



EVERBRIGHT INTERNATIONAL ANNOUNCES 2013 INTERIM RESULTS

PROFITS FROM ENVIRONMENTAL PROTECTION PROJECTS

CONTINUES TO GROW STEADILY

SUFFICIENT FINANCIAL RESOURCES

SUPPORT RAPID BUSINESS DEVELOPMENT

- **TURNOVER INCREASED 78% TO HK\$2,466,736,000**
- **EBITDA ON RECURRING BASIS INCREASED 58% TO HK\$1,077,957,000**
- **PROFIT BEFORE TAXATION INCREASED 78% TO HK\$884,354,000**
- **PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS INCREASED 7% TO HK\$650,204,000**

FINANCIAL HIGHLIGHTS (unaudited)

| | For the six months ended | | Change |
|--|--------------------------|-----------|--------|
| | 2013 | 2012 | |
| | HK\$'000 | HK\$'000 | |
| Turnover | 2,466,736 | 1,387,552 | 78% |
| Gross Profit | 1,145,719 | 704,603 | 63% |
| EBITDA on recurring basis, of which | 1,077,957 | 681,728 | 58% |
| Profit before taxation | 884,354 | 495,966 | 78% |
| Profit from continuing operations | 665,794 | 375,450 | 77% |
| Profit from discontinued operation | - | 250,096 | -100% |
| Profit attributable to equity shareholders | 650,204 | 605,148 | 7% |
| Basic earnings per share (HK cents) | 16.08 | 16.46 | -2% |
| Interim dividend per share (HK cents) | 3.5 | 3.0 | 17% |

(Hong Kong, 6 August 2013) - China Everbright International Limited (“Everbright International” or “the Group”) (SEHK: 00257), today announced its unaudited interim results for the six months ended 30 June 2013.

Since 2012, the State has ranked energy conservation and environmental protection the first among the seven “Strategic Emerging Industries” under its “Twelfth Five-Year Plan”. China’s energy conservation and environmental protection industry has grown rapidly in the past year, and the exposure draft of “Air Pollution Control Action Program 2013-2017” announced by the Ministry of Environmental Protection of the PRC after the National People’s Congress of the People’s Republic of China (NPC) and the National Committee of the Chinese People’s Consultative Conference (CPPCC) this year, further demonstrated the new government’s determination and long-term plan for environmental protection.

Benefiting from continuous favourable national policy and fast growth momentum in the industry, the Group adhered to the core principles of “development, openness and creativity”, continued to advance the steady development of the environmental protection business, and at the same time, integrated the processes of project construction, operation management, technology development and equipment manufacturing after the establishment of the mainland management centre. The Group aims to centralise the management of its environmental protection business, accommodate itself to market changes, capture new opportunities with an open mind and promote new development with innovative concepts. With its expanding business presence, the Group further enhanced its management standard and constructed its projects as pioneer projects in the industry to ensure that each project “operates stably and meets emissions standards”, which laid a solid foundation for the Group’s rapid business development and enabled it to maintain its leading position in the industry.

In the first half of 2013, the Group’s construction projects were implemented smoothly, which drove substantial growth of the construction service revenue. Following the kick-off of the construction of new projects, the construction service revenue is expected to continue to be one of the major revenue contributors. As for operating projects, the Group is committed to reducing costs and exploring internal potential to enhance operational efficiency and achieve excellent results. Following the completion of trial runs and gradual operation at full load capacity, the new operating projects will also contribute to the steady growth of the operation service revenue.

During the period under review, the Group’s consolidated turnover from continuing operations amounted to HK\$2,466,736,000, increased by 78% from HK\$1,387,552,000 as compared to the same period last year. During the period, the EBITDA on recurring basis amounted to HK\$1,077,957,000, an increase of 58% from HK\$681,728,000 in the first half of 2012. Profit attributable to equity shareholders during the period was HK\$650,204,000, a growth of 7% as compared to the same period last year. The increase in profit on a recurring basis has completely offset the profit from discontinued operation due to the disposal of Fuzhou Qingzhou Bridge Project last year. Basic earnings per share for the first half of 2013 was HK16.08 cents, HK0.38 cent less than HK16.46 cents in the same period last year.

During the period under review, the Group continued to advance three of its core business sectors proactively, and stepped up its efforts to develop business sectors including Environmental Protection Engineering, Environmental Protection Technology, and Environmental Protection Equipment, aiming to achieve its strategic goal with a constantly

extended supply chain.

