



2012 Interim Results Presentation

22 August 2012



Agenda

- **Results Highlights**
- **Financial Review**
- **Energy Conservation & Emission Reduction**
- **Business Review**
 - ▶ Business Overview
 - ▶ Corporate Positioning
- **Q & A**
- **Appendix – Project Summary**





Results Highlights

3

Results Highlights (1)



- Continued to register substantial growth in profit
 - ▶ Profit attributable to equity shareholders was HK\$605 million, increased by 72%
 - ▶ Basic earnings per share was HK16.46 cents, increased by 71%
 - ▶ Interim dividend of HK3 cents per share, increased by 50%
 - ▶ Unswervingly share the success of growth and development with shareholders
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4

Results Highlights (2)




- Achieved remarkable results in market expansion
 - ▶ Up till now, the Group has secured 8 projects (including 4 projects secured in 1H 2012), commanding a total investment of RMB4.1 billion
 - ▶ Expanded businesses into new provinces: Zhejiang and Hainan Provinces
 - ▶ Consolidated its leading position in the industry
 - ▶ Laid a solid foundation for the next round of development
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5

Results Highlights (3)

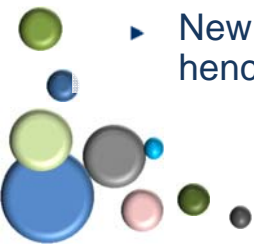


- Operating projects maintained a stable operation
 - ▶ 42 projects completed construction and started operation, contributing to operation service revenue of HK\$578 million, increased by 60%
 - ▶ Stable growth in the waste processing volume, electricity generation and waste water treatment volume
 - ▶ After trial operations and run-in periods, newly-operating projects will reach full load capacity and contribute higher profits
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6

Results Highlights (4)




- New heights of projects in construction
 - ▶ 20 projects under construction or in preparatory stage in 1H 2012
 - ▶ Commanding a total investment of RMB6.93 billion (Amounted to RMB5.31 billion after deduction of the biomass power generation projects of which the construction has been postponed)
 - ▶ New projects will gradually commence construction and hence increase revenue from construction service
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7

Results Highlights (5)




- Completion of construction of the Equipment Manufacturing Centre
 - ▶ Has opened up another business sector for the Group
 - ▶ Has received a large number of orders
 - ▶ Marked the Group's success in enhancing the industry chain by expanding from downstream to mid-stream and up-stream
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8

Results Highlights (6)




- Benefitted from the favourable Government policies
 - ▶ Set the benchmark power tariff of waste-to-energy projects across the country at RMB0.65/kWh
 - ▶ The environmental protection equipment manufacturing project has received a special grant of RMB9.7 million from the Central Government
 - ▶ The Zhenjiang Waste-to-Energy Project (fully equipped with domestically manufactured equipment) has received a subsidy of RMB10 million within the Subsidy of the Budgetary Investment Plan from the Central Government
 - ▶ The leachate treatment project of the Suqian Waste-to-Energy Plant has received a subsidy of RMB 4 million within the Subsidy of the Budgetary Investment Plan from the Central Government
 - ▶ Other projects obtained tax refund and government subsidies amounted to approximately RMB7 million
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9

Results Highlights (7)




- Transformed into a professional enterprise specializing in environmental protection businesses
 - ▶ Successfully disposed of the Fuzhou Qingzhou Bridge, the Group's only non-core business
 - ▶ Contributed to a considerable cash flow
 - ▶ Completely transformed towards energy efficiency and environmental protection businesses
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10

Results Highlights (8)



- Enhanced financial capability
 - ▶ In possession of abundant cash on hand, increased by 16% to HK\$2.2 billion
 - ▶ Maintained a reasonable gearing level and a healthy financial position
 - ▶ Broadened the financing channels and well-prepared for the accelerated development
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11

Results Highlights (9)



- Consolidated the Group's leadership in the environmental protection industry
 - ▶ On 12 June 2012, CEO of the Company was honored as the "2010-2011 Man of the Year in China's Green Industry", an award organized by eight Government Ministries and Committees, most notably the Ministry of Environmental Protection of the PRC, which formally acknowledged the leadership of China Everbright International Limited within the industry
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12

