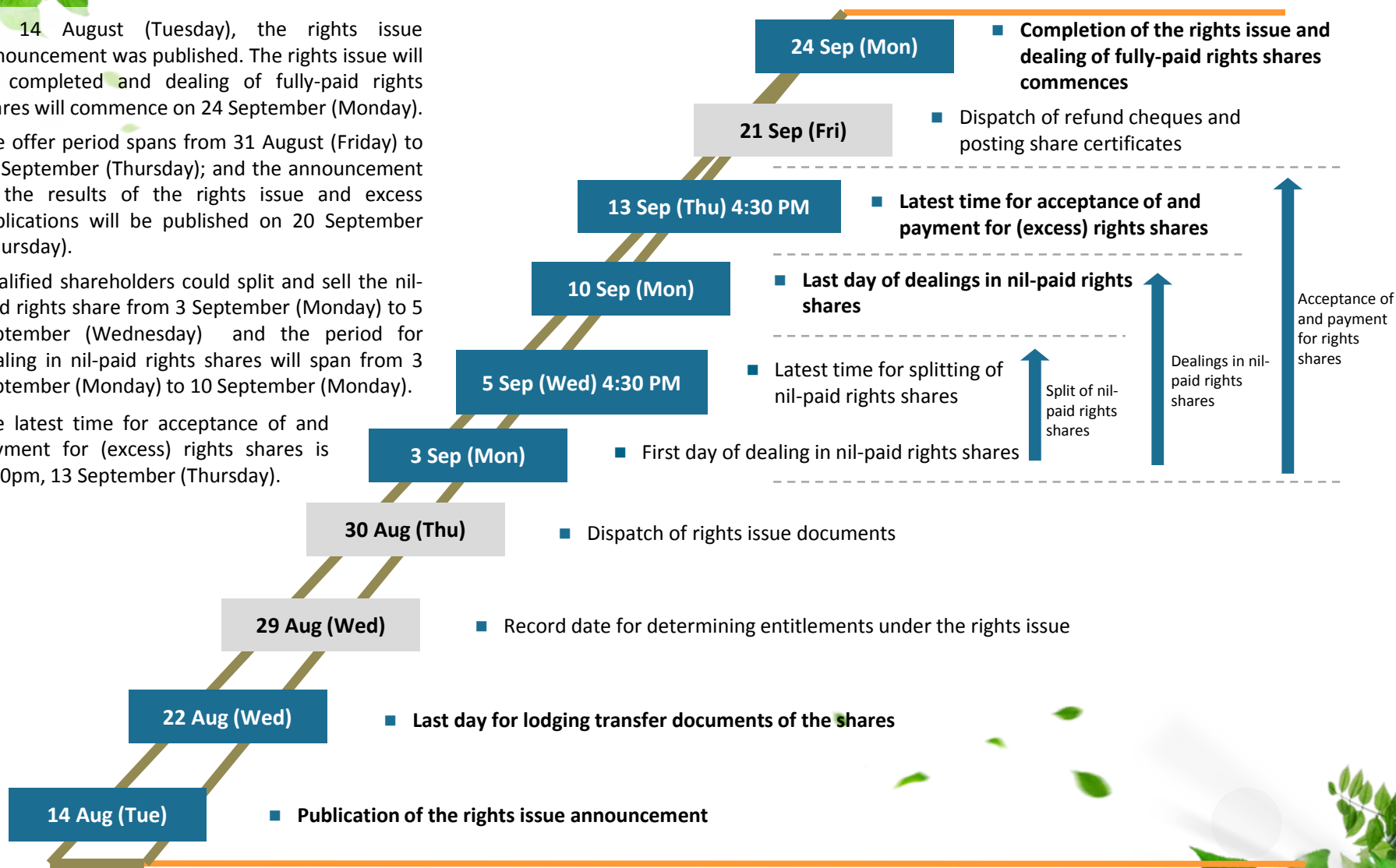
Active search for good M&A targets in China

- ✓ Seek good M&A targets that are able to:
 - ✓ potentially boost the Group's business scale;
 - ✓ bring upgrading opportunities;
 - ✓ and leverage the Group's strength in financing for EPS accretion.
- ✓ Expand the Group's industrial chain through M&A, such as waste disposal and other upstream businesses.
- ✓ Adopt good management experience to integrate M&A targets.



