

[Press release]



中國光大國際有限公司

**China Everbright International Limited****EVERBRIGHT INTERNATIONAL ANNOUNCES 2011 INTERIM RESULTS**

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**CONTINUOUS GROWTH IN TURNOVER AND PROFIT  
SUCCESSFULLY ENTERED INTO OVERSEAS MARKET**

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**EBITDA ON RECURRING BASIS INCREASED 46% TO HK\$661,806,000  
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS INCREASED 43%  
TO HK\$351,668,000**

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**FINANCIAL HIGHLIGHTS (unaudited)**

	For the six months ended		
	2011	2010	Change
	HK\$'000	HK\$'000	
Turnover	1,834,302	959,876	91%
Gross Profit	715,268	487,747	47%
EBITDA on recurring basis, of which	661,806	453,628	46%
- EBITDA contribution of environmental protection and alternative energy businesses	608,668	404,843	50%
- EBITDA contribution of infrastructure business	80,623	62,406	29%
Profit attributable to equity shareholders	351,668	245,134	43%
Basic earnings per share (HK cents)	9.61	6.73	43%
Interim dividend per share (HK cents)	2.0	1.0	100%

(Hong Kong, 24 August 2011) - China Everbright International Limited ("Everbright International" or "the Group") (SEHK: 00257), today announced its unaudited interim results for the six months ended 30 June 2011.

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In the first half of 2011, a number of construction projects were in full swing, driving revenue from construction services up. In addition, with the sustained increase in scale of operating projects and improvement of operating efficiency, revenue from operation services also recorded a steady growth. During the period under review, the Group's consolidated turnover amounted to HK\$1,834,302,000, an increase of 91% from HK\$959,876,000 in the same period last year. During the period, the EBITDA on recurring basis amounted to HK\$661,806,000, an increase of 46% from HK\$453,628,000 in the first half of last year. Profit attributable to equity shareholders during the period was HK\$351,668,000, a growth of 43% as compared to the same period last year. Basic earnings per share for the first half of 2011 were HK9.61 cents, HK2.88 cents more than HK6.73 cents in the same period last year.

During the period under review, to keep up with rapid development trend of the environmental protection and alternative energy industries, the Group has expanded businesses in both domestic and overseas markets. It has secured 9 new projects commanding a total investment of approximately RMB1.447 billion. Currently, the Group has secured 58 environmental protection and alternative energy projects commanding a total investment of approximately RMB12 billion. Of these projects, those with construction already completed had a total investment amounting to approximately RMB5.772 billion, whereas those under construction accounted for a total investment of about RMB2.619 billion. The estimated total investment of projects still at the preparatory stage was approximately RMB3.634 billion. Those projects under construction or preparation will lay a solid foundation of the future sustainable rapid growth of the Group.

During the period under review, the turnover from the environmental protection and alternative energy businesses reached HK\$1,748,642,000 (construction service revenue: 65%, operation service revenue: 21%, finance income and finance lease income: 14%), an increase of 96% as compared to the same period in 2010 and accounting for 95% of the Group's total turnover, 2 percentage points higher than that in 2010. The EBITDA amounted to HK\$608,668,000, a rise of 50% when compared to the last corresponding period and accounting for 92% of the Group's total EBITDA.

During the period under review, the Group has processed household and industrial solid waste of 992,000 tonnes and generated green electricity of 307,984,000 kWh, which can fulfill the electricity consumption of approximately 257,000 households per year and is equivalent to coal savings of 123,000 tonnes and reducing carbon dioxide (CO<sub>2</sub>) emissions by 308,000 tonnes (including the Suzhou Landfill Methane-to-Energy Project). Meanwhile, the Group has processed 230,262,000 m<sup>3</sup> of waste water and leachate from waste-to-energy plants and reduced COD emission by 86,115 tonnes.

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## **Environmental Energy**

As at 30 June 2011, the Group's environmental energy business comprised 12 waste-to-energy projects and 4 industrial solid waste landfill projects, commanding a total investment of RMB5.4 billion. The designed total capacity included an annual household waste capacity of approximately 3,850,000 tonnes which is capable of producing an annual on-grid electricity of approximately 1,071,000,000 kWh. The annual safe landfill capacity of industrial solid waste is approximately 100,000 m<sup>3</sup>.

During the period under review, the environmental energy projects of the Group altogether processed 992,000 tonnes of household waste, 23,000 m<sup>3</sup> of industrial solid waste and generated on-grid electricity of 239,671,000 kWh, an increase of 8%, 21% and 11% respectively against the same period last year. The environmental energy projects brought an EBITDA of HK\$372,248,000, representing a rise of 72% against the last corresponding period.

