

[Press release]



China Everbright International Limited
中國光大國際有限公司

EVERBRIGHT INTERNATIONAL ANNOUNCES 2011 ANNUAL RESULTS

**OPERATING RESULTS ACHIEVED NEW HEIGHT
CAPTURING OPPORTUNITIES PRESENTED BY NATIONAL
ENVIRONMENTAL PROTECTION POLICY UNDER 12TH FIVE-YEAR PLAN**

TURNOVER INCREASED 25% TO HK\$3,663,563,000

EBITDA ON RECURRING BASIS INCREASED 36% TO HK\$1,439,571,000

**PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS
INCREASED 30% TO HK\$801,441,000**

FINANCIAL HIGHLIGHTS

	For the year ended		
	31 December		
	2011	2010	Change
HK\$'000	HK\$'000		
Turnover	3,663,563	2,929,415	25%
Gross profit	1,575,127	1,145,764	37%
Gross profit margin	43%	39%	4%
EBITDA on recurring basis	1,439,571	1,059,858	36%
Profit attributable to equity shareholders	801,441	616,433	30%
Basic earnings per share (HK cents)	21.86	16.92	29%
Return on shareholder's equity	14%	12%	2%
Total dividends (HK cents)	4.5	2.5	80%

(Hong Kong, 20 February 2012) China Everbright International Limited ("Everbright International" or "the Group") (SEHK: 00257), today announced its audited annual results for the year ended 31 December 2011.

The Central Government has launched a series of measures to boost both the economy as well as the seven emerging strategic industries in 2011. The national emphasis of promoting energy conservation and emission reduction to spur successful transformation of Chinese economy has presented huge development opportunities to the Group. The year 2011 has witnessed a robust performance as the Group embarks on the new stage of development. During the year, operating results of the Group achieved new heights with profit before taxation exceeding RMB1 billion for the first time, and the Group also enjoyed a greater improvement in operations efficiency in comparison to the scale of operations. In addition, the Group currently boasts its highest-ever number of projects commencing commercial operation. In 2011, there were a total of 13 projects completed construction and commenced commercial operation. They have not only generated construction service revenue to the Group, but also created a new growth driver for the Group.

During the year under review, the Group's consolidated turnover amounted to HK\$3,663,563,000, an increase of 25% from HK\$2,929,415,000 of 2010. The EBITDA on recurring basis amounted to HK\$1,439,571,000, a rise of 36% from HK\$1,059,858,000 of last year. Profit attributable to equity shareholders of the Company for the year of 2011 was HK\$801,441,000, 30% more than the HK\$616,433,000 of 2010. Basic earnings per share were HK21.86 cents, HK4.94 cents more than the HK16.92 cents in the previous year.

During the year under review, to keep pace with the rapid development of the environmental protection and alternative energy industries, the Group has expanded its businesses in both domestic and overseas markets. It has captured 11 new projects commanding a total investment of approximately RMB1.873 billion. The turnover from the environmental protection and alternative energy business sectors reached HK\$3,485,393,000 (construction service revenue: 61%, operation service revenue: 24%, finance income: 15%). This marked an increase of 25% compared to 2010 and accounted for 95% of the Group's total turnover, same as that in 2010. The EBITDA amounted to HK\$1,359,579,000, a rise of 40% when compared to the previous year and accounted for 94% of the Group's total EBITDA.

Up to the end of 2011, the Group has secured 59 environmental protection and alternative energy projects with a total investment of approximately RMB11.914 billion. Of these projects, those with construction already completed accounted for a total investment of approximately RMB7.785 billion, while those currently under construction have a total investment of about RMB1.298 billion. The estimated total investment of projects still in the preparatory stage was approximately RMB2.831 billion. Subsequent to 31 December 2011, the Group further secured 1 new project, namely Nanjing Waste-to-energy Project commanding a total investment of approximately RMB1,030,218,000.

Environmental Energy

As at 31 December 2011, the Group has 12 waste-to-energy projects, 4 industrial solid waste landfill projects and 7 environmental protection industrial parks that carried a total investment of approximately RMB5.375 billion. The facilities are designed with an annual capacity to process approximately 3,850,000 tonnes of household waste which can in turn produce approximately 1,071,000,000 kWh of electricity annually. The annual industrial safe solid waste landfill capacity is approximately 100,000 m³. During the year under review, the environmental energy projects of the Group together processed a total of 2,442,000 tonnes of household waste, 46,000 m³ of solid waste and generated on-grid electricity of 553,037,000 kWh, an increase of 28%, 21% and 24% respectively compared with last year. The environmental energy projects brought an EBITDA of HK\$820,373,000, an increase of 40% over last year.

