

## **Everbright International Secures Biomass Power Generation Project at Laiyang City of Shandong Province**

### **Actively Expands Business Presence in Alternative Energy Business**

China Everbright International Limited (“Everbright International” or “the Group”) has signed an investment agreement with the Laiyang Municipal Government of Shandong Province to invest in the construction and operation of a biomass power generation project in Laiyang City (“Laiyang Project”) at a total investment of approximately RMB320,000,000.

The Laiyang Project has been selected as one of the projects within China’s Twelfth Five-Year Development Plan with the strong support of the Laiyang Municipal Government. Laiyang City of Shandong Province is best known for its agriculture, particularly fruit orchards and vegetable farms. It has a total agricultural planting area of approximately 1,530,000 acres, of which of approximately 420,000 acres are dedicated to raising fruit and an annual output of agricultural straw and fruit tree branches of approximately 760,000 tonnes.

The project will be equipped with one 130t/h furnace and one 30MW electricity generator. The annual processing capacity is approximately 250,000 tonnes. The Group is to finalise the construction time and scale of the Phase II expansion project according to the actual supply of agricultural waste. The expected construction period is 24 months, including preparatory work and trial run for 6 months.

Mr. Chen Xiaoping, Chief Executive Officer of Everbright International, said, “We have been actively developing biomass power generation projects since last year. Laiyang Project is the Group’s sixth biomass power generation project following the ones in Dangshan, and Hanshan of Anhui Province, Xinyi and Shuyang of Jiangsu Province and Linyi of Shandong Province. This move follows the strategic plan of the Group to expand into the alternative energy sector and consolidate its foothold in Shandong Province and enhances its influence within Shandong’s environmental protection industry. The Group can leverage its experience gained in the Dangshan Project scheduled to be completed during the year to enhance the construction and subsequent operation of the Laiyang Project.”

Mr. Chen added, “In addition, the Group will submit registration for the Laiyang Project under the Gold Standard Voluntary Emission Reduction (VER) or Clean Development Mechanism (CDM) to broaden the income stream. Therefore, the project not only can help reduce emission and save energy in China, it will also generate better returns for our shareholders.”