Financial Review



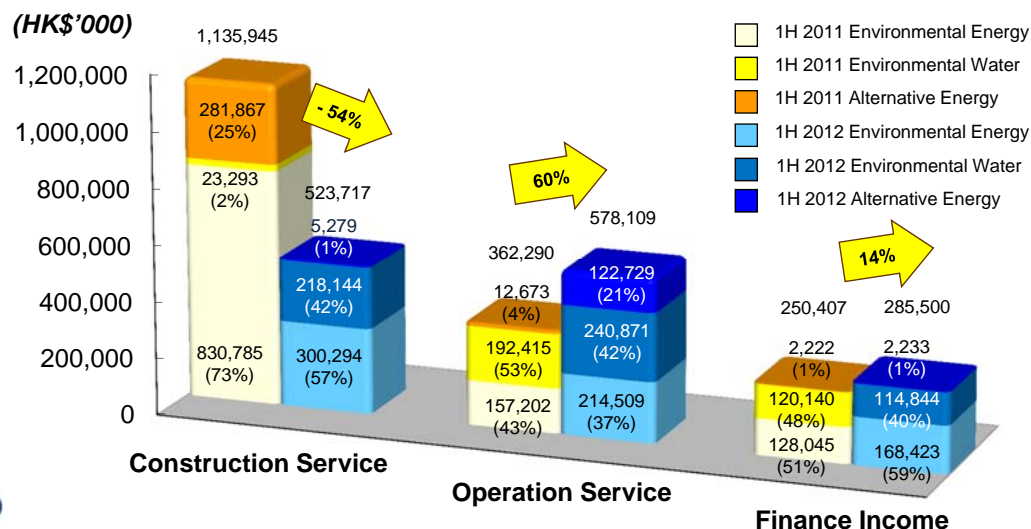
13

Financial Review

(HK \$'000)	For the six months ended 30 June		Change
	2012	2011	
Turnover	1,387,552	1,749,453	(21%)
Gross profit	704,603	646,425	9%
Gross margin	51%	37%	14%
EBITDA on recurring basis	681,728	587,129	16%
Profit on discontinued operation	250,096	41,173	507%
Profit attributable to equity shareholders	605,148	351,668	72%
Basic EPS	HK16.46 cents	HK9.61 cents	71%
Interim dividend per share	HK3 cents	HK2 cents	50%

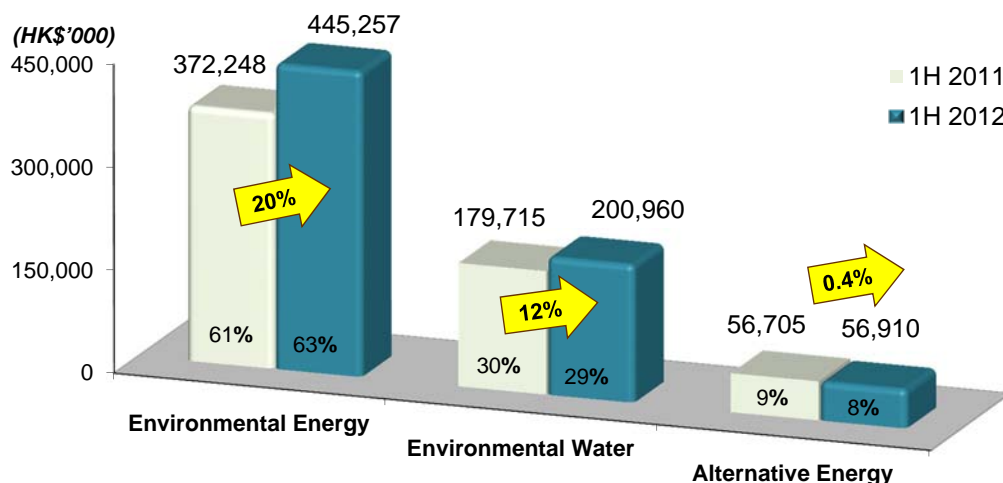
14

Turnover Analysis of Environmental Protection and Alternative Energy Businesses – By Activity



Turnover of Environmental Protection and Alternative Energy Businesses:
1H 2012: HK\$1,387,326,000 (down 21%)
1H 2011: HK\$1,748,642,000

EBITDA Analysis of Environmental Protection and Alternative Energy Businesses



EBITDA of Environmental Protection and Alternative Energy Businesses:
1H 2012: HK\$703,127,000 (up 16%)
1H 2011: HK\$608,668,000