The Group's strong business development and dedicated efforts have been widely acknowledged by the capital market and the community. The Group was included as a constituent stock of the MSCI China Index in May 2013, demonstrating its excellent performance and long-term development potential. Furthermore, leveraging its distinguished performance and market leadership in the environmental protection industry in the PRC, the Group won the "Outstanding Brand Awards 2013" in the "Environmental Protection and Alternative Energy" category. As a company with a strong sense of social responsibility, the Group has established a charitable fund to improve the quality of life for people in the community and raise public awareness of environmental protection.

Environmental Protection and Alternative Energy Businesses

During the period under review, the Group actively explored business opportunities in order to keep up with the rapid development of the environmental protection and alternative energy industries, and achieved remarkable results. As at 30 June 2013, the Group has secured 73 environmental protection projects with a total investment of approximately RMB17.848 billion. Of these projects, those with completed construction accounted for a total investment of approximately RMB9.414 billion, while those currently under construction accounted for a total investment of about RMB3.199 billion. The estimated total investment of projects still in the preparatory stage was approximately RMB5.235 billion, (this amounted to RMB3.934 billion after excluding the investment of the biomass power generation projects of which construction has been postponed).

During the period under review, the turnover from environmental protection and alternative energy business sectors amounted to HK\$2,466,481,000 (construction service revenue: 59%, operation service revenue: 27% and finance income: 14%), increased by 78% as compared to the same period of 2012.

In its energy conservation and emission reduction operations, the Group processed household waste of 2,175,000 tonnes and industrial and hazardous waste of 35,000 m³, agricultural waste of 187,000 tonnes and generated green electricity of 744,157,000 kWh during the period under review. This output can support the annual electricity consumption of 620,000 households and is equivalent to saving consumption of standard coal of 298,000 tonnes and reducing carbon dioxide (CO₂) emissions by 911,000 tonnes. Meanwhile, the Group treated waste water of 241,776,000 m³ and leachate of 450,000 m³ from waste-to-energy plants and reduced COD emissions by 111,000 tonnes. Since the Group's first environmental protection project commenced operation in 2005, the Group has processed an accumulated household waste of 13,620,000 tonnes and industrial and hazardous waste of 211,000 m³, agricultural waste of 703,000 tonnes and generated green electricity of 4,369,437,000 kWh, which can fulfill the annual electricity consumption of 3,641,000 households and save the equivalent of standard coal of 1,748,000 tonnes, reducing CO₂ emissions by 4,143,000 tonnes and preventing the cutting down of 568,563,000 trees. The Group has treated an accumulated waste water of 2,894,885,000 m³ and leachate of

2,170,000 m³ from waste-to-energy power plants and reduced COD emissions by 1,141,000 tonnes.

Environmental Energy

As at 30 June 2013, the Group had 22 waste-to-energy projects and 5 industrial and hazardous waste landfill projects and a hazardous waste treatment project that commanded a total investment of approximately RMB11.256 billion. The facilities are designed with an annual processing capacity of household waste of approximately 7,282,000 tonnes, which can in turn generate on-grid electricity of approximately 2.14 billion kWh annually. The annual industrial and hazardous waste treatment capacity is approximately 215,000 m³.

The Group is constantly learning from experience, has an insight into the market, adapts well to market changes, and concentrates resources on developing the environmental energy sector. In the first half of 2013, the Group secured new projects including 2 waste-to-energy projects in Rizhao of Shandong Province and Ninghai of Zhejiang Province, a hazardous waste treatment project in Zibo of Shandong Province and a hazardous waste landfill project in Binhai of Jiangsu Province.

During the period under review, Suzhou Waste-to-energy Project Phase III and Suqian Hazardous Waste Landfill Project Phase I in Jiangsu Province have commenced operations. Suzhou Waste-to-energy Project Phase I, II and III are designed with a total daily waste processing capacity of 3,550 tonnes. It is to date the largest completed waste-to-energy project with the highest operation standards in the PRC, opening a new era for processing household waste to achieve the objective of “Complete Incineration and No Landfills” in Suzhou. Suqian Hazardous Solid Waste Landfill Project Phase I is designed with total storage capacity of 340,000 m³ and an annual hazardous waste landfill processing capacity of approximately 22,700 m³.

