

**Pursuit of
Sustainable
Growth**

**Everbright International
2019 Interim Results
Presentation**

August 2019

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- E** Operating Results
- E** Financial Highlights
- E** Development Strategies





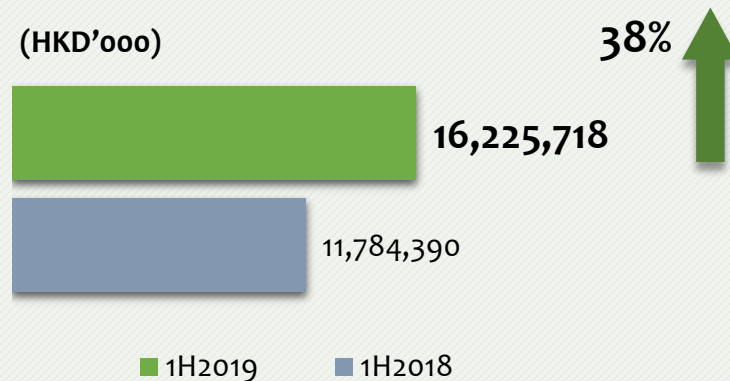
Operating Results

Steady Growth of Operating Results

- With robust development of all the business sectors, Everbright International continued recording notable growths in revenue and profit.
- With construction work progressing smoothly, the Group's construction service revenue increased accordingly.
- With continued increase in the number of operating projects, the Group's operation service revenue grew significantly.

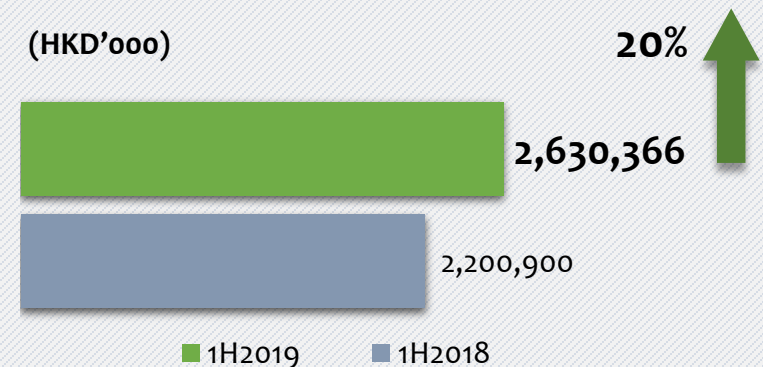
Revenue

(HKD'000)



Profit attributable to equity holders of the Company

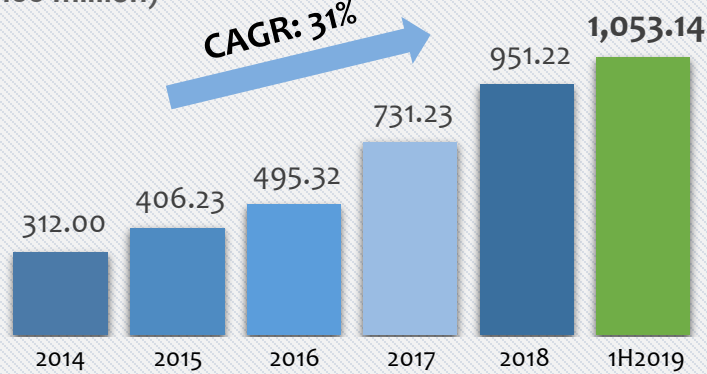
(HKD'000)



Sustained and Steady Financial Indicators (1)

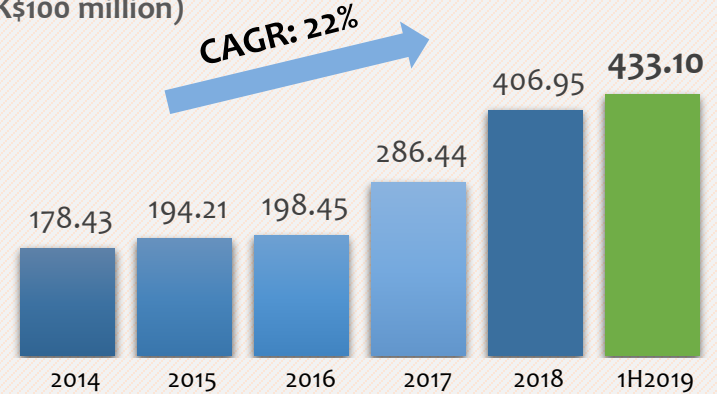
Total Assets

(HK\$100 million)



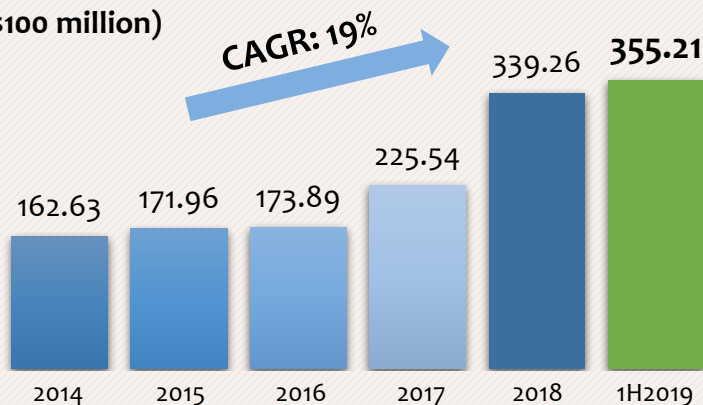
Net Assets

(HK\$100 million)

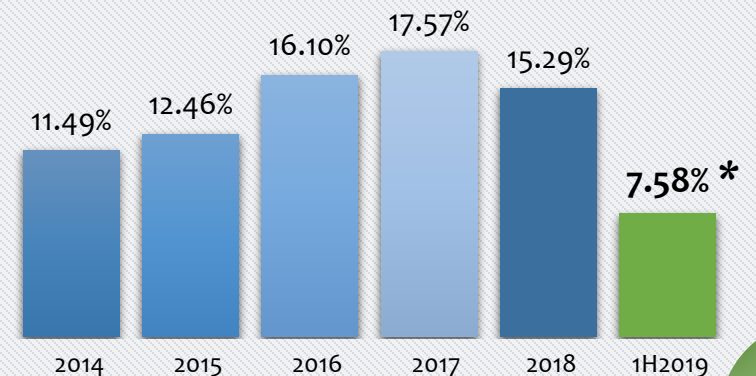


Equity Attributable to Equity Holders of the Company

(HK\$100 million)



