

2012 Annual Results Presentation



GREEN

熱愛 追求 活在 綠色未來

February 2013

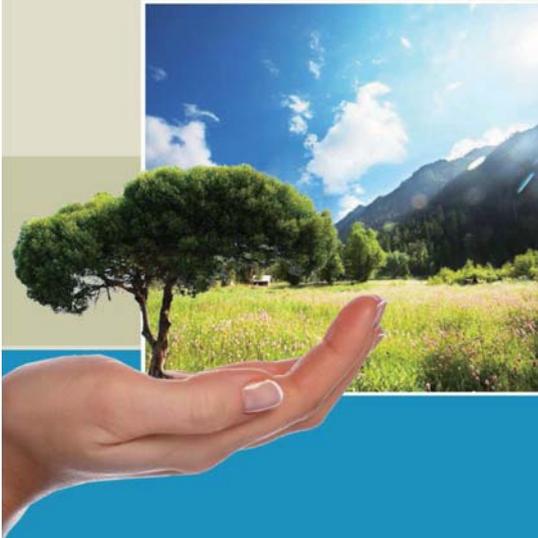
CHINA EVERBRIGHT INTERNATIONAL LIMITED
中國光大國際有限公司

Forward-looking statements

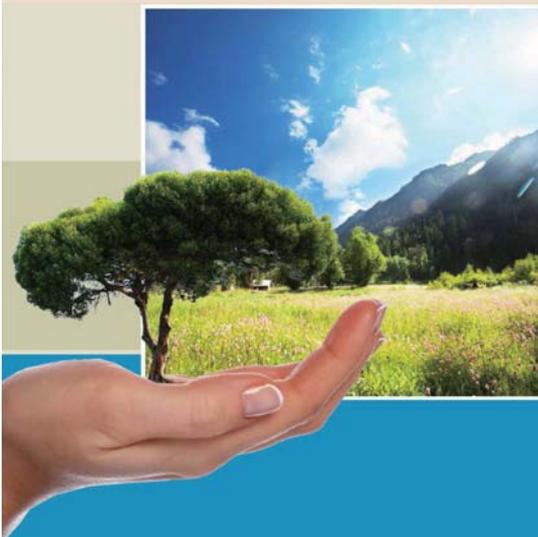
This presentation may contain forward-looking statements. Any such forward-looking statements are based on a number of assumptions about the operations of China Everbright International Limited (the "Company") and factors beyond the Company's control and are subject to significant risks and uncertainties, and accordingly, actual results may differ materially from these forward-looking statements. The Company undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates.

The information in this presentation should be considered in the context of the circumstances prevailing at the time of its presentation and has not been, and will not be, updated to reflect material developments which may occur after the date of this presentation. The slides forming part of this presentation have been prepared solely as a support for oral discussion about background information about the Company. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of any information or opinion contained herein. It should not be regarded by recipients as a substitute for the exercise of their own judgment. Information and opinion contained in this presentation may be based on or derived from the judgment and opinion of the management of the Company. Such information is not always capable of verification or validation. None of the Company or financial adviser of the Company, or any of their respective directors, officers, employees, agents or advisers shall be in any way responsible for the contents hereof, or shall be liable for any loss arising from use of the information contained in this presentation or otherwise arising in connection therewith. This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. It shall not to be construed as a solicitation or an offer or invitation to buy or sell any securities or related financial instruments. No part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This presentation may not be copied or otherwise reproduced.

