



China Everbright International Limited
中國光大國際有限公司 (Stock code:257)

2009 Interim Results
August 2009

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Agenda

- Financial Review
- Environmental Protection Business
- Infrastructure Investment
- Prospects and Business Strategies
- Q & A



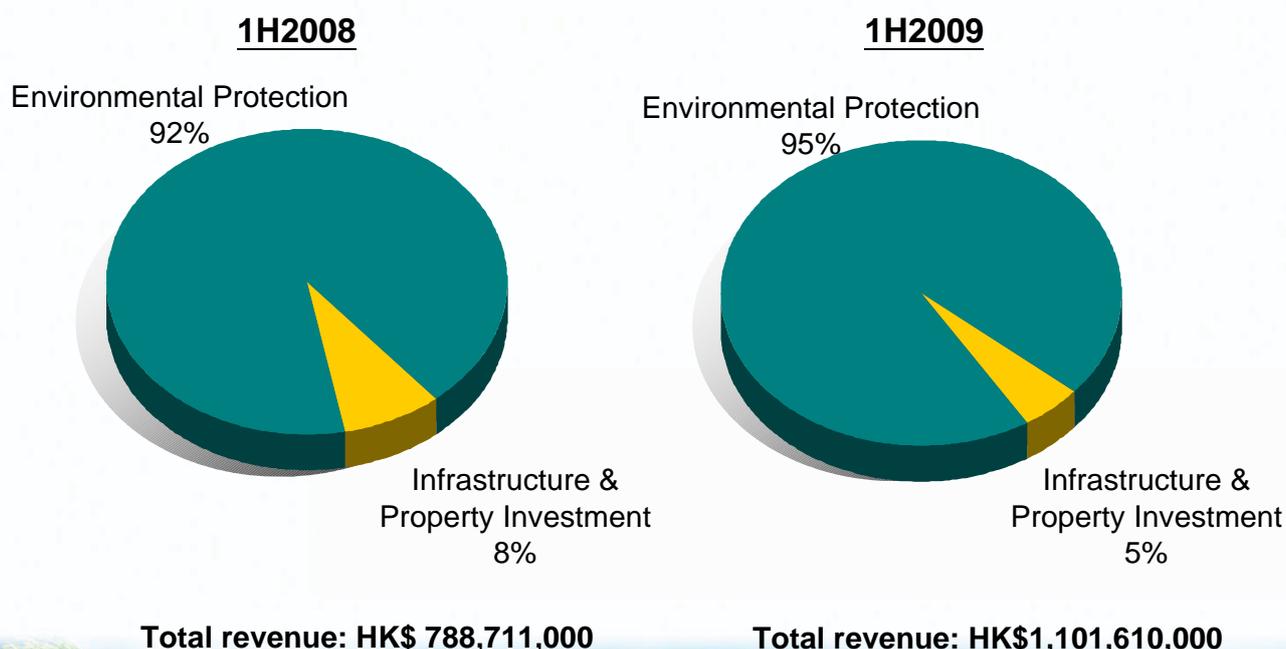
Financial Review



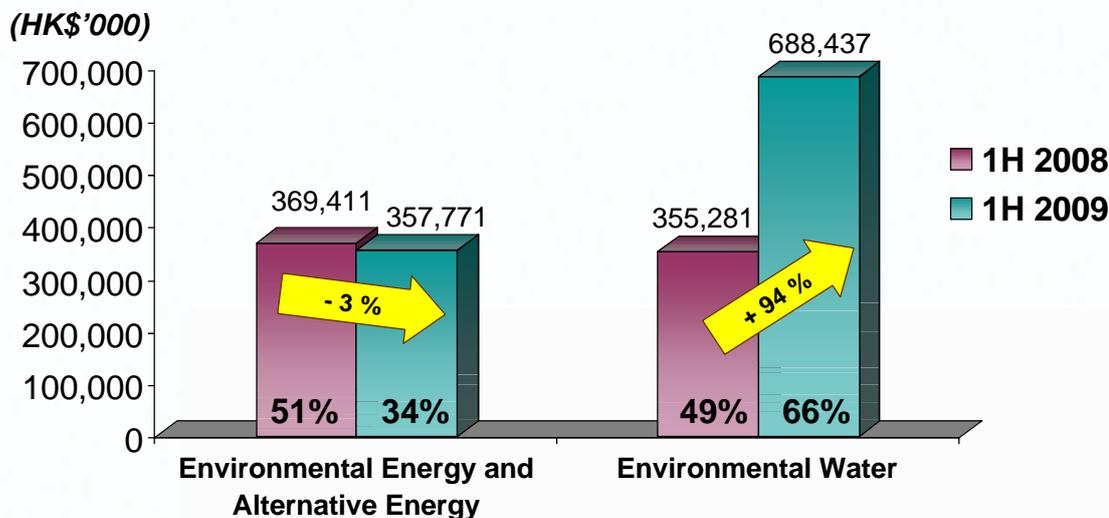
Financial Review

