



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

.....

2008 Annual Results
March 2009

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

Results Highlights

Results Highlights

Robust growth in environmental protection business pushed up turnover and recurring profit of the Group

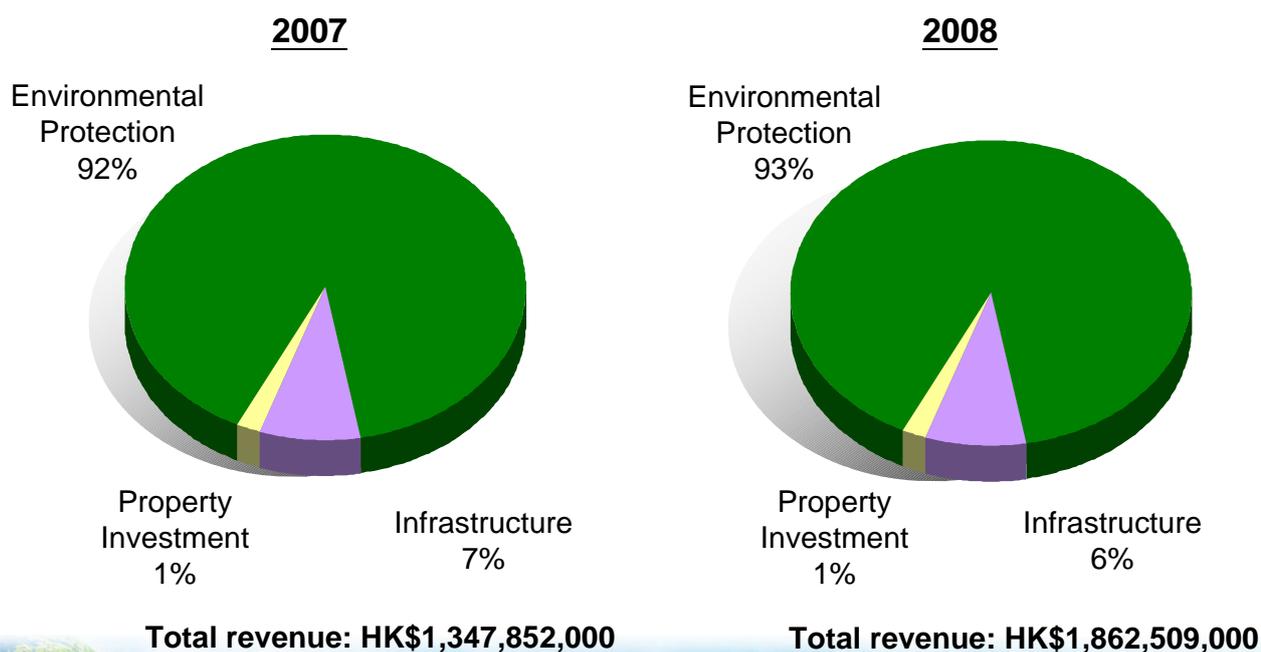
- Turnover increased by 38% to HK\$1,862,509,000
- EBITDA on recurring basis increased by 39% to HK\$592,727,000
- Non-recurring profit increased by 21% to HK\$51,778,000 due to the profit on disposal of subsidiaries engaged in property business
- Income tax expense significantly increased by 1298% to HK\$95,161,000
- Profit attributable to equity shareholders was HK\$339,018,000 as compared to HK\$337,932,000 of last year
- Declared a final dividend of HK1 cent per share