During the period under review, Yixing Environmental Protection Veinous Industrial Park and Suqian Hazardous Waste Landfill Project were added in the environmental energy business. Yixing Veinous Industrial Park is the sixth industrial park project following the ones in Suzhou, Changzhou, Suqian, Zhenjiang and Shandong Yantai. Suqian Hazardous Waste Landfill Project is also the largest hazardous waste landfill project in Subei area. These demonstrated the municipal governments' support to Everbright International's concept on "centralised planning, logical arrangement, better land utilisation and centralised handling".

In order to consolidate its leadership and set an example in the waste-to-energy industry in the PRC, during the period under review, the Group conducted works to upgrade its operating projects in accordance with the Euro 2000 Standard which is currently the highest standard in the world. Among all of its projects, the Suzhou Waste-to-energy Project was the first to complete the upgrade, consolidating its position as the largest waste-to-energy project under operation in the PRC adhering to the highest standards. The self-developed grate furnace and automatic control systems used in Phase II of the Jiangyin Waste-to-energy Project have shown satisfactory operational results. This equipment has outperformed imported machinery and is better suited for the waste-to-energy process in the PRC with a low calorific value. The application for the 7% increment in the waste processing fee at the Changzhou Waste-to-energy Project in accordance to the concession requirement has also been approved.

## **Environmental Water**

As at 30 June 2011, the Group's environmental water sector comprised a total of 18 waste water treatment projects, 3 reusable water projects and 1 surface water project with a total investment of RMB3.7 billion. The designed annual waste water treatment capacity of the sector is approximately 566,000,000 m<sup>3</sup>, as well as providing 13,000,000 m<sup>3</sup> of reusable water and handling 36,500,000 m<sup>3</sup> of surface water annually.

In the first half of 2011, the environmental water projects treated 230,262,000 m<sup>3</sup> of waste water, an increase of 9% as compared with the same period last year. These operations brought an EBITDA of HK\$179,715,000, a decline of 2% against the same period last year. The decrease in profit during the period was mainly due to the decrease in construction service revenue which offset the growth of operation service revenue driven by the rise in waste water treatment volume.

During the period under review, the Group's environmental water sector implemented 3 reusable water projects. The Zibo Reusable Water Project and Jinan Reusable Water Project have been completed, laying a solid foundation for the further expansion of the environmental water sector. The application for the 15% increment in the waste water treatment fee at the Zibo Waste Water Treatment Project in accordance with the concession requirement has been approved. Both of the waste water treatment plants in Jinan and Zibo have been designated as "2010 Urban Waste Water Treatment Demonstration Unit of the Province" and the Jinan Waste Water Treatment Plant was ranked first in the province.

## **Alternative Energy**

Aware of the trend towards alternative energy, the Group has strived to develop alternative energy businesses such as photovoltaic energy, biomass power generation and wind power. This initiative has allowed the Group to maintain its leadership in the industry. As at 30 June 2011, the Group has already secured 19 alternative energy projects, including 8 photovoltaic energy projects, 6 biomass power generation projects, 3 methane-to-energy projects and 2 waste water source heat pump project with a total investment of approximately RMB2.9 billion, a total designed annual processing capacity of approximately 1,750,000 tonnes of agricultural waste, and annual on-grid electricity of 1,172,000,000 kWh.

During the period under review, the Group's alternative energy projects have provided a total of 15,143,000 kWh of on-grid electricity, and brought an EBITDA of HK\$56,705,000, representing an increase of 904% as compared to the same period last year. The rise in profit is mainly attributable to the recognition of construction service revenue generated by the ongoing construction of the Dangshan Biomass Power Generation Project. Moreover, the commencement of operation of 3 photovoltaic energy projects also contributed to the rise in the Group's overall profit.

During the period under review, the alternative energy business has also been growing rapidly. Of the 9 newly added projects of the Group in the first half of the year, 7 of them were alternative energy projects. These included German Ground Photovoltaic Energy Project, Phase II of the Suqian Rooftop Photovoltaic Energy Project, Zhenjiang Rooftop Photovoltaic Energy Project, Changzhou Rooftop Photovoltaic Energy Project, Laiyang Biomass Power Generation Project, Hanshan Biomass Power Generation Project and Phase II of the Zibo Waste Water Source Heat Pump Project. The German Ground Photovoltaic Energy Project, the first overseas project of the Group, was secured in March 2011. Through the operation of the German Ground Photovoltaic Energy Project, the Group aims to enhance the level of construction, management and operation of the mainland photovoltaic energy projects. The Group has also continued to develop wind power projects and is conducting data analysis at its wind power project in Muping District, Yantai and conducting wind measurement tests at its wind farm in Ningwu County within Shanxi Province. The preliminary indicators are better than expected.

