



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

(stock code 股份編號 : 257)



年報 2006
Annual Report

Make
a Brighter
Future

Corporate Profile

China Everbright International Limited (the “Company”, and together with its subsidiaries, collectively “the Group”) is a fast growing business conglomerate focusing on environmental protection project operation, management and consultancy, toll bridge operation and property investment. The Group invests and operates Fuzhou Qingzhou Bridge. It has also invested in properties including Zhongshan Garden and Central Business Building in Shenzhen. In recent years, the Group actively explores the environmental protection business, where it has made significant progress in both waste-to-energy incineration as well as waste water treatment in various cities in the PRC, including Suzhou, Yixing, Jiangyin, Changzhou, Qingdao, Zibo and Jinan. With its management vision, expertise and flexibility, as well as the strong parental support from China Everbright Holdings Company Limited, the Group is fully prepared to further expand its foothold in the environmental protection sector on nationwide basis, with the aim to become the leading player in the environmental protection industry in the PRC.

企業簡介

中國光大國際有限公司（「本公司」，連同其附屬公司合稱「本集團」）為一家發展迅速及主要從事環保項目營運、管理及諮詢、收費橋樑營運及物業投資的綜合企業。本集團投資及營運福州青洲大橋；並投資物業於深圳的中山花園及中心商務大廈。近年來，本集團積極拓展環保領域，並在垃圾焚燒發電以及污水處理項目方面取得了長足進展，業務遍佈中國多個城市包括蘇州、宜興、江陰、常州、青島、淄博及濟南。在洞悉市場、經驗豐富以及靈活務實的管理層帶領下，憑藉母公司中國光大集團有限公司的全力支持，本集團將蓄勢待發，進一步在環保領域作全國性拓展，致力成為國內環保產業的翹楚。

Contents

目錄

2	Corporate Information 公司資料
4	Financial Highlights 財務概況
6	Corporate Milestones 企業大事紀要
12	Chairman's Statement 主席報告
16	Chief Executive Officer's Report 行政總裁報告
43	Project Highlights 項目摘要
55	Directors and Senior Management 董事及高層管理人員
61	Corporate Governance Report 企業管治報告書
76	Report of the Directors 董事會報告
99	Report of the Auditors 核數師報告
101	Consolidated Income Statement 綜合損益表
103	Consolidated Balance Sheet 綜合資產負債表
105	Balance Sheet 資產負債表
107	Consolidated Statement of Changes in Equity 綜合權益變動表
111	Consolidated Cash Flow Statement 綜合現金流量表
115	Notes to the Financial Statements 財務報表附註
247	Five Year Summary 五年業績概要
249	Major Properties held by the Group 本集團所持有之主要物業



Corporate Information 公司資料

DIRECTORS

Executive Directors

WANG Mingquan (*Chairman*)
ZANG Qiutao (*Vice-chairman*)
LI Xueming (*Vice-chairman*)
CHEN Xiaoping (*Chief Executive Officer*)
FAN Yan Hok, Philip (*General Manager*)
HUANG Chaohua (*Deputy General Manager*)
WONG Kam Chung, Raymond (*Chief Financial Officer*)
CHEN Shuang
ZHANG Weiyun

Independent Non-executive Directors

Sir David AKERS-JONES
LI Kwok Sing, Aubrey
MAR Selwyn

COMPANY SECRETARY

POON Yuen Ling

REGISTERED OFFICE

Room 2703, 27th Floor
Far East Finance Centre
16 Harcourt Road, Hong Kong

董事

執行董事

王明權 (主席)
臧秋濤 (副主席)
李學明 (副主席)
陳小平 (行政總裁)
范仁鶴 (總經理)
黃朝華 (副總經理)
黃錦聰 (財務總監)
陳 爽
張衛云

獨立非執行董事

鍾逸傑爵士
李國星
馬紹援

公司秘書

潘婉玲

註冊辦事處

香港夏慤道十六號
遠東金融中心
二十七樓二七零三室



Corporate Information 公司資料

PRINCIPAL BANKERS

CITIC Ka Wah Bank, Limited
Fubon Bank (Hong Kong) Limited
The Bank of East Asia, Limited
China Everbright Bank Co., Limited
China Minsheng Banking Corp., Ltd.
CITIC Industrial Bank
Industrial and Commercial Bank of China
Bank of China Limited

SOLICITORS

Paul, Hastings, Janofsky & Walker
Woo, Kwan, Lee & Lo
Grandall Legal Group (Beijing)

AUDITORS

KPMG

REGISTRARS

Tengis Limited
26/F, Tesbury Centre, 28 Queen's Road East
Wanchai, Hong Kong

WEBSITE

www.ebchinaintl.com

STOCK CODE

257

主要往來銀行

中信嘉華銀行有限公司
富邦銀行(香港)有限公司
東亞銀行有限公司
中國光大銀行股份有限公司
中國民生銀行股份有限公司
中信實業銀行
中國工商銀行
中國銀行股份有限公司

律師

普衡律師事務所
胡關李羅律師行
國浩律師集團(北京)事務所

核數師

畢馬威會計師事務所

股份過戶處

登捷時有限公司
香港灣仔皇后大道東二十八號
金鐘匯中心二十六樓

電子網址

www.ebchinaintl.com

股份編號

257



Financial Highlights 財務概況



	2006 二零零六年	2005 二零零五年 (restated) (重報)	Percentage Change 百分比 變動
	HK\$'000 港幣千元	HK\$'000 港幣千元	
RESULTS			
Turnover			
Earnings before interest and tax			
Profit attributable to equity shareholders			
Return on shareholders' equity (%)			
Basic earnings per share (HK cents)			
FINANCIAL POSITION			
Total assets			
Total liabilities			
Shareholders' equity			
Net asset value per share (HK\$)			
Gearing (%)			
Current ratio (%)			
Interest cover (%)			
MARKET INFORMATION			
Share price at year end (HK\$)			
Price earnings ratio at year end (times)			
Market capitalisation at year end			

業績

營業額	235,859	132,855	78%
除利息及稅項前盈利	490,580	143,927	241%
股東應佔盈利	409,347	106,808	283%
股東資金回報(%)	26.24	9.46	17%
每股基本盈利(港仙)	14.15	4.19	238%

財務狀況

資產總額	3,614,975	2,676,181	35%
負債總額	1,556,682	1,404,966	11%
股東權益	1,941,338	1,178,335	65%
每股資產淨值(港幣元)	0.631	0.462	37%
資產負債比率(%)	43	52	-9%
流動比率(%)	160	221	-61%
利息覆蓋比率(%)	932	449	483%

市場資料

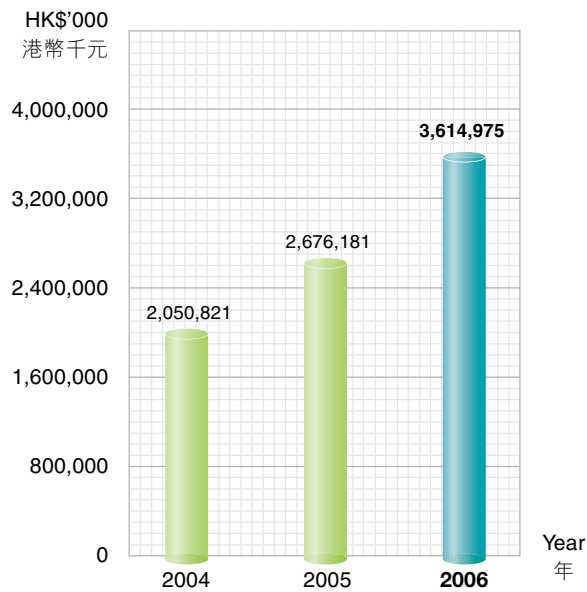
年終時之股價(港幣元)	1.340	0.385	248%
年終時之市盈率(倍)	9.47	9.19	3%
年終時之資本市值	4,121,856	982,448	320%



Financial Highlights 財務概況

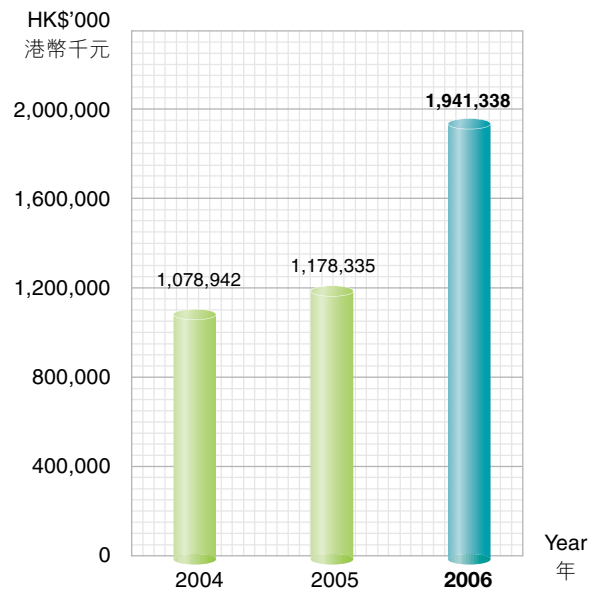
Total assets

資產總額



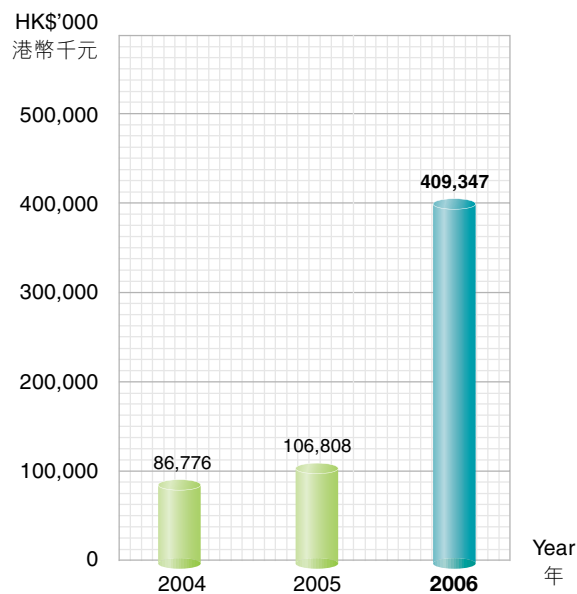
Net assets

淨資產



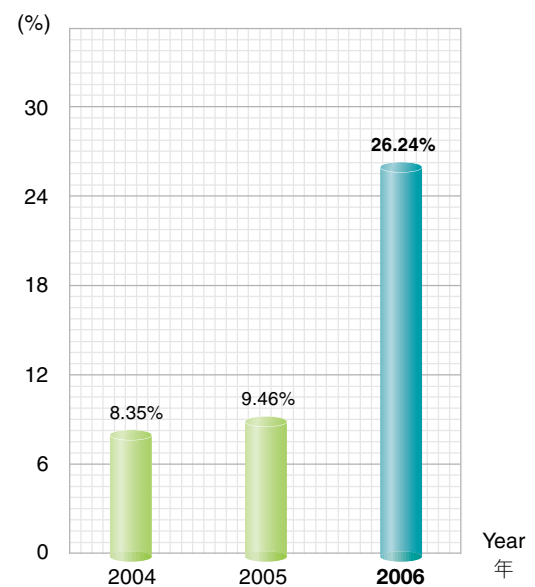
Profit attributable to equity shareholders

股東應佔盈利



Return on shareholders' equity (%)

股東資金回報率 (%)





Corporate Milestones

企業大事紀要

2006

January

- Successfully secured Jiangyin Waste-to-energy Project, thereby further consolidating the leading position of the Group in the waste-to-energy field in Jiangsu province
- Test running for Suzhou Waste-to-energy Project commenced
- Everbright Environmental Protection Engineering (Shenzhen) Company Limited received the licence of "Main Contractor for Municipal Public Works" and obtained three certificates, namely the ISO9001:2000 Quality Management System Certificate, the ISO-14001 Environmental Management System Certificate and the OHSMS28001 Occupational Health and Safety Management System Certificate

March

- Foundation stone of Jiangyin Waste-to-energy Project was laid
- Final result announcement for 2005, with profit attributable to equity shareholders amounted to HK\$105,330,000, representing an increase of 21% as compared to 2004

April

- Entered into an agreement for the sale of an investment property at the Eighth floor of Tower One of Lippo Centre at a cash consideration of HK\$122,098,000, realising a gain on disposal of HK\$16,083,000
- Construction work of "Everbright Road" under Yixing Waste-to-energy Project completed
- Successfully placed 510,000,000 shares of the Company with independent investors, receiving net proceeds of approximately HK\$321,723,000 (net of related expenses)
- Held Annual General Meeting of 2006

二零零六年

一月

- 成功取得江陰垃圾焚燒發電項目，進一步鞏固本集團於江蘇省垃圾焚燒發電項目的領先地位
- 蘇州垃圾焚燒發電項目進入調試階段
- 光大環保工程技術(深圳)有限公司取得市政公用工程總承包資質證書並通過質量／環境／職業健康安全管理体系(ISO9001:2000、ISO-14001、OHSMS28001)三項認證

三月

- 江陰垃圾焚燒發電項目奠基
- 公佈二零零五年度全年業績，錄得股東應佔盈利港幣105,330,000元，較二零零四年度增長百分之二十一

四月

- 簽署協議以現金代價港幣122,098,000元出售位於力寶中心第一座八樓的投資物業，錄得出售利潤港幣16,083,000元
- 宜興垃圾焚燒發電項目完成「光大路」工程
- 成功向獨立投資者配售510,000,000股本公司股份，扣除其他費用集資約港幣321,723,000元
- 舉行二零零六年度股東週年大會



