



EVERBRIGHT INTERNATIONAL ANNOUNCES 2014 INTERIM RESULTS

**OPERATING RESULTS CONTINUE TO GROW DUE TO EFFICIENT PROGRESS OF CONSTRUCTION PROJECTS
FURTHER PROGRESS IN MARKET EXPANSION IMPROVES STRATEGIC GROWTH OF INDUSTRIAL CHAIN**

Financial Highlights

	For the six months ended 30 June		
	2014	2013	
	HK\$'000	HK\$'000	Change
Turnover	2,943,765	2,466,736	↑ 19 %
Gross Profit	1,351,534	1,145,719	↑ 18 %
EBITDA on Recurring Basis	1,298,725	1,077,957	↑ 20 %
Profit Attributable to Equity Shareholders	801,866	650,204	↑ 23 %
Basic Earnings per Share (HK cents)	17.88	16.08	↑ 11 %
Interim Dividends (HK cents)	5.0	3.5	↑ 43 %

Hong Kong, 12 August 2014 - China Everbright International Limited ("Everbright International" or the "Group") (SEHK: 00257), today announced its unaudited interim results for the six months ended 30 June 2014.

Benefiting from China's economic transformation and policy support to emerging industries, during the period under review, the Group continued to follow its strategic plan to advance the growth of all of its business segments, explore and develop new business models, develop new market and business segments proactively, so as to maintain its leading position in the industry and achieving outstanding results.

In the first half of 2014, the Group continued to achieve growth in both scale and efficiency. It recorded a steady growth in profit on a recurring basis. The Group's construction projects were implemented smoothly, driving the substantial growth of its construction service revenue. During the period under review, the Group's consolidation turnover amounted to HK\$2,943,765,000, an increase of 19% as compared to the same period last year. During the period, EBITDA on recurring basis amounted to HK\$1,298,725,000, an increase of 20% as compared to the same period last year. Profit attributable to equity shareholders during the period was HK\$801,866,000, a growth of 23% as compared to the same period last year. Basic

earnings per share for the first half of 2014 was HK17.88 cents, HK1.80 cents more than the earnings per share in the same period last year. The interim dividend for the year is HK5.0 cents per share (2013: HK3.5 cents per share).

During the period under review, the turnover from the environmental protection and alternative energy business sectors amounted to HK\$2,941,056,000, in which construction service revenue increased by 22% to HK\$1,771,874,000 as compared with the same period last year, accounting for 60% of the revenue; the operation service revenue increased by 9% as compared with the same period last year to HK\$729,382,000, accounting for 25% of the revenue; and finance income was HK\$439,800,000, accounting for 15% of the revenue.

Mr. Chen Xiaoping, CEO of Everbright International, said, “After a decade of transforming itself into an environmental protection enterprise, Everbright International is embracing a new era of rapid development. During the first half of 2014, the Group actively explored new markets, and successfully secured 11 environmental protection projects and commenced 2 wind power generation projects. In addition to reaching a new height in the number of projects secured compared with the corresponding periods in previous years, the investment amounts during the period also exceeded last year’s total investment amounts.”

Environmental Energy

During the period under review, the environmental energy projects of the Group together processed household waste of 2,227,000 tonnes, industrial and hazardous waste of 30,000 tonnes and generated on-grid electricity of 587 million kWh, an increase of 2%, a decrease of 14% and an increase of 15%, respectively, as compared with the same period last year. The environmental energy projects contributed EBITDA of HK\$978,009,000, an increase of 24% over the corresponding period of last year. The growth in profit was mainly attributable to the recognition of construction service revenue and cost savings on construction projects, and also an increase in the operation service revenue due to continued growth in processing volumes of operating projects during the period.

In terms of project expansion, during the first half of 2014, the Group secured a total of 8 environmental energy projects, commanding a total investment of approximately RMB3.21 billion. The new projects include 7 waste-to-energy projects and 1 hazardous waste treatment project. The new projects added a total designed daily household waste processing capacity of approximately 5,900 tonnes and a total designed annual integrated processing capacity of hazardous waste of approximately 9,500 tonnes. The new projects were Anhui Dangshan Waste-to-energy Project, Ma’anshan Waste-to-energy Project, Shandong Tengzhou Waste-to-energy Project, Hunan Yiyang Waste-to-energy Project, Jiangsu Changzhou Xinbei Waste-to-energy Project (“Changzhou Xinbei Project”), Nanjing Gaochun Waste-to-energy Project, Nanjing Waste-to-energy Project (“Nanjing Project”) Phase II, and Jiangsu Xinyi Hazardous Waste Treatment Project.