(HK \$'000)	For the six months ended 30 June		Change
	2009	2008	
Turnover	1,101,610	788,711	40%
Gross profit	421,477	311,414	35%
EBITDA	379,267	288,683	31%
Profit attributable to equity shareholders	196,981	134,208	47%
Basic EPS	HK6.26cents	HK4.28 cents	46%
Interim dividend	HK1 cent	HK0.6 cent	67%

Turnover Analysis by Segment



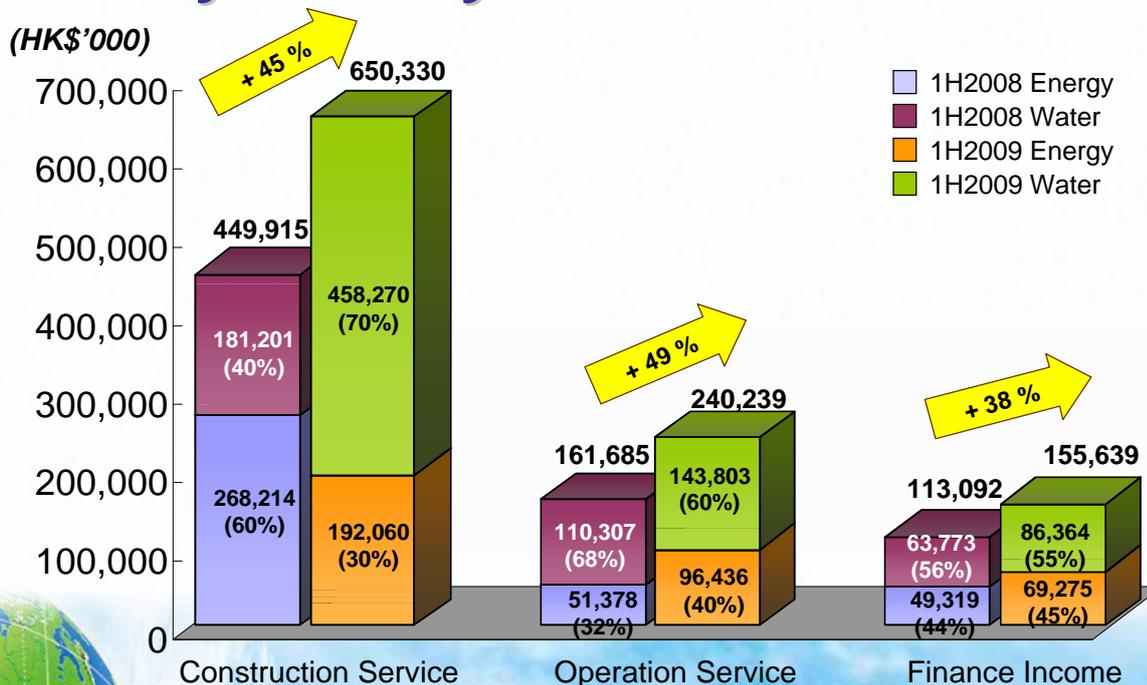
Turnover Analysis of Environmental Protection Business – By Segment