Corporate Milestones

企業大事紀要

2006

- May**
- Has been awarded with the “Outstanding Environmental Protection Corporation Award” in “The First Capital Outstanding China Enterprise Award”
- June**
- Entered into a “Co-operative Agreement” with the State-owned Assets Supervision and Administration Commission of Jinan Municipal Government and Jinan Municipal Public Utilities Authority for the acquisition of Jinan Waste Water Treatment Project
 - Has been awarded with “The Most Socially Responsible and Honest Enterprise in 2006” in “The Most Competitive Persons and Brands Contest in 2006”
 - Incorporation of Everbright Environmental Energy (Jiangyin) Limited. Construction work for Jiangyin Waste-to-energy Project duly commenced on 28 June
 - Extension Facilities of Qingdao Maidao Waste Water Treatment Plant started to receive waste water
- July**
- Entered into the “Concession Right Agreement” and the “Waste Water Treatment Service Agreement” in respect of the waste water treatment plant at Zibo High-tech Industrial Development Zone with Zibo Finance Bureau and Zibo Environmental Protection Bureau, under which Hanmiao Waste Water Treatment Plant will be constructed and operated on BOT (build-operate-transfer) basis
 - Operation of Suzhou Waste-to-energy Project duly commenced on 18 July

二零零六年

- 五月**
- 榮獲「第一屆資本中國傑出企業成就獎－傑出環保企業」的榮譽
- 六月**
- 與濟南市政府國有資產監督管理委員會及濟南市市政公用事業局簽訂收購濟南污水處理項目之《合作協議》
 - 在「2006最具競爭力人物及品牌評價活動」中獲得「2006最具社會責任誠信企業」的榮譽
 - 光大環保能源（江陰）有限公司註冊成立，江陰垃圾焚燒發電項目於六月二十八日正式動工
 - 青島麥島污水處理項目擴建工程實現通水
- 七月**
- 與淄博市財政局及淄博市環境保護局就淄博市高新技術產業開發區污水處理項目簽訂「特許經營協議」及「污水處理服務協議」，以「BOT」（建造－經營－轉移）模式建設、運營淄博市高新區韓廟污水處理項目
 - 蘇州垃圾焚燒發電項目於七月十八日正式運營



Corporate Milestones

企業大事紀要

2006

August

- In the 3rd annual contest for the “Top 100 Most Dynamic Enterprises in China”, the Group ranked 15th among the “Top 100 Most Dynamic Enterprises in 2006”
- Entered into an agreement with a subsidiary of Shenzhen Energy Group Company Limited for the sale of 15% interest in Shenzhen Mawan Power Company Limited
- Everbright Water (Zibo) Limited and Zibo Municipal Government entered into a supplementary agreement in relation to the overall upgrade of the Southern plant and the Northern plant of Zibo Waste Water Treatment Project
- Construction work of the disposal centre for industrial solid waste in Suzhou Everbright Environmental Protection Industrial Zone duly commenced on 31 August
- Operation of Suzhou Methane-to-energy Project duly commenced on 31 August

September

- Interim result announcement for 2006, with profit attributable to equity shareholders amounted to HK\$71,620,000, representing an increase of 15% as compared to the same period of 2005
- Upon successfully passing the “Shenzhen Hi-tech Enterprise Appraisal”, Everbright Environmental Protection Engineering (Shenzhen) Company Limited was granted the “Shenzhen Hi-tech Enterprise Certificate” and the copper plate of “Shenzhen Hi-tech Enterprise Certificate” by the Shenzhen Bureau of Science Technology and Information

二零零六年

八月

- 在「第三屆中國最具生命力百強企業評選」活動中獲「2006年中國最具生命力百強企業」第十五名的榮譽
- 與深圳市能源集團有限公司之附屬公司簽署協議，出售媽灣電力15%權益
- 光大水務（淄博）有限公司與淄博市政府就淄博污水處理項目南郊廠和北廠的全面改造工程簽署補充協議
- 蘇州市光大環保靜脈產業園工業固體廢物安全處置項目於八月三十一日正式動工
- 蘇州沼氣發電項目於八月三十一日正式運營

九月

- 公佈二零零六年度中期業績，錄得股東應佔盈利港幣71,620,000元，較二零零五年度同期數增長百分之十五
- 光大環保工程技術（深圳）有限公司順利通過深圳市高新技術企業認定，獲得由深圳市科技和信息局頒發的《深圳市高新技術企業證書》及銅牌



Corporate Milestones

企業大事紀要

2006

- October**
- Dormitory building of Yixing Waste-to-energy Project was ready for use
 - Boiler exhaust gas of Suzhou Waste-to-energy Project passed the emission test carried out by Shanghai branch of the SGS Group, a globally renowned independent inspection company in Switzerland. The result of which showed that the emission level of the boiler met the Euro I emission standard and dioxin emission level met the Euro II emission standard and are better than the PRC regulatory requirements
 - Entered into a "Strategic Co-operative Framework Agreement" with North Carolina China Centre, under which both parties will enhance their cooperation in the areas of environmental technology and staff training
 - Incorporation of Everbright Water (Ji'nan) Limited. Entered into the "Concession Right Agreement" and the "Waste Water Treatment Service Agreement" in respect of Jinan Waste Water Treatment Project with Jinan Municipal Public Utilities Authority
- November**
- Yixing Waste-to-energy Project successfully supplied electricity to the electricity transmission network of the city, and test running for the project commenced
 - Upon completion of the hand-over of Jinan Waste Water Treatment Project, formally took charge of the operation of the same, including the collection of waste water treatment charge, and preparation for the machinery upgrade commenced

二零零六年

- 十月**
- 宜興垃圾焚燒發電項目生活樓投入使用
 - 蘇州垃圾焚燒發電項目通過全球知名的獨立檢驗公司－瑞士SGS集團在上海的分支機構對垃圾焚燒鍋爐煙氣排放進行檢測，檢測結果是煙氣排放標準完全符合「歐盟I號標準」，其中二噁英排放達到了「歐盟II號標準」，優於中國控制排放標準
 - 與美國北卡中國中心簽署《戰略合作框架協議》，雙方將在環境技術研發及人員培訓等方面加強合作
 - 光大水務（濟南）有限公司註冊成立，並與濟南市市政公用事業局簽訂濟南污水處理項目《特許經營協議》、《污水處理協議》等協議
- 十一月**
- 宜興垃圾焚燒發電項目倒送電一次成功，並進入調試階段
 - 完成濟南污水處理項目交接，正式接管運營收取污水處理費，並開始籌備設備改造工程



Corporate Milestones

企業大事紀要

2006

- Enterprise-university cooperation between Everbright Environmental Protection Engineering (Shenzhen) Company Limited and Tsinghua University has been built. Both parties will jointly set up a professional data base, establish a joint laboratory, set up a training base, operate technology research projects and conduct staff training
- Suzhou Methane-to-energy Project achieved its objective of operating in full capacity to provide electricity supply

December • Entered into a supplementary agreement to the “Concession Right Agreement for Providing Waste Treatment Service in Suzhou” with Suzhou Municipal Public Utilities Authority in relation to the extension work of Suzhou Waste-to-energy Project Phase II

- Sale for the 15% interest in Shenzhen Mawan Power Company Limited completed and consideration duly received, realising a gain on disposal of HK\$310,000,000 (net of attributable profit for 2006 of HK\$32,838,000)
- Incorporation of Everbright Environmental Energy (Changzhou) Limited. Foundation stone of Changzhou Waste-to-energy Project was laid
- Foundation work of Jiangyin Waste-to-energy Project completed

二零零六年

- 光大環保工程技術(深圳)有限公司與清華大學建立校企合作關係,雙方在建立專家信息庫、聯合實驗室、實習基地、聯合申報科研計劃及人員培訓等方面進行合作
- 蘇州沼氣發電項目實現滿負荷發電目標

十二月 • 與蘇州市市政公用局就垃圾焚燒發電項目二期擴建工程簽署《蘇州市垃圾處理服務特許權協議》補充協議

- 完成出售媽灣電力15%權益的交易及收到轉讓價款,錄得出售利潤港幣310,000,000元(已扣除二零零六年應佔利潤港幣32,838,000元)
- 光大環保能源(常州)有限公司註冊成立,常州垃圾焚燒發電項目奠基
- 江陰垃圾焚燒發電項目土建工程基礎出零米



Corporate Milestones

企業大事紀要

2006

- Everbright Water (Zibo) Limited obtained three certificates, namely the GB/T19001 Quality Management System Certificate, the GB/T24001 Environmental Management System Certificate and the GB/T28001 Occupational Health and Safety Management System Certificate
- Everbright Water (Zibo) Limited received the China Laboratory Quality Assurance Certificate

2007

- January**
- Invited Guanghua School of Management, Peking University to provide training programme for the management of the Group
- February**
- Everbright Water (Zibo) Limited was accredited by the Labor Bureau of Zibo city as a "Role Model of Labor Protection and Integrity" in 2006
 - Civil engineering work of Zibo High-tech Zone Hanmiao Project completed according to progress schedule and installation work to be followed
 - Everbright Water (Ji'nan) Limited was accredited by Jinan Municipal Government as one of the "Ten Best Foreign-invested Enterprises" in Jinan
 - Jinan No.2 Waste Water Treatment Plant was accredited by Jinan Water Association as the "Most Advanced Entity under Jinan Water Association"
 - Entered into a "Cooperation Agreement" with Tongji University, under which both parties will promote different kinds of cooperation and exchanges in various forms
 - Jinan No.2 Waste Water Treatment Plant was accredited as the "Well Performed Jinan Enterprise in Operation Safety in 2006"
- March**
- Construction work for Changzhou Waste-to-energy Project duly commenced

二零零六年

- 光大水務(淄博)有限公司通過質量／環境／職業健康安全管理体系(GB/T19001·GB/T24001·GB/T28001)三項認證
- 光大水務(淄博)有限公司通過中國實驗室資質認證

二零零七年

- 一月**
- 邀請北京大學光華管理學院提供管理人員培訓課程
- 二月**
- 光大水務(淄博)有限公司被淄博市勞動部門評選為2006年度「勞動保障誠信示範單位」
 - 淄博高新區韓廟項目按進度計劃完成土建工程,已具備交付安裝條件
 - 光大水務(濟南)有限公司獲濟南市政府評選為「市十佳外商投資企業」
 - 濟南淨化二廠獲濟南水協評選為「濟南市水協先進單位」
 - 與同濟大學簽署《合作協議》雙方將開展多種形式的交流與合作
 - 濟南淨化二廠獲評為「濟南市2006年企(事)業單位創安活動先進單位」
- 三月**
- 常州垃圾焚燒發電項目正式動工



Chairman's Statement

主席報告

**Carry forward the spirit of
China Everbright
Strive to establish a renowned
Environmental Protection brand**

**發揚光大精神
爭創環保名牌**



The PRC government has put environmental protection high on the agenda under the “Eleventh Five-year Plan” while the economy has been growing rapidly. The aim is to ensure the sustainability of the country’s development and to further emphasize the importance of environmental protection. The rising awareness of environmental issues and the government measures to foster environmental protection business have generated huge opportunities. With vision, the Group made environmental protection business one of its core businesses back in 2003, and has been adopting the strategy of focusing on areas with stronger economy and market potential. As a result, the Group has established footholds and market leadership in Shandong and Jiangsu provinces. In the past three years, the Group’s environmental protection business explored possibilities and developed footholds in key markets. The endeavours paid off and started yielding profit in 2005. In 2006, the Group finished construction or acquisitions of a number of environmental protection projects, and launched them into operation. The environmental protection business began reaping harvest and became a growth driver of the Group.

隨著國家經濟快速發展，中央政府高度關注環境保護及治理問題，國家「十一五」規劃中重點關注「可持續發展」的重要性，進一步明確對環境保護的重視。鑒於各項政策及措施都有利於環保產業的發展，造就了龐大的商機。本集團早著先機，於二零零三年把環保產業確定為本集團之核心業務之一，並專注於經濟比較發達、具潛力的地區發展環保業務，目前已形成江蘇及山東兩大戰略區域，局部形成產業實力，從而佔據區域市場領先位置。本集團在過去三年發展環保業務過程中，經歷了創業、探索、佈局的階段，環保業務從二零零五年開始錄得盈利貢獻。隨著多個項目於回顧年度內相繼完成建設或順利接收並投入營運，環保業務開始進入收成期，成為本集團新的利潤增長亮點。



Chairman's Statement

主席報告

In the year under review, profit attributable to equity shareholders of the Group was HK\$409,347,000, an increase of 283% as compared with the restated HK\$106,808,000 in 2005. The growth was due to the expansion of profit base in the environmental protection business, and the one-off gains from the disposal of the Group's 15% equity stake in Shenzhen Mawan Power Company Limited and the sale of an investment property in Lippo Centre. Basic earnings per share for 2006 were HK14.15 cents, a rise of 238% as compared with the restated basic earnings per share of HK4.19 cents in 2005.

In view of the Group's good results and healthy financial position, the Board proposed to pay a final dividend of HK0.6 cent per share and a special dividend of HK0.4 cent per share, bringing the total dividends per share for 2006 to HK1.6 cents (including interim dividend for 2006 of HK0.6 cent per share) (Total dividends per share for 2005: HK1.2 cents).