Agenda



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



Results Highlights

Results Highlights (1)

- **Operating results reached new height**
 - ▶ Profit attributable to shareholders was HK\$1.12 billion, increased by 40%, topping HK\$1 billion for the first time
 - ▶ Basic earnings per share was HK29.65 cents, increased by 36%
 - ▶ Final dividend of HK3 cents per share, total dividends of HK6 cents per share, increased by 33%
 - ▶ Dedicated to sharing the remarkable returns from development and growth with shareholders

Results Highlights (2)

- **Remarkable achievements in market expansion**
 - ▶ Set a record by securing 9 projects during the year commanding a total investment of RMB4.7 billion
 - ▶ Secured 8 waste-to-energy projects, which added the daily waste processing capacity by 10,600 tonnes, more than the total processing capacity of the existing projects
 - ▶ Extended its presence into two new developing areas in Zhejiang and Hainan
 - ▶ Consolidated the Group's leading position in the industry and laid a solid foundation for further development

Results Highlights (3)

● Developed the "Soft Skills"

- ▶ Established Everbright Environmental Protection (China) Limited as the management platform in China
- ▶ Integrated the operation of the four management centres namely engineering management centre, technological development centre, operation management centre and equipment manufacturing centre
- ▶ Consolidated resources and increased efficiency, developed the "Soft Skills"

Results Highlights (4)

● Sustainable increase in operating capacity

- ▶ 46 projects completed construction for commercial operation, contributed an operation service revenue of HK\$1.213 billion, an increase of 44%
- ▶ Processed household waste of 3.71 million tonnes, an increase of 52%
- ▶ Generated 1.308 billion kWh of green energy, an increase of 68%
- ▶ Treated 509 million m³ waste water, reaching a new height

Results Highlights (5)

● Efficient progress of construction projects

- 18 ongoing and established construction projects with a total investment of RMB7.07 billion will become a key growth driver for the construction service revenue
- Projects brought forward from previous year
 - ▶ Suqian Hazardous Waste Landfill Project Phase I, Jiangyin Reusable Water Project, Zibo Heat Pump Project Phase II, Suzhou Waste-to-energy Project Phase III and the Equipment Manufacturing Centre have successively completed for commercial operation
 - ▶ Completed construction milestones of Dezhou Nanyunhe Waste Water Treatment Project and Xinyi Surface Water Project

9

Results Highlights (5) con't

● Efficient progress of construction projects

- Newly developed projects within the year
 - ▶ Nanjing, Ningbo and Pizhou Waste-to-energy projects have commenced construction
 - ▶ Some projects have the principal design, site preparation and equipment procurement completed
 - ▶ Other projects are progressing steadily

10

Results Highlights (6)

- **Completed Equipment Manufacturing Centre**
 - ▶ Established the new business sector for equipment manufacturing
 - ▶ Integrated project development and technology R&D, facilitating full production orders
 - ▶ Developed products for waste grate furnace, sludge treatment, leachate treatment and flue gas purification systems
 - ▶ Marked the Group's success in enhancing the industry chain by expanding from downstream to mid and upstream

Results Highlights (7)

- **Benefitted from the favourable Government policies**
 - ▶ Environmental protection and alternative energy businesses are among the "Seven Strategic Emerging Industries" under the 12th Five Year Plan
 - ▶ Set the benchmark power tariff of waste-to-energy projects across the country at RMB0.65/kWh
 - ▶ Received numerous government subsidies and tax refund amounting to approximately RMB103 million

Results Highlights (8)

● Enhanced financial strength

- ▶ Successfully raised fund of HK\$1.24 billion through share placement
- ▶ Enhanced cooperation with ADB by signing US\$300 million long-term loan facilities
- ▶ Established a new financing cooperation relationship with a group of commercial banks
- ▶ Cash on hand grew by 47% and unutilised banking facilities increased significantly which provided the Group with sufficient financial resources

Results Highlights (9)

● Comprehensive business transformation

- ▶ Successfully disposed the only non-core business of Fuzhou Qingzhou Bridge
- ▶ Recouped investment cost upon disposal and brought a considerable cash flow
- ▶ Achieved a complete transformation towards energy conservation and environmental protection business

Results Highlights (10)

