



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



2009 Annual Results Presentation

March 10, 2010



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Agenda



- Results Highlights
- Financial Review
- Business Review
 - Corporate Positioning
 - Managerial Structure
 - New Projects
 - Energy Conservation & Emission Reduction
 - Environmental Protection Business
- Q & A



Results Highlights (1)

- Strived to develop into an environmental protection conglomerate specializing in technology development, construction, operation and management
- Established environmental protection and alternative energy businesses as its future investment direction and development focus
- Extended the geographical footprint of the Group from Jiangsu and Shandong Provinces into Guangdong and Anhui Provinces
- Completed the share placement to raise fund of approximately HK\$1.4 billion and secured a US\$200 million 10-year loan facility provided by Asian Development Bank which greatly strengthened the financial position of the Group



Results Highlights (2)

- Continued to register significant growth in core business earnings from environmental protection business and recorded an increase of net profit attributable to shareholders by 10% to HK\$371,898,000
- Strong pipeline of projects under construction or in preparatory stage with a total investment of approximately RMB3.2 billion (including post results projects of RMB436 million)



Financial Review

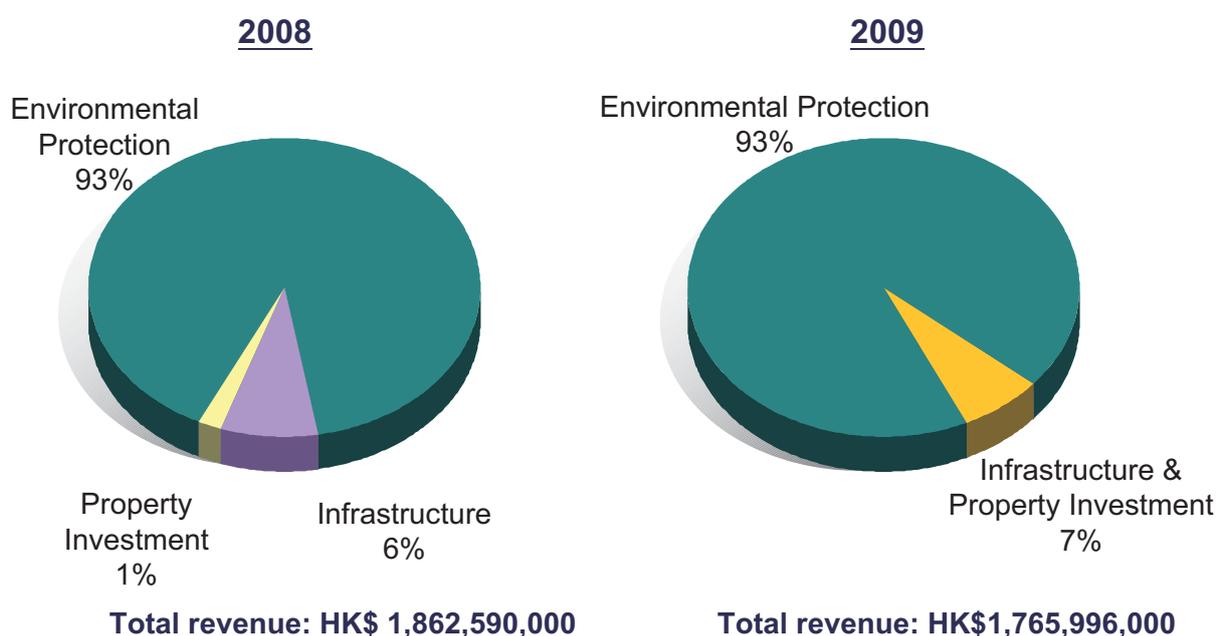


Financial Review

(HK\$'000)	For the year ended 31 December		Change
	2009	2008	
Turnover	1,765,996	1,862,509	(5%)
Gross profit	774,922	653,671	19%
EBITDA on recurring basis	711,609	592,727	20%
Non-recurring profit	4,888	51,778	(91%)
Profit attributable to equity shareholders	371,898	339,018	10%
Basic EPS	HK11.39 cents	HK10.80 cents	5%
Dividends per share	HK2.20 cents	HK1.60 cents	38%