Timetable

- On 14 August (Tuesday), the rights issue announcement was published. The rights issue will be completed and dealing of fully-paid rights shares will commence on 24 September (Monday).
- The offer period spans from 31 August (Friday) to 13 September (Thursday); and the announcement of the results of the rights issue and excess applications will be published on 20 September (Thursday).
- Qualified shareholders could split and sell the nil-paid rights share from 3 September (Monday) to 5 September (Wednesday) and the period for dealing in nil-paid rights shares will span from 3 September (Monday) to 10 September (Monday).
- The latest time for acceptance of and payment for (excess) rights shares is 4:30pm, 13 September (Thursday).



Appendix – Business Overview



One-stop Integrated Environmental Solution Provider

Environmental Water

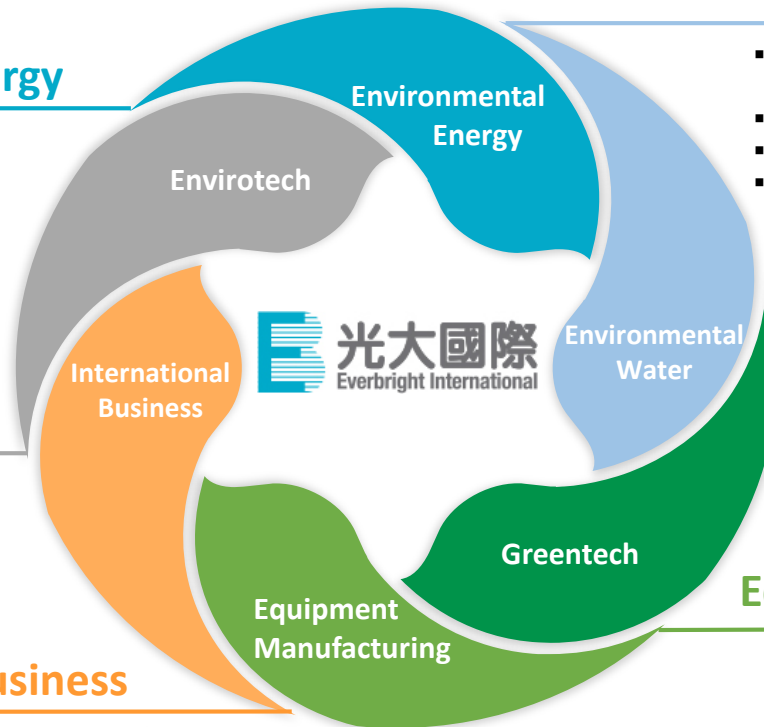
- Water Environment Management
- Waste Water Treatment
- Sponge City Construction
- River-Basin Ecological Restoration
- Water Supply
- Reusable Water
- Waste Water Source Heat Pump

Greentech

- Integrated Biomass Utilisation
- Hazardous Waste Treatment
- Environmental Remediation
- Solar Energy
- Wind Power

Equipment Manufacturing

- Equipment Manufacturing
- Technological Development
- Technical Consultancy
- Technical Services



Environmental Energy

- Waste-to-Energy
- Leachate Treatment
- Methane-to-Energy
- Sludge Treatment and Disposal
- Food Waste Treatment
- Environmental Protection Industrial Parks