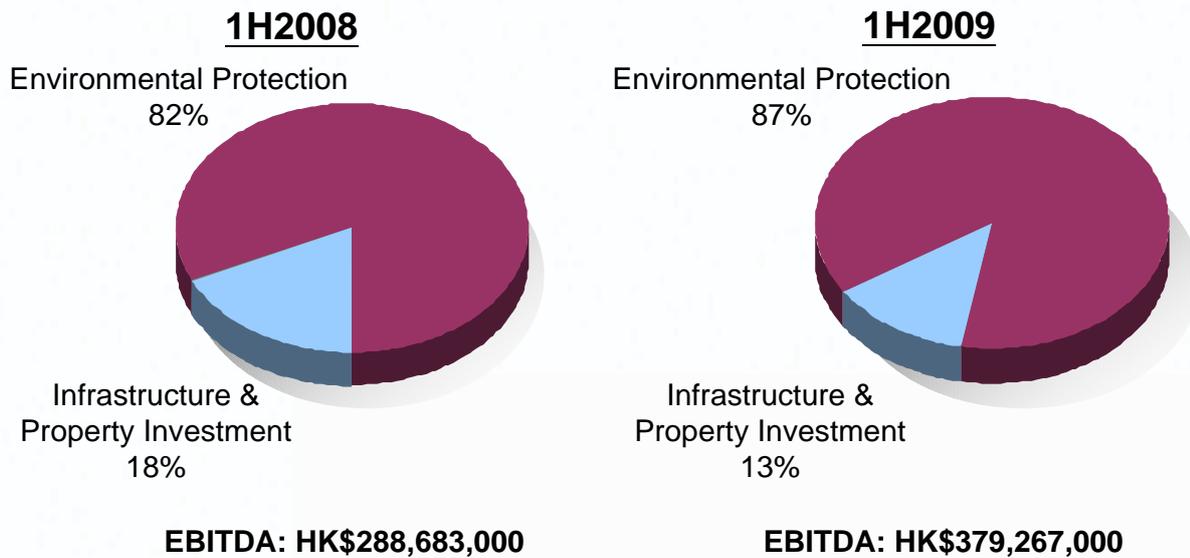
Environmental Protection Revenue:
 1H 2009: HK\$1,046,208,000 (up 44%)
 1H 2008: HK\$724,692,000



Turnover Analysis of Environmental Protection Business – By Activity



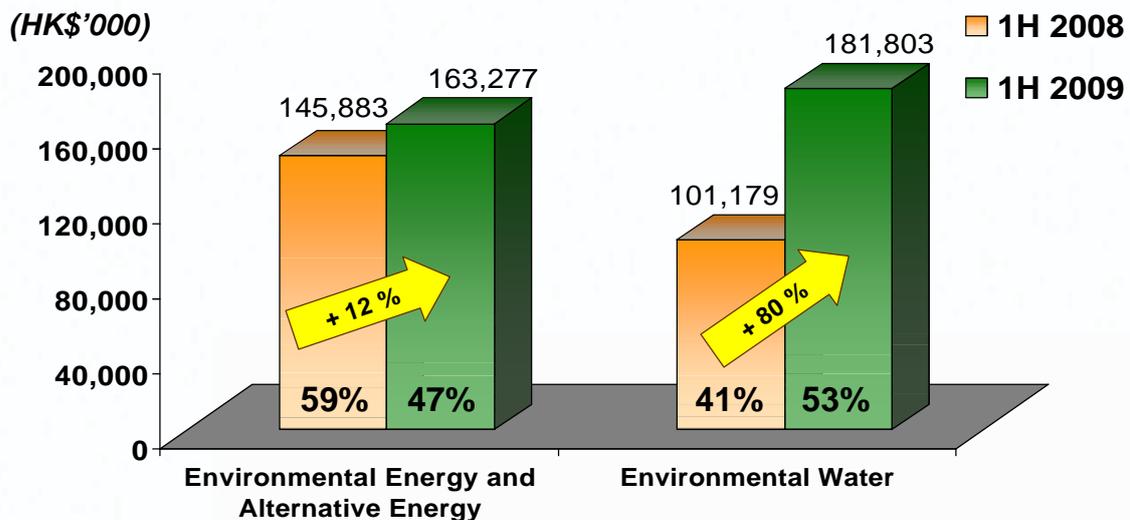
EBITDA Analysis by Segment



- EBITDA has registered a substantial growth of 31% compared with same period last year
- Environmental protection business is the major profit driver of the Group