To consolidate its leadership in the waste-to-energy industry, the Group upgraded its operating projects in accordance with the Euro 2000 Standard (currently the most stringent standard in the world). The Group has become the sole company in the PRC with the emission of all operating waste-to-energy projects complying with Euro 2000 Standard, underscoring its position with the largest waste-to-energy project under operation in the PRC adhering to the highest standards.

During the year under review, the three waste-to-energy projects in Zhenjiang, Jinan and Suqian have been completed and commenced commercial operation. The Zhenjiang Waste-to-energy Project has been equipped with the Group's self-developed grate furnaces and automatic control system, realising the goal of using all domestically fabricated equipment. The Jinan Waste-to-energy Project is currently the largest waste-to-energy project completed within one phase in the PRC. The Group added the Suqian Hazardous Waste Landfill Project, the largest of its kind in the northern part of Jiangsu area. The project is expected to be completed and commence commercial operation by the end of 2012.

During the year under review, in addition to the industrial parks in Suzhou, Changzhou, Suqian and Zhenjiang in Jiangsu Province and Yantai in Shandong Province, the Group has added two new environmental protection veinous industrial parks in Yixing and Nanjing in Jiangsu Province, bringing the total number to seven. In addition, the Group successfully extended its business coverage to Zhejiang Province by signing a cooperative framework agreement with the Ningbo Municipal Government in December in relation to the investment in the construction of energy conservation, environmental protection, alternative energy, and municipal infrastructure facilities.

Environmental Water

As at 31 December 2011, the Group's environmental water sector comprised a total of 19 waste water treatment projects, 3 reusable water projects and 1 surface water project with a total investment of RMB3.587 billion. The designed annual capacity of the projects is approximately 657,000,000 m³ of waste water treatment, as well as provision of 22,330,000 m³ of reusable water and supply of 36,500,000 m³ of surface water annually. During the year under review, the environmental water projects treated 500,972,000 m³ of waste water, an increase of 9% compared with last year. These operations brought an EBITDA of HK\$440,454,000, 21% higher than the previous year.

During the year under review, the Group further expanded this sector and secured the Jinan Licheng Waste Water Treatment Plant Expansion Project in Jinan, Shandong Province and the Nanyunhe Waste Water Treatment Plant in Dezhou, Shandong Province. These two projects command a total investment of approximately RMB425 million. The Group's environmental water sector also secured 3 reusable water projects in which Jinan Reusable Water Project and Phase I of the Zibo Reusable Water Project started commercial operation in September, producing 447,000 m³ of reusable water a day for industrial use. These projects represent a new profit growth driver for the Group as they have progressed a major step forward from sole internal use to external supply of water. In addition, the construction of Jiangyin Reusable Water Project has been started and will be completed for commercial operation in 2012. This project is planned to deliver 10,000 m³ of reusable water a day to local textile and electronic industries, successfully opening a new market for integrated use of reusable water resource.

Alternative Energy

In recent years, energy consumption has been growing along with the continuous development of the global economy. The consumption of fossil fuels such as coal, oil and natural gas etc. also continues to increase. The Group has taken big strides forward in developing alternative energy businesses such as photovoltaic energy, biomass power generation and wind power etc. As at 31 December 2011, the Group has 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 projects. Together, these command an overall investment of approximately RMB2.863 billion.

During the year under review, the alternative energy business has been growing rapidly. The Group added 7 new alternative energy projects including the ground photovoltaic energy project in Germany, Phase II of the Suqian Rooftop Photovoltaic Energy Project, the Zhenjiang Rooftop Photovoltaic Energy Project, the Changzhou Rooftop Photovoltaic Energy Project, the Laiyang Biomass Power Generation Project, the Hanshan Biomass Power Generation Project and Phase II of the Zibo Waste Water Source Heat Pump Project ("Zibo Heat Pump Project").

The Group's first biomass power generation project, Dangshan Biomass Power Generation Project ("Dangshan Project") in Anhui province, commanding an investment of approximately RMB312 million, has commenced commercial operation in September 2011. Upon completion, this project is expected to process not lower than 300,000 tonnes of biomass a year. Within a year, the Dangshan Project has successfully registered as a CDM project under the United Nations, the short development period is rarely seen in projects of the same type. Besides, its first overseas alternative energy project, a photovoltaic energy project in Germany, has been connected to the power grid and has started photovoltaic power generation in June. The German Ground Photovoltaic Energy Project will help the Group to enhance the construction, management and operation of photovoltaic power projects in China as well as to extend its reach into the overseas market. Besides, the Group is also actively engaged in developing wind power projects and its wind power project, its wind farm in Ningwu County within Shanxi Province is conducting wind measurement tests and the preliminary indicators have been better than expected.

