

**中國光大國際有限公司****China Everbright International Limited****The Self-developed Hydraulic Mechanical Grate Furnace of Everbright International Passes the National Assessment of Environmental Protection Technologies Reaching the International Standards**

Environmental Protection Equipment Manufacturing Project Receives RMB9.7 million Subsidy from Central Government Supporting the Group to Enter the Equipment Manufacturing Industry

(Hong Kong, 22 May 2012) China Everbright International Limited (“Everbright International” or the “Group”) has announced that the multi-step hydraulic mechanical household waste grate furnace of its subsidiary, Everbright Environmental Protection Technological Development (Beijing) Limited, has passed the environmental protection technology assessment by the Chinese Society for Environmental Sciences on 3 May 2012. The self-developed furnace is specially designed to treat the waste in China characterised by a low heating value, high moisture and high ash content. In addition, Everbright Environmental Protection Equipment Manufacturing (Changzhou) Limited under the Group was granted a special subsidy of RMB9,700,000 from the 2012 Strategic Emerging Industries Fund (Energy Saving and Environmental Protection) of the Central Government. The subsidy will be used to fund the development of the multi-step hydraulic mechanical household waste grate furnace product line. This product advancement marks a technology breakthrough of China Everbright in the waste-to-energy industry as well as the establishment of a new business segment of the Group in its environmental protection equipment manufacturing business.

This type of self-developed furnace combustion system and combustion control system has been applied within the waste-to-energy projects in Jiangyin, Zhenjiang, Suqian. The operating results have shown a satisfactory level of technological and economic performance in which the ignition loss rate of slag was below 3%, reaching a very high burning efficiency of 96% and a stable operating duration of over 8000 hours per year. This accomplishment has also demonstrated that the new grate furnace technology developed by the Group is ideally suitable for household wastes in China, achieving the localization of household waste-to-energy grate furnace technology and that the domestically developed grate furnace has reached the international standards of similar technologies.

In addition, the construction of the environmental protection equipment manufacturing centre of the Group has entered the final stage. The Group planned to apply its self-developed grate furnaces and automatic control systems to the newly secured projects in Nanjing, Ningbo, Wujiang and Pizhou this year. Moreover, the Group is embarking on the development of the whole series of equipment specially designed for waste-to-energy projects.

Mr. Chen Xiaoping, Chief Executive Officer of Everbright International, said, "The approval of environmental protection technology assessment represents the recognition of our R&D technology. Together with the Government's subsidy, the Group will realize the industrialization of manufacturing the environmental protection equipment. The recognition also marks a new milestone in our entry into the middle and upstream of environmental protection industry from downstream, as well as our transformation from a sole waste-to-energy operator to a comprehensive environmental protection corporation. We are boosting investment in R&D to capture emerging opportunities and moving into a stronger position with requirements to develop more advanced environmental protection technologies and equipment. This advance enables us to make further contributions to environmental improvement, thus generating better returns for investors."

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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 planning and construction of environmental protection industrial parks etc.

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