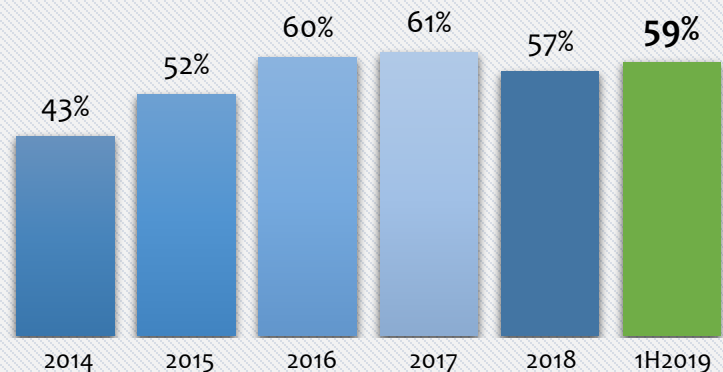
Return on Shareholders' Equity



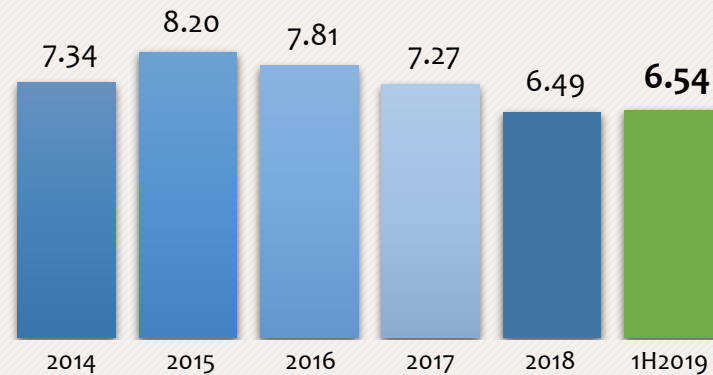
* Interim data, non-annualised data

Sustained and Steady Financial Indicators (2)

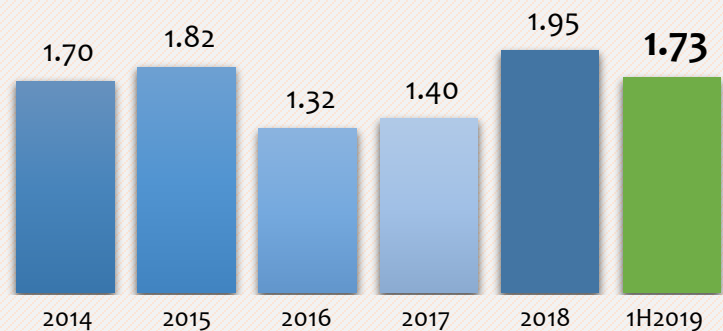
Gearing Ratio



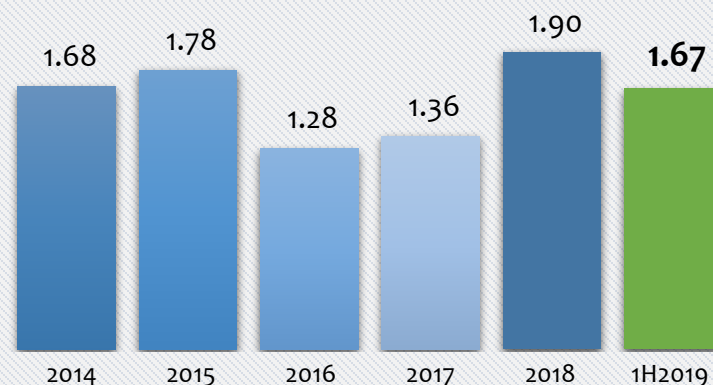
Interest Coverage Ratio (time)



Current Ratio (time)



Quick Ratio (time)



1H2019

Total investment of approximately RMB15.83billion

- ❑ The Group secured 38 new projects and signed 3 supplementary agreements for existing projects.
- ❑ The Group completed the acquisition of 2 environmental protection companies, from which it secured several projects.
- ❑ The Group secured 90% equity interest in a technology enterprise that focus on waste sorting business through a capital injection.

Asset-light Business

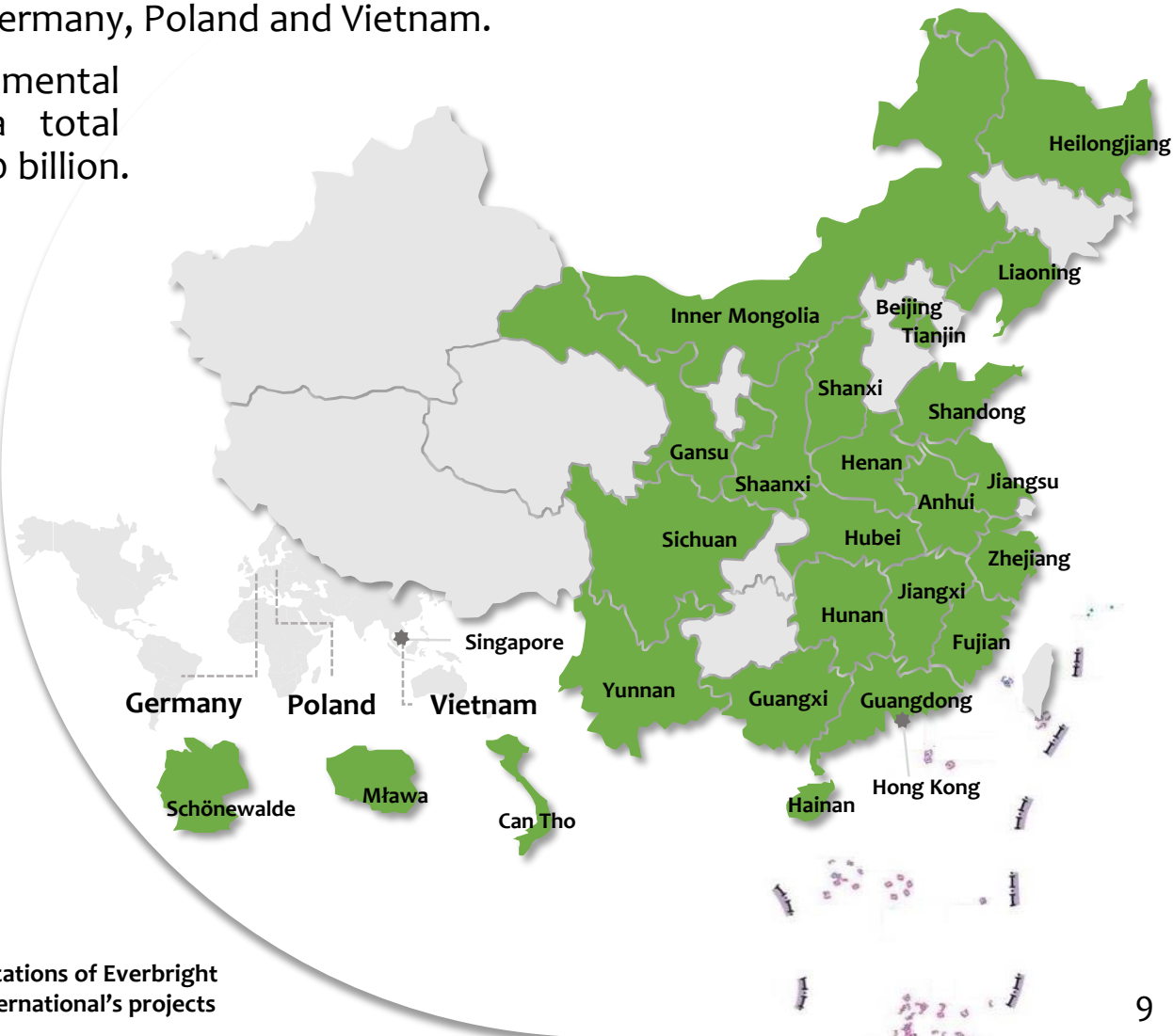
- ❑ The Group undertook 2 envirotech EPC projects, 2 environmental water EPC projects and 1 environmental water operations and maintenance (O&M) project, with a total contract value of approximately RMB471 million.
- ❑ It also undertook 4 environmental remediation services, with a contract value of approximately RMB37.71 million.