● Rising Brand Value

- In Hong Kong
 - ▶ Selected as a constituent member of "Hang Seng Corporate Sustainability Index Series" for two consecutive years
 - ▶ Presented with the "Outstanding China Enterprise Award", which was co-organised by DHL and the South China Morning Post
 - ▶ Named as a "Hong Kong Outstanding Enterprise" for six consecutive years by "the Economic Digest"

15

Results Highlights (10) con't

● Rising Brand Value

- In Mainland China
 - ▶ Everbright International officially recognised as an industry leader at "The 2010-2011 Green Person of the Year" award ceremony which was jointly organised by the Ministry of Environmental Protection, the Central Propaganda Department and eight ministries
 - ▶ Jinan Waste-to-energy Project has been awarded the highest honour in the Chinese construction industry, the Luban Award
 - ▶ Phase I & II of the Suzhou Project earned the national engineering department's "National class AAA" grade for building waste-to-energy projects

16



Financial Review

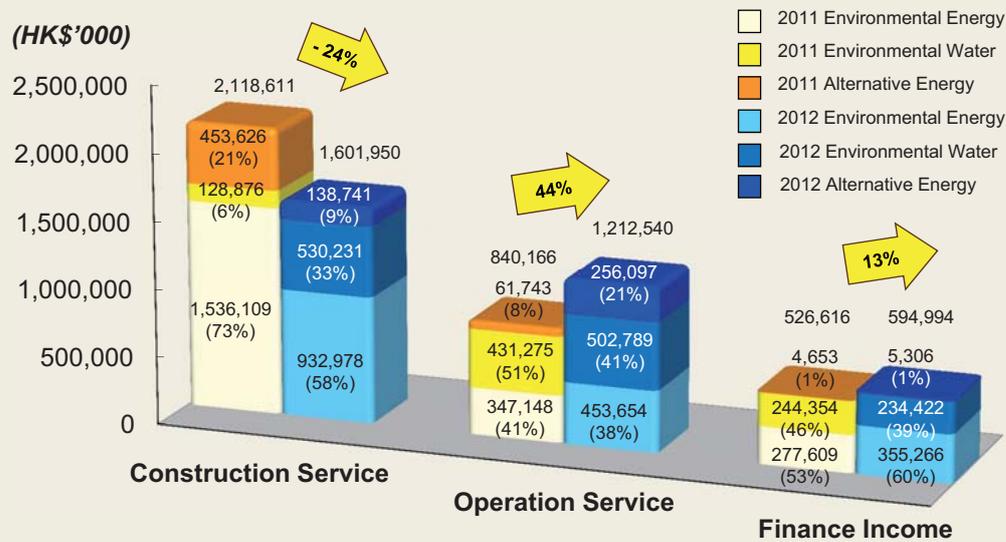
17

Financial Review

(HK\$'000)	For the year ended 31 December		Change
	2012	2011	
Turnover	3,409,938	3,486,697	-2%
Gross profit	1,683,672	1,438,319	17%
Gross margin	49%	41%	8%
EBITDA on recurring basis	1,564,705	1,292,214	21%
Profit on discontinued operation	250,096	80,475	211%
Profit attributable to equity shareholders	1,123,269	801,441	40%
Basic EPS	HK29.65 cents	HK21.86 cents	36%
Dividends per share	HK6 cents	HK4.5 cents	33%

