

**EVERBRIGHT INTERNATIONAL ANNOUNCES 2017 INTERIM RESULTS**

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**REVENUE AND PROFIT HIT RECORD HIGHS**
**Financial Highlights**

For the six months ended 30 June

	<b>2017</b>	2016	
	<b>HK\$'000</b>	HK\$'000	Change
Revenue	<b>9,142,144</b>	5,420,698	69%
Gross Profit	<b>3,307,648</b>	2,253,095	47%
EBITDA	<b>3,260,177</b>	2,198,118	48%
Profit attributable to equity holders of the Company	<b>1,795,568</b>	1,208,912	49%
Basic earnings per share (HK cents)	<b>40.06</b>	26.96	49%
Interim dividend per share (HK cents)	<b>12.0</b>	7.5	60%

**Hong Kong, 15 August 2017** – China Everbright International Limited (the “Company”, together with its subsidiaries, collectively the “Group”) (SEHK: 00257), today announced its unaudited interim results for the six months ended 30 June 2017 (the “period under review”).

In the first half of 2017, the Group closely aligned itself with national strategic initiatives and leveraged its talent, science and technology to simultaneously drive the development of its 6 major business sectors, namely envirotech, environmental energy, environmental water, greentech, equipment manufacturing and international business. All business sectors have embarked on a dynamic development path towards a greater degree of specialisation, where each possesses its own unique characteristics and clear-cut operating position. At the same time, it tapped into new markets to explore new business opportunities through various methods, channels and models. In addition, the Company successfully listed its greentech business on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEx”) on 8 May 2017. This marked another breakthrough for the Company following the spin-off listing of its environmental water business on the Singapore Exchange Securities Trading Limited (“SGX”) in 2014. The listing of Everbright Greentech has also unlocked the asset value of the Group’s greentech business.

During the period under review, the Group's revenue, profit before tax and profit attributable to equity holders of the Company all recorded robust growth. The construction projects continued to progress rapidly with the number of projects under construction at record highs, resulting in substantial growth in construction service revenue. During the period under review, the Group's consolidated revenue amounted to HK\$9.142 billion, an increase of 69% as compared with the first half of 2016. The EBITDA amounted to HK\$3.260 billion, an increase of 48% as compared with the first half of 2016. Profit attributable to equity holders of the Company was HK\$1.796 billion, an increase of 49% as compared with the first half of 2016. Basic earnings per share for the first half of 2017 were HK40.06 cents, HK13.1 cents more than that in the first half of 2016. The Group has ready access to financing channels, with an abundance of cash on hand which continues to rise, and it performed well in all financial indicators.

In terms of market expansion, during the period under review, the Group secured a total of 21 new projects and signed 2 supplemental agreements, with a total investment amounted to approximately RMB8.987 billion. The new projects included 5 environmental energy projects, 6 environmental water projects and 10 greentech projects. The 2 supplemental agreements included one for Shandong Heze Waste-to-energy Project regarding an increase in the project's daily waste processing capacity by 400 tonnes, and the other one for Jiangsu Huaiyin Integrated Biomass and Waste-to-energy Project (Waste-to-energy) regarding an increase in the project's daily waste processing capacity by 500 tonnes.

In terms of project construction, during the first half of 2017, the Group continued to live up to its philosophy of "Producing Quality Projects and Building a Quality Brand". The number of project construction sites amounted to as many as 53. Of which, 13 projects completed construction and commenced operation, while 13 projects started construction during the period. The completion and operation of a large number of high quality and benchmark projects offer a new source of growth for the Group's development.

As at 30 June 2017, the Group secured 236 environmental protection projects with a total investment of approximately RMB62.143 billion, while projects that completed construction commanded a total investment of approximately RMB28.858 billion. Projects under construction commanded investment of approximately RMB14.001 billion and projects in the preparatory stage commanded investment of approximately RMB19.284 billion.

During the period under review, the environmental energy, environmental water and greentech projects generated total revenue of HK\$8.874 billion, of which construction service revenue increased by 84% to HK\$6.131 billion and operation service revenue increased by 44% to HK\$1.834 billion, as compared with the corresponding period in 2016. The proportion of revenue were as follows: construction service revenue 69%, operation service revenue 21% and finance income 10%.

### ***Envirotech***

During the period under review, the Group was committed to strengthening its technology management team and recruiting talent with expertise in technology from home and abroad in order to support the establishment of its technological R&D platform, which will spur the growth of other business sectors. During the period under review, the envirotech business sector launched various R&D projects, explored new project management models and made progress in certain researches. Specifically, the first standard prototype unit of the Group's self-developed 850 tonnes/day grate furnace was manufactured for trial; substantial progress was achieved in the development of reciprocating water-cooled biomass grate furnace, plasma melting system for hazardous ash treatment and PNCR technology; and the fourth generation of leachate treatment technology was also under development.