Newly-added Treatment Capacities

- ❑ Household waste processing capacity increased by 12,000 tonnes/day
- ❑ Water treatment capacity increased by 1,090,000 m³/day
- ❑ Biomass treatment capacity increased by 120,000 tonnes/year
- ❑ Hazardous waste and solid waste treatment capacity increased by 675,000 tonnes/year

Acceleration of Market Penetration

- E** The Group has expanded its business footprint to over 170 locations across 22 provinces and municipalities in China, as well as overseas markets such as Germany, Poland and Vietnam.
- E** It has secured 363 environmental protection projects, with a total investment surpassing RMB110 billion.
- E** The Group undertook 24 environmental remediation services, 10 EPC projects and 3 O&M projects.
- E** During 1H2019, the Group's business footprint tapped into Heilongjiang and Yunnan Provinces.
- E** Its business areas extended to waste sorting, sanitation integration, drinking water source wetland protection, etc.



Concurrent Enhancement of Construction and Operation



In the 1H2019, the number of construction sites reached 82. A total of 25 projects completed construction and commenced operation, 26 projects commenced construction. In addition, 5 environmental remediation services were completed and handed over to relevant parties, with 15 such projects underway.



The Group had 8 waste water treatment plants that received regulatory approval to effect tariff hikes, ranging from 4% to 56%.

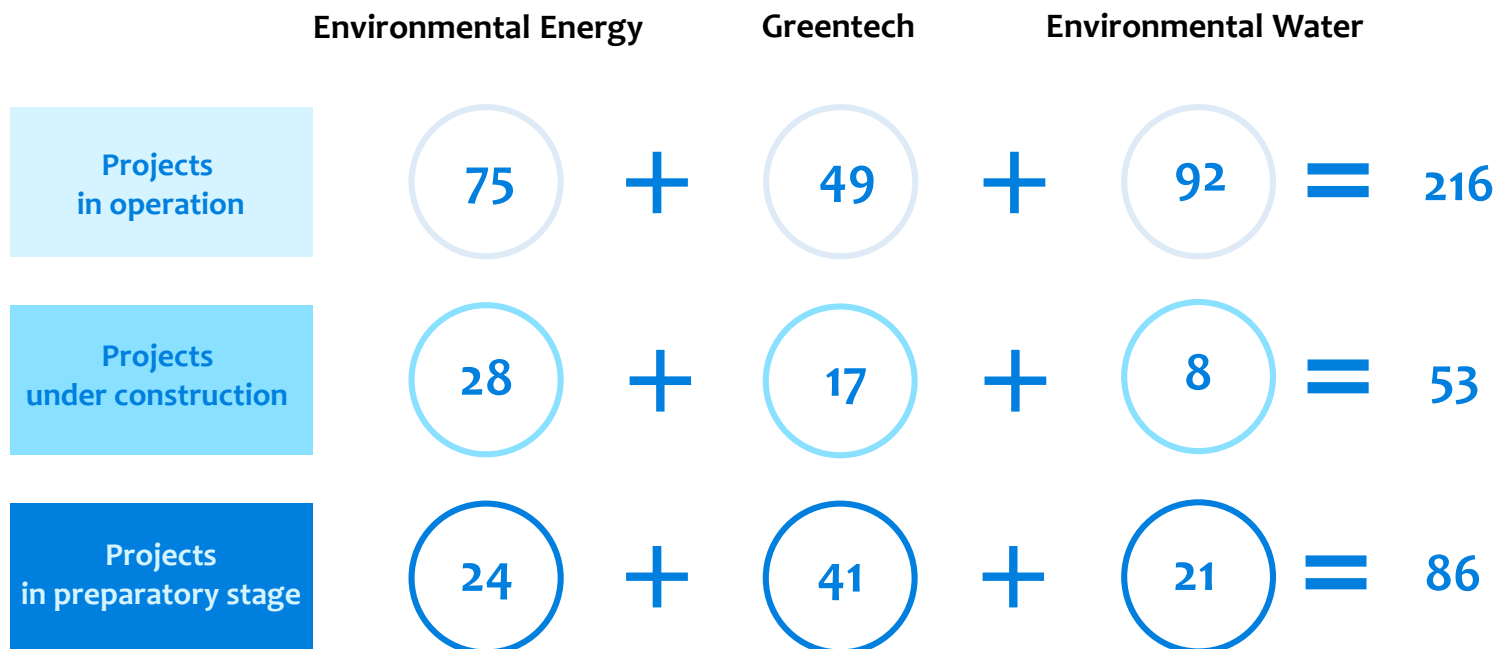


Power consumption by the operations of waste-to-energy plants was continued declining, with average electricity generated by waste incinerated surpassed 400 kWh per tonne on average, and integrated power consumption ratio of approximately 15%.