The Group's environmental protection business continued to seize the huge opportunities by making significant progress in five projects in Jiangsu and Shandong provinces. They are: Extension Facilities of Qingdao Maidao Waste Water Treatment Plant, machinery upgrade of the Southern and Northern Waste Water Treatment Plants in Zibo, the commercial operation of Suzhou Waste-to-energy Project Phase I and Suzhou Methane-to-energy Project and the acquisition of Jinan No. 1 and No. 2 Waste Water Treatment Plants. These projects started operation and began contributing revenue in the year under review, expanding the Group's income source. The success of the projects enabled the Group to achieve the capacities of treating more than one million tonnes of sewage per day and processing more than one million tonnes of industrial and household solid waste per year two years ahead of schedule. Meanwhile, the Group has eight new projects in the pipeline: the waste-to-energy projects in Yixing, Jiangyin and Changzhou, Suzhou Solid Waste Disposal Project, the overall upgrade of the Southern and Northern Waste Water Treatment Plants in Zibo, Hanmiao Waste Water Treatment Project at Zibo High-tech Industrial

於回顧年度內，本集團的股東應佔盈利為港幣409,347,000元，較去年重報盈利之港幣106,808,000元上升283%，主要由於多個環保項目相繼投入營運並貢獻盈利，以及本集團出售深圳媽灣電力有限公司（「媽灣電力」）之15%權益及力寶中心投資物業，錄得一次性出售盈利所致。本年度每股基本盈利為14.15港仙，較去年重報的4.19港仙增加238%。

由於本集團業績理想，財務狀況穩健，董事會建議向股東派發末期股息每股0.6港仙及特別股息每股0.4港仙，連同二零零六年度中期股息每股0.6港仙，全年股息每股1.6港仙（二零零五年度：每股1.2港仙）。

在環保業務上，本集團於回顧年度內繼續積極把握行業龐大的商機，成功在江蘇和山東等地推進五個項目：即青島的麥島污水處理廠擴建工程、淄博南郊廠和北廠設備改造工程、蘇州垃圾焚燒發電項目一期及蘇州沼氣發電項目的投運和收購濟南水質淨化一廠和二廠。這些項目於回顧年度內相繼貢獻收入，擴大了盈利基礎，並使本集團提前兩年取得污水日處理量超過100萬噸，工業及生活固體廢物年處理量超過100萬噸的「雙百」目標。此外，本集團位於宜興、江陰、常州的垃圾焚燒發電項目、蘇州固體廢物安全填埋項目、淄博南郊廠和北廠全面升級改造工程、淄博高新區韓廟污水處理項目、濟南水質淨化一廠和二廠設備改造工程，以及蘇州垃圾焚燒發電項目二期工程等八個項目



Chairman's Statement

主席報告

Development Zone, the machinery upgrade of Jinan No. 1 and No. 2 Waste Water Treatment Plants and Suzhou Waste-to-energy Project Phase II. These projects are expected to be completed and to start operation in 2007 and 2008. They will expand the Group's income source and sustain its fast development.

With the strong support of the parent company, China Everbright Holdings Company Limited, and the competent management team of the Group, the Group has succeeded in launching and operating a number of environmental protection projects. This has enabled the Group to develop "Everbright Environment" into a well-established brand and build a good corporate image. In 2006, the Group received honours and recognitions from a number of organizations and the PRC government for its achievements in environmental protection business. It will fully take advantage of its brand to win more projects and develop the market. It will also grasp every opportunity to sustain its stable growth.

In early 2006, the Group set up a technology research and development center to enhance its core technology and competitive strengths in environmental protection sector. The Group planned to carry out sixteen research projects into key issues of environmental protection both by itself and through partnership at the technology research and development center. With an aim of lifting technological standards, the Group formed strategic partnerships separately with leading academic bodies and research institutes from home and abroad to develop environmental protection technology and train staff. The partners include North Carolina China Centre, Tsinghua University and Tongji University. To fully utilize the resources of research and development in the PRC, the Group planned to establish Everbright Environmental Technology Research Centre in Beijing. The center will enable the Group to collect information about the country's environmental protection sector, trends of development and government policies and regulations more efficiently and thus benefit the development of its core technology and enhance its competitive strengths.

亦進展順利，預計將於二零零七年和二零零八年竣工並相繼投入營運，屆時可進一步擴大本集團之收入來源，維持快速增長的勢頭。

憑藉母公司中國光大集團有限公司的強大支持，本集團專業的管理團隊，通過一個個環保項目的推進及成功，本集團已成功把「光大環保」打造成亮麗的品牌，在業內建立了良好的企業形象。本集團建設與運營環保項目的成績廣受政府及業界認同，於年內獲得多個機構及政府的嘉許。本集團將充分利用品牌優勢，積極爭取新項目，開拓新市場，抓好每個發展機會，為企業的持續穩定發展而努力。

為進一步增強核心技術和競爭優勢，本集團於二零零六年初成立了技術研發中心，集中資源發展核心技術。通過自身的研究開發及與合作伙伴共同研發，二零零六年立項重點課題十六項。本集團為加強自身技術水平，年內先後分別與國內外領先的學術研發機構組成策略聯盟，並將與國內外大學合作研發環保技術應用及培訓人才，當中包括美國北卡州中國中心、清華大學和上海同濟大學等。為充分利用國內現有研發資源，本集團亦擬於北京設立光大環保技術研究院，更有效地收集有關國內外環保產業、發展趨勢及政府政策法規的訊息，以發展本集團核心技術及加強競爭優勢。



Chairman's Statement 主席報告

Environmental protection business benefits society and satisfies the demand generated by the country's economic development. It also enables the Group to sustain its growth. The Group will increase its commitment to research and development of environmental protection technology and step up its efforts to train and develop its technological and management teams. With an aim of reinforcing its market leadership in the PRC's environmental protection sector, the Group will strive to enhance its competitive strengths through innovations.

I would like to take this opportunity to express my gratitude to the shareholders, members of the Board, the management and all staff. Their efforts have contributed to the great progress of the Group. We will continue to work hard for the good returns to the shareholders.

Wang Mingquan

Chairman

Hong Kong, 22 March 2007

環保事業是對現代與未來社會大眾有益的事業，發展環保行業不但合符國家經濟發展的需要，亦支持本集團持續發展的目標。本集團將加大對環保研發的投入和加強相關技術骨幹及管理人才的培訓，力求創新，不斷提昇核心競爭力，進一步鞏固本集團在環保行業中的領導地位，致力成為行業翹楚。

最後，本人謹向全體股東、董事會成員、管理層及所有員工致以衷心謝意。憑藉他們一直以來對本集團的支持、信任和貢獻，本集團得以繼續取得長遠的發展，我們將繼續努力，為股東謀求更豐厚的回報。

王明權

主席

香港，二零零七年三月二十二日



Chief Executive Officer's Report 行政總裁報告

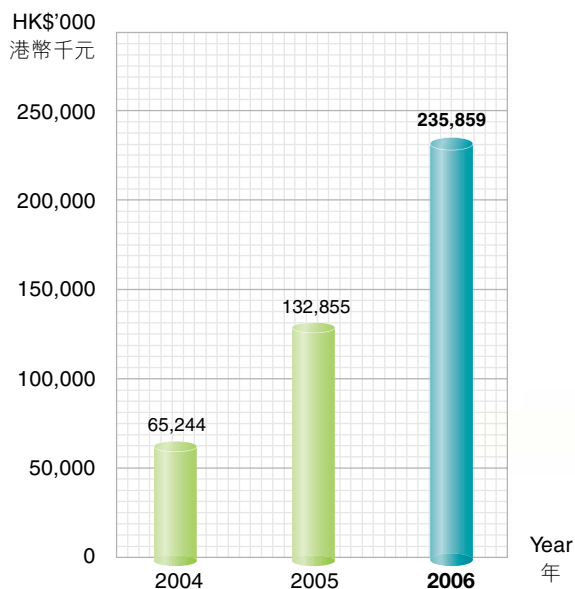
OPERATING RESULTS

2006 was the first year in the PRC's Eleventh Five-year Plan. Against the backdrop of rapid economic growth, the Central Government has stressed the importance of sustainable development, conservation of resources and energy and environmental protection. As the country becomes more aware of the environmental issues, the Central Government has stepped up policies to support and encourage development of the environmental protection industry. These developments have bred huge business opportunities. During the year under review, the Group actively developed its environmental protection business by securing a number of new projects and launching some into operation. As a result, the Group met the target of treating over one million tonnes of sewage per day and processing over one million tonnes of industrial and household solid waste per year two years ahead of schedule. In 2006, environmental protection business developed into a main source of income, and contributed 62% of the Group's turnover, up from the 42% in 2005.

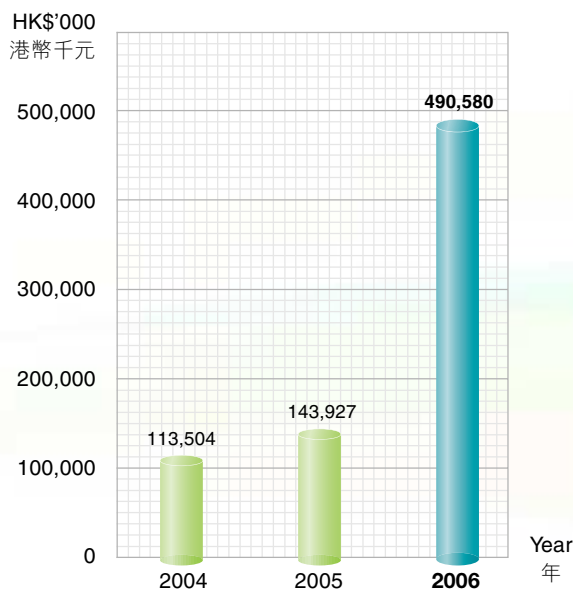
經營業績

二零零六年是中國全面實施「十一五」規劃的第一年。在經濟繼續高速增長的同時，中央政府強調可持續發展，提倡減少浪費資源和能源以及保護環境。隨著國內對生態環境問題日益關注，中央政府亦採取了一系列政策加大力度支持環保產業的發展，造就了龐大的商機。回顧年度內，本集團把握機遇，努力發展環保業務，成功取得多個新項目，以及推進項目投入營運，使本集團提前兩年取得污水日處理量超過100萬噸，工業及生活固體廢物年處理量超過100萬噸的「雙百」目標。二零零六度，環保業務佔本集團營業額的比例由二零零五年的42%提升至62%，逐步形成本集團之核心經營收益。

Turnover 營業額



Earnings before interest and tax 除利息及稅項前盈利

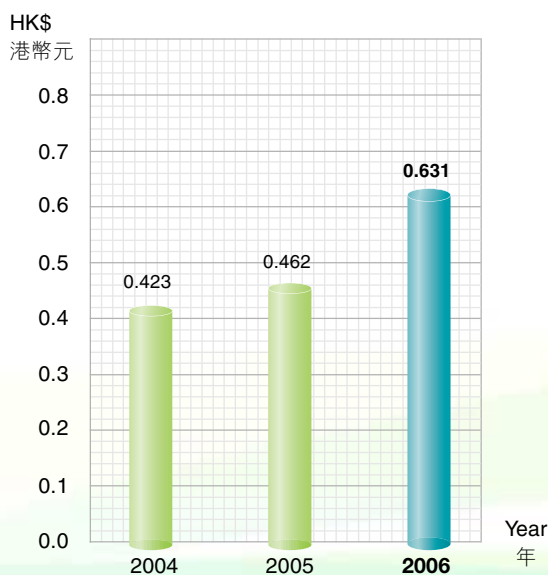




Chief Executive Officer's Report 行政總裁報告

During the year under review, a number of environmental protection projects came on stream and became new growth drivers, expanding the Group's income source. The Group also continued to adjust its assets structure and made one-off gains by disposing of its 15% equity stake in Shenzhen Mawan Power Company Limited ("Mawan Power") and an investment property in Lippo Centre, boosting the profit attributable to equity shareholders of the Company. For the year ended 31 December 2006, the Group's consolidated turnover amounted to HK\$235,859,000, representing an increase of 78% from the restated turnover of HK\$132,855,000 in 2005. Profit attributable to equity shareholders was HK\$409,347,000, an increase of 283% as compared with HK\$106,808,000 as restated in 2005. Basic earnings per share for 2006 were HK14.15 cents, an increase of HK9.96 cents as compared with HK4.19 cents for the previous year.

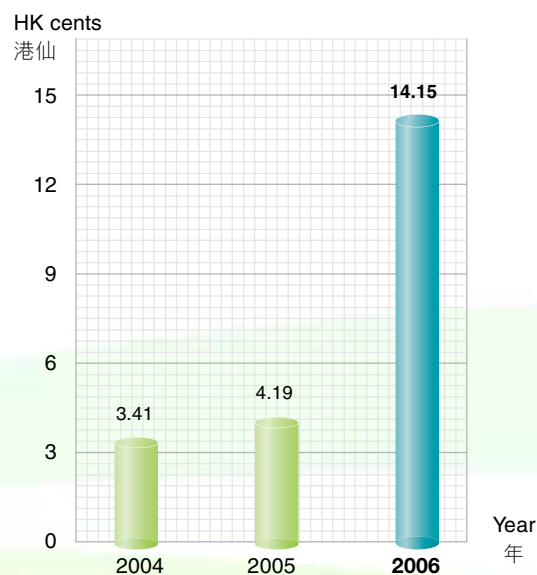
Net assets value per share 每股資產淨值



While taking into account the Group's future development plans, the Board proposed to pay a final dividend of HK0.6 cent per share and a special dividend of HK0.4 cent per share to the equity shareholders of the Company in recognition of their support. Together with the interim dividend of HK0.6 cent per share for 2006, the total dividends for the year amounted to HK1.6 cents per share (2005: HK1.2 cents per share).