Profit on disposal of discontinued operation

Profit on disposal of subsidiaries:	HK\$209,768,000
Net profit up to the date of disposal:	HK\$40,328,000
Total:	HK\$250,096,000

- Fuzhou Qingzhou Bridge was the Group's only non-core business
- In May 2012, the Group entered into agreements with an independent third party for the disposal of its 80% interest in Fuzhou Qingzhou Bridge and the shareholder's loan at an aggregate consideration of approximately HK\$657,629,000
- The disposal strengthened the Group's cash position and facilitated the Group to expand and develop its core environmental protection business

17

Profit Attributable to Shareholders

Profit attributable to shareholders for 1H 2012 increased by 72% to HK\$605,148,000 as compared with HK\$351,668,000 for 1H 2011

- Increase in EBITDA contribution of environmental protection and alternative energy businesses by 16% to HK\$703,127,000
- Recognition of profit on discontinued operation (net of tax) of HK\$250,096,000

18

Key Financial Figures

	As at 30/06/2012	As at 31/12/2011	Change
Total assets (HK\$ 'Mil)	14,549	13,880	5%
Total liabilities (HK\$ 'Mil)	7,698	7,218	7%
Shareholders' equity (HK\$ 'Mil)	6,541	6,190	6%
Cash on hand (HK\$ 'Mil)	2,212	1,900	16%
Current ratio (%)	154	138	16%
Gearing ratio (%) (Total liabilities/Total assets)	53	52	1%

19

Enhanced Financial Strength

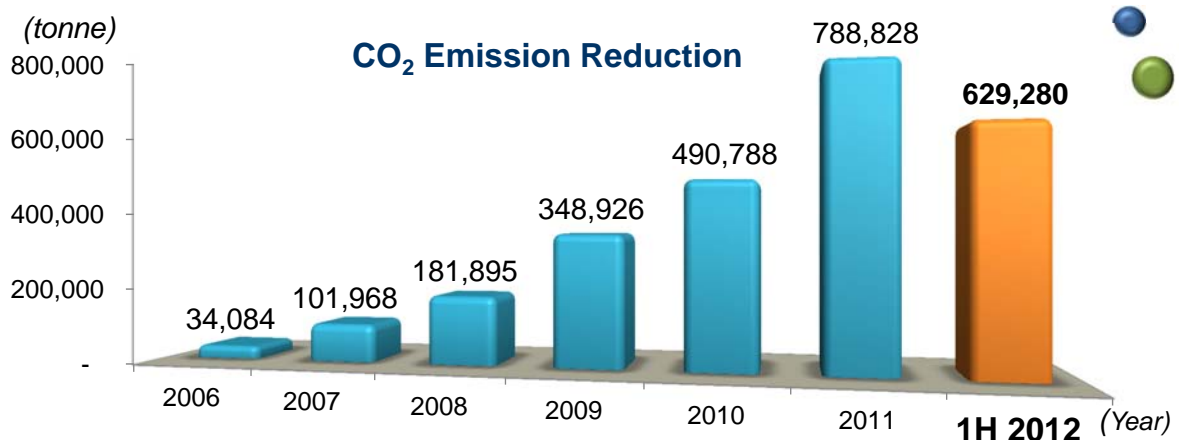
- As at 30 June 2012, the Group had cash on hand amounted to HK\$2.2 billion. The unutilized banking facilities amounted to HK\$1.7 billion (excluding the banking facilities under negotiation with policy banks). Total available financial resources amounted to HK\$3.9 billion.
- Maintaining a reasonable gearing level and healthy financial position
- Reliable brand laying a solid foundation for next round of rapid development