During the period under review, the Group was granted 2 software copyright licenses and 36 patents, of which 4 were invention patents and 32 were utility invention patents. The Group will continue to step up efforts to advance its R&D capabilities to achieve business growth, support its expansion and develop sustainably.

### ***Environmental Energy***

During the period under review, the Group's environmental energy projects processed a total of 5.218 million tonnes of household waste, an increase of 24% as compared with the first half of 2016. All projects generated a total 1.521 billion kWh of on-grid electricity, an increase of 29% when compared with the first half of 2016. Environmental energy projects contributed an EBITDA of HK\$1.988 billion, an increase of 48% as compared with the first half of 2016. Environmental energy projects contributed the net profit attributable to the Group of HK\$1.315 billion, an increase of 52% as compared with the corresponding period last year. The increase in profit was mainly attributable to the significant increase in construction service revenue during the period, as well as the increase in operation service revenue, which was boosted by continuing increases in the total processing volume of operating projects.

## Press Release

In the first half of 2017, the Group tapped into a fiercely competitive market with a strong sense of social responsibility. The Group secured 4 waste-to-energy projects, acquired 1 food waste treatment project and signed a waste-to-energy project supplemental agreement, which commanded a total investment over RMB1.900 billion. Its designed daily household waste processing capacity increased by 3,100 tonnes and its total daily waste processing capacity grew to 55,550 tonnes, which ensured the Group stayed ahead within the industry.

Regarding project construction, during the period under review, the Group's 6 waste-to-energy projects and 1 food waste treatment project completed construction and commenced operation. The Group also acquired Sanya Food Waste Treatment Project and commenced to provide operation management service to Dongguan Machong Waste-to-energy Project, the Group's entrusted operation project. During the period under review, the Group had 8 waste-to-energy projects under construction, including its first overseas waste-to-energy project, Can Tho Waste-to-energy Project in Vietnam, which commenced construction at the end of June, and is expected to complete construction and commence operation in 2018.

Additionally, the Group secured 3 waste-to-energy projects during the post-results period, which added 5,000 tonnes to the aggregated daily household waste treatment designed capacity and commands a total investment of RMB2.684 billion.

### ***Environmental Water***

During the period under review, the Group's environmental water projects treated 568 million m<sup>3</sup> of waste water, an increase of 5% when compared with the same period in 2016. Environmental water projects had an EBITDA of HK\$551 million, an increase of 28% when compared with the same period in 2016. The environmental water projects' net profit attributable to the Group was HK\$196 million, an increase of 40% when compared with the first half of 2016. The increase was partly due to the continuous growth of construction revenue recognised and the profit in the last corresponding period included the recognition of the exchange loss arising from borrowings pegged to USD drawn for acquisition of Dalian Dongda Water Co. Ltd. and additional tax expenses as a result of changes in tax calculation of a project pursuant to the requirements of local tax bureau.

As at the end of 30 June 2017, the Group has a 74.85% stake in China Everbright Water Limited ("Everbright Water"). During the period under review, Everbright Water secured 6 new projects with an investment of approximately RMB4.264 billion. Aside from its strong development in the waste water treatment field, Everbright Water also ventured into new realms and achieved new

technological breakthrough by making progress in water environment management, water resources integrated utilisation, urban-rural water supply and green water services.

In terms of project construction, during the period under review, Everbright Water had 11 new projects under construction, of which 4 newly commenced construction and 3 were completed construction. During the period under review, a number of Everbright Water's projects confirmed tariff hikes within the range of 19% to 86%.

During the post-results period, Everbright Water secured 2 waste water treatment projects, adding a total daily waste water treatment capacity of 60,000 m<sup>3</sup> with an investment of approximately RMB281 million. In addition, on 21 July 2017, Everbright Water entered into an underwriting agreement with the relevant financial institution in relation to the proposed issue of RMB-denominated corporate bonds with an aggregate principal amount of not exceeding RMB2.5 billion to the qualified investors in China, the proceeds of which will be used partly for repayment of the existing indebtedness and replenishment of its general working capital, and partly for construction of its green projects and repayment of project borrowings of its green projects. On 24 July 2017, Everbright Water issued the first tranche of the corporate bonds with principal amount of RMB1 billion, with a maturity period of 5 years from the issue date. The proceeds from the issue of the first tranche of the corporate bonds are used for repayment of the existing indebtedness and replenishment of its general working capital.