Environmental Protection Engineering

The Group has undertaken the most number of tasks and projects in environmental protection engineering in 2011, with 30 projects under development and preparations, commanding a total investment of RMB6.84 billion, and several projects are to be completed in the next year. During the year under review, the Group has completed the construction of 13 projects: 3 waste-to-energy projects in Zhenjiang, Jinan and Suqian, 2 reusable water projects in Jinan and Zibo, 2 ground photovoltaic energy projects in Huaining and Germany, 3 rooftop photovoltaic energy projects in Changzhou, Zhenjiang and Suqian, the Zibo Heat Pump Project, Phase II of the Suzhou Industrial Solid Waste Landfill Project, as well as the Dangshan Project, the Group's first biomass power generation project.

Environmental Protection Technological Development

The Group has invested in building an environmental protection equipment production base in Changzhou, Jiangsu Province with capital support from the government. The project mainly manufactures core environmental protection equipment including grate furnaces of household waste, biomass furnaces, and sludge treatment and emission purification equipment. The production base will complete construction and commence commercial operation in the first half of 2012, which is a new milestone for the Group's advancement to the midstream of the environmental protection industry.

During the year under review, the Group completed 8 self-developed projects and more than 10 Government subsidized R&D projects with the support of a subsidy from the government of over RMB13 million. During the year under review, the Group has been awarded 8 patents, 3 of which are invention patents and 5 are utility patents. During the year under

review, the operation qualification of all the waste-to-energy projects and waste water treatment projects has been upgraded. Both Everbright Environmental Protection Technological Development (Beijing) Limited and Everbright Environmental Energy (Suzhou) Limited have obtained the "National High Tech Enterprise" certificate.

The Group's self-developed grate furnaces and automatic control system have a daily waste processing capacity of 250 tonnes to 500 tonnes. These products have been used in the Jiangyin, Zhenjiang and Suqian projects, and achieved ideal results. They have shown to outperform overseas equipment in terms of sophistication, ease of installation, trial run cycle, operation results and investment cost etc. A prototype of its self-developed water cooling reciprocal grating has been built. This is a great leap forward in the R&D of biomass power generation projects based on this technology. The development of hazard-free treatment of sludge also bore fruit. This valuable technology is worth promoted and is intended to solve the treatment problem of sludge produced at the Jiangyin waste water treatment plant through dehydration and incineration. Safe treatment of leachates has presented a challenge for the waste-to-energy projects. The Group has capitalized on its extensive experience accumulated over the years and conducted an overall optimisation and design upgrade on the leachate treatment project at the Zhenjiang Project. The trial run has proceeded smoothly which has greatly reduced construction and operation costs. The technology has also outperformed similar projects elsewhere in China. The Group is operating seven leachate treatment projects with a daily treatment capacity of 3,350 tonnes, which gives it a leadership position within the industry. Apart from the original projects, the Group has also expanded its core business related technologies and R&D. For example, it has put the finishing touches on new technology solutions for treatment of kitchen waste, electronic waste and construction waste.

Infrastructure Business

Traffic flow on the Qingzhou Bridge has been increasing steadily and contributed a stable source of cash flow for the Group. In 2011, the average daily number of standard vehicles crossing the bridge was increased by 16% to 52,156 as compared with 2010. The project generated an EBITDA of HK\$149,164,000 to the Group, an increase of 18% as compared with that in 2010.

Mr. Chen Xiaoping, Chief Executive Officer of Everbright International, concluded, "the Ministry of Environmental Protection issued the "Plan for Establishing National Environmental Protection Regulations and Environmental Economic Policies under the 12th Five-Year Plan" in late 2011, thus creating a favorable operating environment and enormous room for the growth of the Group's environmental protection business. The Group will capture the opportunities arising from the country's policies in developing environmental energy. Riding on its core competitiveness and its leadership position in the industry, the Group aims to combat the deterioration of the environment and focus on developing environmental energy and

environmental water businesses strategically. Thus, it will also actively develop its environmental protection equipment manufacturing business, alternative energy business encompassing solar energy, wind power, photovoltaic energy and biomass power generation businesses in a prudent manner as well as expand into new environmental protection market. He added, "Looking ahead, the Group plans to continue enhancing its core environmental protection business and invest in R&D and innovation to reinforce its market position in key regions including Jiangsu and Shandong etc. In addition, we are actively exploring business opportunities in the Yangtze River Delta, the Pearl River Delta and Bohai Bay Area with the aim to capture a larger market share and achieve greater operating efficiency to deliver better returns to our shareholders and create value for 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, 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.

For press enquiries :

Strategic Financial Relations (China) Limited

Ms. Nan Dong	Tel: 2864 4811	nan.dong@sprg.com.hk
Mr. Marcus Keung	Tel: 2114 4967	marcus.keung@sprg.com.hk
Ms. Wing Ho	Tel: 2114 4947	wing.ho@sprg.com.hk
Ms. Shirley Chan	Tel: 2114 4962	shirley.chan@sprg.com.hk
Ms. Fanny Yuen	Tel: 2864 4838	fanny.yuen@sprg.com.hk

Fax: 2527 1271