20

Energy Conservation and Emission Reduction

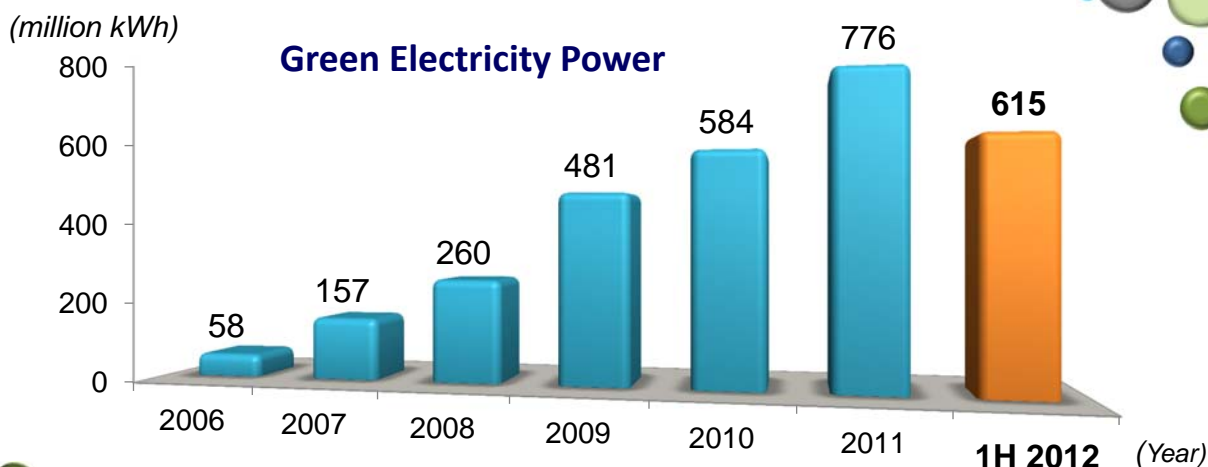


Energy Conservation & Emission Reduction (1)



In 1H 2012, generated green electricity of 615 million kWh, equivalent to coal saving of 246,000 tonnes and hence reduced CO₂ emission of 629,000 tonnes. Since the operation of its first environmental protection project in 2005, the accumulated green electricity supply reached 2.93 billion kWh, equivalent to coal saving of 1.173 million tonnes and reduction of CO₂ emission of approximately 2.576 million tonnes.

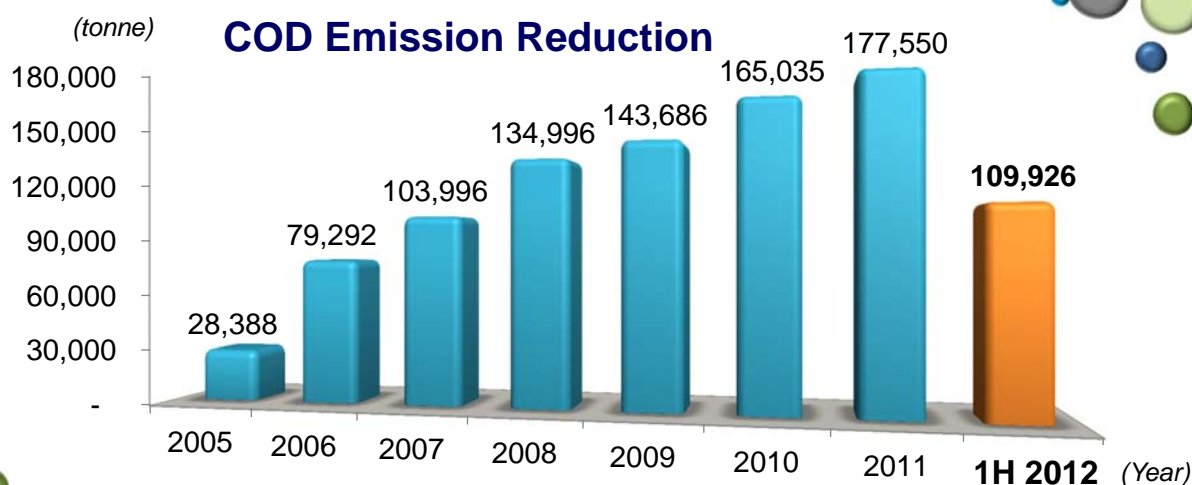
Energy Conservation & Emission Reduction (2)



In 1H 2012, green electricity generated by waste-to-energy, methane-to-energy and biomass energy generation projects was 615 million kWh which fulfilled the electricity consumption of approximately 512,000 households. Since the operation of its first environmental protection project in 2005, the accumulated green electricity supply reached 2.93 billion kWh which fulfilled the electricity consumption of approximately 2.444 million households.

23

Energy Conservation & Emission Reduction (3)



In 1H 2012, the Group treated waste water (including waste water treatment and leachate projects) of 254 million m³ which reduced COD emission of approximately 110,000 tonnes. Since the operation of its first environmental protection project in 2005, the accumulated waste water treatment volume reached 2.40 billion m³ and COD emission reduction was approximately 943,000 tonnes.