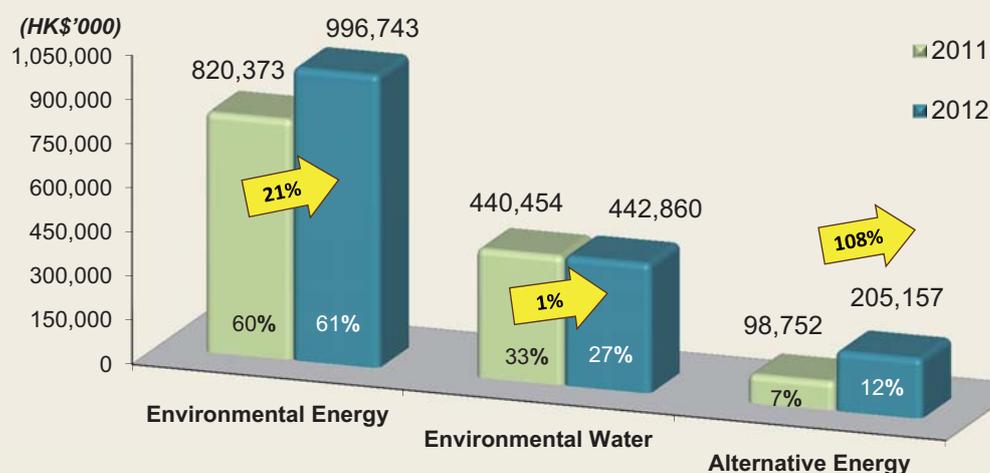
18

Turnover Analysis of Environmental Protection and Alternative Energy Businesses



Turnover of Environmental Protection and Alternative Energy Businesses:
 2012: HK\$3,409,484,000 (down 2%)
 2011: HK\$3,485,393,000

EBITDA Analysis of Environmental Protection and Alternative Energy Businesses



EBITDA of Environmental Protection and Alternative Energy Businesses:
 2012: HK\$1,644,760,000 (up 21%)
 2011: HK\$1,359,579,000

Profit Attributable to Shareholders

Profit attributable to shareholders for 2012 increased by 40% to HK\$1,123,269,000 as compared with HK\$801,441,000 for 2011, mainly due to

- Increase in EBITDA on recurring basis by 21% to HK\$1,564,705,000
- Recognition of net profit on discontinued operation of HK\$250,096,000

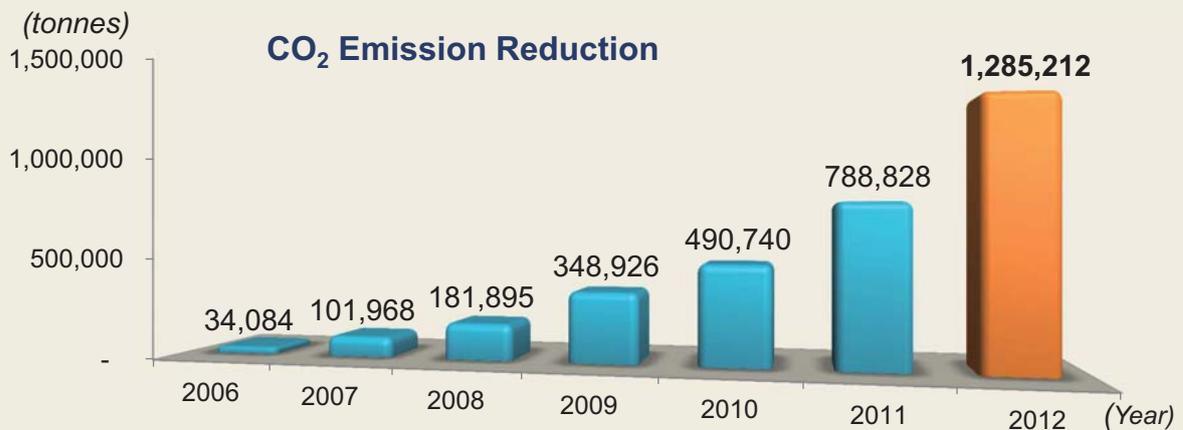
Key Financial Figures

	As at 31/12/2012	As at 31/12/2011	Change
Total assets (HK\$ 'Mil)	16,583	13,880	19%
Total liabilities (HK\$ 'Mil)	7,913	7,218	10%
Shareholders' equity (HK\$ 'Mil)	8,350	6,190	35%
Cash on hand (HK\$ 'Mil)	2,797	1,900	47%
Current ratio (%)	164	138	26%
Gearing ratio (%) (Total liabilities/Total assets)	48	52	-4%



