



**EVERBRIGHT INTERNATIONAL ANNOUNCES 2016 ANNUAL RESULTS**

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**BOLD VISIONS TO OVERCOME EVERY CHALLENGE**

**Financial Highlights**

	For the year ended 31 Dec		Change
	2016	2015 (restated)	
	HK\$'000	HK\$'000	
Revenue	<b>13,971,204</b>	8,528,393	64%
Gross Profit	<b>5,309,566</b>	3,902,692	36%
EBITDA	<b>5,051,261</b>	3,754,449	35%
Profit attributable to equity holders	<b>2,784,863</b>	2,084,888	34%
Basic earnings per share (HK cents)	<b>62.12</b>	46.50	34%
Total dividends (HK cents)	<b>20.5</b>	18.5	11%
Cash on hand	<b>7,037,597</b>	6,673,412	5%
Total assets	<b>49,531,728</b>	40,623,072	22%
Gearing ratio	<b>60%</b>	52%	8ppt

**Hong Kong, 28 February 2017** - China Everbright International Limited (“Everbright International” or the “Group”) (SEHK: 00257), today announced its audited annual results for the year ended 31 December 2016.

The year of 2016 was also the first year of the Group’s next phase of development, the roots of which are based on the country’s 13th Five-year Plan, and was also the first year during which the Group introduced a new management structure to facilitate the concurrent growth of its 4 major business segments. During the year under review, the Group’s management teams at all levels and staff members were committed to bold visions which helped them overcome every challenge dutifully. With this, the Group achieved notable achievements across all aspects of its development and concluded the year with exceptional results, which creates positive momentum for the Group’s next round of growth.

In terms of operating results, the Group continued to facilitate the independent operations of its 4 major business segments during the year under review with outstanding performance. The Group's revenue, profit before tax and profit attributable to equity holders of the Company all registered satisfactory growth. The Group's construction service revenue hits a record high as the management of projects at the preparatory stage was strengthened and construction works were carried out steadily. The Group also saw continuous growth in revenue from operation services as it continued to reduce costs, expand its income streams and enhance efficiency. During the year under review, the Group's consolidated revenue amounted to HK\$13,971,204,000, an increase of 64% over HK\$8,528,393,000 in 2015. The EBITDA amounted to HK\$5,051,261,000, an increase of 35% over HK\$3,754,449,000 in 2015. Profit attributable to equity holders of the Company for 2016 was HK\$2,784,863,000, 34% more than HK\$2,084,888,000 recorded in 2015. Excluding the gain on sale of listed securities of HK\$92,711,000 in 2015, profit attributable to equity holders recorded an increase of 40%. Basic earnings per share of 2016 were HK62.12 cents, HK15.62 cents more than HK46.50 cents in 2015.

During the year under review, the environmental energy, environmental water and greentech projects generated a total revenue of HK\$13,425,088,000, of which construction service revenue increased by 83% to HK\$8,987,199,000, operation service revenue increased by 31% to HK\$2,854,444,000, and finance income increased by 22% to HK\$1,583,445,000 as compared with 2015. The proportions of the revenue are as follows: construction service revenue 67%, operation service revenue 21% and finance income 12%.

With regards to market expansion, the Group set new records in terms of the number and investment amount of projects secured during the year under review. In total, 44 projects were secured which commanded investment of approximately RMB14.4 billion. So far, the Group has expanded its business into over 80 counties and cities across 17 provinces and municipalities in China; while foraying into overseas markets such as Vietnam, Poland and Germany.

It was also an important year for the construction of the Group's projects, with 2016 witnessing the highest number of projects to commence and complete construction. In 2016, the Group carried out construction works of 62 projects commanding a total investment of approximately RMB19.378 billion. Among which, 23 projects completed construction during the year under review, including 5 waste-to-energy projects, 1 food waste treatment project, 7 waste water treatment projects, 1 reusable water project, 4 hazardous waste treatment

projects and 5 biomass projects, which command a total investment of approximately RMB4.916 billion. Meanwhile, as at 31 December 2016, 39 projects were under construction including 17 waste-to-energy projects, 1 food waste treatment project, 5 waste water treatment projects, 1 sponge city construction project, 1 river training project, 2 hazardous waste treatment projects and 12 biomass projects, commanding a total investment of approximately RMB14.462 billion.

As at 31 December 2016, the Group had secured 213 environmental protection projects with a total investment of approximately RMB53.212 billion and completed the construction of 130 projects, which commanded around RMB25.681 billion in investment. A total 39 projects were under construction which commanded an investment of about RMB14.462 billion. The projects in the preparatory stage commanded a total investment of approximately RMB13.069 billion.