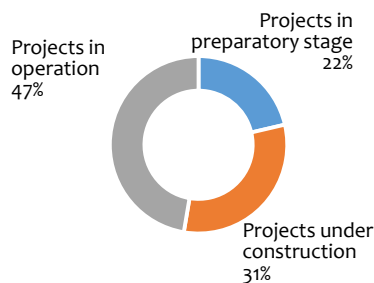


In the 1H2019, the Group was granted various subsidies of approximately RMB188 million in total.

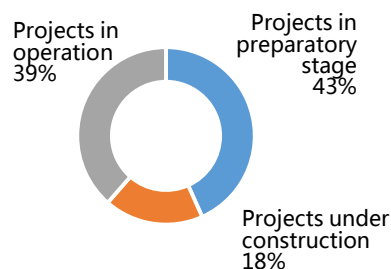
Sustained Advantage with Strong Project Pipeline



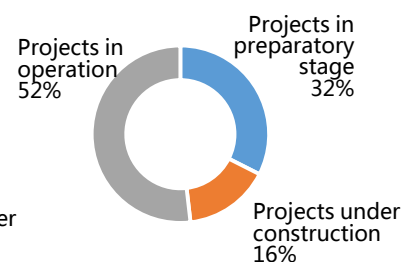
A total investment of approximately RMB58.2 billion



A total investment of approximately RMB28.3 billion



A total investment of approximately RMB22.4 billion



Notes:

1. This section only includes Environmental Energy, Greentech and Environmental Water; the other business sectors and asset-light business of the Group is not included.
2. In this section, projects in operation include several projects that completed construction, while projects in preparatory stage include several acquired projects.

Further Optimisation of Technological R&D

The Group has approved a total of RMB200 million for technological research and development (“R&D”) so far in 2019.

- ❑ In the 1H2019, the Group conducted substantial reforms in relation to technological innovation. A technology management center and a technology committee were established at the headquarters of the Group, which has further enhanced the decision-making and management capabilities of the headquarters on technology issues.
- ❑ The Group prepared for the establishment of green technology innovation and research institute, a zero-waste city research institute and an ecological and environmental planning and design institute.

The Group proactively supported the industrial-academic collaborations within the Guangdong-Hong Kong-Macau Greater Bay Area (“Greater Bay Area”). It also experimented with innovative technology and business models relating to zero-waste cities.

- ❑ The Group established a “Zero-Waste Cities” research team and commenced initial liaison with zero-waste city pilot areas, to provide an infrastructure plan and explore the “zero-waste city” construction model.

The Group continued focusing on solving technical challenges related to environmental protection technologies and techniques, with the aims of aligning with international standards and transforming the outcome of technological R&D results.

- ❑ The Group achieved substantial progress in multiple technological areas, including the development of synergetic waste incineration disposal, plasma melting technology for the treatment of fly ash, no-staff intelligent power station, and ultra-low emission technology.

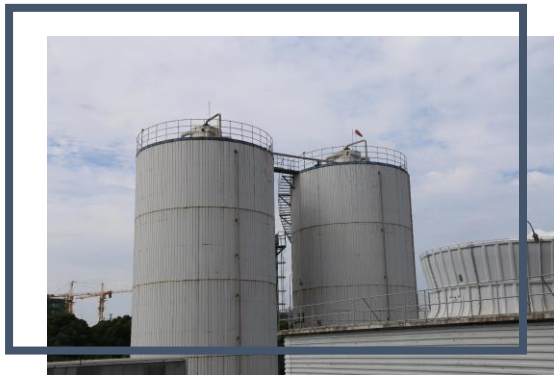
Everbright Analysis and Testing Center, which was established in 2018, achieved breakthroughs, as it conducted testing on various fields such as gas, fly ash, bottom ash, leachate, air and groundwater, etc. The total amount of internal and external testing service contracts achieved over RMB2.4 million.

The Group continued implementing the industrial-academic collaboration model, and collaborated with Tsinghua University, Zhejiang University, Qingdao Technological University and several universities in Hong Kong, on solid waste management, speedy detection of dioxin, and ultra-low emission technology in the Greater Bay Area, in facilitating exchange programmes and cooperation on environmental issues.

In the 1H2019, the Group was granted a total of 75 patents, including 5 invention patents, 66 utility model patents and 4 appearance patents. And 11 important essays were published in core journals and international conferences.

Steady growth of internal and external sales

- ❑ In the 1H2019, the Group signed 14 external sales contracts and sold 23 sets of equipment to the external markets, including 11 sets of grate furnaces, 8 sets of gas purification systems and 4 sets of leachate systems. It has secured external contract sales of equipment amounting to approximately RMB439 million.
- ❑ The Group commenced a total of 21 service items on equipment supply.
- ❑ It provided 30 grate furnaces to projects of the Group, an increase in capacity of 173% compared with the first half of 2018. The designed daily waste processing capacity of these grate furnaces reached 14,600 tonnes, an increase of 163% compared with the 1H2018.
- ❑ The Group sold 19 sets of grate furnaces, 11 sets of gas purification systems and 18 sets of leachate treatment systems.



Substantial growth in after-sales service

- ❑ The Group's after-sales performance improved significantly compared with the 1H2018.
- ❑ The number of the external after-sales service contracts reached 32, with a contract value of RMB12.38 million in total.
- ❑ The number of after-sales service items was 91 in total, recording an increase of 47% compared with 1H2018. These services items include 64 for the internal projects and 27 for the external projects.





Foray into waste sorting and resource recycling sector

- In the 1H2019, the Group invested RMB45 million to secure 90% equity interest in **Shandong QuXiang Information Technology Company Limited** (“Shandong QuXiang”), which marks the Group's entry into the waste sorting and resource recycling business sector.
- Shandong QuXiang focuses on R&D, manufacturing and sales of smart waste recycling machines, as well as sorting, collection and transportation of waste and reuse of resources through the “Internet +” model. Riding on its “Dian Dian Recycling” brand, Shandong QuXiang has launched waste sorting programmes in cities, such as Beijing, Ji'nan, Suzhou and Chengdu cities. These programmes have served more than one million people, and are able to sort and recycle approximately 10,000 tonnes of renewable resources annually.