Turnover Analysis by Segment

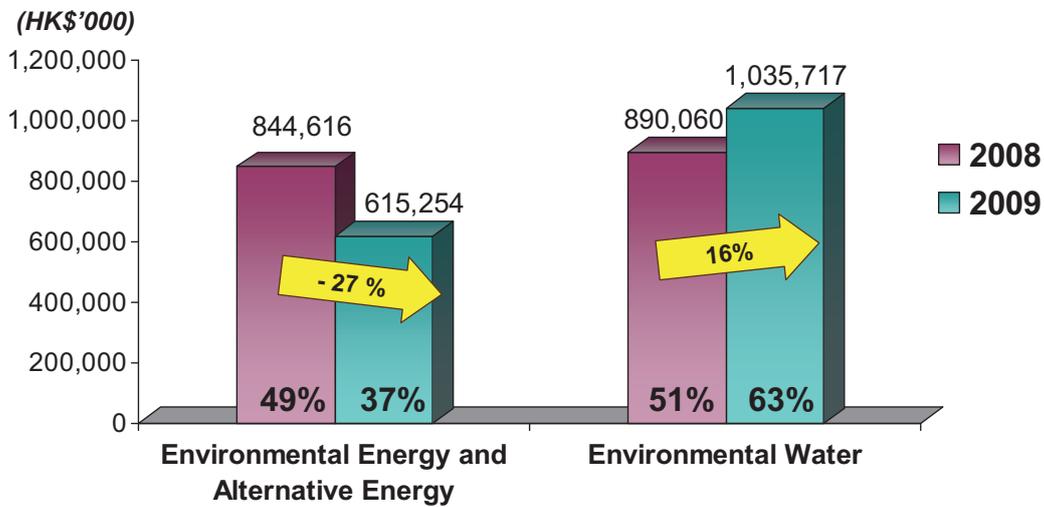




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Turnover Analysis of Environmental Protection Business – By Segment



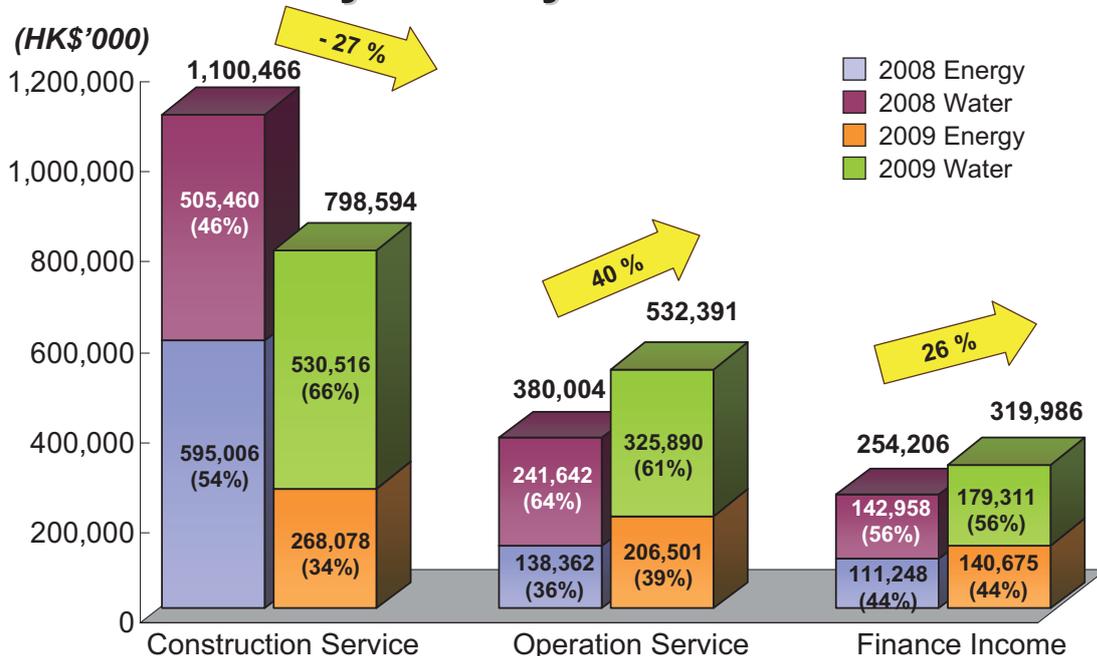
Environmental Protection Revenue:
 2009: HK\$1,650,971,000
 2008: HK\$1,734,676,000