### **Envirotech**

During the year under review, the Group acquired Jiangsu Design & Research Institute and the Nanjing Science and Technology Building, established Everbright Envirotech (China) Limited, entered a comprehensive cooperation agreement with Zhejiang University, set up the Environmental Energy Research Center and actively engaged in terms of international technological exchange and cooperation. Through organizational restructuring, the envirotech business now comprises three research institutes in the fields of incineration technology, environmental technology and electrical control technology, as well as an information control center and a technical standards analysis and testing center. This, as well as its “R&D - Design and Consultancy - Equipment Manufacturing” model will be a springboard for the Group’s next round of development through technological innovation.

In terms of equipment manufacturing, in accordance with the pace of construction for the Group’s projects, the Group completed the production and commissioning of 18 sets of incinerators, 15 sets of gas purification systems and 12 sets of leachate treatment systems during the year. Meanwhile, the Group has fully tapped the external sales market and secured contracts for the external sales of 34 entire sets of equipment, the total contract value of which amounted to approximately RMB581 million. During the year under review, the Group was granted 37 patents, of which 10 were invention patents and 27 were utility invention patents.

### **Environmental Energy**

Environmental energy maintained its fast-paced growth momentum as well as its leading

position in the industry. With its strong sense of social responsibility, the business made a leap forward in terms of information transparency and disclosure standards, which have set new benchmarks for the environmental protection industry.

During the year under review, the Group's environmental energy projects processed a total of 8,933,000 tonnes household waste and generated a total on-grid electricity of 2,473,110,000 kWh, an increase of 29% and 31% respectively as compared with 2015. Environmental energy projects contributed an EBITDA of HK\$3,299,687,000, an increase of 24% as compared with the previous year. Environmental energy projects contributed the net profit attributable to the Group of HK\$2,083,650,000, an increase of 25% as compared with the previous year. The increase in profit was mainly due to the recognition of construction service revenue and costs saved on various construction projects, as well as an increase in the operation service revenue due to continued growth in operating projects' processing volumes during the year under review.

In 2016, the Group secured 14 waste-to-energy projects, which commanded a total investment of approximately RMB6.445 billion, with an increase in designed daily household waste processing capacity of 13,050 tonnes, boosting the total daily waste processing capacity to 50,950 tonnes, which is the highest in the industry.

In terms of project construction, the Group had 5 waste-to-energy projects and 1 food waste treatment project that completed construction and commenced operations during the year. A total of 15 projects, comprising 14 waste-to-energy projects and 1 food waste treatment project, commenced construction during the year, together with Nanjing Waste-to-energy Project Phase II and Pingdu Waste-to-energy Project, which were under construction during the year, are expected to complete construction and commence operations between 2017 and 2018.

In 2015, the Group became the first company in the industry to disclose emission standards and the environmental management information of its operating waste-to-energy projects as part of its "Four Steps" disclosure plan. The Group carried out the plan as scheduled and successfully achieved its goal of disclosing environmental impact assessments and publishing the average levels of its operating waste-to-energy projects' emission standards on a monthly, daily and hourly basis in less than one and a half years. This set an example and new benchmark for the industry in terms of information disclosure.

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. The 750-tonne/day grate furnace installed in Wujiang Waste-to-energy Project is China's first homebuilt large-scale grate furnace and has filled the void in the manufacturing of large-scale household waste incineration equipment in the country, which is also the first dismantling and redevelopment project in waste-to-energy industry in China.

### **Environmental Water**

As at 31 December 2016, the Group owns 74.72% of China Everbright Water Limited ("Everbright Water"). During the year under review, the Group's environmental water projects treated waste water of 1,148,279,000 m<sup>3</sup>, an increase of 28% as compared with 2015. The environmental water projects contributed an EBITDA of HK\$843,973,000, an increase of 6% as compared with 2015. The environmental water projects contributed the net profit attributable to the Group of HK\$271,363,000, a decrease of 15% as compared with 2015. The decrease was partly due to an exchange loss of HK\$48,710,000 arising from borrowings pegged to the US dollar as the Renminbi depreciated against the US dollar and such borrowings have been fully settled in 2016. Moreover, there were additional tax expenses (including corporate income tax and deferred tax) resulted from changes in the tax calculations of a project pursuant to the requirements of the local tax bureau.

In 2016, after a series of acquisitions and organic growth throughout the year, Everbright Water further enhanced its market development model, which is based on the locational advantages of its existing projects. The implementation of the regional management model aims to improve the integration of resources and facilitate internal synergy in every region. Everbright Water has also expanded into new business sectors, including river-basin ecological restoration projects and sponge city construction projects among others, to promote the steady growth of business. Furthermore, the integration after acquisition was progressed as scheduled, which raised the discharge and treatment standards of the acquired projects to higher levels.

In terms of market development, Everbright Water secured 12 new projects in total, which increased the Group's daily waste water treatment capacity by 485,000 m<sup>3</sup> and commanded a total investment of approximately RMB2.465 billion. In terms of project construction, during the year under review, a total of 7 waste water treatment projects and 1 reusable water project completed construction. As at 31 December 2016, there were 7 projects under construction.