於回顧年度內，多個環保項目相繼投入營運，擴大收入來源，並發展成為新的利潤增長點。與此同時，本集團進一步調整資產結構，出售深圳媽灣電力有限公司（「媽灣電力」）15%之權益及力寶中心投資物業，錄得一次性出售盈利，帶動了股東應佔盈利的增長。截至二零零六年十二月三十一日止年度，本集團綜合營業額為港幣235,859,000元，比去年重報的營業額港幣132,855,000元上升78%。股東應佔盈利為港幣409,347,000元，較去年重報的港幣106,808,000元增加283%。本年度的每股基本盈利14.15港仙，較去年之4.19港仙增加9.96港仙。

Basic earnings per share 每股基本盈利



為回饋股東的支持及考慮本集團未來的發展計劃，董事會建議向股東派發末期股息每股0.6港仙及特別股息每股0.4港仙，連同二零零六年度中期股息每股0.6港仙，全年股息每股1.6港仙（二零零五年：每股1.2港仙）。



Chief Executive Officer's Report 行政總裁報告

ENVIRONMENTAL PROTECTION BUSINESS

環保業務

The Group continued to actively develop its environmental protection business, which included a dozen projects in Jiangsu and Shandong provinces with a total investment of more than HK\$3 billion. During the year under review, the Group secured six new projects, including the Jiangyin Waste-to-energy Project in Jiangsu province ("Jiangyin Project"), the Jinan Waste Water Treatment Project in Shandong province ("Jinan Project"), the Changzhou Waste-to-energy Project in Jiangsu province ("Changzhou Project"), the Hanmiao Waste Water Treatment Project at the Zibo High-tech Industrial Development Zone, Shandong province ("Zibo High-tech Zone Hanmiao Project"), the overall upgrade of the Southern and Northern Waste Water Treatment Plants in Zibo ("Zibo Southern and Northern Plants Project") and Suzhou Waste-to-energy Project ("Suzhou Project") Phase II. During the year, Suzhou Project Phase I and Suzhou Methane-to-energy Project ("Methane Project") commenced operation. The Group also took management control of Jinan No.1 and No. 2 Waste Water Treatment Plants. Revenue from the environmental protection business grew 163% to HK\$145,611,000 in 2006, and accounted for 62% of the Group's turnover (2005: 42% of the Group's turnover). Operating profit before deduction of interest and tax from the business segment increased by 486% to HK\$71,767,000 in 2006. Recording strong and healthy development and promising tremendous growth potential, the environmental protection business will support strong revenue growth of the Group.

本集團繼續積極拓展環保業務，已在江蘇、山東兩省成功開展環保項目十餘個，涉及總投資超過港幣30億元。回顧年度內，本集團成功取得六個新項目包括江蘇省江陰垃圾焚燒發電項目（「江陰項目」）、山東省濟南污水處理項目（「濟南項目」）、江蘇省常州垃圾焚燒發電項目（「常州項目」）、山東省淄博高新區韓廟污水處理項目（「淄博高新區韓廟項目」）、淄博南郊廠和北廠的全面升級改造工程（「淄博南郊廠和北廠項目」），以及蘇州垃圾焚燒發電項目（「蘇州項目」）二期。年內，蘇州項目一期和蘇州沼氣發電項目（「沼氣項目」）相繼投入運營，至於濟南水質淨化一廠和二廠項目亦接管運營。二零零六年度環保業務的營業額為港幣145,611,000元，比去年增長163%，佔總營業額的62%，較去年佔總營業額的42%大幅上升。除利息及稅項前經營利潤為港幣71,767,000元，比去年增長486%。環保業務的快速健康發展和巨大潛力，將進一步促進本集團的收入增長。



Chief Executive Officer's Report 行政總裁報告

Waste-to-energy Projects

Suzhou Project Phase I

The Group's first wholly owned environmental protection project, Suzhou Project Phase I, completed a full load trial run and started supplying electricity to the power grid on 20 June 2006. It began commercial operation on 18 July 2006. In October 2006, the Shanghai branch of the globally renowned independent inspection company, SGS Group from Switzerland, conducted an emission test on the boiler exhaust gas and found the results meeting the PRC's national emission control standards and the emission level of boiler and dioxin met the Euro I Standard and the Euro II Standard respectively. The project not only will bring in stable income for the Group in the long run, but will also help enhance the Group's brand name in the field of waste-to-energy operation. During the year, the project obtained Jiangsu Province Price Department's approval to raise its up-loading tariff from RMB0.50 per kilowatt-hour to RMB0.575 per kilowatt-hour, benefiting from the country's policy that favoured the development of environmental protection business. As a new growth driver, the project contributed a net profit of HK\$12,592,000 to the Group in 2006. It will make a full-year profit contribution in 2007.

Yixing Project

During the year under review, construction of the Yixing Waste-to-energy Project ("Yixing Project") in Jiangsu province progressed satisfactorily, with the site ready for boiler

垃圾焚燒發電項目

蘇州項目一期

本集團第一個全資投資建設的環保項目－蘇州項目一期於二零零六年六月二十日完成了滿負荷試運行考核並成功上網發電，七月十八日正式投入商業運行。二零零六年十月份，經全球知名的獨立檢驗公司－瑞士SGS集團在上海的分支機構對鍋爐煙氣排放進行檢測，檢測結果是完全符合國家控制排放標準，煙氣排放與二噁英排放分別達到「歐盟I 號標準」及「歐盟II 號標準」所規定的相關排放要求。該項目在為本集團帶來長期穩定之收益的同時樹立了本集團在垃圾焚燒發電領域的品牌。年內，該項目得到環保產業政策支持，獲江蘇省物價局批准調高上網電價，由原來與政府簽訂的每千瓦時人民幣0.5元上調至人民幣0.575元。此項目於二零零六年度為本集團貢獻淨盈利港幣12,592,000元，成為本集團又一新的利潤增長點。自二零零七年起，該項目可為本集團提供全年盈利貢獻。

宜興項目

於回顧年度內，本集團位於江蘇省宜興垃圾焚燒發電項目（「宜興項目」）的建設進展理想。二零零六年三月開始全面展開鍋爐安裝的工程。二零零



Suzhou Waste-to-energy Plant
蘇州垃圾焚燒發電廠



Yixing Waste-to-energy Plant
宜興垃圾焚燒發電廠



Chief Executive Officer's Report 行政總裁報告

installation in March 2006. The construction of the “Everbright Road” was completed in April 2006. At the end of June 2006, the project's boiler passed the water pressure test and inspection of the Quality Supervision Centre of Jiangsu province. The accompanying dormitory was ready for use in October. The project succeeded in its trial run on power transmission in November. The project is expected to be completed in the second quarter of 2007, and will be a new income source of the Group, generating profit in 2007.

Jiangyin Project

In January 2006, the Group won the tender for the Jiangyin Project, which required a total investment of approximately RMB388,744,000. Construction will take place in two phases, with phase I having a daily processing capacity of 800 tonnes of waste. The Group is entitled to an exclusive right to operate the project for 30 years on BOT basis. Foundation stone of the project was laid in March 2006, and construction has been progressing smoothly since it started on 28 June 2006. Major imported facilities have arrived in Jiangyin city and are ready for installation in the second quarter of 2007. The project is expected to commence commercial operation in the second quarter of 2008.

Changzhou Project

On 5 June 2006, the Group signed a framework agreement with Changzhou Municipal Administration Bureau in Jiangsu province to obtain the right to construct a waste-to-energy

六年四月完成「光大路」工程。二零零六年六月底，項目的鍋爐通過了江蘇省監測站的水壓試驗、檢查和驗收，十月份項目生活樓投入使用，十一月份倒送電一次成功，預計項目可於二零零七年第二季度完工。該項目將成為本集團又一新的利潤增長點，於二零零七年度為本集團提供盈利貢獻。

江陰項目

二零零六年一月，本集團成功取得江陰項目，總投資約人民幣388,744,000元，分兩期建設，第一期為日處理生活垃圾800噸。此項目採用「BOT」模式實施，特許經營期限30年。該項目於二零零六年三月份奠基，並於六月二十八日正式動工，目前項目施工進展理想，主要進口設備已陸續運抵江陰市，預計二零零七年第二季度進入設備安裝期，並於二零零八年第二季度正式投入商業運行。

常州項目

二零零六年六月五日，本集團與江蘇省常州市城市管理局簽署特許經營權框架協議，採用「BOT」形式建造常州項目。項目總投資人民幣



Foundation laying ceremony for waste-to-energy project in Jiangyin
江陰垃圾焚燒發電項目奠基儀式



Signing ceremony for waste-to-energy project in Changzhou
常州垃圾焚燒發電項目簽約儀式



Chief Executive Officer's Report 行政總裁報告

project in Changzhou on BOT basis as well as an exclusive right to operate the project for 25.5 years. Investment in the project will amount to RMB412,560,000. The plant will have capacity to process 800 tonnes of waste per day. Preliminary work, project registration and injection of capital were completed in September 2006 and foundation stone was laid on 15 December 2006. Tendering of major equipment has been finished and civil engineering work has begun in the first quarter of 2007. The project is the Group's fourth waste-to-energy project in Jiangsu province and is expected to begin operation in 2008. The Group will be able to centralize the management of this project and the other three, namely Suzhou Project Phase I, Yixing Project and Jiangyin Project, which are close to each other. As a result, the Group will be able to save cost. Investment in the project has enhanced the Group's advantageous position within Jiangsu province and reinforced its market leadership in the waste-to-energy sector of the country.

Suzhou Project Phase II

The Group signed an agreement with Suzhou Municipal Urban Utility Bureau in December 2006 to construct phase II of the Suzhou Waste-to-energy Project with capacity to process 500 tonnes of waste per day at an investment of approximately RMB220,000,000. Suzhou Project Phase II will adopt the same operation model and construction standards as those of phase I. The new phase will be equipped with imported advanced equipment including incinerators and systems for emission control, automation and online monitoring. The project's dioxin emission will meet the Euro II standard. Construction of the project will begin in the second half of 2007, and is expected to be finished by the end of 2008. Together with Suzhou Project Phase I, which has already been in operation, the expanded power plants will be able to process more than 1,500 tonnes of waste per day and generate about 150 million kilo-watt hours of electricity per year for the power grid. When phase II commences operation, the Suzhou Project will be one of the largest waste-to-energy projects in the country.

412,560,000元，日處理垃圾800噸，特許經營期限25.5年。二零零六年九月份已完成項目前期工作、項目公司註冊及項目注資等工作，該項目已於二零零六年十二月十五日正式奠基。項目前期工作進展順利，已完成主要設備招標工作，二零零七年第一季度土建工程亦已啓動。預計項目於二零零八年交付運行。該項目是本集團投資江蘇省之第四個垃圾焚燒發電項目，並與本集團投資的蘇州項目一期、宜興項目及江陰項目位置鄰近，便於集中統一管理，節約成本。投資該項目加強了本集團在江蘇省垃圾焚燒發電項目的優勢，並鞏固了本集團在國內垃圾焚燒發電行業的領先地位。

蘇州項目二期

二零零六年十二月，本集團與蘇州市市政公用局簽訂協議，建設蘇州垃圾焚燒發電項目二期。該項目二期總投資約人民幣220,000,000元，日處理垃圾500噸，實施模式和建設標準與一期相同。該項目是本集團首個二期項目，標誌著本集團在環保領域上又邁進了一步。該項目將採用進口的焚燒爐排、煙氣淨化、自動化控制、在線監測系統等先進的設備，二噁英排放達到歐盟II號標準。二期工程將於二零零七年下半年動工，並預計於二零零八年年底建成，屆時連同已投入運營的蘇州項目一期，整個發電廠日處理垃圾能力將超過1,500噸，年上網電量將達到1.5億千瓦時。二期工程投入運營後，蘇州項目將成為全國最大規模的垃圾焚燒發電項目之一。



Chief Executive Officer's Report 行政總裁報告

Integrated environmental protection project – Suzhou Everbright Environmental Protection Industrial Zone

In July 2005, the Group signed a cooperative framework agreement with the government of Mudu town, Wuzhong district, Suzhou city, Jiangsu province to construct the Suzhou Everbright Environmental Protection Industrial Zone (“the Zone”). The project will be the country's first integrated zone for environmental protection to showcase centralized disposal of industrial and household solid waste. The Zone is high on the agenda of the State Environmental Protection Administration and backed by the Suzhou Municipal Government. The Zone is dubbed a “vein” in its Chinese name as it functions as such for the PRC's economic development in the way the vein does for the human body – to gather used materials or waste, process them in a harmless manner for reuse. The “vein”-type industry is defined as an industry that maximizes utilization of resources, minimizes environmental pollution, promotes recycling as a viable economic pursuit and encourages conservation in land use. Of no less than 2.5 sq. km., the Zone will be completed in phases within three to five years at a total investment of around HK\$1.5 billion. It contains waste-to-energy plants (Suzhou Project Phase I and II), a methane-to-energy plant (Methane Project) and a centre for industrial solid waste disposal (“Solid Waste Disposal Project”). As the country's first integrated zone for environmental protection to showcase centralized disposal of industrial and household solid waste, the Zone will also be developed into a scenic base for environmental education in Suzhou.