Financial Review

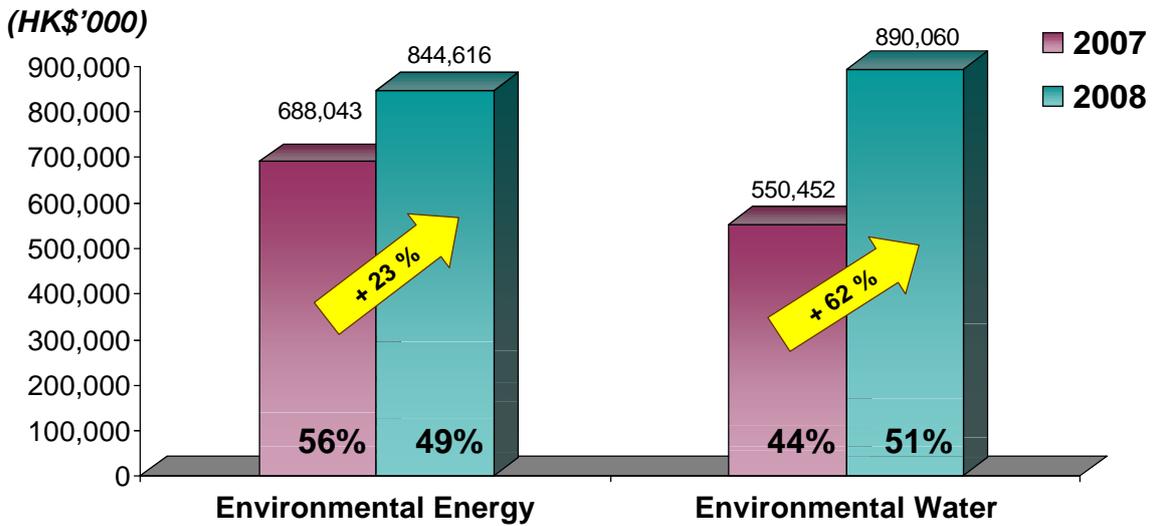
Financial Review

(HK \$'000)	For the year ended 31 December		Change
	2008	2007	
Turnover	1,862,509	1,347,852	38%
Gross profit	653,671	459,955	42%
EBITDA on recurring basis	592,727	425,557	39%
Non-recurring profit	51,778	42,885	21%
Income tax expense	95,161	6,807	1298%
Profit attributable to equity shareholders	339,018	337,932	0.3%
Basic EPS	HK10.80 cents	HK10.89 cents	(0.8%)
Dividends per share	HK1.6 cents	HK1.6 cents	-

Turnover Analysis by Segment



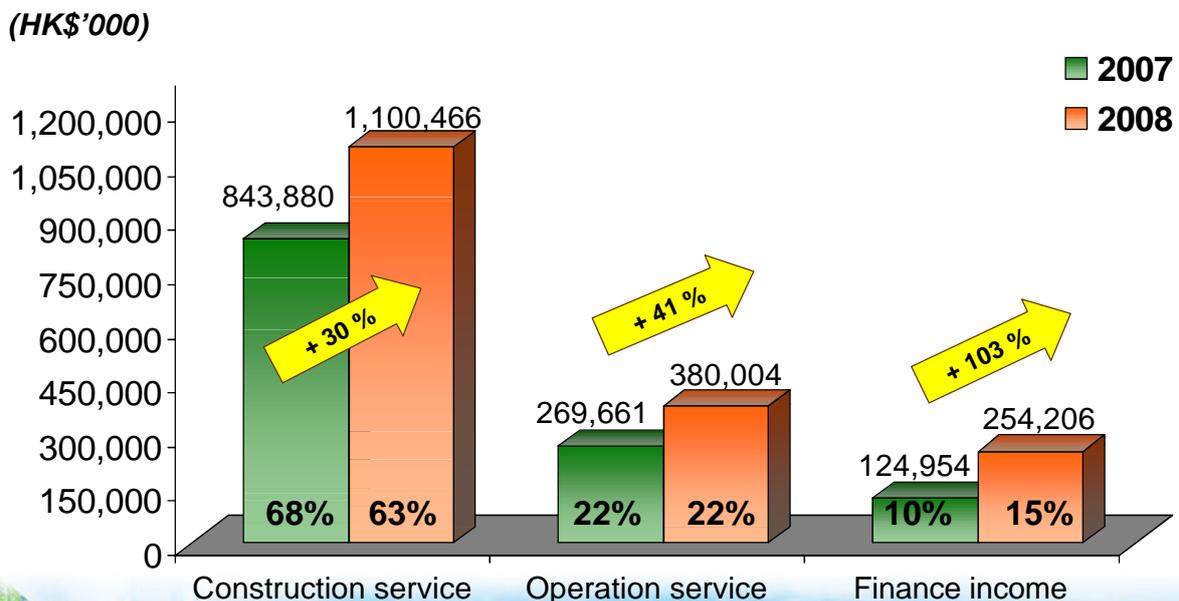
Turnover Analysis of Environmental Protection Business – By Activity