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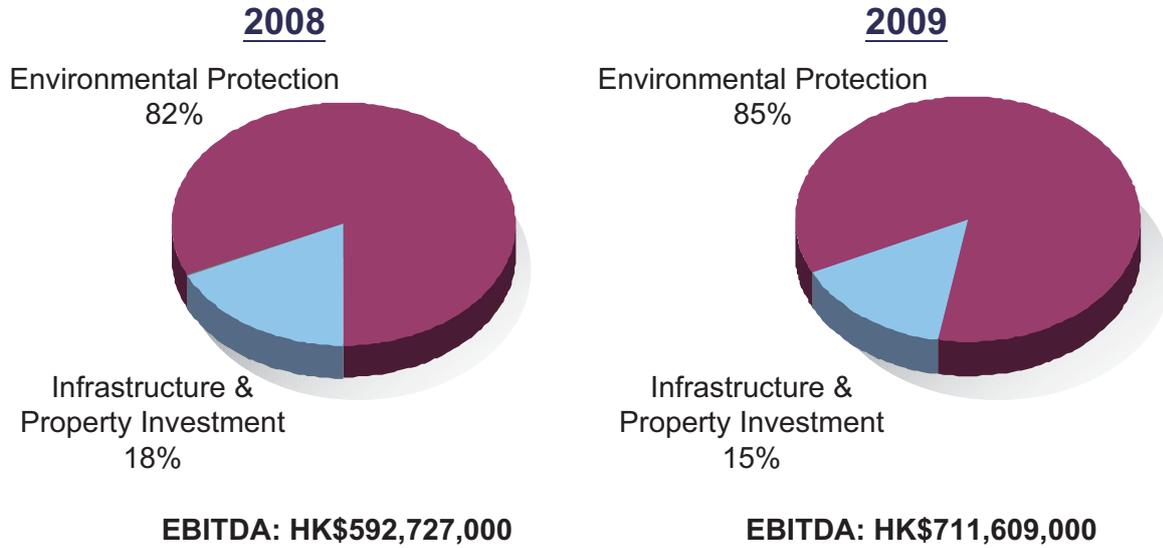
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Turnover Analysis of Environmental Protection Business – By Activity





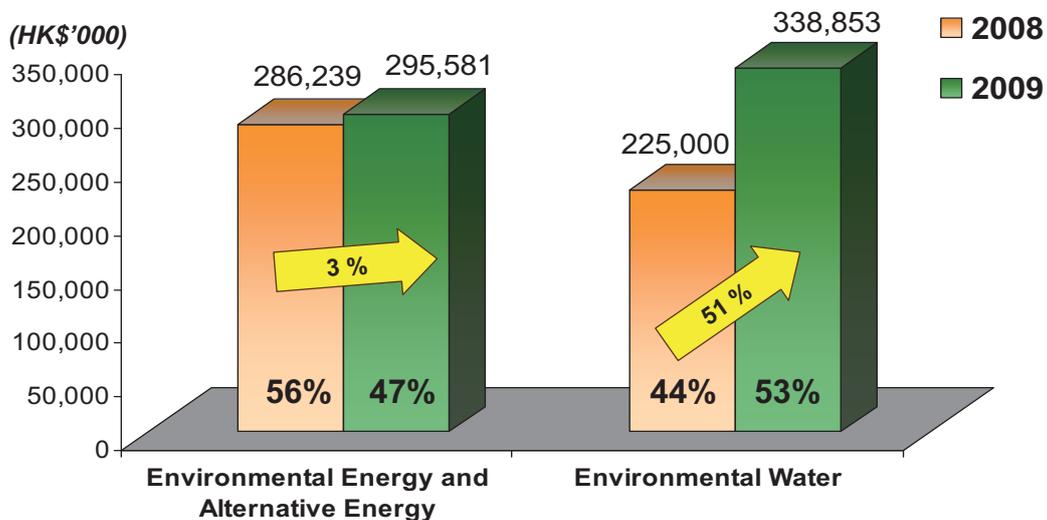
EBITDA Analysis by Segment



- EBITDA has registered a substantial growth of 20% as compared with last year
- Environmental protection business is the major profit driver of the Group



EBITDA Analysis of Environmental Protection Business



EBITDA of Environmental Protection Business:
2009: HK\$634,434,000 (up 24%)
2008: HK\$511,239,000



