



EVERBRIGHT INTERNATIONAL ANNOUNCES 2015 INTERIM RESULTS

BENEFITING FROM SUPPORTIVE ENVIRONMENTAL POLICIES AND

STRONG COMMITMENT TO SOCIAL RESPONSIBILITY

ENHANCEMENT OF BUSINESS STRENGTHS AND CONSOLIDATION OF

THE LEADING INDUSTRY POSITION

Financial Highlights

	For the six months ended 30 June		
	2015	2014	
	HK\$'000	HK\$'000	Change
Revenue	3,771,802	2,943,765	28%
Gross Profit	1,800,210	1,351,534	33%
EBITDA	1,778,791	1,298,725	37%
Profit Attributable to Equity Shareholders	1,000,155	801,866	25%
Basic Earnings per Share (HK cents)	22.31	17.88	25%
Interim Dividend per share (HK cents)	6.5	5.0	30%

Hong Kong, 12 August 2015 - China Everbright International Limited (“Everbright International” or the “Group”) (SEHK: 00257), today announced its unaudited interim results for the six months ended 30 June 2015.

Benefiting from the government’s policy support of the environmental protection industry, during the period under review, the Group adhered to its development strategy, advanced the growth of all of its business segments, leveraged the advantage of integrated regional

management, and therefore achieved outstanding results in its business expansion and in the capital market, further strengthening the Group's leading position in the industry and maintaining an outstanding operational performance.

In the first half of 2015, the Group continued to achieve growth in both scale and efficiency. It recorded a steady growth in profit. Its consolidated revenue amounted to HK\$3,771,802,000, an increase of 28% over the first half of 2014. The EBITDA amounted to HK\$1,778,791,000, an increase of 37% over the first half of 2014. Profit attributable to equity shareholders of the Group for the first half of 2015 was HK\$1,000,155,000, 25% more than the same period of last year. Basic earnings per share for the first half of 2015 were HK22.31 cents, HK4.43 cents more than the same period of last year. The Board announced an interim dividend payment of HK6.5 cents per share to shareholders (2014: HK5.0 cents per share).

During the period under review, the revenue from the environmental protection business sector amounted to HK\$3,763,500,000. Within this sector, construction service revenue increased by 16% to HK\$2,062,548,000 compared with the same period in 2014, accounting for 55% of the revenue; operation service revenue was HK\$1,093,011,000, an increase of 50% compared with the same period in 2014, accounting for 29% of the revenue; and finance income stood at HK\$607,941,000, accounting for 16% of the revenue.

Mr. Chen Xiaoping, CEO of Everbright International, said, "In the first half of 2015, Everbright International advanced the growth of all its business sectors and made remarkable achievements in market expansion, with a strong sense of social responsibility and a firm commitment to environmental protection. During the period under review, the Group successfully secured 14 new projects and signed a supplementary agreement. Additionally, it explored a new model of regional centralized management, and enhanced the synergy, effectiveness and collaborative strength of various projects, pushing forward the development of the Group into new areas and to new heights."

Environmental Energy

During the period under review, the Group's environmental energy projects processed a total household waste of 3,260,000 tonnes and generated a total on-grid electricity of 881,561,000 kWh, an increase of 46% and 50% respectively as compared with the same period of 2014. The environmental energy projects contributed an EBITDA of HK\$1,219,829,000, an increase

of 29% over the same period in 2014. The increase in profit was mainly attributable to the recognition of construction service revenue and cost saving 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 under review.

Regarding business expansion, during the first half of 2015, the Group obtained 6 new environmental energy projects, including 5 waste-to-energy projects and 1 food waste treatment project, which commended a total investment of RMB1.75 billion, with an increased designed daily household waste and food waste processing capacity of about 3,050 tonnes and 100 tonnes, respectively. Among the new projects, the Group won bids for Shandong Pingdu Waste-to-energy Project and Xintai Waste-to-energy Project, with the leading scores in the overall bidding process. It secured a household waste and food waste co-processing project in Laiwu City of Shandong province, which is the first of this kind of project for the Group. The Group also secured Sichuan Suining Waste-to-energy Project through a Public-private-partnership (PPP) model. In addition, the Group commenced the construction of Hainan Sanya Waste-to-energy Project Phase II.

On the project construction, during the period under review, the Group recorded a steady progress in its construction projects. Among them, Jiangsu Zhenjiang Waste-to-energy Project (“Zhenjiang Project”) Phase II completed construction and commenced operation. It is also the Group’s 16th waste-to-energy project in operation. In addition, a number of waste-to-energy projects commenced construction in the first half of the year, namely Zhejiang Hangzhou Waste-to-energy Project Phase I, Jiangsu Wujiang Waste-to-energy Project and Hunan Yiyang Waste-to-energy Project. Other projects under construction also made steady progress. The Group is committed to improving operational efficiency by increasing the electricity generated by each tonne of waste and lowering the volume of electricity consumed by factories. It has achieved positive results with continuous growth in operation service revenue.