Sanitation integration projects

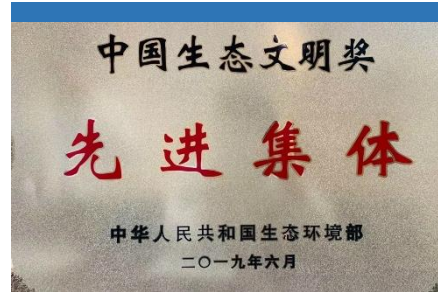
- **Hubei Zhongxiang Sanitation Integration Project:** the project clears and transports approximately 200 tonnes of household waste daily. It includes the establishment of a waste collection and transportation system, in addition to an intelligent sanitation management system.
- **Yunnan Yuxi Sanitation Integration Project:** the project is the first environmental protection project secured by the Group in the province. It has a designed daily waste collection and transportation capacity of 800 tonnes, and is able to cover the needs for waste collection and transportation of the Hongta District in Yuxi City.



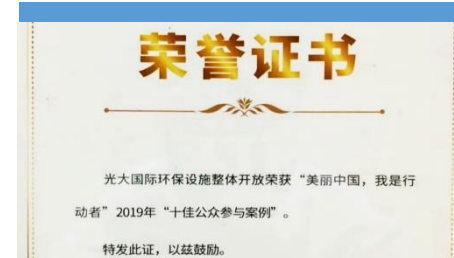
Notable Advantages of the Corporate Brand



The Group continued facilitating work related to the opening-up of environmental protection facilities for public visits, making it a more standardised practice.



The Group was awarded the “Advanced Collective of China Award for Ecological Civilization” by the Ministry of Ecology and Environment of the PRC.



The Group’s opening-up of its environmental protection facilities for public visits won the “Top Ten Case Studies on Public Participation 2019” at the “I am the Enabler for a Beautiful China” Competition.



The Group continued participating in exchanges and collaborations with both domestic and foreign peers, sharing our experience in business development, operation management and technological R&D. It also took reference from its peers’ precious experience, with a view to facilitating the industrial development.



The Group received several awards from “Asian Excellence Awards”, which was launched by Corporate Governance Asia, a renowned trade publication in corporate governance in Asia.

- Asia’s Best CEO - Wang Tianyi
- Best Investor Relations Company
- Best Environmental Responsibility Company



The Group ranked No.1 on the List of 2019 China’s Top 50 Environmental Enterprises released by the China Environment Chamber of Commerce. Everbright Greentech and Everbright Water ranked 16th and 21st respectively.



According to the “2019 China’s Biomass Power Generation Industry Ranking Report”, the Group ranked the top among all waste-to-energy enterprises, with the amount of waste processing capacities and power generation capacities exceeding that of the combined amount of the enterprises that ranked No.2 and No.3 on the list, respectively.



Financial Highlights

Financial Performance (1)

(HK\$000)	For the six months ended 30 June		Change
	2019	2018	
Revenue	16,225,718	11,784,390	38%
Gross profit	5,653,259	4,483,808	26%
EBITDA	5,500,987	4,414,814	25%
Profit attributable to equity holders of the Company	2,630,366	2,200,900	20%
Basic EPS (HK cents)	42.82	47.78	-10%*
Interim dividend per share (HK cents)	13.0	12.0	8%

*Due to the dilution impact of the HK\$10 billion rights issue completed in September 2018.

Financial Performance (2)

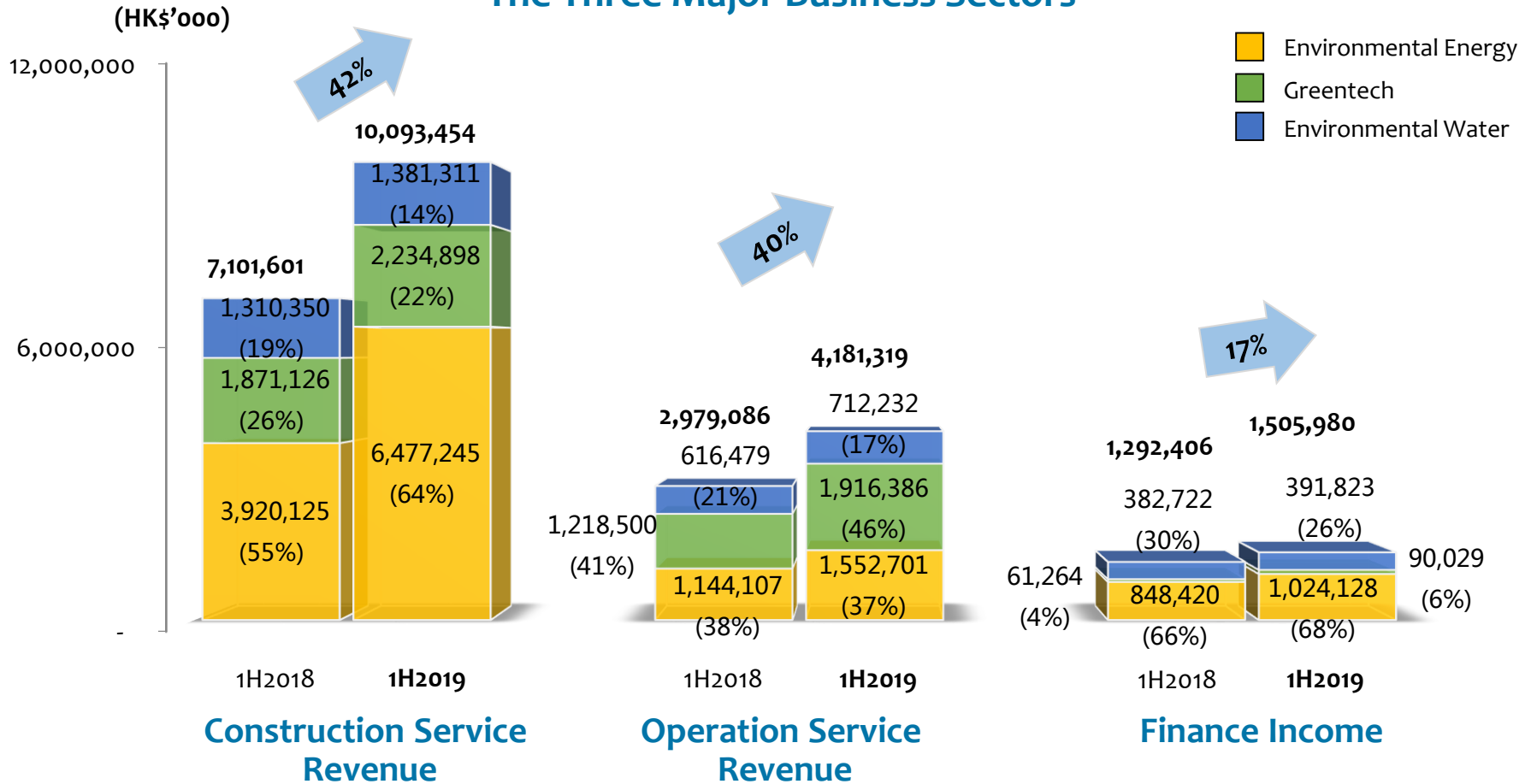
HK\$ million	As at 31/12/2014	As at 31/12/2015	As at 31/12/2016	As at 31/12/2017	As at 31/12/2018	As at 30/6/2019
Total assets	31,200	40,623	49,532	73,123	95,122	105,314
Total liabilities	13,357	21,203	29,687	44,480	54,426	62,003
Equity attributable to equity holders of the Company	16,263	17,196	17,389	22,554	33,926	35,521
Cash and bank balances	5,150	6,673	7,038	10,838	15,974	12,834
Return on shareholders' equity (%)	11.49	12.46	16.10	17.57	15.29	7.58*
Dividend payout ratio (%)	29.0	39.8	33.0	30.7	29.5	30.4
Gearing ratio (%) (total liabilities/total assets)	43	52	60	61	57	59