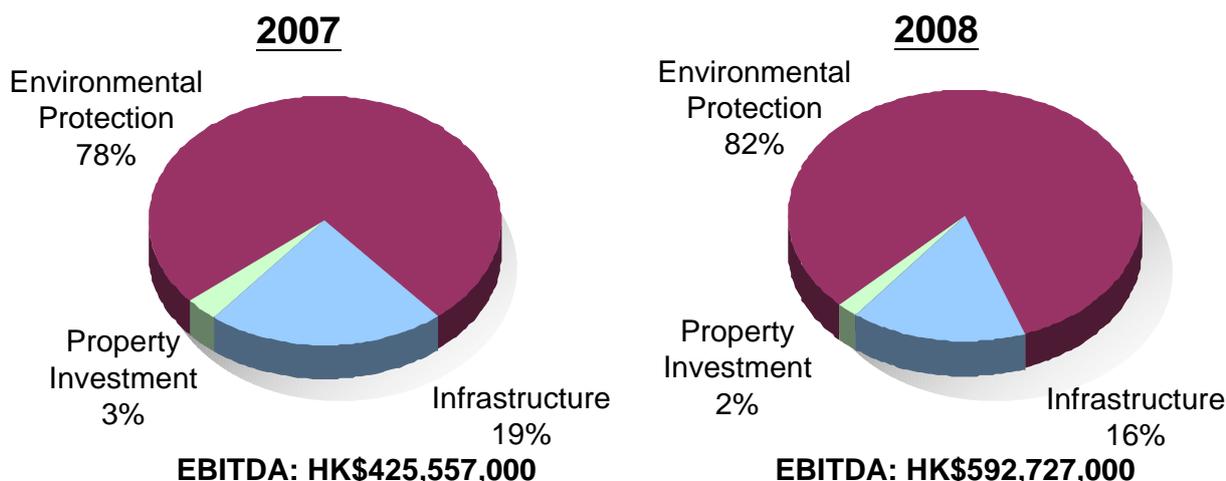
Environmental Protection Revenue:
 2008: HK\$1,734,676,000 (up 40%)
 2007: HK\$1,238,495,000



Turnover Analysis of Environmental Protection Business – By Nature



EBITDA Analysis by Segment

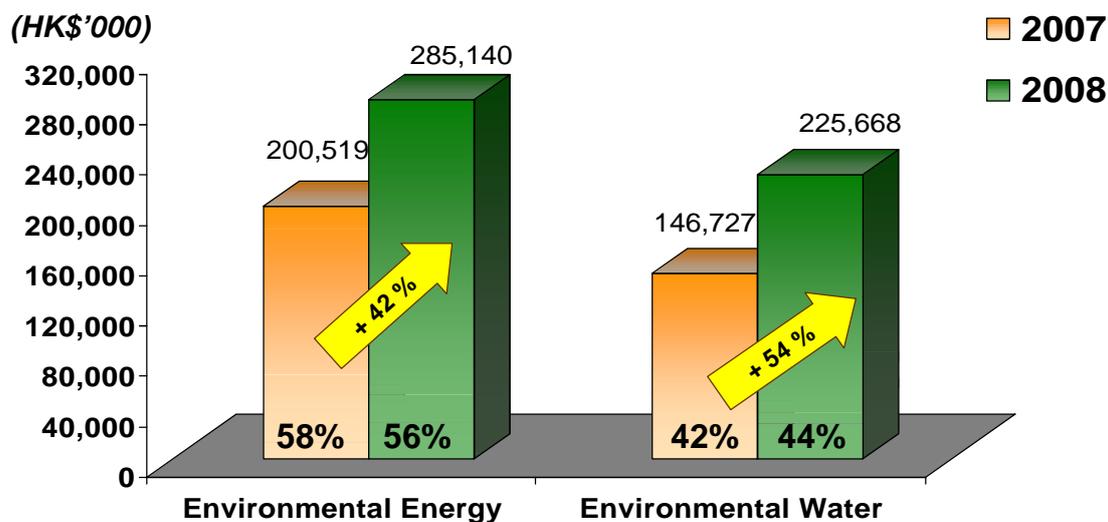


- EBITDA on recurring basis has registered a substantial growth of 39% as compared with last year
- Environmental protection business is the major profit driver of the Group

Note: EBITDA on recurring basis for 2008 was calculated excluding the profit on disposal of subsidiaries of HK\$51,778,000 (2007: profit on disposal of other financial assets of HK\$23,683,000 and valuation gains on investment properties of HK\$19,202,000).