Profit Attributable to Shareholders

Profit attributable to shareholders for 2009 increased by 10% to HK\$371,898,000 as compared with HK\$339,018,000 for 2008

- Increase in EBITDA contribution of environmental protection business by 24% to HK\$634,434,000
- Decrease in non-recurring profit by 91% to HK\$4,888,000 in 2009
 - ◆ 2009: valuation gains on investment properties of HK\$4,888,000
 - ◆ 2008: gain on disposal of subsidiaries engaged in property business of HK\$51,778,000



Key Financial Figures

	As at 31/12/2009	As at 31/12/2008	Change
Total assets (HK\$ 'Mil)	8,667	6,301	38%
Total liabilities (HK\$ 'Mil)	3,738	3,170	18%
Shareholders' equity (HK\$ 'Mil)	4,573	2,820	62%
Cash on hand (HK\$ 'Mil)	2,024	699	190%
Current ratio (%)	248%	136%	112%
Gearing ratio (%) (Total liabilities/Total assets)	43%	50%	(7%)

- The completion of HK\$1.4 billion share placement and the obtaining of US\$200 million loan facility from the Asian Development Bank have strengthened the financial position of the Group and laid a solid foundation for its growth of business.



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Business Review



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Corporate Positioning



Corporate Positioning

To become a business conglomerate which has integrated technology development, construction and operation management focusing on environmental protection and alternative energy businesses.



Managerial Structure



Managerial Structure

- Everbright International is structured as “One Centre, Two Supporters and Three Business Sectors”
 - ▶ Everbright International be the Investment & Management Centre
 - ▶ Everbright Environmental Engineering and Everbright Technology Development be the two business technical supporters
 - ▶ Environmental Energy, Environmental Water & Alternative Energy be the three core business sectors
- Adopts an integrated operation principle of “Investment, Construction and Operation” for projects



New Projects



New Projects

- Secured 10 new projects
- Entered into framework agreements to develop 2 Environmental Protection Industrial Parks
- Established Strategic Partnership with 6 Municipal Governments



10 new projects

Projects obtained	Daily Capacity / <i>tonne</i>	Total Investment / <i>RMB'Mil</i>
Jinan Waste-to-energy Project	2,000	901
Jiangyin Waste-to-energy Project Phase II	400	205
Zhenjiang Waste-to-energy Project	1,000	413
Suqian Waste-to-energy Project	600	324
Huidong Waste-to-energy Project	600	334
Jinan Xike Waste Water Treatment Project	30,000	73
Ling County Waste Water Treatment Project	30,000	58
Xinyi BT Waste Water Treatment Project	10,000	62
Xinyi Straw Cogeneration Project	800	338
Zibo Waste Water Source Heat Pump Project	125,000m ²	58

- Agreements with respect of Dangshan Biomass Power Generation Project, Huaining Photovoltaic Energy Project and Zibo Reusable Water Project had been signed in January and February 2010 respectively. The total investment of these projects is approximately RMB436,000,000.



Environmental Protection Industrial Parks and Government Strategic Partnership

- **Entered into framework agreements to develop 2 Environmental Protection Industrial Parks**
 - ▶ Suqian Environmental Protection Industrial Park
 - ▶ Zhenjiang Environmental Protection Industrial Park
- **Established Strategic Partnership with 6 Municipal Governments**
 - ▶ Xinyi, Suqian and Zhenjiang in Jiangsu Province
 - ▶ Dangshan and Huaining in Anhui Province
 - ▶ Dezhou in Shandong Province



