

EVERBRIGHT INTERNATIONAL MAKES A FORAY INTO WASTE SORTING AND RESOURCE RECYCLING SECTOR

31 May 2019, Hong Kong – China Everbright International Limited (“Everbright International” or the “Group”) (HKSE: 257) is pleased to announce that the Group has invested RMB45 million to secure 90% equity interest in Shandong QuXiang Information Technology Company Limited (“Shandong QuXiang”), which marks the Group’s entry into the waste sorting and resource recycling business sector.

Located in Ji’nan City of Shandong Province, Shandong QuXiang is a technology enterprise that focuses on waste sorting business. Its main business covers research and development, manufacturing and sales of smart waste recycling machines, as well as sorting, collection and transportation of waste and reuse of resources through the “Internet +” model. Riding on its “Dian Dian Recycling” brand, Shandong QuXiang has launched waste sorting programmes in cities, such as Beijing, Ji’nan, Suzhou and Chengdu. These programmes have served more than one million people, and are able to sort and recycle approximately 10,000 tonnes of renewable resources annually. Following the transaction, the “Dian Dian Recycling” business, which is now under Everbright International, will continue providing quality services on waste sorting and resource recycling in more areas.

Mr. Wang Tianyi, CEO of Everbright International, said, “Everbright International set up the eco-recycling sector last year, with a focus on environmental services and integrated utilisation of renewable resources, with the aims of developing a nationwide renewable resource management platform and establishing a full industrial chain for waste sorting and resource recycling. The investment of Shandong QuXiang is of positive and great significance for the Group in establishing a full-chain business system that ranges from the waste collection at source to disposal at the back end.”

Driven by the goals of developing a harmonious society that is energy efficient and environmental-friendly and improving its ecological conservation, China has rolled out a series of policies and adopted a market-oriented approach to improving the waste sorting, transportation and treatment system in the country. The General Office of the State Council of the People’s Republic of China (“PRC”) issued a notice on the Work Programme for Pilot Waste-free Cities in December 2018. The programme is designed to continuously promote an urban development model that focuses on

minimising environmental impact brought by solid waste, via a number of measures, such as encouraging green development path and lifestyle, promoting the reduction of solid waste at source, reusing solid waste, as well as minimising landfill of waste. Earlier, the State Council of the PRC appointed 11 cities, including Shenzhen, for the waste-free city pilot programme. Xiong'an New Area and four other areas have also joined the programme as special pilot zones for such a waste-free city initiative. In February 2019, the Ministry of Housing and Urban-Rural Development of the PRC held a national on-site working conference on household waste sorting at provincial and municipal levels. According to the conference, all cities at the prefectural level and above across the country are required to start household waste sorting in 2019. Among these cities, 46 major cities are expected to basically develop the waste sorting and disposal systems by 2020, and cities at prefectural level and above are expected to basically establish the waste sorting and disposal systems by 2025.

Mr. Wang Tianyi highlighted: “The development of waste-free cities is a new concept in the area of urban solid waste management. The concept targets to facilitate the transformation of a linear ecosystem into a circulatory ecosystem, through the reduction of solid waste at source, and reuse and recycling of solid waste to the largest extent. In such a sustainable ecosystem, reduction of waste at source is like a catalyst at the front end, while waste incineration is still a long-term, efficient and safe way to solve the ‘garbage siege’ issue at the back end. These are fundamental to the development of waste-free cities. China’s great effort in promoting household waste sorting not only helps form a market-driven pattern for front-end collection and the transshipment of waste, but also helps improve the processing efficiency of waste incineration at the back end, which will benefit the long-term development of the solid waste treatment industry. As a leading player in China’s environmental protection industry, Everbright International is committed to developing a full industrial chain of waste treatment, from the front end to the back end, through the improvement of relevant systems and mechanisms. Devoted to its corporate value of ‘Creating Better Investment Value and Undertaking More Social Responsibility’, the Group will carry forward with confidence, give back to society, and reward its shareholders with better performance.”

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About China Everbright International Limited

China Everbright International Limited is a flagship company in the industrial investment sector of China Everbright Group Ltd. Everbright International is listed on The Stock Exchange of Hong Kong Limited (“HKEX”) (257.HK). It has two listed subsidiary companies: China Everbright Water Limited, which is dual listed on Singapore Exchange Securities Trading Limited and HKEX (U9E.SG and 1857.HK), and China Everbright Greentech Limited, which is listed on HKEX (1257.HK). After over a decade of development, Everbright International has become a leading enterprise in China and Asia’s environmental protection industries, as well as an internationally-renowned ecological and environmental management group. It is the first one-stop integrated environmental solution provider in China, with its main businesses covering waste-to-energy, food waste treatment, waste sorting, environmental sanitation integration, waste water treatment, reusable water, water supply, water environment management, integrated biomass utilisation, hazardous and solid waste treatment, ecological restoration, solar energy, wind power, technology research and development, planning and designing, equipment manufacturing, analysis and testing, as well as environmental protection industrial parks. Everbright International has a business presence in over 150 locations across 21 provinces and municipalities in China, as well as in Germany, Poland and Vietnam.

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