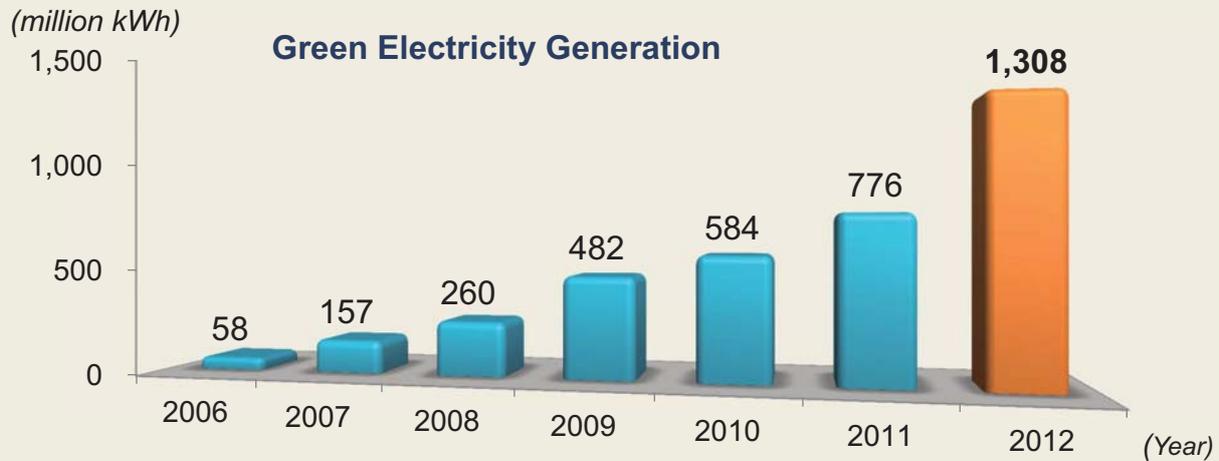
Energy Conservation and Emission Reduction

Energy Conservation & Emission Reduction (1)



- In 2012, the Group generated green electricity of 1.308 billion kWh, equivalent to coal saving of 523,000 tonnes and hence reduced CO₂ emission of 1,285,000 tonnes. Since the operation of its first environmental protection project in 2005, the accumulated green electricity generation reached 3.625 billion kWh, equivalent to coal saving of 1.45 million tonnes and reduction of CO₂ emission of approximately 3.232 million tonnes.

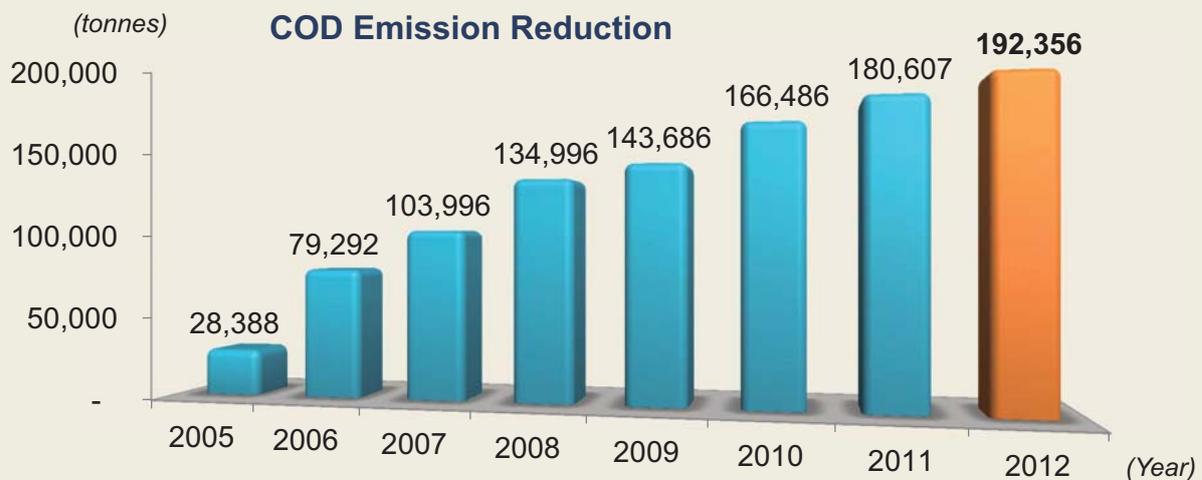
Energy Conservation & Emission Reduction (2)