Achievement of New Projects

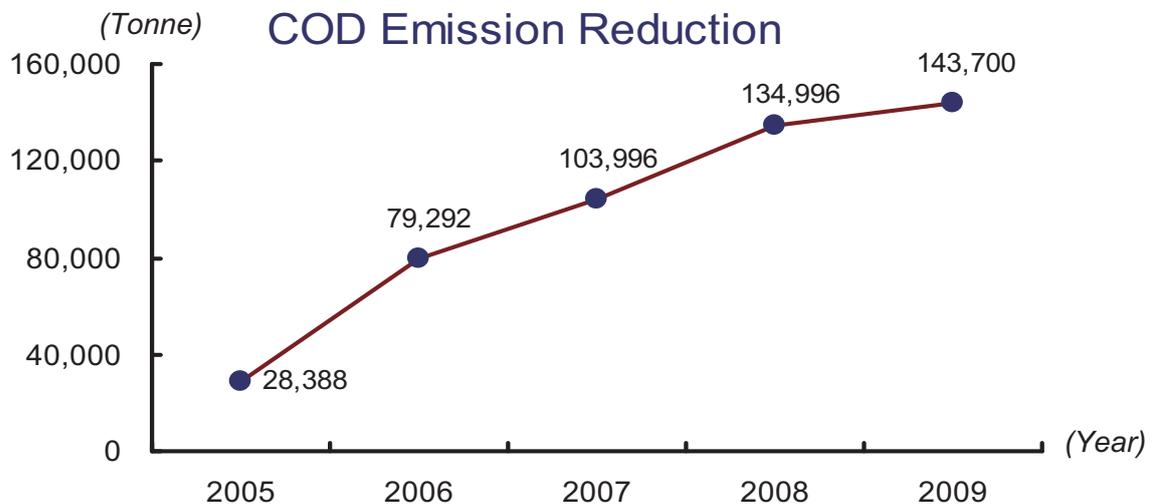
- Extended the strategic geographical footprint from Jiangsu and Shandong Provinces to Guangdong and Anhui Provinces gradually
- Explored a number of new cities with milestone significance
- Successfully developed from the southern part to the northern part of Jiangsu Province
- Developed new area in Shandong Province
- Besides the existing models of “BOT” and “TOT”, developed new business models such as “BT” and “EMC” models etc
- Significant breakthrough in developing alternative energy business including solar energy and biomass energy



Energy Conservation & Emission Reduction



Energy Conservation & Emission Reduction (1)

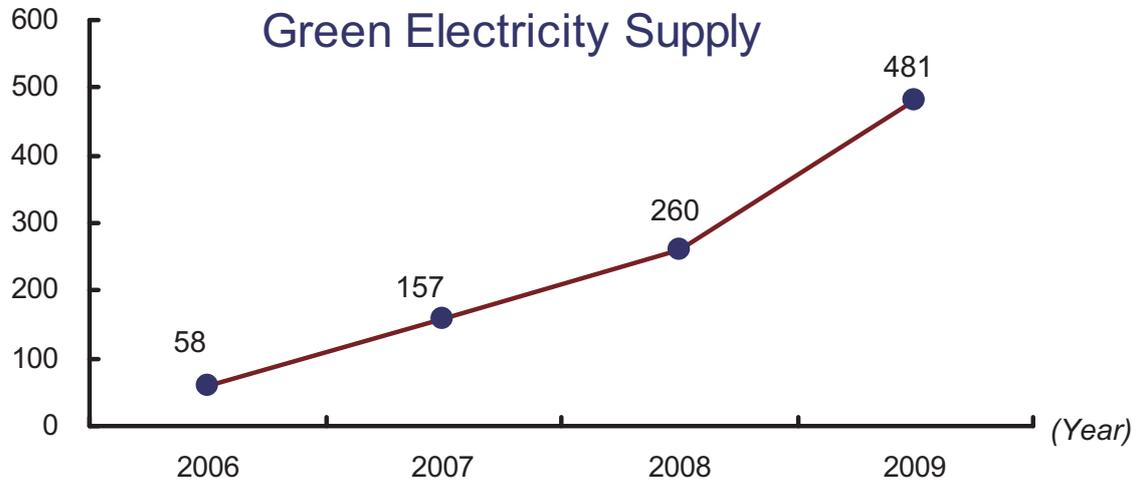


- In 2009, the Group has treated 400,000,000 m³ of waste water (including leachate from waste-to-energy project) which reduced COD emission of 143,700 tonnes. The accumulated COD emission reduction since the Group's commencement of its first environmental protection project in 2005 was 490,000 tonnes.