In terms of project construction, during the period under review, the Group’s construction projects were advanced steadily. Zhejiang Ningbo Waste-to-energy Project (“Ningbo Project”) Phase I and Nanjing Project Phase I completed construction and commenced operation. The construction of the Jiangsu Pizhou Waste-to-energy Project (“Pizhou Project”) Phase I, Hainan Sanya Waste-to-energy Project (“Sanya Project”) Phase I, and Shandong Shouguang Waste-to-energy Project (“Shouguang Project”) Phase I is carrying out steadily. These projects will commence operation in succession in the next half of 2014.

During the period under review, the Jiangsu Changzhou Waste-to-energy Project, Jiangyin Waste-to-energy Project and Yixing Waste-to-energy Project have been approved to increase their waste processing fees. The Group's Ningbo Project, Nanjing Project, Pizhou Project and Sanya Project obtained subsidies of a total RMB100 million under the scheme of the "2014 Central Budgetary Investment Plan", indicating that the Group's high quality construction projects, high standard operating and management projects and efforts in environmental and social responsibility have been recognized by central and local governments.

Environmental Water

During the period under review, environmental water projects treated 276,518,000 m³ of waste water, an increase of 14% as compared to the same period last year. These operations contributed EBITDA of HK\$300,074,000, 6% more than the same period last year. The increase in profit was mainly due to the continuous increase in operating efficiency of the operating projects, leading to the rise in profit which offset the impact of the profit decrease in construction projects.

During the period under review, Shandong Zhangqiu Waste Water Treatment Project ("Zhangqiu Project") completed construction and commenced operation. Ling County Waste Water Treatment Project ("Ling County Project") (Plant 1) completed the upgrade works.

During the period under review, to improve the Group's comprehensive strength, further expand its environmental water business and enhance market competitiveness, China Everbright Water Holdings Limited ("Everbright Water Holdings"), a wholly-owned subsidiary of Everbright International, signed a sale and purchase agreement with HanKore Environment Tech Group Limited ("HanKore"), a company listed on the main board of the Singapore Exchange Securities Trading Limited, regarding the injection of all the investment of the Company in the environmental water sector into HanKore. After completion of the acquisition and the disposal, Everbright Water Holdings will hold approximately 79.21% of the enlarged issued capital of HanKore. HanKore will become an indirect subsidiary of Everbright International and change its name to "China Everbright Water Limited". Currently, the transaction is still being processed. Completion of the transaction shall be conditional upon the fulfilment of a number of conditions precedent and the completion of the approval processes of the stock exchanges of Singapore and Hong Kong. The transaction is expected to be completed by the end of 2014.

Alternative Energy

During the period under review, the Group's alternative energy projects generated a total of on-grid electricity of 123 million kWh and contributed EBITDA of HK\$95,461,000, an increase of 68% as compared to the same period last year. The increase in profit was mainly due to the construction service income from Anhui Hanshan Biomass Power Generation Project ("Hanshan Project") and the increase in profit contribution of Anhui Dangshan Biomass Power Generation Project through a refined fuel structure and improved operating efficiency.

During the period under review, the Group developed 3 biomass industrial utilization projects in Jiangsu Province: Lianyungang Guanyun Biomass Integrated Utilization Project, Jiangsu Suqian Sucheng Biomass Integrated Utilization Project and Jiangsu Xuyi Biomass Integrated Utilization Project, using the 'Pellet Fuel & Central Heating' model, expanding the Group's industrial chains from cities to rural areas. There is a large market demand and ample room

developing of biomass integrated utilization projects given the current controls on air pollution implemented by the central government, providing the Group with a new direction for development in the biomass industry.

During the period under review, Shanxi Ningwu Wind Power Projects, Changfangshan Phase I and Zhaojiashan Phase I, were included in the fourth approval scheme of wind power generation projects in the Twelfth Five-Year Plan of the National Energy Administration in February 2014, and were approved by the Shanxi Development and Reform Commission in April 2014. Ningwu Wind Power Project has finished its wind resources assessment and is commencing project construction.

Environmental Protection Engineering

During the period under review, the Group completed the construction of 4 projects, including Zhangqiu Project, Ling County Project (Plant 1) upgrade work, Ningbo Project Phase I and the Nanjing Project Phase I.