24

Business Overview

- Environmental Energy
- Environmental Water
- Alternative Energy
- Environmental Protection Equipment Manufacturing
- Environmental Protection Industrial Park

25

Environmental Energy (1)

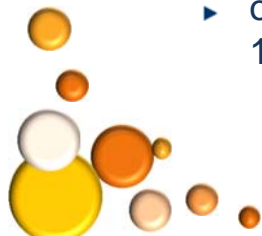
- Up till now, 9 waste-to-energy projects and 2 solid waste landfill projects are in operation
- 10 waste-to-energy projects and 3 solid waste landfill projects are under construction or in preparatory stage
- Commanding a total investment of RMB9.475 billion

26

Environmental Energy (2)



● Designed capacity

- ▶ annual household waste processing capacity of approximately 6.44 million tonnes
 - ▶ annual on-grid electricity generation capacity of approximately 1.867 billion kWh
 - ▶ other solid waste landfill capacity of approximately 1.448 million m³
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27

Environmental Water (1)



- 17 waste water treatment projects and 2 reusable water projects are in operation
- 2 waste water treatment projects, 1 reusable water project and 1 surface water project are under construction or in preparatory stage
- Commanding a total investment of RMB3.587 billion



28

Environmental Water (2)



- **Designed capacity**
 - ▶ Annual waste water treatment capacity of 657 million m³
 - ▶ Annual reusable water supply of 22.33 million m³
 - ▶ Annual surface water supply of 36.5 million m³



29

Alternative Energy (1)



- 6 methane-to-energy projects, 8 photovoltaic energy projects, 1 biomass power generation project and 1 waste water source heat pump project are in operation
- 1 waste water source heat pump project is under construction and 5 biomass power generation projects have been secured
- 18 individual projects commanding a total investment of RMB2.855 billion

30

Alternative Energy (2)

- Designed capacity – annual agricultural waste treatment capacity of 1.643 million tonnes and annual electricity generation of 1.167 billion kWh, of which
 - ▶ landfill methane-to-energy: 27 million kWh
 - ▶ leachate methane-to-energy: 5.25 million kWh
 - ▶ sludge methane-to-energy: 7.3 million kWh
 - ▶ biomass power generation: 1.092 billion kWh of biomass power generation and 390,000 tonnes of biomass heat
 - ▶ photovoltaic energy: 35.51 million kWh

31



Environmental Equipment Manufacturing (1)

- Equipment Manufacturing Centre completed construction and entering into a new business sector
- Enhancing the industry chain



32

Environmental Equipment Manufacturing (2)

- Entering a new business sector
 - ▶ Focusing on international high-end technology in order to tackle with the bottleneck caused by existing equipment constraints
 - ▶ Obtained approval for a subsidy of RMB9.7 million earmarked from the 2012 Strategic Emerging Industries Fund (Energy Conservation and Environmental Protection) by the National Development and Reform Commission (NDRC)
 - ▶ With large number of orders and reach full production capacity
 - ▶ Suitable for use in the PRC environmental protection market
 - ▶ Enhancing the industry chain by expanding from downstream to mid-stream

33

Environmental Equipment Manufacturing (3)

- Grate furnaces and automatic control systems for waste-to-energy plants (self-developed the 250-500 tonnes grate furnaces)
- R&D on the biomass water-cooling reciprocal grate furnace and automatic control system is underway
- Sludge “dehydration - incineration” system
- Leachate treatment system
- Emission purification system etc

34



Environmental Protection Industrial Park

- 7 Environmental Protection Industrial Parks
- Commanding a total investment of approximately HK\$20 billion



35



Environmental Protection Engineering

- National High Tech Enterprise
- Obtained numerous national and provincial golden or silver awards for quality
- Possess the “Main Contractor for Municipal Public Works” License
- 20 projects are under construction or in the preparatory stage, commanding a historical high total investment of approximately RMB6.931 billion



36

Environmental Protection Technology



- National High Tech Enterprise
- Obtained numerous invention and application patents
- Possess numerous significant R&D results
- 8 Major R&D Topics

37

Corporate Positioning


- High Starting Point
- Wider Horizon
- Stronger Cohesiveness
- Full Effort
- Steady Development
- Advanced Technology
- Excellent Quality
- Better Efficiency



38

Corporate Positioning (2)