- ◆ High quality assets, abundant cash on hand, reasonable gearing ratio and healthy financial position.
- ◆ The Group 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.

*Calculated based on half year actual results

Financial Performance (3)

Revenue Analysis of The Three Major Business Sectors

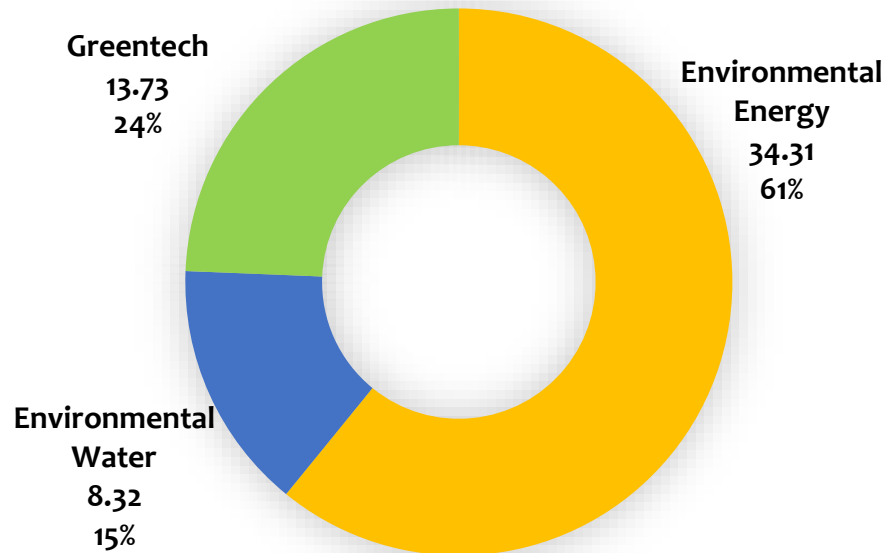


1H2019: HK\$15,780,753,000 (up by 39%)

1H2018: HK\$11,373,093,000

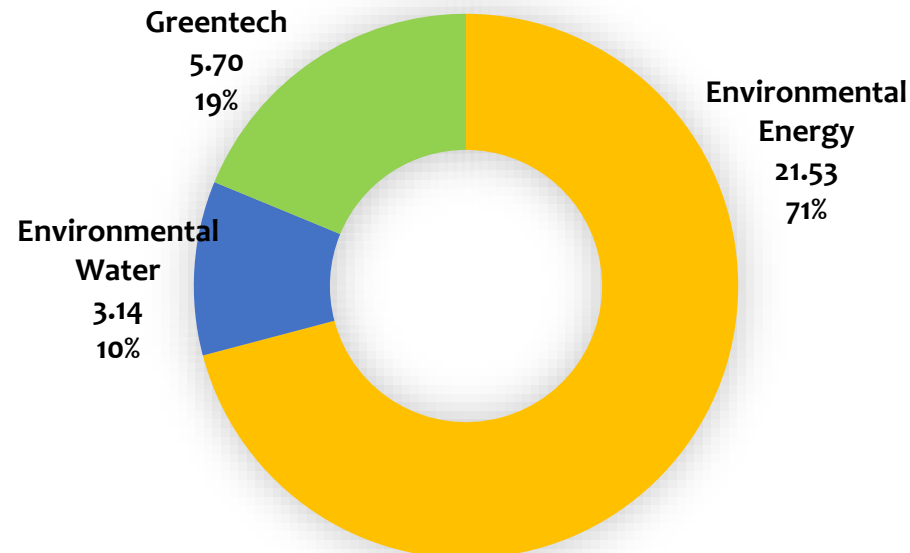
Profit Analysis of the 3 Major Business Sectors

1H2019 EBITDA* (HK\$100 million)
By 3 Major Business Sectors



1H2019: HK\$5,635,737,000 (up by 26%)
1H2018: HK\$4,457,231,000

1H2019 Net Profit** (HK\$100 million)
By 3 Major Business Sectors



1H2019: HK\$3,037,069,000 (up by 23%)
1H2018: HK\$2,468,227,000

* Excluding the EBITDA of other sectors

** Excluding the profit contribution of other sectors and before deduction of unallocated head office and corporate net expenses



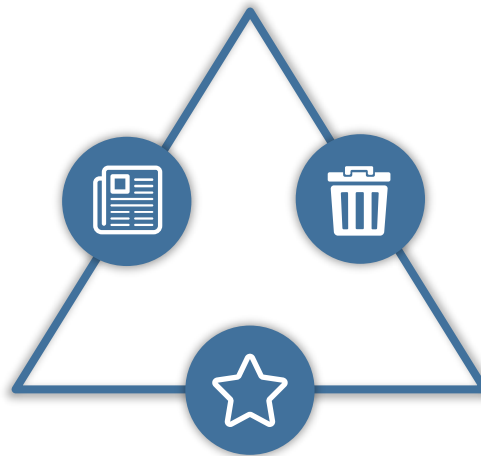
Development Strategies

Key National Policies

Fostering Industry Prosperity

China put forward the concept of “Zero-Waste Cities” for the very first time

- ❑ The concept aims to promote green development and a green lifestyle, and encourage the reduction of solid waste at the source as well as recycling and reuse of waste materials, in order to minimise landfill waste and mitigate the impact of solid waste on the environment.
- Everbright International has established a systematic development model with the development of “Zero-Waste Cities” as its core mission. The Group is a green state-owned enterprise (“SOE”) that is capable of engaging in and facilitating the development of “Zero-Waste Cities”. It is devoted to becoming the largest service provider for “Zero-Waste Cities” and is currently exploring a unique model relating to the development of “Zero-Waste Cities” that covers waste sorting, reduction of waste from its source, recycling, harmless treatment at the back end, among others.