During the year under review, Everbright Water submitted an application to the Shanghai Stock Exchange and the China Securities Regulatory Commission (“CSRC”) for a proposed issuance of RMB-denominated corporate bonds of up to RMB2.5 billion (subject to the CSRC’s approval) in a single tranche or multiple tranches in the PRC to support its sustainable development. Upon the grant of regulator’s approvals and the completion of the relevant registration process, Everbright Water expects to gain more financial support and to lay a solid foundation for its future business plans.

### **Greentech**

Greentech, driven by business innovation, witnessed exponential growth and efficiently completed all the preparation work for its spin-off listing. This has laid a solid foundation from which it can further expand and grow in the market.

During the year under review, the Group’s greentech projects provided a total on-grid electricity of 891,407,000 kWh, an increase of 74% as compared with 2015. The greentech projects contributed an EBITDA of HK\$1,020,204,000, an increase of 134% as compared with 2015. The greentech projects contributed the net profit attributable to the Group of HK\$660,522,000, an increase of 145% as compared with 2015. 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 2015.

Greentech is committed to exploring and achieving breakthroughs across new business areas as it pursues organic growth and opens up room for its development; all of which has enabled it to stand out and swiftly capture considerable market share. The Group initiated a unique business model of integrated biomass and waste-to-energy projects, and is the only company to employ such integrated business model in China so far. This business model is expected to not only maximise environmental service output but also lower the overall project costs, thereby increasing the overall investment returns of the relevant projects. As at the end of 2016, the Group ranked fourth in terms of aggregate biomass power generation designed capacity and third in terms of aggregate hazardous waste treatment designed capacity in China for projects in operation, under construction or at the preparatory stage, which has been achieved while maintaining a high level of operational efficiency and delivering economies of scale.

The Group secured 17 new projects in 2016, reaching another record high, including 9 biomass projects and 8 hazardous waste treatment projects, commanding a total investment

of approximately RMB4.569 billion. The increased agricultural waste treatment capacity was approximately 2,230,000 tonnes per annum, the increased household waste treatment capacity was approximately 146,000 tonnes per annum and the increased hazardous waste processing capacity was approximately 228,000 tonnes per annum.

During the year under review, the Group set a new record for having 23 greentech projects under construction. Among them, 9 projects completed construction within the year, including 4 hazardous waste treatment projects that already commenced commercial operation; and 5 biomass projects completed construction. 14 projects commenced construction during the year, including 2 hazardous waste treatment projects and 12 biomass projects. These projects under construction are expected to complete construction and commence operations between 2017 and 2018, providing an impetus for the greentech business's rapid growth.

**Mr. Chen Xiaoping, CEO of Everbright International** said, "Technology to drive Development' will be the major theme running through the Group's innovations. During its new round of development, the Group will particularly focus on in-house research and development, technology imports, collaborations with institutions and research institutes, etc., in a bid to provide a strong driving force for the future growth of the Group's various business segments. For the environmental energy business, the Group will seek to further consolidate its leading position in the domestic market by building on its strong advantages in terms of technology, market potential and experience, while exploring more development opportunities in the overseas market. As the government has rolled out a number of water restoration policies, the Group will also seize the right opportunities to expand its technological capabilities and business reach, so as to drive further development in its environmental water business. In terms of its greentech business, the Group will continue to innovate and pursue organic growth in order to achieve rapid business growth. It will also look to carry forward its separate listing in a steady manner."

**Mr. Chen Xiaoping** continued, "The opening year of the 13<sup>th</sup> Five-year Plan has just come to a close, with 2016 seeing the introduction of a raft of policies relating to environmental protection and alternative energy, which have undoubtedly outlined a clearer development blueprint for the environmental protection industry that calls for more urgent action. Looking forward to 2017, the Group will remain committed to its core value of 'An Enterprise is not only the Creator of Wealth but also the Safeguard of Environmental and Social Responsibility' and will continue to enthusiastically align itself with China's overall development strategies to advance the progress of the 'three strategies' while at the same time focusing on driving the

development of its 6 major business segments. The 3 national strategies refer to the 'One Belt One Road' initiative, the Beijing-Tianjin-Hebei region coordinated development strategy and the Yangtze River Economic Belt development strategy; while the Group's 6 major business segments cover envirotech, environmental energy, environmental water, greentech, equipment manufacturing and international business. At the same time, the Group will strive to further enhance its management and operation standards as well as strengthen its awareness and measures for risk prevention, which will facilitate the steady growth for all of its environmental protection businesses in an ever-changing market environment. Leveraging on its comprehensive strengths, including self-developed technologies and equipment, advanced management and harmonious relations with local communities, the Group will make use of its talent and technologies to explore new business opportunities through multiple investment models, channels and methods. This will provide the impetus for the Group's next round of development in both the domestic and overseas markets."

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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. 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 six major business segments, namely envirotech, environmental energy, environmental water (China Everbright Water Limited is listed on the Mainboard of the Singapore Exchange Securities Trading Limited), greentech, 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 restoration, biomass integrated utilization, hazardous waste treatment, photovoltaic 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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