綜合環保項目－蘇州市光大環保靜脈產業園

本集團於二零零五年七月與江蘇省蘇州市吳中區木瀆鎮人民政府簽署建設蘇州市光大環保靜脈產業園合作框架協定。該項目為全國第一個、示範性的集中處置工業、生活固體廢物的綜合環保產業園－蘇州市光大環保靜脈產業園（「產業園」）。該項目得到國家環保總局的重視，也得到蘇州市政府的大力支持。產業園名字叫「靜脈」，實際上基於環保產業與人的靜脈甚至中國經濟發展的靜脈的意義一樣。有機結合將資源利用最大化，環境污染最小化，發展循環經濟，節約土地資源，集中建設城市廢物無害化處理和廢物回收再生利用項目，即靜脈類產業。產業園規劃佔地不少於2.5平方公里，採取「整體規劃、分步實施」的建設方針，計劃用3至5年建設完成，總投資約港幣1,500,000,000元。產業園包括垃圾焚燒發電廠（即「蘇州項目一期及二期」）、沼氣發電廠（即「沼氣項目」）、工業固體廢物安全填埋項目（「固廢項目」）等，產業園的整體目標是建成全國第一個集中處置工業、生活固體廢物的綜合環保產業園，並將發展成為環境優美的工業景觀園區和蘇州市環保教育示範基地。



Ceremony for commercial operation of Suzhou Everbright Environmental Protection Industrial Zone
蘇州市光大環保靜脈產業園商業運行慶典



Chief Executive Officer's Report 行政總裁報告

After Suzhou Project Phase I started commercial operation on 18 July 2006, the Methane Project began to supply electricity to the power grid on 20 August 2006 and contributed a net profit of HK\$1,322,000 to the Group in 2006. Currently, the two 1,250 kilowatt generators of the Methane Project are operating at full load.

Furthermore, the Group has signed a concession right agreement with Suzhou Environmental Protection Administration to build and operate a solid waste landfill site in Suzhou city. The Solid Waste Disposal Project will serve the entire Suzhou city (including all districts in its jurisdiction), providing support to the city's industrial development. Construction of the project has been progressing smoothly since it began on 31 August 2006 and the project is expected to be completed and start operation in mid-2007.

With the gradual roll-out of different projects, the Zone has begun to take shape. Currently, the Group and the Suzhou Municipal Government are in discussion over the plan of the Zone and other projects there, including a leachate treatment plant and sludge treatment center. The Group's ultimate aim is to build the Zone into the PRC's first integrated zone for environmental protection to showcase centralized processing of industrial and household solid waste which will enhance the "Everbright Environment" brand.

Waste Water Treatment Projects

Qingdao Project

The Group's first environmental protection project in Shandong province, the Qingdao Waste Water Treatment Project ("Qingdao Project"), processed 52,152,000 tonnes of sewage in 2006 and generated HK\$16,272,000 in net profit attributable to the Group. Construction of the Extension Facilities of the Maidao Waste Water Treatment Plant started in late June 2005. It commenced to receive waste water in June 2006, ahead of schedule, to make way for the Qingdao International Regatta that took place in August 2006. Currently undergoing trial runs, the project is expected to gradually increase its daily sewage treatment capacity from around

繼蘇州項目一期於二零零六年七月十八日正式商業運行後，沼氣項目亦於二零零六年八月二十日並網發電，於二零零六年度為本集團貢獻淨盈利港幣1,322,000元。目前沼氣項目2台1,250千瓦沼氣發電機組已實現了滿負荷發電目標。

此外，本集團與蘇州市環保局簽署了《蘇州市固體廢物填埋場特許經營協定》。該項目將服務整個蘇州市（包括下屬的各區市），成為當地工業發展的重要配套。該項目於二零零六年八月三十一日正式開工，目前工程進展順利，預計於二零零七年中完工投運。

隨著多個項目逐步實施，標誌著產業園的基本佈局已形成。目前，本集團正與蘇州市政府就產業園的規劃及其他項目進行洽商，包括垃圾滲濾液處理項目、污泥處理等多個項目，待條件成熟會逐步推進，務求將產業園建成全國第一個具示範性、能集中處置工業和生活固體廢物的綜合環保產業園，有力地打造「光大環保」品牌。

污水處理項目

青島項目

本集團位於山東省的第一個環保項目—青島污水處理項目（「青島項目」）於回顧年度內處理污水52,152,000噸，為本集團帶來應佔淨盈利港幣16,272,000元。麥島污水處理廠的擴建工程於二零零五年六月底開工。為配合二零零六年八月份青島國際帆船比賽，該項目提前於二零零六年六月份實現通水。目前該項目正進行調試，預計於二零零七年下半年投運後每日污水處理量可由原來約150,000噸逐漸增加至220,000噸。回顧年度內，項目公司進行了三十三項海泊河污水處理廠大修改造工程，通過設備設施的改造，大大改善了海泊



Chief Executive Officer's Report 行政總裁報告

150,000 tonnes to 220,000 tonnes after it starts commercial operation in the second half of 2007. In 2006, the project company embarked on thirty three improvement works for the Haibohe Waste Water Treatment Plant. Efforts to upgrade the facilities of the plant have significantly enhanced the project's treatment capability.

河污水處理廠的污水處理能力，為項目長遠生產運營提供了有效保障。



Qingdao Maidaowu Waste Water Treatment Plant (Extension Facilities)
青島麥島污水處理廠（擴建工程）



Qingdao Maidaowu Waste Water Treatment Plant (Extension Facilities)
青島麥島污水處理廠（擴建工程）

Zibo Southern and Northern Plants Project

The waste water treatment project in Zibo city (including the Southern Plant and the Northern Plant) has been in stable performance since it started operation in December 2005. In 2006, it processed 77,374,000 tonnes of sewage and contributed a net profit of HK\$14,490,000 to the Group. Machinery upgrade of the two plants was completed on 28 April 2006. The completion of this work on schedule not only ensured the smooth operation of the project, but also earned

淄博南郊廠和北廠項目

本集團位於淄博市的污水處理項目（包括南郊廠和北廠）於二零零五年十二月正式營運以來，經營穩定，於二零零六年處理污水77,374,000噸，為本集團貢獻淨盈利港幣14,490,000元。淄博污水處理南郊廠和北廠設備改造工程已於二零零六年四月二十八日完成。此項工程的依時完成，一方面保證了項目正常運營，一方面贏得了市政府及淄博



Zibo Northern Plant
(Overall upgrade work in progress)
淄博北廠（全面升級改造工程進行中）



Zibo Hanmiao Waste Water Treatment Plant
(under construction)
淄博韓廟污水處理廠（在建中）



Chief Executive Officer's Report 行政總裁報告

for the Group the trust of the municipal government and citizens of Zibo. On 28 August 2006, the Group signed an agreement with the Zibo Municipal Government to invest RMB130,221,000 in an overall upgrade of the two plants, with the aim of improving the quality of the processed sewage to Grade 1A (reusable water grade). The upgraded Southern and Northern plants will command a sewage treatment fee of RMB0.98 per tonne, up from the previous RMB0.75 per tonne, bringing higher return to the Group.

Zibo High-tech Zone Hanmiao Project

On 13 July 2006, the Group signed a "Concession Right Agreement for constructing a new waste water treatment plant in the Zibo High-tech Industrial Development Zone" and a "Waste Water Treatment Service Agreement" with the Zibo Municipal Government. The new project will have a treatment capacity of 300,000 tonnes of sewage per day. Phase I of the project, which will have a daily treatment capacity of 100,000 tonnes, calls for an investment of RMB150,000,000, and will be ready for commercial operation by the end of June 2007. It is the Group's first waste water treatment project on BOT basis, and the PRC's first waste water treatment project in a city to adopt the Grade 1A standard, which is a high standard for sewage treatment. As such, the project is a milestone in the Group's development in the field of sewage treatment sector. Since securing the project, the Group has obtained concession rights to manage all sewage treatment projects in Zibo and the city's high-tech zone. This project will not only enhance the Group's development in Shandong, but also allow the Group to realize resources sharing, boosting overall management and operational efficiency of the different projects in Zibo.

In December 2006, the Zibo project company received three accreditations certifying that its quality, environmental protection, occupational health and safety management systems have met international standards (GB/T19001,

市民的信任。二零零六年八月二十八日本集團再與淄博市政府達成協定，由本集團投資人民幣130,221,000元全面升級改造南郊廠及北廠，使出水水質達到一級A（中水回用，即污水經過處理後的回用）標準，改造後的南郊廠和北廠污水處理費將由原來的每噸人民幣0.75元提高到每噸人民幣0.98元。相信污水處理廠經過全面升級改造後，將為本集團帶來更為可觀的效益。

淄博高新區韓廟項目

二零零六年七月十三日，本集團與淄博市政府簽署了《淄博高新技術產業開發區新建污水處理項目特許權協定》及《污水處理服務協議》。該新項目總規模為日處理污水300,000噸，其中第一期工程日處理污水量為100,000噸，投資人民幣150,000,000元，預計二零零七年六月底交付運營。該項目是本集團首個以「BOT」模式建造的污水項目，乃是國內第一個在一個城市採用一級A標準建設的高水準污水處理項目，也是本集團在水務項目領域發展的重大里程碑。自此，本集團獲得了淄博市城市和高新區的全部污水項目處理權。此項目的實施可實現資源共享，有利於進一步提升淄博項目整體的管理及營運效益，增收節支，並促進本集團於片區內的戰略發展。

二零零六年十二月，淄博項目公司成功通過了質量／環境／職業健康安全管理体系（GB/T19001、GB/T24001、GB/T28001）三項認證及中國實驗室資質認證。二零零七年一月份，淄博項目公司被淄



Chief Executive Officer's Report 行政總裁報告

GB/T24001 and GB/T28001 respectively). It also obtained the China Laboratory Quality Assurance Certificate. In January 2007, it was named a “Role Model of Labor Protection and Integrity” in 2006 by the Labor Bureau of Zibo city in recognition for its continuous efforts to safeguard the well-being of its staff while enhancing management standards. This achievement has laid a solid foundation for the Group to build the Zibo project into a “benchmark enterprise in Shandong and an environmental education base in Zibo”.

博市勞動部門評選為二零零六年度「勞動保障誠信示範單位」，證明本集團在收購項目後除不斷提升管理水平外，仍能致力維護員工保障，穩定生產隊伍，為實現本集團將淄博項目打造成為「山東省行業標竿企業和淄博市環保教育示範基地」的目標打下堅實的基礎。



Quality Management
Certificate GB/T19001:2000
質量管理體系認證證書 GB/T19001:2000



Environmental Management
System Certificate GB/T24001
環境管理體系認證證書 GB/T24001



Occupational Health and Safety
Management System Certificate
GB/T28001
職業健康安全管理体系認證證書
GB/T28001

Jinan Project

On 23 June 2006, the Group signed a “Co-operative Agreement” with the Jinan Municipal Government to acquire all assets of the Jinan No. 1 and No. 2 Waste Water Treatment Plants by way of TOT (transfer-operate-transfer) at RMB400,000,000. The two plants have a combined daily sewage treatment capacity of 420,000 tonnes, and the Group is entitled to an exclusive right to operate the project for 30 years. The formal concession right agreement was signed on 31 October 2006 and operation began after the handover on 18 November 2006. The project serves as a solid foundation for the Group's pursuit of future opportunities in Jinan's market for environmental protection and municipal public works. It is an integral part in the Group's strategic

濟南項目

二零零六年六月二十三日，本集團與濟南市政府簽署《合作協議》，同意採用「TOT」（轉移—經營—轉移）方式收購濟南市水質淨化一廠、二廠的全部資產，收購價約人民幣400,000,000元，特許經營期限三十年，兩廠合計日處理能力420,000噸。本集團於十月三十一日正式簽署特許經營協定，並於十一月十八日接收項目及開始商業營運。該項目為日後進一步投資濟南市其他環保項目及市政公用項目打下良好的基礎，實現了山東水務行業的整體戰略佈局。濟南項目公司獲得濟南市政府評選的「市十佳外商投資企業」殊榮，證明本集團在收購濟南市淨化一廠及二廠項目的「誠信、務實、高效、創新」作風獲得政府的認同。目前本集團



Chief Executive Officer's Report 行政總裁報告

plan for its development in Shandong. The Jinan project company was named one of Jinan's "Ten Best Foreign-invested Enterprises" by the Jinan Municipal Government in recognition of its efforts to uphold the principles of "integrity, pragmatism, high efficiency and innovation" in the acquisition of the two waste water treatment plants. Presently, the Group has made investment to upgrade the technology and equipment of the two plants with an aim of enabling them to reach full-load operation with stable performance and comply with effluent standards. When the upgrade work is completed in the first half of 2007, the plants will reach their designed capacity for sewage treatment and will become a new income source of the Group.

已投入資金對兩廠工藝、設備進行改造，以儘快達到滿負荷處理能力，保證工藝穩定運行，達標排放。預計此改造項目於二零零七年上半年完成後，污水處理量將逐步擴大至設計水平，成為本集團另一利潤增長點。



Jinan No. 1 Waste Water Treatment Plant
濟南市水質淨化一廠



Jinan No. 2 Waste Water Treatment Plant
濟南市水質淨化二廠

Environmental Protection Engineering

Everbright Environmental Protection Engineering (Shenzhen) Company Limited ("Everbright Environmental Engineering"), a wholly-owned subsidiary of the Group, has a professional, efficient and dedicated technical management team, which is fully involved in all of the Group's environmental protection projects. During the year under review, it recorded a net profit of HK\$48,263,000, representing an increase of 99% over HK\$24,206,000 in 2005. Everbright Environmental Engineering is the main contractor of the Group's projects and a member of the Group, and as such, its management and consultancy fee income is not credited to the Group's consolidated income statement but reflected as reduction in construction costs of the different projects.