EBITDA Analysis of Environmental Protection Business



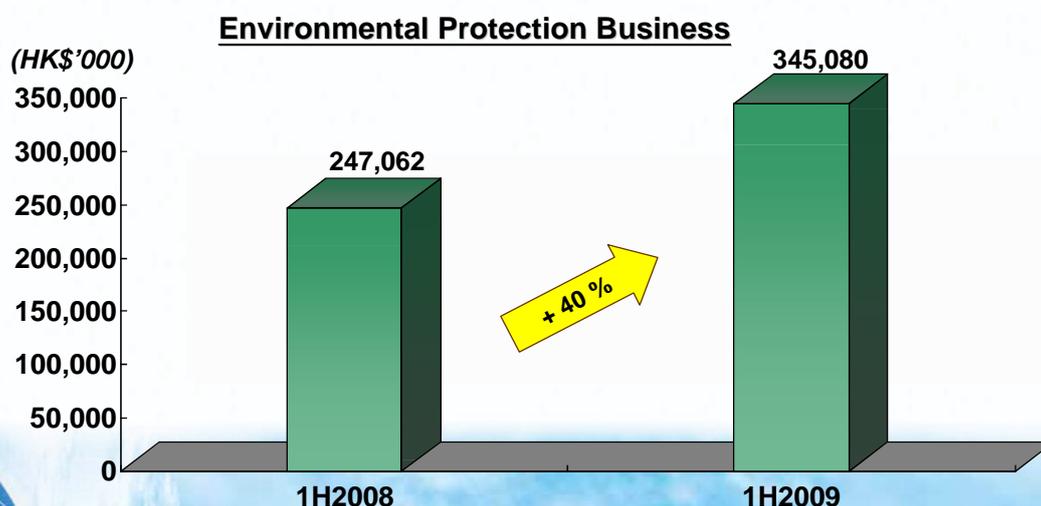
EBITDA of Environmental Protection Business:
 1H 2009: HK\$345,080,000 (up 40%)
 1H 2008: HK\$247,062,000



Profit Attributable to Shareholders

An increase of 47% to HK\$196,981,000 as compared with HK\$134,208,000 for 1H2008

- Increase in EBITDA contribution from environmental protection business by 40%



Key Financial Figures

	As at 30/06/2009	As at 31/12/2008	Change
Total assets (HK\$ 'Mil)	7,261	6,301	15%
Total liabilities (HK\$ 'Mil)	3,944	3,170	24%
Shareholders' equity (HK\$ 'Mil)	2,989	2,820	6%
Cash on hand (HK\$ 'Mil)	905	699	30%
Current ratio (%)	126%	136%	(10%)
Gearing ratio (%) (Total liabilities/Total assets)	54%	50%	4%



Environmental Protection Business

- Environmental Energy Business
- Environmental Water Business
- Alternative Energy Business

Everbright Environment

Overview of the environmental protection business:

- 26 projects at a total investment of approximately RMB6.64 billion
- Annual household waste processing capacity of approximately 2.60 million tonnes; annual on-grid power generation capacity of approximately 763 million kilowatt-hour
- Daily waste water treatment capacity of approximately 1.50 million m³
- Other waste treatment capacity of 20,000 m³ per annum