- To become a business conglomerate which has integrated technology development, construction and operation management
 - To become the leading player in the green environmental protection and alternative energy industries
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39

Q & A



40

Thank You



41

Appendix



42

Environmental Energy (1)

Operating Projects:

Project Name	Daily processing capacity (tonne)	Total Investment (RMB'mil)
Suzhou Waste-to-energy Project Phase I	1,050	489
Suzhou Waste-to-energy Project Phase II	1,000	450
Yixing Waste-to-energy Project Phase I	500	238
Jiangyin Waste-to-energy Project Phase I	800	389
Jiangyin Waste-to-energy Project Phase II	400	205
Changzhou Waste-to-energy Project	800	413
Zhenjiang Waste-to-energy Project	1,000	414
Jinan Waste-to-energy Project	2,000	901
Suqian Waste-to-energy Project	600	324
Suzhou Industrial Solid Waste Landfill Project Phase I	142,000 m ³	78
Suzhou Industrial Solid Waste Landfill Project Phase II	370,000 m ³	40
Sub-total	8,150 tonnes 512,000 m³	3,941

43

Environmental Energy (2)

Projects under construction or in preparatory stage:

Project Name	Daily processing capacity (tonne)	Total Investment (RMB'mil)
Suzhou Waste-to-energy Project Phase III	1,500	750
Yixing Waste-to-energy Project Phase II	300	151
Huidong Waste-to-energy Project	600	334
Nanjing Waste-to-energy Project	2,000	1,030
Pizhou Waste-to-energy Project	600	330
Wujiang Waste-to-energy Project	1,500	890
Ningbo Waste-to-energy Project	1,000	560
Sub-total	7,500 tonnes	4,045

44

Environmental Energy (3)

Projects under construction or in preparatory stage:

Project Name	Daily processing capacity (tonne)	Total Investment (RMB'mil)
Sanya Waste-to-energy Project	700	426
Boluo Waste-to-energy Project	700	417
Shouguang Waste-to-energy Project	600	338
Zhenjiang Industrial Solid Waste Landfill Project	296,000 m ³	100
Suqian Hazardous Waste Landfill Project	340,000 m ³	99
Guanyun Hazardous Waste Landfill Project	300,000 m ³	109
Sub-total	2,000 tonnes 936,000 m³	1,489
Total for Environmental Energy	17,650 tonnes 1,448,000 m³	9,475

45

Environmental Protection Industrial Park

Industrial Park	Investment (RMB)	Expected no. of projects
Suzhou Everbright National Demonstrative Veinous Industrial Park	3.3 billion	>10
Zhenjiang Environmental Protection Industrial Park	1.5 billion	6 – 8
Suqian Environmental Protection Industrial Park	1.6 billion	6 – 8
Changzhou Environmental Protection Industrial Park	1 billion	9
Yantai Environmental Protection Industrial Park	HK\$3-5 billion	>10
Yixing Environmental Protection industrial Park	2-3 billion	>10
Nanjing Everbright National Demonstrative Veinous Industrial Park	4.2 billion	>10

46

Environmental Water (1)

Operating Projects:

Project Name	Daily waste water treatment capacity (m ³)	Total investment (RMB 'mil)
Qingdao Waste Water Treatment Project (Haibohe Plant & Maidao Plant and upgrade project)	220,000	356
Zibo Waste Water Treatment Project (Southern & Northern Plants and upgrade project)	250,000	354
Zibo High-tech Zone Waste Water Treatment Project	100,000	150
Jinan Waste Water Treatment Project (Plant 1 & Plant 2 as well as upgrade and expansion projects)	500,000	707
Jinan Licheng Waste Water Treatment Project (Plant 3)	100,000	138
Zibo Zhoucun Waste Water Treatment Project Phase I	40,000	70
Binzhou Boxing Waste Water Treatment Project (Phase I, upgrade project and extension of Phase II project)	60,000	85
Sub-total	1,270,000	1,860

47

Environmental Water (2)

Operating Projects:

Project Name	Daily waste water treatment capacity (m ³)	Total investment (RMB 'mil)
Jiangyin Waste Water Treatment Project (4 waste water treatment plants and upgrade projects)	190,000	530
Jinan Xike Waste Water Treatment Project (Plant 4)	30,000	73
Ling County Plant 2 BOT Project	30,000	58
Ling County Plant 1 TOT Project	30,000	34
Zibo Reusable Water Project Phase I	annual supply 1,750,000	44
Jinan Reusable Water Project	annual supply 15,330,000	31
Sub-total	280,000 Annual reusable water supply: 17,080,000	770