During the period under review, the Group’s Jiangsu Suqian Waste-to-energy Project and Zhenjiang Project received the green light to increase waste processing fees, reflecting the national government and local governments’ recognition on the Group’s top-quality project construction, high-standard operations and management, and its efforts to be environmentally and socially responsible.

Environmental Water

As at the first half of 2015, environmental water projects treated 406,455,000 m³ of waste water, an increase of 47% as compared to the same period in 2014. The environmental water projects contributed an EBITDA of HK\$411,143,000, 37% more than the same period in 2014. The increase in profit was mainly due to increase in the operation service revenue due to continued growth in processing volumes of operating projects after the reverse takeover of HanKore projects.

Since the completion of the reverse takeover at the end of last year, China Everbright Water Limited (“Everbright Water”), the Group's non wholly-owned subsidiary in which the Group holds a 74.4% stake, focused on internal integration in the first half of 2015. During the period under review, Everbright Water invested in and undertook operation of Shandong Ju County Waste Water Treatment Project (“Ju County Project”) on a TOT (“Transfer – Operate – Transfer”) basis. Ju County Project has a total investment of approximately RMB103 million and a designed daily waste water treatment capacity of 40,000 m³. The water discharge complies with the Grade 1A national standard.

As for projects under construction, the expansion of Shandong Binzhou Boxing Waste Water Treatment Project Phase II, the construction of Jiangsu Yangzhou Jiangdu Development Zone Waste Water Treatment Project Phase II and Henan Sanmenxia Industry Cluster Area Waste Water Treatment Project Phase I were completed during the period under review. The construction and upgrade of Jiangsu Nanjing Pukou Waste Water Treatment Project Phase II and Suzhou Wuzhong Chengnan Waste Water Treatment Project Phase II and the construction of Shandong Zibo Reusable Water Project Phase II progressed steadily and are expected to complete construction in the second half of this year. In addition, Jiangsu Jiangyin Waste Water Treatment Project, Shandong Jinan Waste Water Treatment Project and Shaanxi Xianyang Waste Water Treatment Project Phase I received the green light to increase their waste water treatment fees respectively during the period under review.

During the period under review, Everbright International introduced two globally renowned investment institutions as the strategic investors, namely International Finance Corporation and Dalvey Asset Holdings Ltd, a wholly-owned subsidiary of RRJ Capital Master Fund II, L.P., which was established by RRJ Capital. In addition to optimizing the shareholding structure

of Everbright Water, the funds raised will also consolidate and advance the future development of Everbright Water.

Greentech

During the period under review, the Group established a new business sector, Greentech, in replace of the alternative energy sector. Greentech sector includes biomass integrated utilisation projects, photovoltaic energy projects, wind power projects and industrial solid waste and hazardous treatment projects that originally belonged to the environmental energy sector. During the period under review, the Group's Greentech projects provided a total on-grid electricity of 229,236,000 kWh and processed agricultural waste and straw of 280,000 tonnes, an increase of 87% and 115% respectively, as compared to the same period last year. The greentech business contributed an EBITDA of HK\$151,336,000, an increase of 17% as compared with the same period last year. The increase in profit was mainly due to the increase in the operation service revenue due to continued growth in the processing volumes of the operating projects which offset the decrease in construction service revenue during the period under review.

By building on the experience gained from current projects, the Group actively explored new development models. Its biomass integrated utilization projects successfully established 4 business models, including the urban-rural integration model, the biomass direct combustion power generation model, the biomass cogeneration/centralized heating model, and the biomass molding fuel model. The systematic processing of agricultural waste and straw effectively solved the air pollution problem caused by the burning and littering of straw, while also converting waste to energy, generating mutual benefits for local farmers, boosting economic development and reducing environmental pollution.

During the period under review, the Group developed 7 Greentech projects and signed a supplementary agreement with a total investment of approximately RMB2.125 billion, an increased annual agricultural waste and straw processing capacity of approximately 1,300,000 tonnes, and a household waste processing capacity of approximately 438,000 tonnes. The new projects include Anhui Nanqiao Biomass Power Generation Project, Jiangsu Rugao Biomass Power Generation Project, Sichuan Mianzhu Urban-rural Integration Project, Anhui Xiao County Urban-rural Integration Project, and Jiangsu Guanyun Urban-Rural Integration Project.

In terms of project construction, during the period under review, the Group had 6 Greentech projects under construction, including Jiangsu Xuyi Biomass Integrated Utilisation Project, Sucheng Biomass Integrated Utilization Project (“Sucheng Project”), Anhui Dangshan Waste-to-energy Project Phase I, Jiangsu Rudong Biomass Integrated Utilization Project, Shanxi Ningwu Wind Power Project (Zhaojiashan) and Ningwu Wind Power Project (Changfangshan). Construction of the projects is expected to be completed by the second half of this year and next year.