Environmental Energy Business

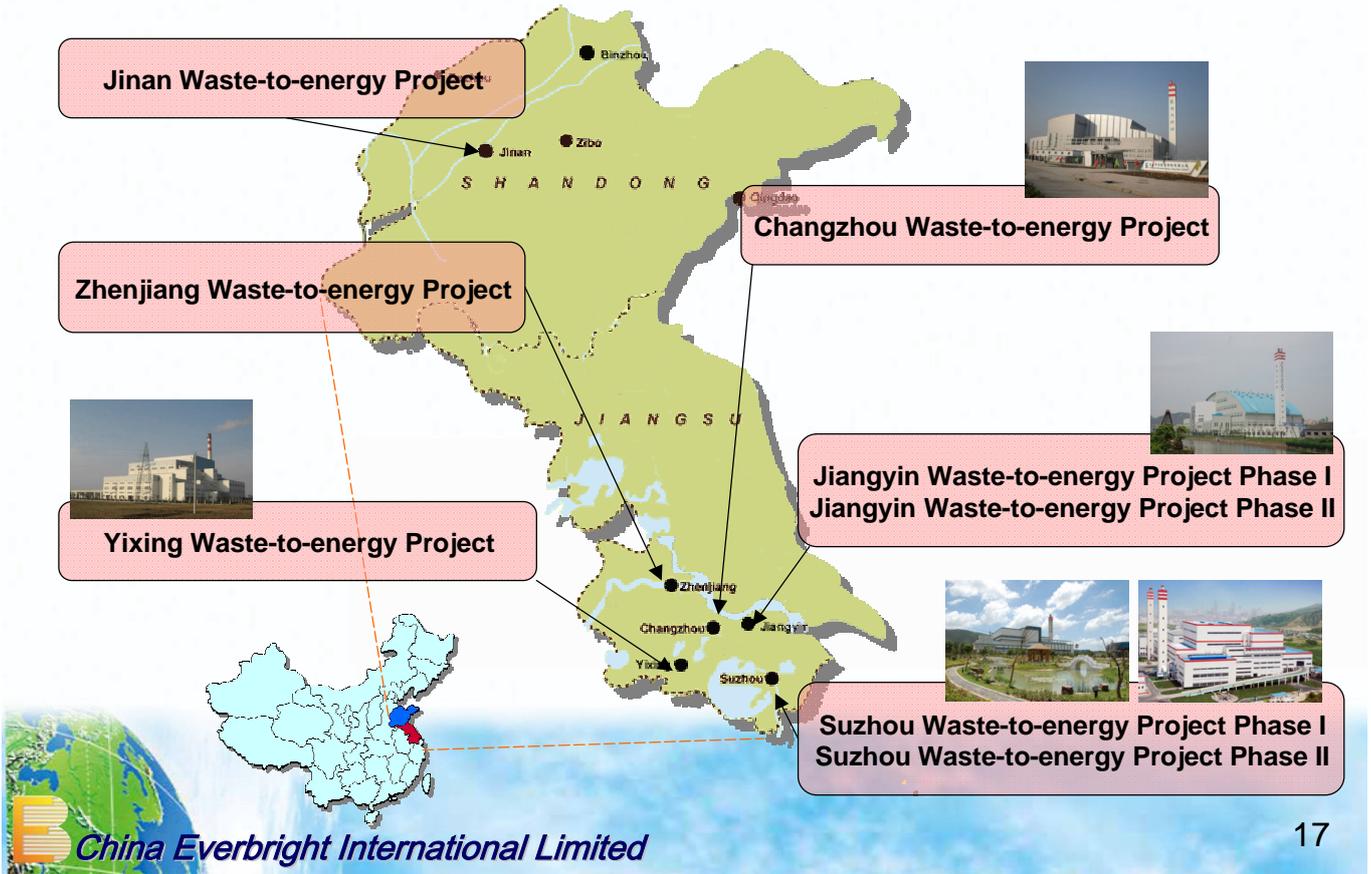
- Environmental Energy Projects
- Suzhou Everbright National Demonstrative Veinous Industrial Park