- In 2012, green electricity generated by waste-to-energy, methane-to-energy and biomass power generation projects was 1.308 billion kWh which fulfilled the annual electricity consumption of approximately 1,090,000 households. Since the operation of its first environmental protection project in 2005, the accumulated green electricity generation reached 3.625 billion kWh which fulfilled the annual electricity consumption of approximately 3.021 million households.

25

Energy Conservation & Emission Reduction (3)



- In 2012, the Group treated waste water and leachate of 509 million m³ and 757,000 m³ which reduced COD emission of approximately 192,000 tonnes. Since the operation of its first environmental protection project in 2005, the accumulated waste water and leachate treatment volume reached 2.653 billion m³ and 1.72 million m³ respectively and COD emission reduction was approximately 1.03 million tonnes.

26

Business Overview



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

Environmental Energy (1)

- 10 waste-to-energy projects and 3 hazardous and industrial solid waste landfill projects are in operation
- 11 waste-to-energy projects and 1 hazardous waste landfill project are under construction or in preparatory stage
- Commanding a total investment of RMB10.32 billion

Environmental Energy (2)

- **Designed capacity :**
 - ▶ annual household waste processing capacity of approximately 7.06 million tonnes (8.10 million tonnes including phase II projects that have not been activated)
 - ▶ annual on-grid electricity generation capacity of approximately 2.08 billion kWh
 - ▶ other hazardous and industrial solid waste landfill capacity of approximately 1.152 million m³

Environmental Water (1)

- 18 waste water treatment plants and 3 reusable water projects are in operation
- 1 waste water treatment project and 1 surface water BT project have completed the construction milestones
- 2 waste water treatment projects and 1 reusable water project are under construction or in preparatory stage
- Commanding a total investment of RMB3.587 billion

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

Alternative Energy (1)

- 6 methane-to-energy projects, 8 photovoltaic energy projects, 1 biomass power generation project and 2 waste water source heat pump project are in operation
- 5 biomass power generation projects have been secured
- 18 individual projects commanding a total investment of RMB2.855 billion

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

Environmental Protection Industrial Park

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

Environmental Equipment Manufacturing

- Equipment Manufacturing Centre commenced operation
 - ▶ Entered into a new business sector
 - ▶ Manufacture of grate furnaces, sludge treatment equipment and emission purification equipment etc
 - ▶ Suitable for use in the PRC environmental protection market
 - ▶ With large number of orders and reach full production capacity
 - ▶ Enhancing the industry chain by expanding from downstream to mid and upstream

35

Environmental Protection Engineering

- National High Tech Enterprise
- Possess the "Main Contractor for Municipal Public Works" License
- Obtained numerous national and provincial golden or silver awards for quality
- 18 projects are under construction or in the preparatory stage, commanding a total investment of approximately RMB7.07 billion

36

Environmental Protection Technology

- National High Tech Enterprise
- Obtained numerous invention and application patents
- Possess numerous significant R&D results
- Continue to strengthen the R&D development

Corporate Positioning (1)