Environmental Protection Engineering

During the period under review, Zhenjiang Project Phase II completed construction and commenced operation. There were 3 waste-to-energy projects that commenced construction, bringing the total number of projects under construction to 9, with the designed daily processing capability reaching 9,300 tonnes. In addition, Sanya Sludge Treatment and Disposal Project in Hainan Province and Sucheng Project also commenced construction during the period under review. With more new projects commencing construction, it is expected that the construction service revenue will continue to be the main revenue driver for the Group.

As at 30 June 2015, the Group had a total of 16 environmental energy and greentech projects under construction (excluding the 3 environmental water projects), with a total investment of RMB6.86 billion. In addition, the Changzhou Equipment Manufacturing Project Phase II in Jiangsu Province is expected to complete construction in the second half of this year. The Group is committed to the principle of First Class Quality, High Standard, Advanced Technology, and Outstanding Efficiency with regards to project construction. It strives to create benchmark projects across the country.

Environmental Protection Technology

During the period under review, the Everbright Environmental Protection Technology Institute, which is invested in and established by the Group, was officially unveiled in Shenzhen. It consists of three major research divisions: incineration technology, water environment technology and engineering design, as well as two research teams specializing in integrated environmental services and information and control technology. The Institute will conduct extensive and in-depth research on the solid waste treatment technology of household waste, industrial hazardous waste, sludge and food waste, control software

technology, biomass utilisation technology, synergetic treatment of urban and rural waste in small- and medium-sized cities, waste water treatment in urban cities and environmental restoration technology. This adheres to the Group's development strategy of moving "from Coastal Areas to Inland Areas, from Cities to Rural Areas, from Domestic to Overseas Markets" in order to provide different users with tailor-made unit processing technology, a full portfolio of engineering technology and integrated solutions.

During the period under review, the Group was granted 16 patents, of which 3 were invention patents and 13 were utility invention patents.

Environmental Protection Equipment Manufacturing

In the first half of 2015, the Group's environmental protection equipment manufacturing business developed steadily. Currently, the Group's production base for environmental protection equipment located in Changzhou City of Jiangsu province ("Changzhou Environmental Protection Equipment Manufacturing Project"), mainly manufactures incinerators, leachate treatment systems, gas emission purification equipment and other major equipment for use of the Group's waste-to-energy projects. Changzhou Environmental Protection Equipment Manufacturing Project is now expanding Phase II, which will complete construction in the second half of this year.

During the period under review, in order to keep up the pace with the construction progress of the projects, the Group completed the unit assembly and commissioning of 7 sets of incinerators, 4 sets of gas emission purification system and 5 sets of leachate treatment systems. This enabled the Group to build high-quality projects and also helped it to further improve efficiency and lower operational costs.

Mr. Chen Xiaoping said, "The country's determined policy support and action plan on environmental restoration will undoubtedly bring unprecedented market opportunities and create the driving force for the environmental protection industry. The Group will continue to map out its future development plan with a highly-strategic approach. By constantly improving strategic layout, boosting technology innovation and management standards, accurately interpreting policy trends, and adapting to changes in the environmental protection market, the Group will be able to tap into the industry's development potential and capture various opportunities for the Group's growth. The Group will also continue to

devote major efforts to develop the three core business sectors, environmental energy, environmental water and greentech, and further advance the development of the environmental protection equipment manufacturing and environmental protection technology businesses. With innovation as its core competitive edge, complemented with an advanced business model and high quality management, the Group will continue to optimize the industry chain layout to ensure the steady development of all business segments and achieve rapid growth in alignment with China's environmental protection industry. In addition, it will continue to make relevant contributions accordingly throughout its development growth."

Mr. Chen Xiaoping continued, "Everbright International has stayed true to the principle of An Enterprise is not only a Creator of Wealth, but also the Safeguard of Environmental and Social Responsibility. The Group strives to play a pioneering role in pushing forward the development of environmental and social responsibilities by ensuring all business segments are in compliance with discharge standards and continuously seeks to improve its operating transparency. In 2015, the Group will become the first company in China to disclose the discharge standards and environmental assessment indicators of its operating waste-to-energy projects to the public, this information is highly considerable by the market and investors. The Group also welcomes the supervision of governments and the public to help improve its operation and management. The Group is devoted to creating a greener, more environmentally-friendly and sustainable living environment for investors and society as a whole."

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About China Everbright International Limited

China Everbright International Limited focuses on its core businesses in environmental protection. These mainly include waste-to-energy, industrial and hazardous waste integrated treatment, biomass integrated utilisation, solar photovoltaic energy, wind power, methane-to-energy, water restoration, 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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