EBITDA Analysis of Environmental Protection Business



EBITDA of Environmental Protection Business:
 2008: HK\$510,808,000 (up 47%)
 2007: HK\$347,246,000



Profit Attributable to Shareholders

Profit attributable to shareholders for 2008 was HK\$339,018,000 as compared to HK\$337,932,000 for 2007.

- Increase in EBITDA on recurring basis by 39% to HK\$592,727,000
- Increase in non-recurring profit by 21% to HK\$51,778,000:
 - 2008: profit on disposal of subsidiaries of HK\$51,778,000
 - 2007: profit on disposal of other financial assets of HK\$23,683,000 and valuation gains on investment properties of HK\$19,202,000
- Significant increase in income tax expense by 1298% to HK\$95,161,000
 - recognition of withholding income tax in respect of profits derived from the PRC subsidiaries during the year
 - one-off write-back of deferred tax in last year as a result of the change of PRC tax rate



Key Financial Figures

	As at 31/12/2008	As at 31/12/2007	Change
Total assets (HK\$ 'Mil)	6,301	4,526	39%
Total liabilities (HK\$ 'Mil)	3,170	1,922	65%
Shareholders' equity (HK\$ 'Mil)	2,820	2,451	15%
Cash on hand (HK\$ 'Mil)	699	631	11%
Current ratio (%)	136%	221%	(85%)
Gearing ratio (%) (Total liabilities/Total assets)	50%	42%	8%





Business Review



Environmental Protection Business

- Environmental Energy Business
- Environmental Water Business

Everbright Environment

Overview of the environmental protection business:

- 22 projects at a total investment of approximately RMB5.05 billion
- Annual household waste processing capacity of approximately 1.50 million tonnes; annual on-grid power generation capacity of 400 million kilowatt-hour
- Daily waste water treatment capacity of approximately 1.50 million tonnes
- Other waste treatment capacity of 20,000 m³ per annum

** The above data does not include the investment costs and designed capacity of the new Jinan Waste-to-Energy Project and Jinan Xike Project