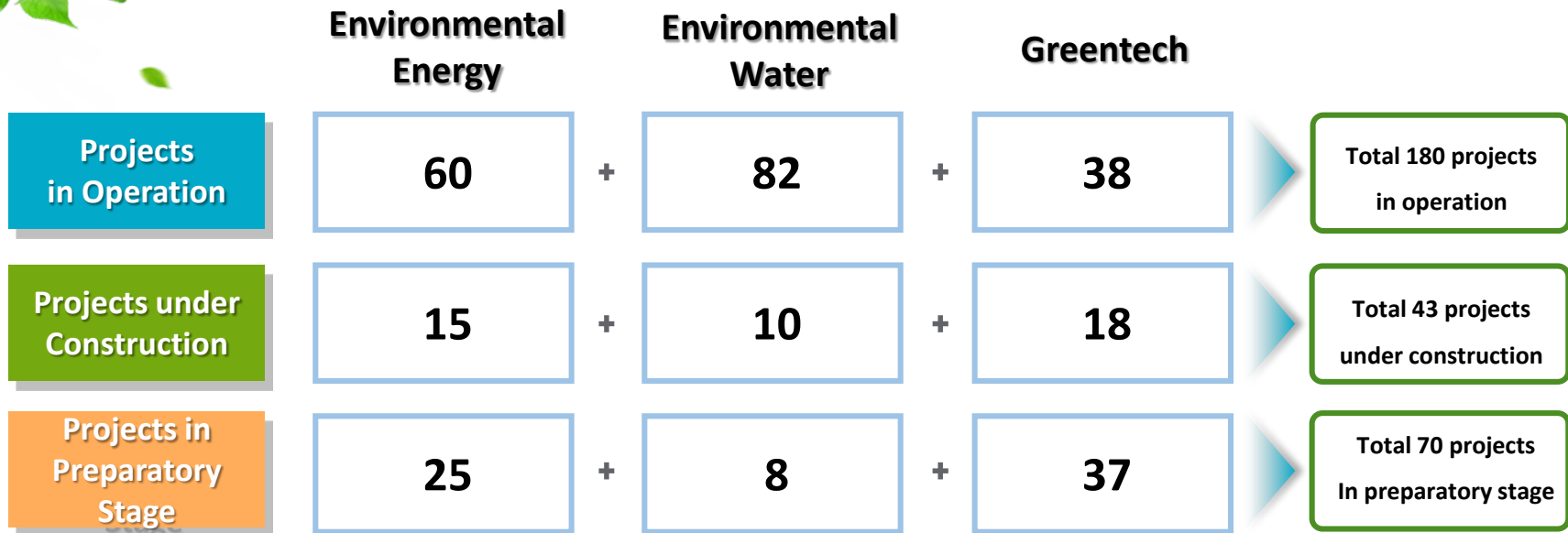
Envirotech

- Technology Management
- Technological R&D
- Engineering Design
- Analysis and Testing

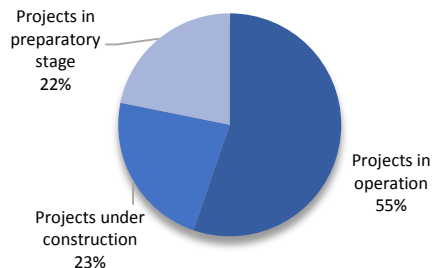
International Business

- Overseas Greenfield Investment
- M&As
- Exporting of Technologies

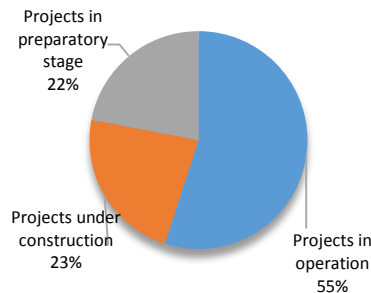
Strong Project Pipeline to Fuel Future Development



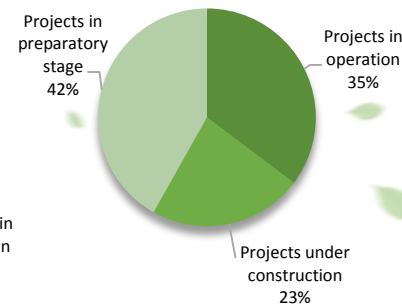
Total investment amounted to RMB41.0 billion



Total investment amounted to RMB17.0 billion



Total investment amounted to RMB23.1 billion



Note: this section only includes the three business sectors of the Group, namely Environmental Energy, Environmental Water and Greentech, excluding the rest business sectors.