During the period under review, the Group’s construction projects achieved steady progress. The waste-to-energy projects in Nanjing of Jiangsu Province (“Nanjing Project”), Ningbo of Zhejiang Province (“Ningbo Project”) and Pizhou of Jiangsu Province (“Pizhou Project”) were very efficient in their construction which contributed to the significant increase in the construction service revenue. The construction of Shouguang Waste-to-energy Project in Shandong Province (“Shouguang Project”) and Sanya Waste-to-energy Project in Hainan Province (“Sanya Project”) started in June 2013. Other projects still in the preparatory stage have been progressing as scheduled and will begin construction upon government approval. In addition, the Group is committed to increasing operation efficiency by increasing the electricity generated by each tonne of waste and reducing the electricity consumed by factories. It has achieved good results with continuous growth in operation service revenue.

During the period under review, the environmental energy projects of the Group contributed an EBITDA of HK\$788,808,000, an increase of 77% over the corresponding period of last year. The growth in profit was mainly attributable to the recognition of construction service revenue and cost savings, and also the increase in the operation service revenue due to

continued growth in the processing volume of operating projects during the period.

Environmental Water

As at 30 June 2013, the Group had a total of 20 waste water treatment projects and 4 reusable water projects with a total investment of RMB3.2 billion. The projects are designed with an annual waste water treatment capacity of approximately 667,950,000 m³, as well as to provide reusable water of 22,334,000 m³ annually. There are 2 water BT projects that have completed construction, commanding a total investment of RMB447 million.

During the period under review, the Group continues to expand the environmental water sector. It has secured a waste water treatment project in Zhangqiu of Shandong Province (“Zhangqiu Project”). The Zhangqiu Project is designed with a daily waste water treatment capacity of 30,000 m³, commanding a total investment of approximately RMB60.7 million. Its water discharge will comply with the National Grade 1A standard.

Jiangyin Reusable Water Project Phase I commenced commercial operation in January 2013. Phase I is designed to provide 10,000 m³ of reusable water per day and involves a total investment of approximately RMB73 million. The project’s inauguration of commercial operation signifies the Group’s successful extension of its industry chain in the field of waste water treatment in Jiangyin. It also marks the beginning of the utilisation of reusable water in the municipal infrastructure development for the Jiangyin National Hi-Tech Industrial Development Zone, and is another great example of recycling and reutilisation of waste water by the Group.

During the period under review, environmental water projects contributed an EBITDA of HK\$281,402,000, 40% more than in the previous year. The increase in profit was mainly due to the commencement of construction of Shandong Jinan Licheng Waste Water Treatment Project (Plant 3) (“Licheng Project”) Phase II, which contributed to the construction service revenue, as well as cost savings recognised on completed projects.

Alternative Energy

As at 30 June 2013, the Group had 18 alternative energy projects, including 8 photovoltaic energy projects, 6 biomass power generation projects, 2 methane-to-energy projects and 2 waste water source heat pump projects. These projects commanded a total investment of approximately RMB2.855 billion, were designed with a total annual agricultural waste processing capacity of approximately 1,643,000 tonnes, and have an annual capacity to generate 1,167,000,000 kWh of on-grid electricity.

During the period under review, the Group reduced auxiliary power consumption of its photovoltaic energy projects, thereby improving their operation efficiency. By improving fuel quality and equipment utilisation rate and reducing auxiliary power consumption, the operational efficiency of the Anhui Dangshan Biomass Power Generation Project (“Dangshan Project”) has been enhanced. The Group reactivated the Hanshan Biomass Power Generation Project (“Hanshan Project”) after receiving the approval from the

National Energy Administration Bureau in January 2013 and construction of Hanshan Project started in June 2013. The total investment of Hanshan Project Phase I was RMB320 million and the designed annual processing capacity is approximately 300,000 tonnes of various types of agricultural waste. The Hanshan Project will be classified as part of a nationally approved plan and is able to benefit from the unified national biomass feed-in tariff at RMB0.75/kWh. This is the first green light for the biomass power generation industry since the government tightened the management of biomass power generation project construction in 2010.

During the period under review, the Group's alternative energy projects contributed an EBITDA of HK\$59,554,000, an increase of 5% as compared with last year. The increase of profit was mainly due to the successive increase of profit of Dangshan Project and the photovoltaic energy projects.