China’s move towards a new era of ecological conservation

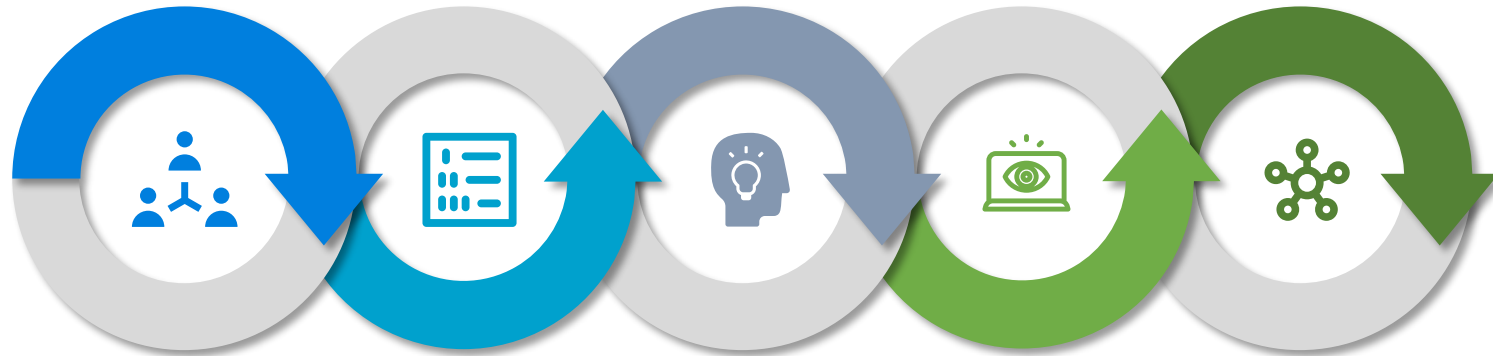
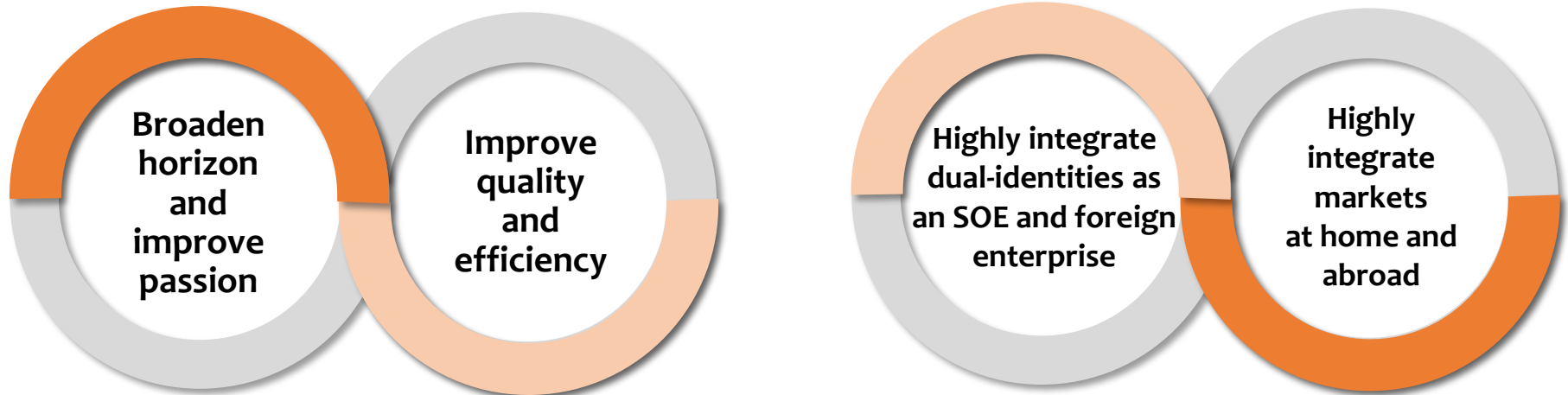
- ❑ Pollution control remains one of the three major tough battles. As a result, a series of key environmental policies including the “Zero-Waste Cities” program and waste sorting initiative have provided a clearer blueprint for China’s drive on ecological conservation. In addition, the environmental protection supervision has become increasingly stringent.
- Everbright International has been actively participating in various activities relating to environmental protection, ranging from pollution control to energy conservation, from environmental protection to low-carbon emission. The Group is dedicated to expanding its vision for development, and initiating corporate practices in support of ecological progress, with a view to fulfill the pursuit of lucid waters and lush mountains are invaluable assets.

Waste sorting has been put on the agenda

- ❑ Following President Xi Jinping has announced important guidance to waste sorting in June of 2019, a draft amendment to the Law on the Prevention and Control of Environmental Pollution by Solid Waste was submitted for deliberation by the Standing Committee of the National People’s Congress, which proposed the implementation of household waste sorting across the country. This has created greater growth potential for industry players.
- Everbright International’s Eco-recycling sector focuses on developing a full-chain business system that covers waste sorting at the communities, waste collection and transportation, waste sorting centres for utilisation purposes, renewable resources recycling centres, among others.

Keeping with the Times under New Philosophies

In the face of the development needs and environment in the new era, Everbright International will actively pursue new development philosophies.