環保工程

本公司之全資附屬公司光大環保工程技術(深圳)有限公司(「光大環保工程」)，已成功建立了一支專業、高效、敬業的工程技術管理團隊，並全面參與各個環保項目的工程建設。於回顧年度內，光大環保工程錄得淨盈利港幣48,263,000元，較去年之港幣24,206,000元增長99%。惟光大環保工程為本集團投資建設環保項目之總承包，故有關環保項目管理及顧問收入為本集團內部收入，只可以沖減項目建設成本，故並未反映在綜合損益表內。



Chief Executive Officer's Report 行政總裁報告

In January 2006, Everbright Environmental Engineering received the “Main Contractor for Municipal Public Works Certificate” and three quality accreditations, namely the ISO9001:2000 Quality Management System Certificate, the ISO-14001 Environmental Management System Certificate and the OHSMS28001 Occupational Health and Safety Management System Certificate. It also obtained the “Shenzhen High-tech Enterprise Certificate” in October. All these achievements made in just three years enabled it to enter the field of engineering and construction management of public works sector, they are also proof of the Group's ability to develop its environmental protection operations. This will greatly expand the scope of business of the Group.

二零零六年一月，光大環保工程取得了市政公用工程總承包資質證書並通過質量、環境、職業健康安全管理体系(ISO 9001:2000、ISO 14001、OHSMS28001)三項認證，十月份又順利通過深圳市高新技術企業認定，獲得《深圳市高新技術企業證書》。在短短三年的發展便獲得多項認證標誌著本集團取得了進軍市政公用工程施工市場的通用證，肯定了本集團在環保產業方面發展的成就，將大大拓寬本集團的業務發展領域與範圍。



Quality Management System
Certificate ISO 9001:2000
質量管理體系認證證書
ISO 9001:2000



Shenzhen High-tech Enterprise
Certificate
深圳市高新技術企業證書



Environmental Management
System Certificate
ISO 14001:2004
環境管理體系認證證書
ISO 14001:2004

The roll-out of the Suzhou Project Phase I, Methane Project, Qingdao Project, Zibo Project and Jinan Project marked the Group's successful transformation into a professional environmental protection enterprise. After three years' hard work, the Group has built footholds in the markets of Jiangsu and Shandong provinces. To ensure it is able to meet the challenges in development, the Group began research and development on environmental protection technologies.

蘇州項目一期、沼氣項目、青島項目、淄博項目以及濟南項目的成功運營，標誌著本集團成功實現環保產業轉型。本集團經過三年多的艱苦創業，通過對一個個項目的摸索，成功實現了在江蘇省及山東省兩大區域的戰略部署。為面對新一輪發展的挑戰，本集團已開始在環保項目相關技術方面進行開發與研究。



Chief Executive Officer's Report 行政總裁報告

ENHANCED CAPABILITIES FOR RESEARCH AND DEVELOPMENT ON ENVIRONMENTAL PROTECTION

Strategic Partnerships

Apart from securing and operating different environmental protection projects, the Group has been trying to carry out research and development on related technologies and in forging complementary partnerships with internationally famous enterprises. In addition to the strategic alliance with Keppel Seghers, in the year under review, the Group carried out exchanges and cooperated in research projects with institutes such as the North Carolina China Centre of USA, Tsinghua University and Tongji University of Shanghai with an aim of boosting its research and development capabilities, which is its core competitive edge.

加強環保科研能力

戰略合作夥伴

除爭取及經營環保項目外，本集團一直高度重視技術研發，並致力加強與國際知名公司建立強強聯合，進行優勢互補的戰略合作。繼與吉寶西格斯進行戰略合作後，本集團亦於回顧年度內先後與美國北卡州中國中心、清華大學、上海同濟大學合作，通過相互間的交流及合作研發項目，加強在環保技術方面的合作與支持，以提昇本集團技術研發力量，提高本集團的長遠核心競爭力。



*Signing ceremony of cooperation with
North Carolina China Centre
與北卡州中國中心合作簽約儀式*



*Signing ceremony of cooperation with
Tsinghua University
與清華大學合作簽約儀式*

Research and Development Facility

In early 2006, Everbright Environmental Engineering set up a technology research and development center specializing in research on technology of waste-to-energy operation and sewage treatment and sludge treatment. The aim of these endeavors is to boost the Group's core technology and thus its competitive strengths. The Group has also required each project company to set up its own technological innovation team. It has also introduced policies and provisions such as

技術研發設施

於二零零六年初，光大環保工程成立了技術研發中心，專責就垃圾焚燒發電、污水處理技術、污泥處理技術等課題立項研究，以發展本集團核心技術，提昇競爭優勢。本集團並要求各項目公司設立技術創新小組專責日常技術創新工作，並先後設立環保專家庫、研發項目發展基金、研發項目管理辦法的一系列規章制度，將技術研發規範化。本集團亦擬於北京設立光大環保技術研究院，提供研



Chief Executive Officer's Report 行政總裁報告

an environmental expert data base, a research and development project development fund and research and development project management guidelines to standardize research and development efforts. The Group plans to set up an Everbright Environmental Protection Technology Research Institute in Beijing to provide funding to research projects and serve as a base for experiments. It will provide laboratories for experiments on technologies of solid waste treatment, sewage treatment and integrated environmental protection technology.

Patent

During the year under review, China Everbright's research and development center planned to carry out sixteen research projects into key issues of environmental protection, including domestic production of incinerators, leachate treatment and recycling of processed sewage. Until the first quarter of 2007, the center completed six of the projects. Four projects are in progress and six more will begin soon. The Group has also applied for eight patents for technologies on waste-to-energy operation and sewage treatment.

INFRASTRUCTURE INVESTMENT

Toll Bridge

During the year under review, traffic on the Fuzhou Qingzhou Bridge ("Qingzhou Bridge") continued to grow and generated steady cash flow. For the year ended 31 December 2006, the average daily traffic on the bridge increased to 26,267 standard vehicles, 18% more than in 2005. Operating profit before tax for 2006 was HK\$39,583,000, an increase of 37% over that in 2005. Taking into account the deferred tax and the profit attributable to minority shareholders, the project generated HK\$28,531,000 in net profit attributable to the Group in 2006.

As scheduled in the city development plan of Fuzhou Municipal Government, the highway to the Fuzhou airport was opened in late 2006 and boosted economy in neighbouring areas. Meanwhile, the municipal government

發資金和建設實驗基地，包括擬建設的固體廢物處理技術實驗室、污水處理技術實驗室和綜合環保技術實驗室。

專利

回顧年度內，光大環保的技術研發中心立項重點課題十六項，包括垃圾焚燒爐排的國產化、垃圾滲濾液處理和污水經過處理後的回用等重大課題。截至二零零七年第一季度，共完成課題研發六項，正在進行研發課題四項，有待啓動研發課題六項。已經申報有關垃圾焚燒發電和污水處理技術的專利八項。

基建投資

收費橋樑

回顧年度內，福州青洲大橋（「青洲大橋」）的車流量持續增長，為本集團提供穩定的現金流。截至二零零六年十二月三十一日止年度，青洲大橋之日均標準車流量已增加至26,267輛，較二零零五年增長18%。二零零六年度之除稅項前經營利潤為港幣39,583,000元，較二零零五年增長37%。計及遞延稅項與少數股東應佔盈利的因素，該項目為本集團於二零零六年度產生之應佔淨盈利為港幣28,531,000元。

根據福州市政府的城市發展規劃，福州市機場路於二零零六年底逐步開通以後，將帶動周邊地區經濟快速發展，同時市政府於年內已經投入較大資金對東西向主要交通通道進行改造。此外，隨著



Chief Executive Officer's Report 行政總裁報告

has also invested considerably to have the east-to-west road system upgraded. These development and initiatives to improve roads and government policies to clamp down on overloading of vehicles and charging for road use by weight of load will boost traffic on Qingzhou Bridge and the toll revenue.

全國治理公路車輛「超載超限」統一行動逐步展開，中國政府實施公路車輛「計重收費」的政策，本集團預期青洲大橋的車流量和收益會繼續穩步增長，為本集團帶來穩定的現金流。



Fuzhou Qingzhou Bridge
福州青洲大橋

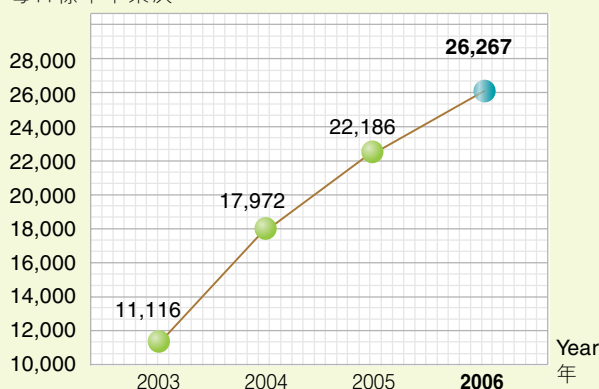
Fuzhou Qingzhou Bridge

福州青洲大橋

Annual average traffic flow chart

年平均車流量統計表

Daily standard vehicles
每日標準車架次



Energy Supply

Mawan Power is 15% held by the Group since 1998 and has been one of the major profit sources of the Group. However, after operating for 17 years, the plant's power generators are worn out and more frequent repairing is expected for them in the future. With such factors as mounting maintenance cost, easing of the power shortage in the PRC in recent years, implementation of the West-to-East power transmission project, price competition in supplying electricity to power grids and high coal and oil prices, Mawan Power is expected to face growing pressure. And, as the proportion of profit contribution from environmental protection projects is increasing, that of Mawan Power is expected to gradually diminish. In view of these developments, the Group decided to exit the investment in Mawan Power in the year under review and focus on developing environmental protection business.

能源供應

自一九九八年以來，本集團一直持有媽灣電力15%的權益，該項目一直是本集團其中一項主要盈利來源。唯媽灣電力從建設期至今已經經營近十七年，發電機組日漸陳舊，未來定期進行維修會不斷增加。此外，近年國內電力短缺的情況已逐漸緩和，加上西電東輸、競價上網及煤油價格高企等不利因素，預計媽灣電力未來營運會面對很大壓力。鑒於本集團已發展環保業務數年，新項目逐步投入營運貢獻盈利，媽灣電力對本集團盈利貢獻之比重將會日漸減少。為此，本集團於回顧年度決定退出此投資項目，專注發展環保業務。



Chief Executive Officer's Report 行政總裁報告

On 28 August 2006, the Group signed an agreement with a subsidiary of Shenzhen Energy Group Company Limited to dispose of its 15% interest in Mawan Power at a consideration of approximately HK\$657,708,000. The disposal constituted a major transaction for the Company as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"). The transaction was completed on 14 December 2006. During the year under review, the project generated a net profit of HK\$342,838,000 for the Group, including an attributable net profit of HK\$32,838,000 and a gain of HK\$310,000,000 from the disposal. In 2006, the Group received a total of HK\$746,340,000 from Mawan Power, including the cash dividend paid for 2005 and prior years in the amount of HK\$88,632,000 and the aforesaid consideration of the disposal. The Group had used approximately HK\$440,480,000 of the net proceeds from the transaction to repay liabilities and the remaining HK\$305,860,000 as working capital for investments in environmental protection and municipal public works businesses.

二零零六年八月二十八日，本集團與深圳市能源集團有限公司之附屬公司簽署協議，以現金代價約港幣657,708,000元出售持有該項目之15%權益，有關交易構成本公司之主要出售交易（定義見香港聯合交易所有限公司證券上市規則（「上市規則」））。該項交易已於二零零六年十二月十四日完成。於回顧年度內，此項目為本集團帶來淨盈利港幣342,838,000元，其中包括應佔淨盈利約港幣32,838,000元及出售盈利港幣310,000,000元。於回顧年度，本集團從媽灣電力收回的資金共港幣746,340,000元，其中包括二零零五年及以前年度的現金股息港幣88,632,000元及前述的出售交易價款。出售交易所得款項淨額其中之港幣440,480,000元已用於減低負債，而餘額之約港幣305,860,000元將用作一般營運資金以發展環保業務及市政公用工程等領域。

PROPERTY INVESTMENT

The PRC

In the PRC, the Group owns a four-storey commercial complex with a shopping arcade in Shenzhen Zhongshan Garden for lease. The property has been a source of steady rental income

物業投資

中國

在國內物業投資方面，本集團持有位於深圳中山花園之四層商業裙樓作為收租物業，繼續為本集團帶來穩健的租務收益及現金流量。該物業主要



Zhongshan Garden
中山花園



Far East Finance Centre
遠東金融中心



Chief Executive Officer's Report 行政總裁報告

and cash flow for the Group. Its major tenants include Walmart, Park'n Shop and McDonald's, and its occupancy rate during 2006 was 99%. During the year under review, the Group recorded a net profit of HK\$8,351,000 from this property, representing a growth of 25% from HK\$6,675,000 in 2005.

In 2006, the Group's 95%-held Shenzhen Zhongshan Property Management Limited recorded an attributable net profit of HK\$388,000.