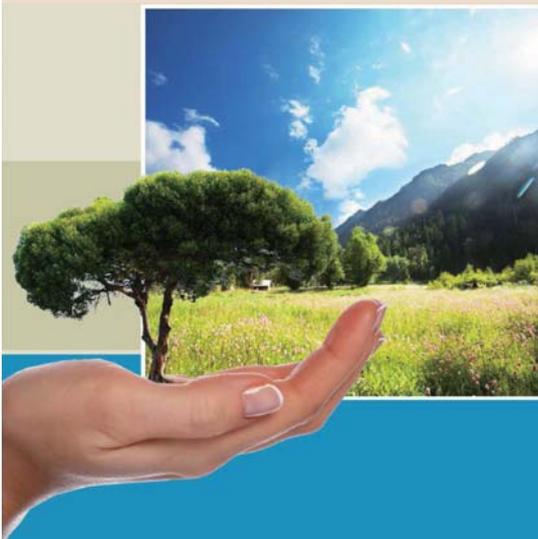


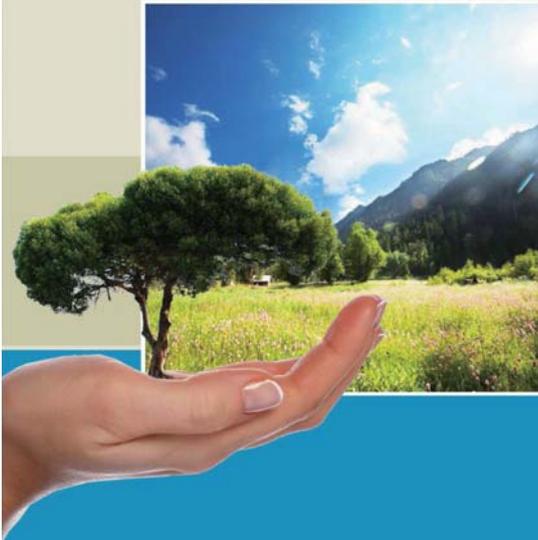
- High Starting Point
- Wider Horizon
- Stronger Cohesiveness
- Full Effort
- Steady Development
- Advanced Technology
- Excellent Quality
- Better Efficiency

Corporate Positioning (2)

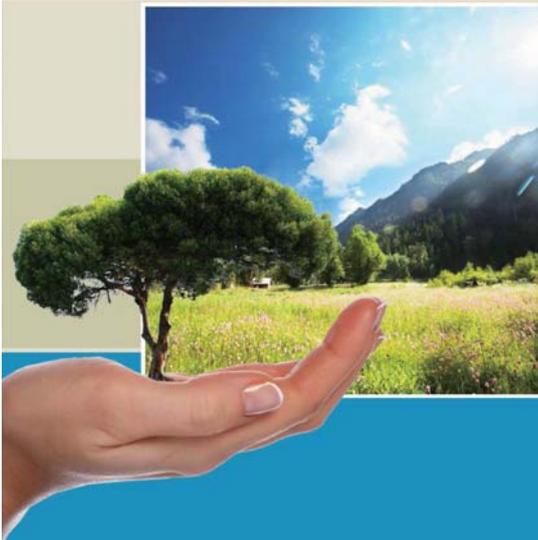
- To become a business conglomerate which has integrated construction, technology development, equipment manufacturing and operation management
- To become the leading player in the green environmental protection and alternative energy industries

Q & A





Thank You



Appendix Project Summary

Environmental Energy (1)

Operating Projects:

Project Name	Daily processing capacity (tonnes)	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	413
Jinan Waste-to-energy Project	2,000	901
Suqian Waste-to-energy Project	600	324
Suzhou Waste-to-energy Project Phase III	1,500	750
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
Suqian Hazardous Solid waste Landfill Project Phase I	340,000 m ³	99
Sub-total	9,650 tonnes 852,000 m³	4,789

43

Environmental Energy (2)

Projects under construction or in preparatory stage:

Project Name	Daily processing capacity (tonnes)	Total Investment (RMB'mil)
Nanjing Waste-to-energy Project	2,000	1,030
Ningbo Beilun Waste-to-energy Project Phase I	1,000	560
Pizhou Waste-to-energy Project Phase I	600	330
Yixing Waste-to-energy Project Phase II	300	151
Huidong Waste-to-energy Project	600	334
Wujiang Waste-to-energy Project	1,500	890
Sub-total	6,000 tonnes	3,295