As at 30 June 2014, the Group had a total of 15 projects under construction, including Pizhou Project Phase I, Sanya Project Phase I, Shouguang Project Phase I, Guangdong Boluo Waste-to-energy Project Phase I, Jiangsu Guanyun Hazardous Waste Treatment Project, Jiangsu Binhai Hazardous Waste Landfill Project, Shandong Zibo Hazardous Waste Integrated Treatment Project, Shandong Weifang Waste-to-energy Project Phase I, Ningwu Changfangshan and Zhaojiashan Wind Power Projects, Hanshan Project, Jiangsu Zhenjiang Waste-to-energy Project Phase II, Jiangsu Xuyi Waste-to-energy Project Phase I, Jiangsu Changzhou Xinbei Project Phase I and Shandong Rizhao Waste-to-energy Project. Several projects under construction are expected to commence operation in the second half of 2014. In addition, following the completion of preparation work for the projects in preparatory stages, several projects are expected to commence construction in the second half and contribute stable income to the Group.

Environmental Protection Technology

During the period under review, the Group focused on 10 fields in R&D which were planned at the beginning of 2014 with a total budget of more than RMB40 million. The Group has commenced and promoted research in the harmless treatment of household waste, agriculture and forestry biomass, hazardous waste incineration treatment, gas purification, sludge treatment and disposal techniques, and environment remediation. The Group's self-developed grate furnaces now operate in the waste-to-energy projects located in Jiangyin, Zhenjiang, Suqian, Suzhou, and Nanjing in Jiangsu Province as well as in Ningbo in Zhejiang Province, and have achieved a satisfactory operational performance, reaching international standards. Several self-developed achievements of the 500-tonne/day incinerator have been applied in the Nanjing Project Phase I and Ningbo Project, which achieved great success in various parameters of waste-to-energy and system operating. During the period under review, the Group was granted 7 invention patents.

Environmental Protection Equipment Manufacturing

The Group's environmental protection equipment manufacturing business has become a new business sector for the Group after a year and a half's successful operation and promotion. The Changzhou Environmental Protection Equipment Manufacturing Project Phase II is now expanding to ensure the fulfilment of the demands of the Group's internal projects and outsourcing projects. During the period under review, the Group completed the unit assembly

and commissioning of 4 sets of incinerators and 1 set of 750-tonne/day prototypes. The Group also implemented overhaul for the incinerators in Changzhou Waste-to-energy Project, Suzhou Waste-to-energy Project Phase I and Phase II, and Zhenjiang Waste-to-energy Project, and advanced the centralized purchase and supply of backup products for the operating projects. The Group coordinated the projects to further enhance their efficiency and reduce operating cost.

In addition to internal projects, the Group has actively advanced both the domestic and foreign markets. The Group successfully started to outsource sales of its leachate system.

Mr. Chen Xiaoping said, “Through the process of advancing the structural transformation of the economy and deepening reforms, the government is determined to help improve the environment and boost the development of the environmental protection industry. To meet huge market demand, the Group will map out its corporate development plan using a highly strategic approach. By further enhancing its management standard and technology innovation, the Group will continue to focus on three of its core business sectors: environmental energy, environmental water and alternative energy, in order to achieve a better positioning along the value chain. The Group will continue to expand from cities to rural areas, from coastal areas to inland cities, and from domestic to overseas markets. As the Group deepens its existing business segments, it will strive to enter new geographic areas and business segments to gradually expand the footprint of its environmental business.”

Mr. Chen Xiaoping continued, “In line with its rapid business development, the Group fully assumes its role as a responsible corporate citizen. During the first half of 2014, the Group contributed tremendously in the areas of energy conservation and environmental protection as well as the promotion of environmental protection education. The Group, through its Everbright International Environmental Protection Charitable Foundation, not only supported a major environmental protection event “Earth Hour 2014” organized by WWF-Hong Kong, but also established strategic cooperation with environmental protection and academic organizations in China to support efforts in environmental protection education. As a leading enterprise of the environmental protection industry in China and with the support of its parent company China Everbright Holdings Company Limited, Everbright International will continue to adhere to the principle that An Enterprise is not only a Creator of Wealth, but also the Safeguard of Environmental and Social Responsibility. By focusing on stable corporate development, technological innovation and protection of the environment in the long run, the Group contributes to the sustainable development of China and the rest of the world, sharing fruitful results with its staff and society, and maximizing long-term rewards for its 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, industrial and hazardous waste integrated treatment, biomass power generation, solar photovoltaic energy, wind power, methane-to-energy, waste water treatment, reusable water, environmental protection engineering, technological research and development, environmental protection equipment manufacturing as well as the planning and construction of environmental protection industrial parks.

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