### ***Greentech***

During the period under review, the Group's greentech projects provided a total of 762 million kWh of on-grid electricity, an increase of 103% as compared with the same period last year. Greentech projects contributed an EBITDA of HK\$729 million, a 53% increase over the same period last year, and its net profit attributable to the Group was HK\$431 million, a 37% increase over the same period last year. The increase in profit was mainly due to the significant increase in both the construction service revenue and the operation service revenue as compared with the same period last year.

As at the end of 30 June 2017, the Group has a 69.7% stake in China Everbright Greentech Limited ("Everbright Greentech"). The successful listing of Everbright Greentech on the Main Board of the HKEx made it the Group's second business sector to tap into the international capital market through a separate listing.

During the period under review, Everbright Greentech secured 10 new projects and signed a supplemental agreement, commissioning a total investment of approximately RMB2.823 billion. In terms of project construction, the number of construction projects amounted to 15, of which 3 have been completed construction and commenced operation during the period.

### ***Equipment Manufacturing***

As the Group restructured its businesses, equipment manufacturing emerged as one of the 6 core business sectors. During the period under review, equipment manufacturing focused on the R&D of equipment and continued to explore and improve its technology to enhance effectiveness and control costs. The Group also cooperated with external parties to enhance its own knowledge of equipment manufacturing and to identify areas that do not work in order to develop highly effective and targeted products which can cater to different needs in overseas and local markets.

During the period under review, the Group completed the production and commissioning of 23 sets of grate furnaces, 14 sets of flue gas purification systems and 9 sets of leachate treatment systems to cope with the construction pace of projects under construction. In addition, the Group continued to actively explore the external sales market and sold 7 entire sets of equipment in the first half year of 2017, with a total sales contract value of approximately RMB194.6 million.

### ***International Business***

During the period under review, the Group established international business as an independent business sector, an important milestone for its “from Domestic to Overseas Markets” development strategy. In the spirit of the Chinese government’s “One Belt One Road” initiative, the Group established an overseas investment platform and adopted a much more open attitude towards seeking cooperation across a wider-range of areas. In order to achieve win-win results overseas, the Group will take full advantage of partnerships and its network. During the period under review, the Group carried out a number of fruitful activities in countries that fall within the scope of the “One Belt One Road” initiative, such as those in Southeast Asia, South Asia, Central and Eastern European as well as the Middle East. This helped the Group accumulate overseas market development experience.

**Mr. Chen Xiaoping, CEO of Everbright International**, said: “China is placing ever greater emphasis on the building of an ecological civilization, with green and low-carbon development becoming a mainstream of social and economic development, the unprecedented support of the central government and local governments, and increasing demand for the environmental restoration.

## Press Release



Given this trend, as a leading enterprise in China’s environmental protection industry, the Group will utilise its integrated capabilities to construct quality projects with high standards. It will be ambitious in its endeavour to undertake responsibility as an environmental protector, and will fulfil its promise to take actions on issues pertaining to environmental governance.”

**Mr. Chen** added: “In the future, in line with China’s integrated development strategy, the Group will proactively facilitate the concurrent growth of its 6 major business sectors, and adhere to the ‘Three Strategies’, namely the ‘One Belt One Road’ initiative, the Beijing-Tianjin-Hebei region coordinated development strategy and the Yangtze River Economic Belt development strategy. In the meantime, the Group will continue to uphold its ‘Technology Leads Development’ ethos as its main development theme, strongly promoting the development of core technology so as to continuously power the development of every business sectors. Through over a decade’s hard work to build up the knowledge and experience, and supported by the country’s favourable policies, the Group will, as always, bear a strong sense of social responsibility, adhere to the core value that ‘An Enterprise is not only the Creator of Wealth, but also the Safeguard of Environmental and Social Responsibility’, firmly grasp the right directions, and sail fast to reach new heights.”

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**About China Everbright International Limited**

China Everbright International Limited, a flagship company in the industrial investment sector of China Everbright Group Ltd., is listed on the Mainboard of The Stock Exchange of Hong Kong (“Hong Kong Stock Exchange”). Everbright International is a leading player in China’s environmental protection industry, and the first one-stop integrated environmental solution provider in the country. It leverages talent, science and technology to develop all of its 6 major business sectors, namely envirotech, environmental energy, environmental water (China Everbright Water Limited is listed on the Mainboard of the Singapore Exchange Securities Trading Limited), greentech (China Everbright Greentech Limited is listed on the Mainboard of the Hong Kong Stock Exchange), equipment manufacturing and international business. It also manages a large number of industry-leading, world-class projects, in the areas of waste-to-energy, water environment management, biomass integrated utilisation, hazardous waste treatment, solar energy, wind power, environmental protection engineering, technological research and development, environmental protection equipment manufacturing, and the planning and construction of environmental protection industrial parks.

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