Operating Data of Environmental Energy Projects

Environmental energy projects	Waste processing volume (Tonne)		On-grid electricity (kWh)	
	For the six months ended 30 June			
	2009	2008	2009	2008
Suzhou Waste-to-energy Project (Phase I)	225,000	225,000	52,476,000	50,585,000
Yixing Waste-to-energy Project	115,000	99,000	22,480,000	16,564,000
Jiangyin Waste-to-energy Project (i)	174,000	75,000	34,770,000	11,950,000
Changzhou Waste-to-energy Project (ii)	183,000	-	37,030,000	-
	697,000	399,000	146,756,000	79,099,000

- (i) Commercial operation commenced in May 2008
(ii) Commercial operation commenced in November 2008

Environmental Energy Projects



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Environmental Energy Projects

Project	Type of Investment	Total Investment / RMB'Mil	Date of commercial operation	Daily processing capacity / Tonne	Average annual power generation capacity / kWh
Suzhou Project Phase I	BOT for 25 years	489	Jul 2006	1,050	>100 mil
Suzhou Project Phase II	BOT for 25 years	450	Jun 2009 (expected)	1,000	>100 mil
Yixing Project	BOT for 25 years	238	Jun 2007	500	>44 mil
Jiangyin Project Phase I	BOT for 30 years	389	May 2008	800	>77 mil
Jiangyin Project Phase II	BOT for 27 years	205	Jun 2011 (expected)	400	>38 mil
Changzhou Project	BOT for 25.5 years	412	Nov 2008	800	>77 mil
Jinan Waste-to-energy Project	BOT for 25 years	901	Sep 2011 (expected)	2,000	>200 mil
Zhenjiang Project	BOT for 30 years	413	Sep 2011 (expected)	1,000	>100 mil

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Suzhou Everbright National Demonstrative Veinous Industrial Park

- First integrated environmental protection waste treatment park for urban solid waste in the PRC
- Construction will take place over 3-5 years with co-ordinated planning, management, and implementation by phases
- Minimize use of land resources, integrating restoration of ecological environment and greening, fully exploring synergies among projects and adopting co-ordinated management and supervision



Suzhou Everbright National Demonstrative Veinous Industrial Park

Project	Type of Investment	Total Investment / RMB'Mil	Date of Commercial operation	Designed storage capacity / m ³	Average annual power generation capacity / kWh
Industrial Solid Waste Landfill Project Phase I	BOT for 30 years	78.26	July 2007	200,000 m ³	N/A



Suzhou Everbright National Demonstrative Veinous Industrial Park

Projects to be implemented:

- Waste-to-energy Project Phase III (aims to handle all urban waste in Suzhou)
- Industrial Solid Waste Landfill Project (Phase II)
- Public Utility Sludge Environmental Friendly Treatment Project
- Solid Waste Technology Development Centre Project
- Electronic Waste Recycling Project
- Ecological Restoration Project



Environmental Water Business

- Environmental Water Projects



Operating Data of Environmental Water Projects

Environmental water projects	Waste water treatment volume (M ³)		
	For the six months ended 30 June		
	2009	2008	Change
Qingdao Waste Water Treatment Project	31,224,000	31,862,000	(2%)
Zibo Southern and Northern Plants Project	37,611,000	39,260,000	(4%)
Zibo High-tech Zone Project	14,997,000	15,897,000	(6%)
Jinan Waste Water Treatment Project	54,961,000	71,561,000	(23%)
Boxing Waste Water Treatment Project (i)	3,138,000	938,000	235%
Jiangyin Waste Water Treatment Project (ii)	14,543,000	11,204,000	30%
	156,474,000	170,722,000	(8%)

- (i) Commercial operation commenced in April 2008
- (ii) Commercial operation commenced in January 2008

Environmental Water Projects



Environmental Water Projects

Project	Type of Investment	Total Investment / RMB'Mil	Date of Operation	Daily sewage treatment capacity / Tonne
Qingdao Project (Haibohe Plant & Maido Plant)	BOT/TOT for 25 years	356	Jan 2005	220,000 (Maidao Extension Project completed in Jul 2007)
Zibo Project (Southern and Northern Plants)	TOT for 25 years	354.2 (Including Investment of 130.2 mil for upgrade work)	Nov 2005	250,000 (Upgrade work completed in May 2008)
Zibo High-tech Zone Project	BOT for 25 years	150 (Phase I)	Sep 2007	100,000 (Phase I)