Pay more attention to motivating individuals during development

Develop proper systems to safeguard development

Encourage innovation to drive development

Raise vigilance through risks

Enhance corporate culture to unite staff

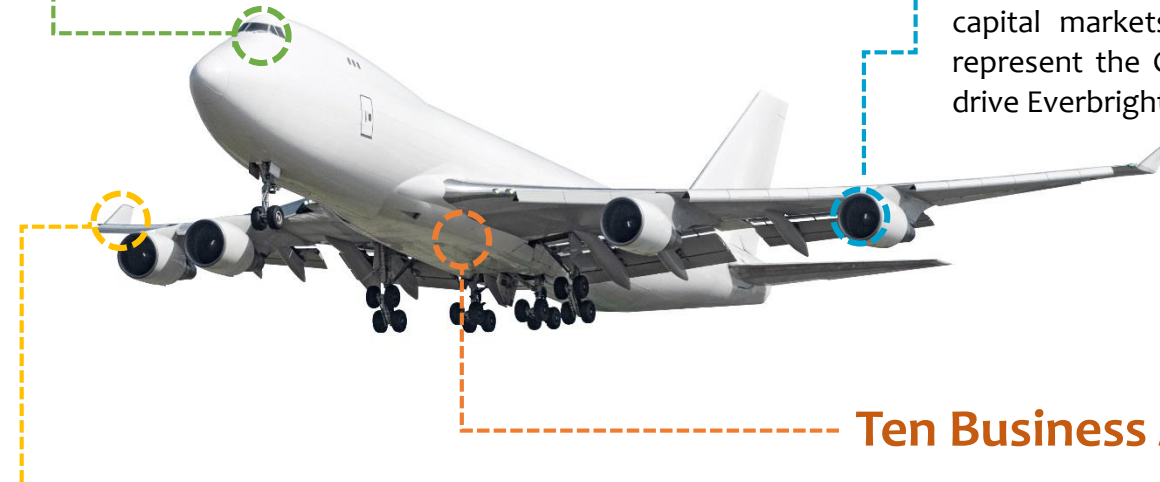
Aiming Higher with Broader Development Framework

One Group

Everbright International as a whole and the core, a Hong Kong-listed company, a leading player in China's environmental protection industry, the largest waste-to-energy investor and operator in Asia, and a unique integrated service provider specialized in "zero-waste cities" in China.

Four Engines

The Group has four listed stocks, namely Everbright International (257.HK), Everbright Greentech (1257.HK) and Everbright Water (U9E.SG & 1857.HK) These are Everbright International's fundamental planning in the capital markets, as well as the brand names that represent the Group. They are the four engines that drive Everbright International's development.



Two Wings

Everbright Water and Everbright Greentech, both of which have huge potential and are currently in leading positions in the respective industries. The two companies aim to become leading players with full-chain businesses in the water and hazardous waste industries. They are two major wings that facilitate Everbright International's goal of achieving larger business scale and better development.

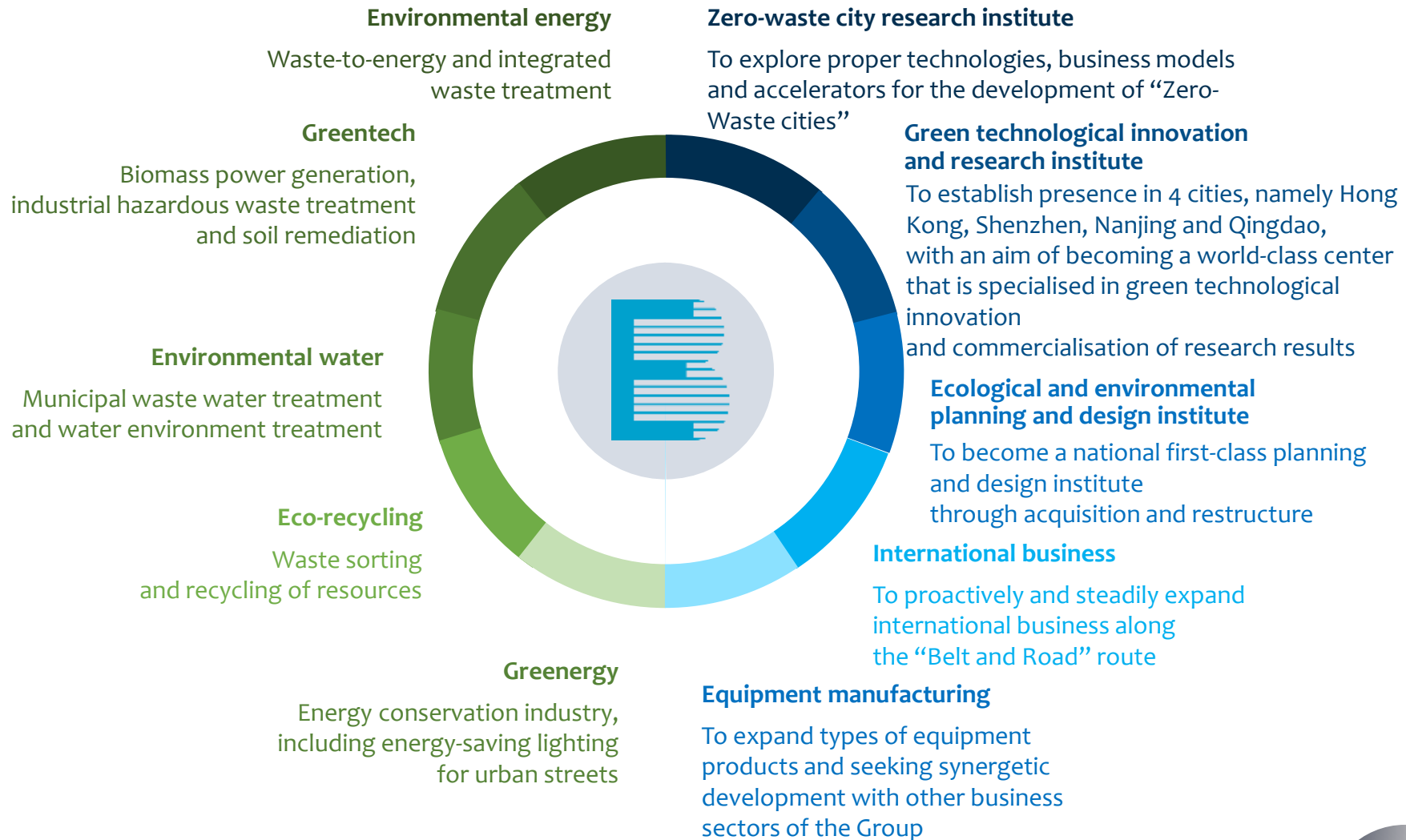
Ten Business Areas

Five major business sectors: environmental energy, environmental water, greentech, eco-recycling and greenery.

Four Technology areas: equipment manufacturing, green technological innovation and research institute, zero-waste city research institute and ecological and environmental planning and design institute.

One overseas regime: international business.

Full-fledged Development of 10 Business Sectors



**Pursuit of
Sustainable
Growth**