Energy Conservation & Emission Reduction (2)

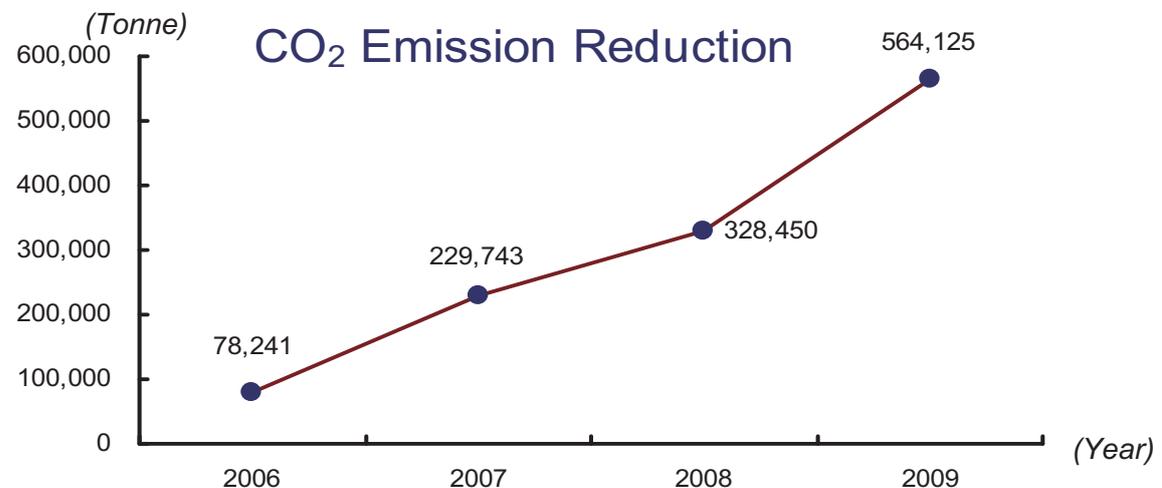
(million kWh)



- In 2009, green electricity generated (including on-grid and self consumed) by waste-to-energy and methane-to-energy was 481 million kWh and fulfilled demand of 400,000 households. The accumulated green electricity supply reached 956 million kWh and fulfilled demand of 800,000 households.



Energy Conservation & Emission Reduction (3)



- In 2009, green electricity generated (including on-grid and self consumed) by waste-to-energy and methane-to-energy is 481 million kWh, equivalent to coal saving 192,700 tonnes and hence reduced 564,125 tonnes of CO₂ emission. The accumulated green electricity supply reached 956 million kWh, equivalent to coal saving of 380,000 tonnes and reduction of 1.2 million tonnes of CO₂ emission.



Environmental Protection Business

- Environmental Energy
- Environmental Water
- Alternative Energy



Strategic Plan of Environmental Protection Business

Environmental Energy Projects:

- Suzhou Waste-to-energy Project Phase I & II
- Yixing Waste-to-energy Project
- Changzhou Waste-to-energy Project
- Jiangyin Waste-to-energy Project Phase I & II
- Jinan Waste-to-energy Project
- Zhenjiang Waste-to-energy Project
- Suqian Waste-to-energy Project
- Huidong Waste-to-energy Project

Environmental Protection Parks:

- Suzhou Everbright National Demonstrative Veinous Industrial Park
- Zhenjiang Environmental Protection Industrial Park
- Suqian Environmental Protection Industrial Park

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Everbright Environmental Protection Engineering (Shenzhen) Limited

Everbright Environmental Protection Venture Capital Limited



Everbright Environmental Protection Technology Development (Beijing) Limited

China Everbright Alternative Energy Investment Limited

Alternative Energy Projects:

- Methane-to-energy Projects (Suzhou, Yixing, Changzhou, Jiangyin, Qingdao)
- Waste Water Source Heat Pump Project (Zibo)
- Biomass Power Generation Project (Dangshan, Xinyi)
- Photovoltaic Energy Project (Shenzhen, Huaining)
- Wind Power Generation Project (In progress)

Environmental Water Projects:

- Jinan Waste Water Treatment Project Plant I
- Jinan Waste Water Treatment Project Plant II
- Jinan Waste Water Treatment Project Plant III
- Jinan Waste Water Treatment Project Plant IV
- Zibo Waste Water Treatment Project Plant I
- Zibo Waste Water Treatment Project Plant II
- Zibo Waste Water Treatment Project Plant III
- Zibo Reusable Water Project
- Qingdao Maidu Waste Water Treatment Project
- Qingdao Haibohe Waste Water Treatment Project
- Zibo Zhoucun Waste Water Treatment Project
- Binzhou Boxing Waste Water Treatment Project
- Dezhou Ling County Waste Water Treatment Project
- Jiangyin Chengxi Waste Water Treatment Project
- Jiangyin Binjiang Waste Water Treatment Project
- Jiangyin Shizhuang Waste Water Treatment Project
- Jiangyin Chengshi Waste Water Treatment Project
- Xinyi BT Waste Water Treatment Project