China Everbright International Limited

17

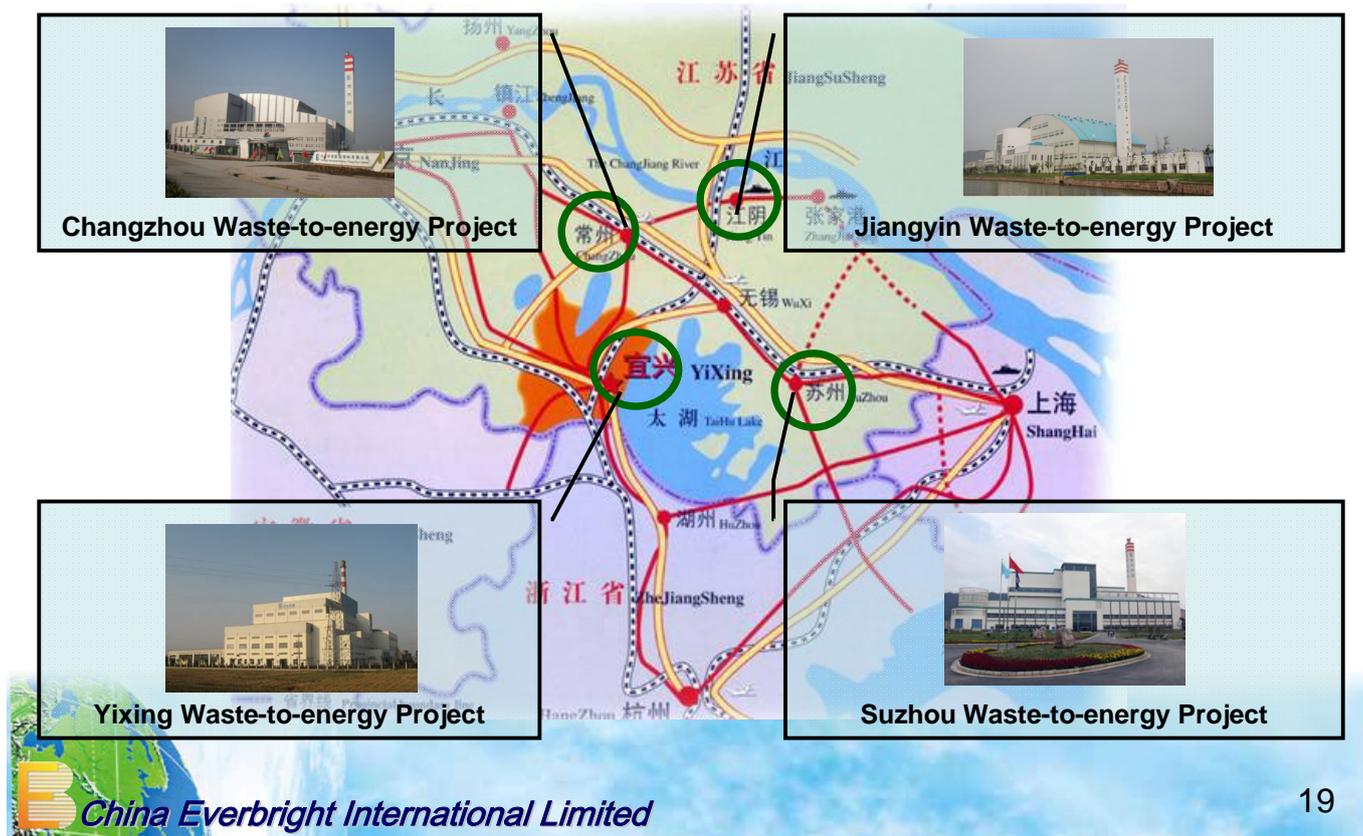
Environmental Energy Business

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

 *China Everbright International Limited*

18

Jiangsu Environmental Energy Projects



Operating Data of Environmental Energy Projects

Environmental energy projects	Waste processing volume (Tonne)		Uploaded electricity (kWh)	
	For the year ended 31 December			
	2008	2007	2008	2007
Suzhou Waste-to-energy Project (Phase I)	489,000	441,000	110,800,000	99,992,000
Suzhou Methane-to-energy Project	-	-	17,346,000	18,712,000
Yixing Waste-to-energy Project (i)	200,000	118,000	34,514,000	12,658,000
Jiangyin Waste-to-energy Project (ii)	248,000	-	41,370,000	-
	937,000	559,000	204,030,000	131,362,000

- (i) Commercial operation commenced in July 2007
- (ii) Commercial operation commenced in May 2008

Jiangsu 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	1,000	>100 mil
Suzhou Project Phase II	BOT for 25 years	450	May 2009 (expected)	1,000	>100 mil
Yixing Project	BOT for 25 years	238	Jun 2007	500	>44.5 mil
Jiangyin Project Phase I	BOT for 30 years	389	May 2008	800	>77 mil
Changzhou Project	BOT for 25.5 years	412	Nov 2008 (Trial-run)	800	>77 mil



China Everbright International Limited

21

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



China Everbright International Limited

22

Suzhou Everbright National Demonstrative Veinous Industrial Park

Project	Type of Investment	Total Investment / RMB'Mil	Date of Commercial operation	Designed storage capacity / Tonne	Average annual power generation capacity / kWh
Methane-to-energy Project Phase I	BOO for 25 years	27.9	Aug 2006	N/A	>18 mil
Industrial Solid Waste Landfill Project Phase I	BOT for 30 years	78.26	July 2007	200,000 m ³	N/A
Methane-to-energy Project Phase II	BOO for 23 years	13	Sept 2008	N/A	>9 mil