Environmental Protection Engineering

The Group has actively developed the environmental protection engineering business in the first half of 2013. During the period under review, the construction of Jiangsu Suqian Hazardous Solid Waste Landfill Project, Suzhou Waste-to-energy Project Phase III and Jiangyin Reusable Water Project were completed and the projects have also commenced commercial operation. Jiangsu Xinyi Surface Water Project was completed construction and transferred. In addition, the Shandong Dezhou Nanyunhe Waste Water Treatment Project Phase I completed its trial run. As at 30 June 2013, there were a total of 20 projects with a total investment of RMB7.133 billion under construction or in preparatory stage.

The Group will experience an important year for project construction in 2013. During the period under review, there were a total of 5 projects that commenced construction in March, April and June 2013. These were the Pizhou Project Phase I, Licheng Project Phase II, Sanya Project Phase I, Shouguang Project Phase I and Hanshan Project. Together with the continued construction of the Nanjing Project, Ningbo Project Phase I and other new projects, the construction service revenue is expected to foster a new growth point for the Group.

The Group is committed to the principle of "First Class Quality, High Standard, Advanced Technology, Outstanding Efficiency" in regard to project construction. It strives to create benchmark projects in the country. During the period under review, the Group's Shandong Jinan Waste-to-energy Project received the highest award in the China Quality Project Construction 2012-2013, also known as the "Luban Prize" for projects of national quality. In addition, the Jiangsu Suzhou Waste-to-energy Project was categorised as the "National AAA Waste-to-Energy Power Plant" by the Ministry of Industry and Information Technology of the PRC.

Environmental Protection Technology

During the period under review, the Group established its commitment to 8 fields of R&D, with a budget of more than RMB20 million in total. The Group has filed funding applications for 9 national and local projects and received a subsidy of RMB1 million from the Shenzhen Strategic Emerging Industry Development Project Funds in support of the research of incinerator combustion control systems.

During the period under review, the Group authorised 4 invention patents. The Group will continue to strengthen its efforts in advancing R&D to develop its business, expand its business scope and lay a solid foundation for continuous development.

Environmental Protection Equipment

Environmental protection equipment manufacturing is a new business sector for the Group. The Group's production base for environmental protection equipment is located in Changzhou of Jiangsu Province and commenced production last year. Currently, it mainly manufactures grate furnaces, leachate treatment equipment and emission purification equipment for the Group's waste-to-energy projects. During the period under review, the Group completed the assembly commissioning of 6 sets of 500-tonne incinerators for Nanjing and Ningbo Projects. The Group also promoted the production plan for 6 incinerators for the projects in Weifang and Shouguang of Shandong Province and Boluo of Guangdong Province. In addition to internal projects, the Group has actively expanded into foreign markets, establishing cooperative relationships with various environmental protection enterprises. The Group secured a waste-to-energy project consultancy service contract in the first half of the year. Furthermore, the equipment manufacturing center received the "Changzhou High-tech Product Certificate" for its self-developed grate furnaces. The Group is aiming to reach out to Hi-tech Enterprise as its next step.

Business Prospects

Commenting on the Group's future business prospects, Mr. Chen Xiaoping, Chief Executive Officer of Everbright International, said, "In the first half of 2013, not only did the Group successfully operate and manage projects, it also achieved excellence in market expansion and secured a number of new projects. The Group will continue to strengthen its strategic planning and capitalize on its comprehensive advantages, whilst capturing the enormous development potential of the environmental alternative energy business. The Group will continue to focus on three of its core business sectors; environmental energy, environmental water, and alternative energy, and will ride on its core competitiveness and management capabilities to achieve synergies across these three sectors. The Group will further expand its environmental protection equipment manufacturing and environmental protection technology businesses, allowing it to extend its supply chain to achieve a comprehensive and healthy business growth. The Group will strive to expand its footprint from coastal regions to inland cities in China and seek new environmental protection and alternative energy business opportunities in overseas markets.

Mr. Chen continued, "The Group is committed to upholding its development principle – an enterprise is not only the creator of wealth, but also the safeguard of environmental and

social responsibility. With a strong sense of social responsibility as part of its mission, the Group will help solve global and domestic environmental issues and improve environmental standards in cities. The Group will strive to contribute to the world’s sustainable development whilst sharing its success with society and its employees and generating better returns 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, biomass power generation, solar photovoltaic energy, wind power, methane-to-energy, solid waste landfill, 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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