Environmental Energy

- Environmental Energy Projects
- Environmental Protection Industrial Parks
 - 11 Projects with a total investment of approximately RMB 4.23 billion
 - Annual household waste processing capacity of approximately 3.20 million tonnes; annual on-grid power generation capacity of approximately 900 million kilowatt-hour; Other waste treatment storage capacity of 200,000 m³



Environmental Energy Projects (1)

Operating Projects

Project	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	500	238
Jiangyin Waste-to-energy Project Phase I	800	389
Changzhou Waste-to-energy Project	800	412
Sub-total	4,150	1,978

Suzhou Industrial Solid Waste Landfill Project	200,000 m ³ (Total capacity)	78
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Environmental Energy Projects (2)

Projects under Construction or in Preparatory Stage

Project	Daily processing capacity / tonne	Total investment / RMB'Mil
Jinan Waste-to-energy Project	2,000	901
Zhenjiang Waste-to-energy Project	1,000	413
Jiangyin Waste-to-energy Project Phase II	400	205
Suqian Waste-to-energy Project	600	324
Huidong Waste-to-energy Project	600	334
Sub-total	4,600	2,177



Environmental Protection Industrial Park (1)

Suzhou Everbright National Demonstrative Veinous Industrial Park

(>10 projects with an estimated total investment of RMB3 billion)

Operating projects:

- Waste-to-energy Phase 1 & 2
- Methane-to-energy Phase 1 & 2
- Industrial solid waste landfill Phase 1

Projects under construction

In preparation:

- Leachate treatment
- Leachate methane-to-energy

Projects to be implemented:

- Waste-to-energy Phase 3
- Slag brick-making
- Sludge decontamination
- Environmental protection technology and development research center
- Equipment manufacturing center
- Recycling of kitchen wastes



Environmental Protection Industrial Park (2)

Zhenjiang Everbright Environmental Industrial Park

(6 - 8 projects with an estimated total investment of RMB1.5 billion)

Project in preparatory stage:

- Waste-to-energy

Projects to be implemented:

- Solid waste treatment
- Integrated treatment of kitchen wastes
- Integrated treatment of household sludge
- Integrated treatment of construction wastes
- Dismantling and recycling of used cars



Environmental Protection Industrial Park (3)

Suqian Everbright Environmental Industrial Park

(6 - 8 projects with an estimated total investment of RMB1.6 billion)

Project in preparatory stage

- Waste-to-energy

Projects to be implemented :

- Collection and recycling of used plastic
- Dismantling and recycling electronic wastes and used cars
- Recycling of residue food resources
- Sludge treatment
- Hazardous waste landfill
- Integrated use of incineration residue and construction wastes
- Methane-to-energy



Environmental Water

- Environmental Water Projects
 - 18 projects with a total investment of approximately RMB3.2 billion
 - Annual waste water treatment designed capacity of approximately 550 million m³



Environmental Water Projects (1)

Operating Projects (1)

Project	Daily waste water treatment capacity / tonne	Total investment / RMB'Mil
Qingdao Project (Haibohe Plant & Maidu Plant) (include acquisition & upgrade project)	220,000	356
Zibo Project (Southern and Northern Plants) (include acquisition & upgrade project)	250,000	354
Zibo High-tech Zone Project	100,000	150
Jinan Project (Plant 1 and Plant 2) (include acquisition, upgrade & extension projects)	500,000	707
Jinan Licheng Project	100,000	138
Sub-total	1,170,000	1,705



Environmental Water Projects (2)

Operating Projects (2)

Project	Daily waste water treatment capacity / tonne	Total investment / RMB'Mil
Zibo Zhoucun Project	40,000	70
Binzhou Boxing Project (include acquisition, upgrade & extension projects)	60,000	85
Jiangyin Water Project (include acquisition, upgrade project and acquisition of sewage piping network)	190,000	1,092
Jinan Xike Project	30,000	73
Sub-total	320,000	1,320



Environmental Water Projects (3)

Projects under construction or in preparatory stage

Project	Daily waste water treatment capacity / tonne	Total investment / RMB'Mil
Ling County Project	30,000	58
Xinyi BT Project Phase I	10,000	62
Zibo Reusable Water Project (2010)	400/hour	55
Sub-total	Waste water treatment: 40,000 Reusable water supply: 400/hour	175