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

New Environmental Energy Project : Jinan Waste-to-energy Project

- The Group has entered into a cooperative agreement to invest in a waste-to-energy project in Jinan City on BOT basis for 25 years
- Total investment is approximately RMB901 million and the daily waste processing capacity is 2,000 tonnes
- The first waste-to-energy project of the Group in Shandong Province
- Formal agreements (including a concession rights agreement and a waste treatment service agreement etc.), subject to negotiation, are expected to be signed by the relevant parties after the establishment of the project company
- Construction is expected to commence in the third quarter of 2009

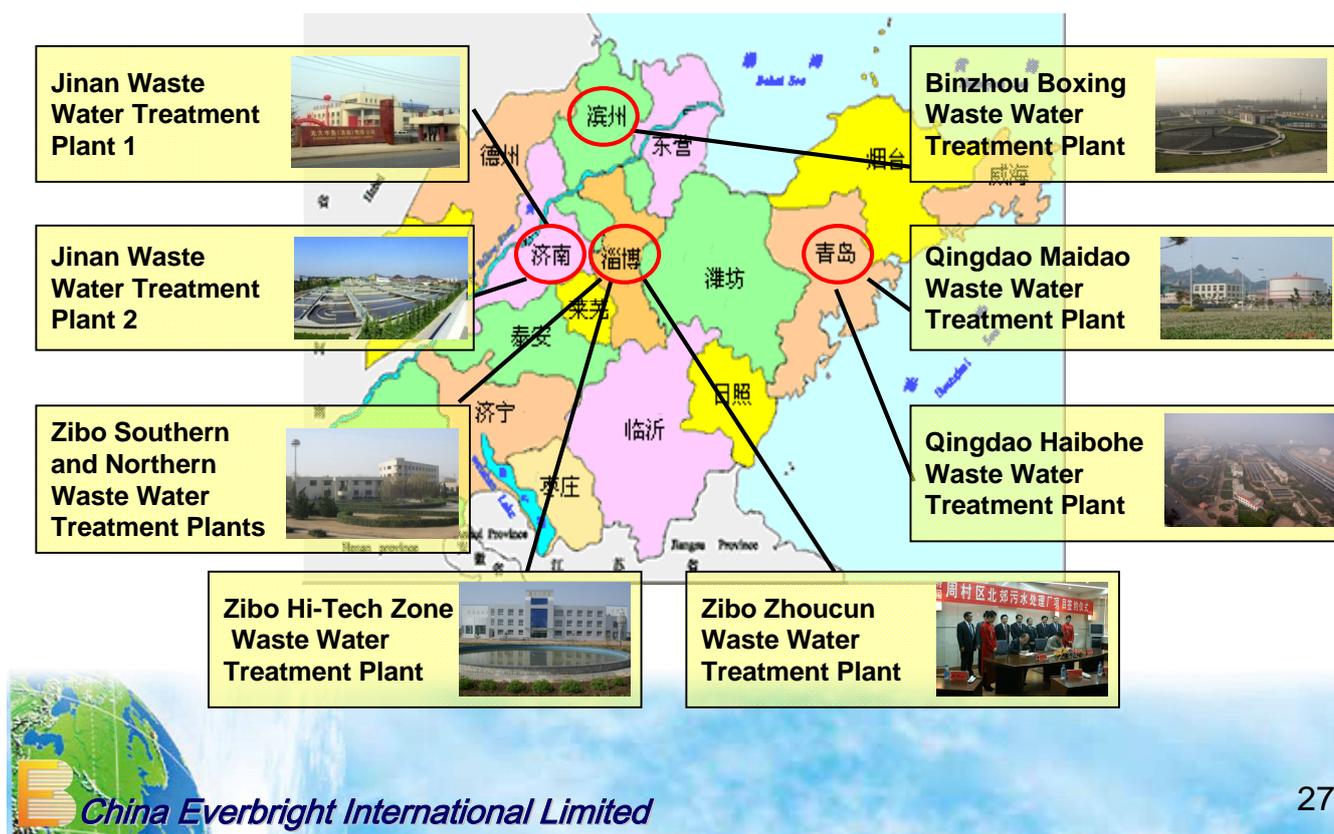


Environmental Water Business

- Shandong Environmental Water Projects
- Jiangyin Urban and Rural Environmental Water Project