Environmental Water Projects

Project	Type of Investment	Total Investment / RMB'Mil	Date of Operation	Daily sewage treatment capacity / Tonne
Jinan Project (Plant 1 and Plant 2)	TOT for 30 years	420	Nov 2006	500,000 (Increase from 420,000 tonne to 500,000 tonne upon completion of extension work in Sep 2009)
Jinan Project (Upgrade and extension work for Plant 1 and Plant 2)		287	Upgrade work - Jun 2009 Extension work - Sep 2009	
Jinan Licheng Project (Plant 3)	BOT for 26.5 years	138	Jun 2009 (Trial run)	100,000
Jinan Xike Project (Plant 4)	BOT for 26 years	73	Mar 2010 (expected)	30,000
Zibo Zhoucun Project	BOT for 25 years	70 (Phase I)	Jun 2009 (Trial run)	40,000 (Phase I)



Environmental Water Projects

Project	Type of Investment	Total Investment / RMB'Mil	Date of Operation	Daily sewage treatment capacity / Tonne
Binzhou Boxing Project	TOT/BOT for 25 years	85 (Including investment of 65.5mil for upgrade work of Phase I and construction of Phase II)	Phase I - Apr 2008 Upgrade work - Dec 2008 Phase II - Jun 2009 (Trial run)	60,000 (Increase from 30,000 tonne to 60,000 tonne upon completion of Phase II in Jun 2009)
Jiangyin Water Project	TOT for 30 years	624	Jun 2008	190,000
Jiangyin Water Project (Upgrade and acquisition of sewage piping network)		468 (including investment of 201mil for upgrade and 267mil for acquisition of sewage piping network)		

Alternative Energy Business

- Alternative Energy Projects

Alternative Energy Projects

- Leveraged on existing project locations to develop alternative energy projects in Jiangsu, Shandong, Guangdong and Beijing etc
- Market Development: Entered into strategic cooperative agreements and memorandum of understanding with municipal governments in Suzhou, Dezhou and Zibo etc
- Technological R&D: Entered into comprehensive technical cooperative agreement with Belgium 3E Company
- Manpower arrangement: Established a team of professionals with technical, R&D and management capability



Alternative Energy Projects

Implementing Photovoltaic Energy and Wind Power Projects

■ Wind Power

- Focusing development on supply to power grid and entering the wind power operating market
- Developing wind power projects on land and exploring wind power projects on the sea

■ Photovoltaic Energy

- Making use of solar energy to save energy of buildings and developing photovoltaic energy in large scale of roof
- Making use of wasteland to explore large scale of grid link photovoltaic energy
- Developing small scale of independent photovoltaic system



Alternative Energy Projects

- Suzhou Waste Landfill Methane-to-energy Project (“Suzhou Methane Project”) has succeeded to be the first Voluntary Emission Reduction (VER) project in the PRC registered with Switzerland’s Gold Standard Foundation
- The Group is now developing the leachate methane-to-energy projects in Suzhou, Yixing, Changzhou and Jiangyin and the Qingdao Sludge Methane-to-energy Project
- During the period under review, the Suzhou Methane Project supplied 9,631,000 kilowatt-hour of electricity and brought an EBITDA of HK\$5,420,000, representing an increase of 16% against last corresponding period



Alternative Energy Projects

- “Resources Recycling Cooperative Agreement” with the Zibo Municipal Government in Shandong Province to develop the waste water heat pump project (“Heat Pump Project”) and reusable water supply for local enterprises

Estimated investment of the Heat Pump Project is Rmb30,000,000 for Phase I supplying heating and cooling for an area of 135,000m²
- Cooperative framework agreement on alternative energy and ecological restoration projects with the Management Committee of Zibo High-tech Industrial Development Zone
- Cooperative framework agreement with the Municipal Government of Dezhou City on urban alternative energy and new material development