### **Environmental Protection Engineering**

Environmental protection engineering is the key business sector which supports construction of all of our environmental protection and alternative energy projects. Regardless of the scale and size of investment in a project, Everbright International has insisted on its belief of "producing quality facilities and building a brand" in carrying out its construction work of each project. In 2011, we have the highest number of construction projects since we initiated development of environmental protection industry. Currently, 28 projects are under construction or in the preparatory stage, commanding a total investment of RMB6.39 billion. Of which, certain projects will gradually complete construction and commence commercial operation. During the period under review, the Group has completed the reusable water projects in Jinan and Zibo, as well as the Huaining Photovoltaic Energy Project. In the coming six months, the Group will have to handle and complete several important construction projects, including Dangshan Project, the Group's first biomass power generation project, 3 waste-to-energy projects in Jinan, Zhenjiang and Suqian and 4 photovoltaic energy projects in Germany, Suqian, Zhenjiang and Changzhou. The completion of these projects is expected to further increase the Group's operating profit. The construction and operation of these projects have enabled the Group to continuously strengthen its technology and management capabilities, enabling it to

implement a wider range of quality engineering projects while building its core competitiveness.

### **Environmental Protection Technology**

In the first half of 2011, the Group has also developed its grate furnaces and an automatic control system with a daily waste processing capacity of 400 tonnes, which were installed at Phase II of the Jiangyin Project. In addition, the Group developed grate furnaces and an automatic control system with respective daily waste processing capacities of 350 tonnes and 300 tonnes. Both had been installed at the Zhenjiang and Suqian waste-to-energy projects where the trial run has proceeded smoothly. To extend the industry chain, the Group has completed preliminary solutions for the development of sludge dehydration equipment and modifier, technology for small-scale waste water treatment projects and small-scale waste-to-energy projects and treatment of kitchen waste, electronic waste and construction waste. It has also conducted research on refining biomass into ethanol and methane, aiming to establish a foundation for the continuous expansion of its business scope and sustainable development. To develop the environmental protection equipment manufacturing business, the Group has invested in building a production base in Changzhou, Jiangsu to manufacture grate furnaces, biomass furnaces, sludge treatment and emission purification equipment. Upon completion of construction, the production base would provide a solid foundation enabling the Group to advance from the downstream to the midstream of the environmental protection industry, where the Group could produce and utilise self-developed equipment and production lines, thereby creating another new business segment. Upon completion, the production base would open a new income source for the Group and generate promising returns for its shareholders.

During the period under review, the Group has newly obtained 5 invention patents. There are totally 21 patents. Of which, 8 are invention patents and 13 are utility patents.

### **Infrastructure Business**

Located at the major transportation hubs in the Fuzhou City of Fujian Province, traffic flow of Qingzhou Bridge has been steadily increasing since the opening in 2003, contributing steady cash flow for the Group. In the first half of 2011, the average daily number of standard vehicles crossing the bridge was increased by 21% to 50,919 as compared to corresponding period last year. During the period under review, the project generated an EBITDA of HK\$80,623,000 to the Group, a rise of 29% as compared with corresponding period last year. With its prime location and increasing transportation needs in the region, it is expected that the traffic volume of Qingzhou Bridge will keep steadily increasing.

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Mr. Chen Xiaoping, Chief Executive Officer of Everbright International, concluded, “The Government has designated the environmental protection and energy saving industry as the pillar of the seven emerging industries, and is offering strong support for its development. Everbright International has captured the golden opportunities created from this favourable national policy by focusing on the development of environmental protection and alternative energy operations. Capitalizing on our strong R&D capability, we continue to develop the market of environmental protection equipment manufacturing. By extending our reach to midstream and upstream operations step by step, we are also expanding into alternative energy markets within China and overseas, including photovoltaic energy, biomass power generation and wind power projects. Through this expansion we are consolidating our presence in the environmental protection business and contributing to the green industry in the PRC while bringing better returns for our shareholders”.

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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, biomass power generation, solar photovoltaic energy, wind power, methane-to-energy, solid waste landfill, waste water treatment, reusable water, environmental protection engineering, technological research and development, environmental protection equipment manufacturing as well as planning and construction of environmental protection industrial parks etc.

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