The Group's 14%-held Shanghai Trade Square and International Apartments continued to generate steady income and yielded a dividend income of HK\$1,677,000 in 2006.

In addition, the Group recorded valuation gains of HK\$5,831,000 because of the rise in value of its investment properties in the PRC.

Hong Kong

Hong Kong's economy continued to boom in 2006, boosting demand for Grade A offices and causing a big rise in both rent and property prices. The Group made a rental income totaling HK\$2,171,000 during the year. On 13 April 2006, the Group signed an agreement to sell the investment property on the 8th floor of Tower I, Lippo Centre, Hong Kong at a consideration of HK\$122,098,000. The transaction was completed on 18 May 2006 and brought a gain of HK\$16,083,000 from the disposal. Approximately HK\$54,154,000 of the proceeds from the disposal had been used to settle relevant bank borrowings and the transaction cost, and the remaining HK\$67,944,000 was used as general working capital for the Group's environmental protection business.

租戶包括沃爾瑪、百佳及麥當勞等，年內出租率達99%。於回顧年度內，該物業為本集團帶來淨盈利港幣8,351,000元，較去年之港幣6,675,000元增長25%。

於回顧年度內，本集團持有95%權益之深圳中山物業管理有限公司錄得應佔淨盈利港幣388,000元。

本集團持有約14%權益的上海商貿大廈與國際公寓繼續為本集團帶來穩定收入。二零零六年度，此項目為本集團提供股息收入共港幣1,677,000元。

此外，因應國內物業價格的增長，本集團於回顧年度內錄得投資物業估值盈餘港幣5,831,000元。

香港

二零零六年，香港經濟持續趨於興旺，甲級寫字樓需求強勁，租金與價格大幅回升。本集團的香港物業投資錄得租金收入港幣2,171,000元。二零零六年四月十三日，本集團簽署協議以代價港幣122,098,000元出售位於香港力寶中心第一座八樓的投資物業，該項交易已於二零零六年五月十八日完成。本集團於該項交易錄得出售盈利港幣16,083,000元，出售收益所得款項其中港幣54,154,000元已用作償還物業相關銀行貸款和支付出售交易費用，餘額港幣67,944,000元則作為本集團在環保業務的一般營運資金。



Chief Executive Officer's Report 行政總裁報告

HONOURS AND RECOGNITIONS

屢獲殊榮

Guided by the operation principles of "integrity, pragmatism, high efficiency and innovation", the Group's achievements in environmental protection business in just three years are well recognized. The awards won by the Group during 2006 are listed below:

本集團憑藉誠信、務實、高效和創新的作風，於短短三年間取得的環保事業成就獲得了外界的認同。於回顧年度內，本集團榮獲多項殊榮，詳列如下：

Date 獲獎日期	Organizer 舉辦單位	Awards 獎項
May 2006 二零零六年五月	Capital Magazine 《資本雜誌》	"Outstanding Environmental Protection Corporation Award" of "The First Capital Outstanding China Enterprise Award" 「第一屆資本中國傑出企業成就獎－傑出環保企業」獎項
28 June 2006 二零零六年六月二十八日	Chinese Association of Productivity Science, Association of China Economic Press and Forum for International Competitiveness of Chinese Enterprises 中國生產力學會、中國經濟報刊協會、中國企業國際競爭力論壇	"The Most Socially Responsible and Honest Enterprise in 2006" 「2006最具社會責任誠信企業」
6 August 2006 二零零六年八月六日	Chinese Association of Productivity Science 中國生命力學會	Ranked 15th among the "Top 100 Most Dynamic Enterprises in China in 2006" 「2006中國最具生命力百強企業」第十五名的榮譽



The 1st Capital Outstanding China Enterprise Award
第一屆資本中國傑出企業成就獎



Most Socially Responsible and Honest Enterprise in 2006
2006 最具社會責任誠信企業



Ranked 15th among the Top 100 Most Dynamic Enterprises in China in 2006
2006 年中國最具生命力百強企業－第十五名的榮譽



Chief Executive Officer's Report 行政總裁報告

PROSPECTS

“Protecting the natural environment and establishing a society that conserves energy and is friendly to the environment” is the theme of the PRC's Eleventh Five-year Plan (2006 to 2010). To realize the goals, the Central Government has encouraged and pledged support to the development of environmental protection business. In 2007, the State Environmental Protection Administration will step up its efforts in environmental protection, including perfecting the mechanism to monitor pollutant emission, preventing illegal discharges in drinking water protection zones and industrial parks, developing an economic model for recycling, encouraging ecology-friendly design and improvement of industrial parks and reducing discharge of waste water from the chemical, brewing and printing and dyeing industries.

The Central Government has planned to invest RMB1.4 trillion to improve the quality of water and air as well as the solid waste treatment in the next five years. A series of government measures are: setting the target of having at least 60% of the country's sewage treated by 2010; gradually opening up the water supply market to foreign enterprises and privately owned domestic enterprises; and providing support to energy-saving power generation projects by allowing waste-to-energy plants to charge a higher tariff for their supply to power grids.

Riding on the strong support of its parent company, China Everbright Holding Company Limited (“Everbright Group”) and the well-established “Everbright Environment” brand, the Group will seek to seize business opportunity in the booming environmental protection industry. It will actively pursue different projects that convert waste to energy and recycle processed sewage.

In accordance with the PRC's industrial development policies and scientific development approach, and its overall goal of establishing an energy-saving and environment-friendly society, the Group will grow its environmental protection business following the direction of “development, consolidation and enhancement”. It will continue to maintain

業務展望

國家「十一五」（二零零六年至二零一零年）規劃強調要「保護生態環境，建立資源節約型、環境友好型社會」。為落實這一政策，中央政府重點鼓勵、大力扶持環保行業的發展。二零零七年，國家環保總局將深化環保工作，包括完善污染物排放的監察體系、集中整治飲用水源保護區和工業園區違法排污行為、發展循環再利用率經濟模式、鼓勵工業園區進行生態化設計與改造，以及削減化工、釀造和印染行業水污染物的排放等。

中央政府計劃未來五年投入人民幣1.4萬億元，將主力整治水污染、大氣環境、固體廢物等環保領域，具體措施包括要求全國平均污水處理率到二零一零年將不低於60%，政府正逐步開放水務市場讓外資和民營資本參與；同時亦對節能性的發電給予支援，如垃圾焚燒發電廠給予較高的上網電價等。

本集團將以環保產業蓬勃發展為契機，在中國光大集團有限公司（「光大集團」）的強大支持下，以廣受行業認同的「光大環保」品牌，把握行業商機，積極發展把廢物轉化為能源，以及把污水處理後再利用等項目。

根據國家產業發展政策與科學發展觀，構建資源節約型與環境友好型社會的總體要求，本集團將以「發展、鞏固、提昇」的方針發展環保事業。本集團將堅持繼續穩健地發展，積極開闢新市場及爭取新項目。憑藉光大集團強大的支持和本集團的品牌優勢，以及品牌所代表的誠信、務實、高效、創



Chief Executive Officer's Report 行政總裁報告

stable growth, actively explore new markets and secure new projects. With the support of Everbright Group and the brand advantage underscored by integrity, pragmatism, high efficiency and innovation, the Group will strive to secure and develop new projects in more affluent regions in the country, explore new markets to drive growth. It will also upgrade existing projects and lift the management and operational standards to consolidate business foundation. On the technological research and development front, the Group will invest more resources in environmental protection research and development and strengthening training of the key technical staff. It will also seek to form strategic partnerships with leading academies and research institutes from home and abroad to enhance its core competitive strength and reinforce its leadership in the environmental protection industry. Meanwhile, the Group will continue to consolidate its infrastructure and property investment businesses to ensure steady income. The Company will continue to contribute to the well-being of society and maximize returns to shareholders.

FINANCIAL RESULTS

Consolidated turnover of the Group amounted to HK\$235,859,000 in 2006, representing an increase of 78% as compared with the restated turnover of HK\$132,855,000 in 2005. The increase was mainly attributable to the revenue contribution from the Zibo Project that commenced operation in December 2005. The other environmental protection projects that commenced operation during the year have also started generating revenue. The increased toll revenue of the Qingzhou Bridge and the one-off gains from the disposal of the 15% interest in Mawan Power and the sale of the investment property in Lippo Centre also boosted profit growth for the year. Profit attributable to equity shareholders of the Company for the year amounted to HK\$409,347,000, representing an increase of 283% as compared with the restated profit of HK\$106,808,000 in 2005. In 2006, basic earnings per share amounted to HK14.15 cents, an increase of 238% as compared with HK4.19 cents in 2005.

新的作風，在經濟較發達的地區不斷爭取和發展新項目，開拓新市場，推動本集團的增長，同時加強現有項目的升級和管理營運水平，鞏固業務根基。此外，在技術研發方面，本集團將加大對環保研發的投入和加強相關技術骨幹的培訓，與國內外領先的學術研發機構組成策略聯盟，不斷提昇核心競爭力，進一步鞏固本集團在環保行業中的領導地位，致力成為行業翹楚。同時，本集團將繼續致力鞏固基建、物業投資業務的基礎，為集團提供穩定的收入。本公司將繼續造福社會，為股東謀求更佳回報。

財務業績

二零零六年度，本集團錄得綜合營業額港幣235,859,000元，較去年重報營業額之港幣132,855,000元上升78%。營業額上升，主要是由於淄博項目自二零零五年十二月開始營運，並於回顧年度內貢獻可觀的營業額。此外，本集團投資建造的環保項目亦於年內相繼投入營運，開始貢獻收入。於回顧年度內，青洲大橋車費收益持續上升，以及本集團出售媽灣電力之15%權益及力寶中心物業，錄得一次性出售盈利，亦促進了盈利的增長。二零零六年度本公司股東應佔盈利為港幣409,347,000元，較去年重報盈利之港幣106,808,000元上升283%。本年度，每股基本盈利為14.15港仙，較去年之4.19港仙上升238%。



Chief Executive Officer's Report 行政總裁報告

FINANCIAL POSITION

As at 31 December 2006, the Group had total assets of approximately HK\$3,614,975,000. Net assets attributable to equity shareholders of the Company amounted to HK\$1,941,338,000 and the net assets per share attributable to equity shareholders of the Company were HK\$0.631, representing an increase of 37% as compared with HK\$0.462 as at the end of last year. As at 31 December 2006, the gearing ratio (calculated by dividing total liabilities by total assets) was 43%, representing a decrease of 9 percentage points as compared with 52% as at the end of last year.

The Group generally finances its operations with internally generated cash flow, loan facilities from banks and from its ultimate holding company. As at 31 December 2006, the Group had an aggregate cash balance of approximately HK\$866,986,000, representing an increase of HK\$368,316,000 as compared with HK\$498,670,000 as at the end of last year. At present, the Group has ample cash on hand to fulfill its contracted capital commitments of approximately HK\$310,623,000. As at 31 December 2006, the Group had outstanding borrowings of approximately HK\$989,860,000, representing a decrease of HK\$158,011,000 as compared with HK\$1,147,871,000 as at the end of last year. The borrowings comprised secured bank loans of HK\$891,032,000 and loans from ultimate holding company of HK\$98,828,000.

FOREIGN EXCHANGE RISK

The Group's foreign exchange risk is minimal as the majority of the Group's assets, borrowings and major transactions are denominated in Renminbi, which has a relatively stable exchange rate against the Hong Kong Dollar. Thus, the risk of being impacted by exchange rate fluctuations is relatively

財務狀況

於二零零六年十二月三十一日，本集團之總資產約為港幣3,614,975,000元。本公司股東應佔資產淨額為港幣1,941,338,000元，而本公司股東應佔每股資產淨額則為港幣0.631元，較去年年底之港幣0.462元增加37%。於二零零六年十二月三十一日，資產負債比率（以總負債除以總資產計算所得）43%，較去年底之52%下降9個百分點。

本集團基本以其內部現金流及往來銀行與最終控股公司提供之貸款作為業務的營運資金。於二零零六年十二月三十一日，本集團持有現金結餘額約港幣866,986,000元，較去年年底之港幣498,670,000元增加港幣368,316,000元。本集團目前之手持現金足夠支付已訂約之資本承擔約港幣310,623,000元。於二零零六年十二月三十一日，本集團尚未償還借款總額約為港幣989,860,000元，較去年年底之港幣1,147,871,000元減少港幣158,011,000元。借款包括有抵押銀行貸款港幣891,032,000元及最終控股公司貸款港幣98,828,000元。

外匯風險

由於本集團的大部份資產、借款及主要交易均以人民幣為單位，其與港幣之兌換率相對穩定，故本集團面對之外匯風險較微。本集團基本以港元匯



Chief Executive Officer's Report 行政總裁報告

low for the Group. The Group mainly settles the expenses of its business in the PRC with Hong Kong dollar-remittance and income in Renminbi. It has not used any financial instruments to hedge against its bank borrowings in Renminbi, which are used mainly to meet the capital requirements of the Group's business in the PRC.

PLEDGE OF ASSETS

As at 31 December 2006, the Group had pledged revenues from the operations of toll bridge, waste water treatment plants and waste-to-energy power plant, finance lease receivables, bank deposits, mortgages on fixed assets and shares of a subsidiary to secure bank loans. The aggregate net book value of the pledged assets was approximately HK\$919,947,000.

CAPITAL COMMITMENTS

As at 31 December 2006, the Group's contracted capital commitments amounted to HK\$310,623,000.

CONTINGENT LIABILITIES

As at 31 December 2006, the Group had no contingent liabilities.