Alternative Energy

- 11 projects of which 7 individual projects with a total investment of approximately RMB826 million
- Annual electricity generation of 632.8 million kWh, of which:
 - 27 million kWh of landfill methane-to-energy
 - 10.5 million kWh of leachate methane-to-energy
 - 7.3 million kWh of sludge methane-to-energy
 - 358 million kWh of biomass energy and 390,000 tonnes of biomass heat
 - 230 million kWh of solar energy



Alternative Energy Projects (1)

Operating Projects (1)

Project	Average annual generation capacity / kWh	Total investment / RMB'Mil
Suzhou Landfill Methane-to-energy Project Phase I	18,000,000	27.94
Suzhou Landfill Methane-to-energy Project Phase II	9,000,000	12.75
Qingdao Sludge Methane-to-energy Project	7,300,000	Included in the investment of Qingdao Maidaao Extension Project
Yixing Leachate Methane-to-energy Project	630,000	Included in the investment of Yixing waste-to-energy project
Sub-total	34,930,000	40.69



Alternative Energy Projects (2)

Projects under construction or in preparatory stage (1)

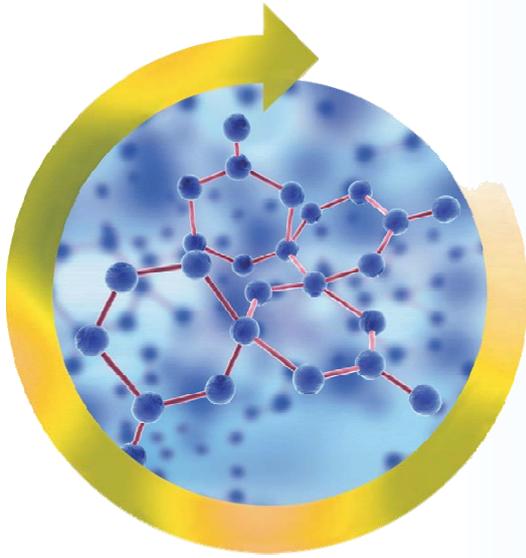
Project	Average annual generation capacity / kWh	Total investment / RMB'Mil
Suzhou Leachate Methane-to-energy Project	5,250,000	7.96
Changzhou Leachate Methane-to-energy Project	2,730,000	Included in the investment of Changzhou Waste-to-energy Project
Jiangyin Leachate Methane-to-energy Project	1,890,000	Included in the investment of Jiangyin Waste-to-energy Project Phase II
Xinyi Straw Cogeneration Project	Heat:390,000 tonnes Electricity:138,000,000	338
Sub-total	Heat:390,000 tonnes Electricity:147,870,000	345.96



Alternative Energy Projects (3)

Projects under construction or in preparatory stage (2)

Project	Average annual generation capacity / kWh	Total investment / RMB'Mil
Zibo Waste Water Source Heat Pump Project Phase I	125,000m ²	58
Dangshan Biomass Power Generation Project (2010)	220,000,000	331
Huaining Photovoltaic Energy Project Phase I (2010)	230,000,000	50
Sub-total	450,000,000 Heat Pump-125,000m²	439



Construction And R & D



Ten Major Construction Projects in 2010

▶ Zhenjiang Waste-to-energy Project	▶ Xinyi Straw Cogeneration Project
▶ Jinan Waste-to-energy Project	▶ Dangshan Biomass Power Generation Project
▶ Huidong Waste-to-energy Project	▶ Jinan Xike Waste Water Treatment Project
▶ Jiangyin Waste-to-energy Project Phase II	▶ Xinyi BT Waste Water Treatment Project
▶ Suqian Waste-to-energy Project	▶ Ling County Waste Water Treatment Project



Ten Major R&D Topics in 2010

▶ Domestically developed grate furnaces and automatic control system of waste-to-energy operation	▶ Sludge treatment technology center
▶ Photovoltaic energy / wind power technology application	▶ Biomass power generation technology application
▶ Standardization of project design for waste-to-energy plants	▶ Technology application on waste water treatment plants in small to medium cities
▶ Standardization of project design for waste water treatment plants	▶ Technology application on waste-to-energy plants in small to medium cities
▶ Leachate methane-to-energy technology center	▶ Reusable water technology application



Thank You



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Q & A