Shandong Environmental Water Projects



Operating Data of Environmental Water Projects

Environmental water projects	Waste water treatment volume (Tonne)		
	For the year ended 31 December		
	2008	2007	Change
Qingdao Waste Water Treatment Project	69,172,000	61,621,000	12%
Zibo Southern and Northern Plants Project	83,659,000	88,924,000	(6%)
Zibo High-tech Zone Project (i)	34,607,000	12,900,000	168%
Jinan Waste Water Treatment Project	146,517,000	126,290,000	16%
Boxing Waste Water Treatment Project (ii)	3,309,000	-	100%
Jiangyin Waste Water Treatment Project (iii)	26,648,000	-	100%
	363,912,000	289,735,000	26%

- (i) Commercial operation commenced in September 2007
- (ii) Commercial operation commenced in April 2008
- (iii) Commercial operation commenced in January 2008

Shandong 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)

Shandong 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 – Apr 2009 Extension work - Sep 2009	
Jinan Licheng Project (Plant 3)	BOT for 26.5 years	138	Apr 2009	100,000
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	60,000 (Increase from 30,000 tonne to 60,000 tonne upon completion of Phase II in Jun 2009)
Zibo Zhoucun Project	BOT for 25 years	70 (Phase I)	Jun 2009	40,000 (Phase I)

Jiangyin Urban and Rural Environmental Water Project

- First integrated waste water treatment model project in the PRC
- The Group (holds 70% equity interest) and Jiangyin Xin Guo Lian jointly established a project company and operate as follow :
 1. Acquire from the municipal government 4 waste water treatment plants in the city at a total of RMB624 million with a designed daily treatment capacity of 190,000 tonnes
 2. Upgrade the plants in compliance with Grade 1A standard at an upgrade construction cost of RMB201 million
 3. Acquire from the municipal government the sewage piping network at a consideration of RMB267 million
 4. Intends to invest in the waste water treatment plants in the rural areas in the next 2-3 years, and ultimately integrate the plants and the sewage piping network into one system



Jiangyin Urban and Rural Environmental Water Project

The Taihu Lake water quality restoration operation

- The integration of all waste water treatment plants in rural areas in Jiangyin
(including new establishment, extension project, upgrade project and integration of waste water treatment plants in rural areas)
- The acquisition, upgrade and construction projects of sewage piping network in the urban and rural areas
- Aims to establish the project as the country's first integrated pioneer project in respect of "integration of plants and piping network in rural areas".



New Environmental Water Project : Jinan Xike Project

- The Group has won the tender to invest in a waste water treatment project in Xike Station in Jinan City on BOT basis for 26 years
- Total investment is approximately RMB72,682,000 and the daily waste water treatment capacity is 30,000 tonnes
- Formal agreements (including a concession rights agreement and a waste water treatment service agreement etc), subject to negotiation, will be signed by the relevant parties in the second quarter of 2009
- Construction is expected to commence in the third quarter of 2009



Timetable of environmental protection projects

Projects which commenced operation in 2008

- Handover of 4 waste water treatment plants in Jiangyin city (January)
- Binzhou Boxing Waste Water Treatment Project (April)
- Jiangyin Waste-to-energy Project (May)
- Upgrade work of Zibo Southern and Northern Plants Project (May)
- Upgrade work of 4 waste water treatment plants in Jiangyin city (June)
- Suzhou Methane-to-energy Project Phase II (September)
- Trial-run of Changzhou Waste-to-energy Project (November)
- Construction of the upgrade work of Binzhou Boxing Waste Water Treatment Project (December)
- Completion of core structure of Suzhou Waste-to-energy Project Phase II (December)
- Construction of the upgrade work for Jinan waste water treatment plant 1 and plant 2 (December)
- Construction of Zibo Zhoucun waste water treatment plant (December)



Timetable of environmental protection projects

Projects commencing operation in 2009

- Changzhou Waste-to-energy Project (application for commercial operation is in progress)
- Jinan Licheng Project (April)
- Suzhou Waste-to-energy Project Phase II (May)
- Binzhou Boxing Waste Water Treatment Project Phase II (June)
- Zibo Zhoucun Waste Water Treatment Project (June)
- Extension work of Jinan waste water treatment plant 1 (September)