44

Environmental Energy (3)

Projects under construction or in preparatory stage:

Project Name	Daily processing capacity (tonnes)	Total Investment (RMB'mil)
Sanya Waste-to-energy Project Phase I	700	426
Boluo Waste-to-energy Project Phase I	700	417
Shouguang Waste-to-energy Project Phase I	600	338
Weifang Waste-to-energy Project Phase I	1,000	586
Ningbo Ninghai Waste-to-energy Project Phase I	700	360
Guanyun Hazardous Waste Landfill Project Phase I	300,000 m ³	109
Sub-total	3,700 tonnes 300,000 m³	2,236
Total for Environmental Energy	19,350 tonnes 1,152,000 m³	10,320

45

Environmental Energy (4)

Expansion projects planned in the concession agreements:

Project Name	Daily processing capacity (tonnes)
Ningbo Beilun Waste-to-energy Project Phase II	500
Pizhou Waste-to-energy Project Phase II	400
Sanya Waste-to-energy Project Phase II	350
Boluo Waste-to-energy Project Phase II	350
Shouguang Waste-to-energy Project Phase II	400
Weifang Waste-to-energy Project Phase II	500
Ningbo Ninghai Waste-to-energy Project Phase II	350
Total for Waste-to-energy	2,850

46

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
Weifang Environmental Protection Industrial Park	3.7 billion	>10
Yixing Environmental Protection industrial Park	HK\$2-3 billion	>10
Nanjing Everbright National Demonstrative Veinous Industrial Park	4.2 billion	>10

47

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
Dezhou Nanyunhe Waste Water Treatment Project Phase I	75,000	150
Sub-total	1,345,000	2,010

48

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
Jiangyin Reusable Water Project	annual reusable water supply: 3,500,000	73
Sub-total	280,000 Annual reusable water supply: 20,580,000	843

49

Environmental Water (3)

Transferred Project:

Project Name	Daily treatment capacity (m ³)	Total investment (RMB 'mil)
Xinyi BT Project Phase I	Daily waste water treatment capacity 10,000	63
Xinyi Surface Water BT Project	Daily surface water supply 100,000	385
Sub-total	Annual waste water treatment: 3,650,000 Annual surface water supply: 36,500,000	448

50

Environmental Water (4)

Projects under construction or 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 Project Phase II	100,000	195
Dezhou Nanyunhe Waste Water Treatment Project Phase II	75,000	80
Sub-total	Daily waste water treatment: 175,000 Annual reusable water supply: 1,750,000	286
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	Included in the investment of Qingdao Project
Yixing Leachate Methane-to-energy Project	630,000	Included in the investment of Yixing Project
Changzhou Leachate Methane-to-energy Project	2,730,000	Included in the investment of Changzhou Project
Jiangyin Leachate Methane-to-energy Project	1,890,000	Included in the investment of Jiangyin Project Phase II
Sub-total	39,550,000	41

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
Zibo Ceramic Park Heat Pump Project	Service area: 187,000 m ²	93
Sub-total	219,517,000 kWh Service area: 312,000 m²	1,193

53

Alternative Energy (3)

Projects under construction or in preparatory stage:

Project Name	Average annual electricity generation capacity (kWh)	Total investment (RMB 'mil)
Hanshan Biomass Power Generation Project	184,000,000	320
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
Sub-total	Electricity: 908,250,000 Heat: 390,000 tonnes	1,621
Total for Alternative Energy	Electricity: 1,167,317,000 kWh Service area: 312,000 m² Heat: 390,000 tonnes	2,855

54

Alternative Energy (4)

Wind Power Projects in preparatory stage:

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.

Environmental Equipment Manufacturing

Operating project:

Project Name	Year of Commercial Operation	Total investment (RMB 'mil)
Changzhou Environmental Protection Equipment Manufacturing Centre Phase I	Sept 2012	89
Total		89