48

Environmental Water (3)

Transferred Project:

Project Name	Daily waste water treatment capacity (m ³)	Total investment (RMB 'mil)
Xinyi BT Project Phase I	10,000	63
Sub-total	10,000	63

49

Environmental Water (4)

Projects in preparatory stage:

Project Name	Daily waste water treatment capacity (m ³)	Total investment (RMB 'mil)
Zibo Reusable Water Project Phase II	annual reusable water supply: 1,750,000	11
Licheng Waste Water Treatment Plant Phase II	100,000	195
Dezhou Nanyunhe Waste Water Treatment Plant	150,000	230
Jiangyin Reusable Water Project	annual reusable water supply: 3,500,000	73
Xinyi Surface Water BT Project	Daily surface water supply: 100,000	385
Sub-total	Daily waste water treatment: 250,000 Annual reusable water supply: 5,250,000 Annual surface water supply: 36,500,000	894
Total for Environmental Water	Annual waste water treatment: 657,000,000 Annual reusable water supply: 22,330,000 Annual surface water supply: 36,500,000	3,587

Alternative Energy (1)

Operating Projects:

Project Name	Average annual electricity generation capacity (kWh)	Total investment (RMB 'mil)
Suzhou Landfill Methane-to-energy Project Phase I	18,000,000	28
Suzhou Landfill Methane-to-energy Project Phase II	9,000,000	13
Qingdao Sludge Methane-to-energy Project	7,300,000	including investment in Qingdao Project
Yixing Leachate Methane-to-energy Project	630,000	including investment in Yixing Project
Changzhou Leachate Methane-to-energy Project	2,730,000	including investment in Changzhou Project
Jiangyin Leachate Methane-to-energy Project	1,890,000	Including investment in Jiangyin Project Phase II
Sub-total	39,550,000	41

51

Alternative Energy (2)

Operating Projects:

Project Name	Average annual electricity generation capacity (kWh)	Total investment (RMB 'mil)
Shenzhen Rooftop Photovoltaic Energy Project	1,480,000	28
Zhenjiang Ground Photovoltaic Energy Project	4,059,000	73
Suqian Rooftop Photovoltaic Energy Project	2,205,000	53
Huaining Ground Photovoltaic Energy Project	2,170,000	51
German Ground Photovoltaic Energy Project	3,612,000	68
Suqian Rooftop Photovoltaic Energy Project Phase II	6,198,000	142
Changzhou Rooftop Photovoltaic Energy Project	4,113,000	79
Zhenjiang Rooftop Photovoltaic Energy Project	11,680,000	236
Dangshan Biomass Power Generation Project	184,000,000	312
Zibo Waste Water Source Heat Pump Project Phase I	Service area: 125,000 m ²	58
Sub-total	219,517,000 kWh Service area: 125,000 m²	1,100

52

Alternative Energy (3)

Projects in preparatory stage:

Project Name	Average annual electricity generation capacity (kWh)	Total investment (RMB 'mil)
Zibo Ceramic Park Heat Pump Project	Service area: 187,000 m ²	93
Xinyi Biomass Power Generation Project	184,000,000	321
Shuyang Biomass Cogeneration Project	Electricity: 172,250,000 Heat: 390,000 tonnes	340
Linyi Biomass Power Generation Project	184,000,000	320
Laiyang Biomass Power Generation Project	184,000,000	320
Hanshan Biomass Power Generation Project	184,000,000	320
Sub-total	Electricity: 908,250,000 Service area: 187,000 m² Heat: 390,000 tonnes	1,714
Total for Alternative Energy	Electricity: 1,167,317,000 kWh Service area: 312,000 m² Heat: 390,000 tonnes	2,855

53

Alternative Energy (4)

Wind Power Projects under assessment:

Project Name	Average annual electricity generation capacity (kWh)	Total investment (RMB 'mil)
Muping Wind Power Project	35,000,000	200
Ningwu Zhaojiashan Wind Power Project	101,000,000	432
Ningwu Changfangshan Wind Power Project	98,000,000	442
Ningwu Tangjiashan Wind Power Project	95,000,000	437
Total	329,000,000	1,511

Note: No investment has been made in any of these wind power projects.

54