Projects commencing operation in 2010

- Jinan Xike Project (June)
- Jinan Waste-to-energy Project (December)

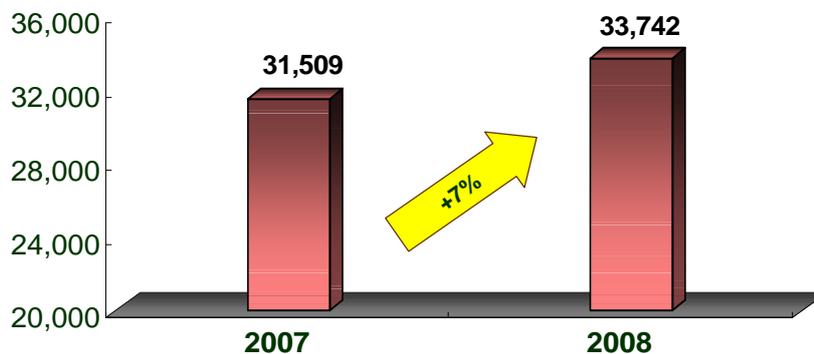


Infrastructure and Property Investment

Fuzhou Qingzhou Bridge

Daily Traffic flow
(No. of standard vehicle)

Average daily traffic



- The major bridge over Minjiang serving the Shenhai Expressway, a coastal trunk road
- Daily traffic flow reached 33,742 vehicles, an increase of 7% as compared with last year
- In 2008, EBITDA increased by 15% to HK\$98,927,000
- The project continues to contribute strong cashflow to the Group



China Everbright International Limited

37

Major Property Investment

- Contributed an EBITDA of HK\$11,969,000 to the Group for 2008
- Disposed of its entire interest in Zhongshan Garden and its management company for a total cash consideration of approximately HK\$195,907,000 to Everbright Real Estate Limited and generated a gain on disposal of approximately HK\$51,778,000 for the year ended 31 December 2008



China Everbright International Limited

38



Prospects and Business Strategies

Prospects

Enormous opportunities despite global financial crisis:

- The State Council announced a RMB 4 trillion investment plan for the next two years to stimulate domestic demand and brace economic growth.
- The fifth item of investment among the 10 named in the plan is construction conducive to ecological and environmental protection, which points to huge growth potential for the waste water treatment and waste-to-energy sectors in the PRC.
- According to preliminary forecast of the Environmental Protection Bureau, during the 11th Five Year Plan period, the environmental protection industry in China will be able to maintain a growth of 15% to 17% a year. By 2010, the value of the industry will reach RMB880 billion.

Prospects – Future Trends

China has entered a “Green” age

- Environmental protection and green GDP have become dominant concepts of the era
- Promotion of wind power, solar energy and bio-fuel, and waste-to-energy, water quality restoration, recycling of solid waste, energy conservation and emission reduction will become the guiding tune of development of the human society



Prospects – R & D

- Continue to invest in technological innovation and enhancing its research and development capabilities
 - lower construction and production costs,
 - boost cost-effectiveness and competitiveness
- Worked with different educational institutions on various initiatives, and gained approval for 5 national patents
- Set up 2 technology R&D centers in Suzhou and Zibo to specialize in solid waste and water resources technologies respectively
 - Suzhou centre will serve the city as its solid waste resource technology center
 - cater to the needs of environmental protection enterprises in the city and the Yangtze River Delta region



Business Strategies

Overall strategies

- *strive to develop into a new environmental protection enterprise that boasts “top-notch techniques and high-end technologies”*
- *Enhance “Everbright Environment” brand name*

Looking for more business opportunities

- *Explore new environmental protection markets*
- *Consolidate its leadership in Jiangsu and Shandong, etc.*
- *Look for more market opportunities*
- *Upgrade existing projects*
- *Extend the industrial chain to other projects*

Enhance core competency

- *Research and development*
- *Strategic partnership*
- *Strengthen the training of key technical staff*
- *Lift management and operational standards*



China Everbright International Limited

43



Thank You



China Everbright International Limited

44



Q & A