Alternative Energy Projects

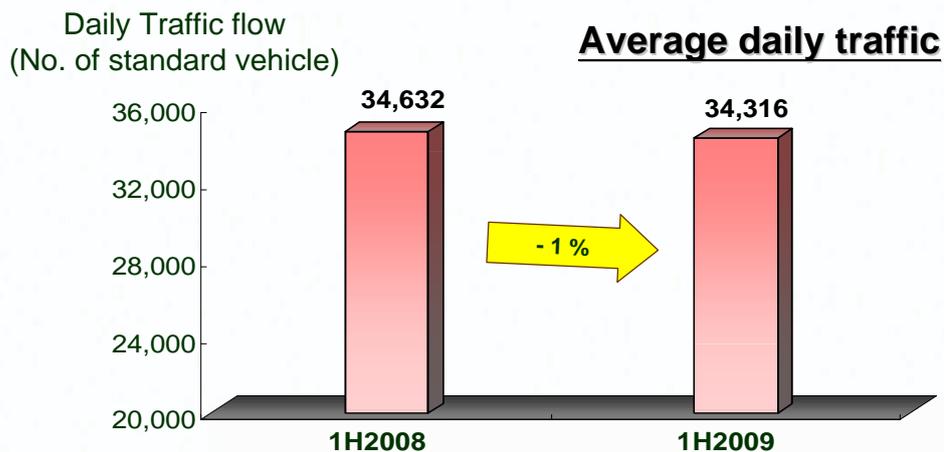
Project	Type of Investment	Total Investment / RMB'Mil	Date of Commercial operation	Designed storage capacity / Tonne	Average annual power generation capacity / kWh
Suzhou Waste Landfill Methane-to-energy Project Phase I	BOO for 25 years	27.9	Aug 2006	N/A	>18 mil
Suzhou Waste Landfill Methane-to-energy Project Phase II	BOO for 23 years	13	Sept 2008	N/A	>9 mil



Infrastructure Investment



Fuzhou Qingzhou Bridge



- The major bridge over Minjiang serving the Shenhai Expressway, a coastal trunk road
- Daily traffic flow slightly dropped by 1% to 34,316 vehicles, due to the reduction of truck traffic volume
- In 1H2009, EBITDA increased by 6% to HK\$52,745,000
- The project continues to contribute strong cashflow to the Group



Prospects and Business Strategies



Prospects

Enormous opportunities despite global financial crisis:

- Global Green New Deal launched by United Nations Environmental Programme (“UNEP”) at end of 2008: to encourage investment in renewable energy and fuel-efficient technologies to stimulate and build a low-carbon economy
- The “Law of Renewable Energy” and “Middle and Long Term Program of Renewable Energy Development” implemented and announced in January 2006 and in August 2008 respectively have boosted rapid growth of the alternative energy industry in China
- Huge room for development: electricity generated from alternative energy accounts for 5% of all electricity use in China; while in European Union, it accounts for approximately 15% and is expected to reach 21% by 2010



Business Strategies

Overall Strategies

- **Shift focus from developing individual projects to the extension of environmental industrial chain**
- **Transform from a traditional environmental company into a new environmental enterprise employing top-notch techniques and advanced technologies**
- **Focus on alternative energy business**
- **Invest in R&D to improve core competency**



Business Strategies

Strategies for alternative energy business sector

- Looking for more alternative energy projects
- Consolidate leadership in Jiangsu & Shandong Provinces
- Taking advantage of “Everbright Environmental Protection” Brand

Possess two advantages to enter alternative energy field

- Existing projects provide convenient leverage
- Years of experience in project construction and partnership with academic institutions offer an important execution base

Prospects - R&D

R&D

- Continue to invest in technological innovation
- Establish & maintain strategic partnership
- Enhance R&D facility
 - Set up a joint research institute with Shandong Academy of Sciences
- Apply for patents and research project funding
 - In 1H09, project application: 12 (6 were approved)
 - Government funding obtained: RMB2.9M



Thank You



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Q & A



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