SHARES PLACEMENT

On 25 April 2006, Guildford Limited ("Guildford"), a shareholder of the Company entered into a placing agreement with Deutsche Bank AG to place 510,000,000 shares of the Company at HK\$0.66 per share. According to the subscription agreement made on the same day, Guildford subscribed for 510,000,000 new ordinary shares of the Company at HK\$0.66 per share. The net proceeds of the share placement were approximately HK\$321,723,000 (after deducting relevant expenses). The Group intended to spend

款及人民幣收入以支付國內業務的資金支出。本集團並沒有採用任何金融工具對沖人民幣銀行借貸，該等借貸主要用於中國業務之人民幣資金需求。

資產抵押

於二零零六年十二月三十一日，本集團之銀行融資由經營收費橋樑、污水處理廠及垃圾焚燒發電廠所得收益、融資租賃應收款項、銀行存款、固定資產按揭及本公司旗下的一家附屬公司之股份作擔保，已質押資產之賬面淨值總額約為港幣919,947,000元。

資本承擔

截至二零零六年十二月三十一日，本集團已訂約之資本承擔為港幣310,623,000元。

或有負債

於二零零六年十二月三十一日，本集團並沒有任何或有負債。

配售股份

二零零六年四月二十五日，本公司股東Guildford Limited（「Guildford」）與德意志銀行訂立配售協定，以每股港幣0.66元配售510,000,000股公司股份。根據同日訂立之認購協定，Guildford以每股港幣0.66元之價格認購510,000,000股本公司新普通股。認購新股份籌集的淨額約港幣321,723,000元（扣除開支後）。所得集資淨額約港幣200,000,000元計劃用於拓展本集團之現有和在



Chief Executive Officer's Report 行政總裁報告

approximately HK\$200,000,000 of the net proceeds as general working capital for existing environmental protection projects and construction of new projects, and spend the balance of HK\$121,723,000 on new environmental protection projects. As at 31 December 2006, HK\$214,864,000 of the net proceeds had been used in the development of the Group's environmental protection business, while the balance of HK\$106,859,000 was held as bank deposits.

INTERNAL MANAGEMENT

The Group adheres diligently to a management principle that stresses "people-oriented, honesty, pragmatism, creativity and standardized management" and is committed to building a solid risk management culture. During the reporting year, it adopted a series of measures to strengthen the Group's risk response strategy, raise risk awareness and set up a risk prevention mechanism. It adjusted the membership of the Risk Management Advisory Committee and the Engineering Technical Management Committee to reinforce their roles and responsibilities as well as authority. In addition, the Group set up a Budget Approval Management Committee to improve budget management, control expenses of project companies and project construction costs. This endeavor will help to assure the Group's long-term, stable and sustainable development. With its two major strategic markets Jiangsu and Shandong taking shape, the Group will push on at full steam with promoting interaction and connection among the different projects developing in the regions. Its aim is to realize overall operational integration, which will give it maximum regional competitive advantage and allow it to maximize returns from human and material resources application.

CORPORATE GOVERNANCE

The Code on Corporate Governance set out in Appendix 14 of the Listing Rules ("the Code") was duly adopted by the Board as the code on corporate governance practices of the Company.

建環保項目及用作一般營運資金，餘額之港幣121,723,000元則計劃用於投資新環保項目。截至二零零六年十二月三十一日，所得款項淨額其中之港幣214,864,000元已用於拓展環保業務，而餘額之約港幣106,859,000元則存入銀行作為銀行結餘。

內部管理

本集團一直奉行「以人為本、求真務實、開拓創新、規範管理」的管理理念，並致力建立健全的風險管理文化。於回顧年度內，本集團採取一系列措施強化風險應對策略，提高風險意識，建立風險防護牆。本集團相應調整了風險管理評審委員會和工程技術管理委員會的成員，進一步強化該兩委員會的工作職責，樹立各職能委員會的權威。本集團並增設預算審核管理委員會，以加強工程預算管理，控制項目公司費用和項目工程造價，保證公司長期、穩定、可持續發展。隨著江蘇、山東兩大戰略區域的建立，本集團全力推動區域內各項目間的互動與聯繫，目標是能夠形成整體合力，發揮區域性優勢，將人力、物力資源使用率最大化。

企業管治

本公司董事會已採納上市規則附錄十四所載的《企業管治常規守則》（「該守則」）作為本公司的企業管治常規守則。



Chief Executive Officer's Report 行政總裁報告

For the year ended 31 December 2006, the Company had complied with the code provisions and some of the recommended best practices as set out in the Code except that Mr. Wang Mingquan, the Chairman of the Company, was unable to attend the 2006 Annual General Meeting of the Company. However, appropriate arrangements have been made accordingly before the holding of the Annual General Meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the model code ("the Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of the directors, all directors have complied with the required standard of dealings as set out in the Model Code during the twelve months ended 31 December 2006.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Mr. Wang Mingquan (Chairman), the Chairman of the Board, Mr. Zang Qiutao, the Vice-chairman of the Board, and three independent non-executive directors of the Company, namely Sir David Akers-Jones, Mr. Aubrey Li Kwok Sing and Mr. Selwyn Mar. Its main duties include offering advice to the Board on the matters pertaining the remuneration policy and remuneration structure of the directors and senior management of the Company. The terms of reference of the Remuneration Committee are disclosed on the website of the Company.

AUDIT COMMITTEE

The Audit Committee, comprising all three independent non-executive directors of the Company, namely Sir David Akers-Jones (Chairman), Mr. Aubrey Li Kwok Sing and Mr. Selwyn Mar, is primarily responsible for reviewing the accounting

截至二零零六年十二月三十一日止年度內，本公司均遵守該守則的守則條文及部份建議的最佳常規，惟本公司主席王明權先生未克出席本公司於二零零六年年度股東週年大會。但已於會前對股東週年大會做了具體的部署。

董事進行證券交易之標準守則

本集團採納上市規則附錄十所載的《標準守則》（「標準守則」）作為董事進行本公司證券交易事宜的指引。經向所有董事作出特定查詢後，截至二零零六年十二月三十一日止十二個月，本公司所有董事一直遵守標準守則所載之規定。

薪酬委員會

薪酬委員會由董事會主席王明權先生（擔任主席）、董事會副主席臧秋濤先生及三位獨立非執行董事包括鍾逸傑爵士、李國星先生及馬紹援先生組成，其主要職責包括就本公司董事及高級管理人員的全體薪酬政策及架構向董事會提出建議等，有關薪酬委員會的職權範圍書已載列於本公司的網站內。

審核委員會

審核委員會由全數三位獨立非執行董事包括鍾逸傑爵士（擔任主席）、李國星先生及馬紹援先生組成，其主要職責包括審閱本集團所採納之會計原



Chief Executive Officer's Report 行政總裁報告

principles and practices adopted by the Group, as well as discussing and reviewing the internal control and financial reporting matters of the Group. The terms of reference of the Audit Committee are disclosed on the website of the Company. The Audit Committee has reviewed with the management and KPMG, the Company's auditors, the accounting principles and practice adopted by the Group and discussed internal controls and financial reporting matters, including a review of the annual results for the year ended 31 December 2006.

HUMAN RESOURCES

The Group devotes much attention to human resources management and developing the potential of each employee to make sure it has a high quality team that can support its business development in the long run. To strengthen the Group's financial management capabilities and the standard of staff with financial responsibilities, the Group organized a comprehensive training programme for finance staff during the year under review. The programme covered topics such as the new business accounting standards in the PRC, internal auditing, budgeting and budget management, tax planning, the differences between accounting standards in Hong Kong and the PRC, etc. and the lectures were given by accounting and tax specialists from Hong Kong and Shenzhen. In early 2007, the Group also organized training for its management staff with the Guanghua School of Management of the Peking University. The training course has helped managers of the Group to familiarize with modern management concepts and in turn enhanced the Group's management standard.

As at 31 December 2006, the Group had approximately 840 employees in Hong Kong and the PRC. The employees including directors are remunerated according to their qualifications, experience, job nature, performance, and with reference to market conditions. Apart from discretionary performance bonus, the Group also provides other benefits

則及慣例、討論及檢討內部監控及財務申報等事宜，有關審核委員會的職權範圍書已載列於本公司的網站內。審核委員會已與管理層及本公司核數師畢馬威會計師事務所審閱本集團所採納之會計政策及慣例，並就審核內部監控及財務報告事宜（包括審閱本公司截至二零零六年十二月三十一日止年度業績）進行磋商。

人力資源

本集團高度重視人力資源管理，注重發揮每個僱員的潛力，致力建設高素質的團隊，以配合集團業務的長遠發展。為加強本集團財務管理工作及提高財務人員業務水平，於回顧年度內，本集團舉辦了全系統財務人員培訓課程，培訓內容主要包括中國新企業會計準則、內部審計、財務預算編制與管理、稅務籌劃、香港會計準則與中國企業會計準則差異等專題，分別邀請香港及深圳等地的會計及稅務專家講授。二零零七年初，本集團更邀請了北京大學光華管理學院提供管理人員培訓課程，以培養管理人員現代企業管理理念，提昇管理水平。

於二零零六年十二月三十一日，本集團在香港及中國合共僱用約840名員工。僱員（包括董事）之薪酬乃根據資歷、經驗、工作性質、表現以及市場情況計算厘定。除了酌情花紅外，本集團亦提供其他福利予香港僱員，包括醫療保險及強積金計劃。從二零零七年度起向香港僱員增加工資平均幅度



Chief Executive Officer's Report 行政總裁報告

such as medical insurance and provident fund scheme to employees in Hong Kong. Since 2007, the average pay rise of the employees in Hong Kong will be 5%. According to the share option scheme approved at the Company's extraordinary general meeting on 26 May 2003, the Board has the authority to grant share options as performance incentives to any employees, including directors. On 3 August 2006, options for 66,000,000 shares at HK\$0.85 per share were granted to executive directors of the Company, key management and technical personnel and staff of the Group to reward and encourage their dedication in helping the Group achieve stable and sustainable development.

5%。此外，根據本公司於二零零三年五月二十六日舉行的股東特別大會上批准的購股權計劃，本公司董事會獲授權可授出購股權予任何僱員（包括董事）作為獎勵。於二零零六年八月三日，本公司向執行董事及主要工程技術和管理骨幹及員工授予購股權認購本公司66,000,000股，每股港幣0.85元。這次授出購股權目的是激勵高級管理人員和主要工程技術骨幹長期效力於本集團，並共謀本集團的持續穩健發展。

By Order of the Board
Chen Xiaoping
Chief Executive Officer

Hong Kong, 22 March 2007

承董事會命
陳小平
行政總裁

香港，二零零七年三月二十二日



Project Highlights

項目摘要

ENVIRONMENTAL PROTECTION BUSINESS

環保業務

Suzhou Waste-to-energy Project Phase I

“Constructing high quality projects and creating outstanding works”

The Suzhou Waste-to-energy Project Phase I is the first wholly-owned environmental protection project constructed and operated by the Group. The total investment cost of the project is approximately RMB500,000,000. The term of exclusive right of operation is 25 years and the power plant has been constructed on BOT basis. The power plant is equipped with three waste incinerators with a respective processing capacity of 350-tonnes per day and two 9,000 kilo-watt generators. Construction work of the project duly commenced in October 2004 and commercial operation commenced on 18 July 2006. With its designed waste processing capacity of 1,000 tonnes per day, the power plant is designed to supply approximately 100,000,000 kilowatt-hour of electricity to the power grid per year. The power plant has been operating smoothly and its operating performance reached the designed level. Besides, the boiler exhaust gas of the power plant has passed the emission test carried out by the SGS Group, an independent inspection company in Switzerland. The result of which showed that the emission level of the boiler met the Euro I

蘇州垃圾焚燒發電項目一期

「建設一流項目、創精品示範工程」

蘇州垃圾焚燒發電項目一期是本集團首個獨資建設與經營的環保項目。項目總投資額約人民幣500,000,000元，特許經營期限二十五年，按「BOT」模式建造。該項目配置三台日處理350噸的焚燒爐和兩台9,000千瓦的發電機。項目於二零零四年十月正式開工，並於二零零六年七月十八日正式運營。按照該項目設計規模日平均處理垃圾量1,000噸，預計年上網電量約100,000,000千瓦時。目前項目運作良好，經營規模已達到設計水準，並通過獨立檢驗公司—瑞士SGS集團的檢測，



Suzhou Waste-to-energy Plant
蘇州垃圾焚燒發電廠



Suzhou Waste-to-energy Plant
(Dormitory building)
蘇州垃圾焚燒發電廠（生活樓）



Project Highlights

項目摘要

emission standard, and particularly the emission level of dioxin met the Euro II emission standard and is better than the PRC regulatory requirement.

Suzhou Methane-to-energy Project

The Suzhou Methane-to-energy Project is a wholly-owned environmental protection project constructed and operated by the Group. The total investment cost of the project is approximately RMB27,940,000. The term of exclusive right of operation is 25 years and the power plant has been constructed on BOO (build-operate-own) basis. Its main equipment is advanced equipment imported from abroad. The Suzhou Methane-to-energy Project and the Suzhou Waste-to-energy Project are on the same power grid. Commenced operation on 31 August 2006, the Suzhou Methane-to-energy Project is expected to supply no less than 12,480,000 kilowatt-hour of electricity to the power grid per year during the term of exclusive right of operation.

證明煙氣排放標準完全符合「歐盟 I 號標準」，其中二噁英排放達到「歐盟 II 號標準」，優於中國控制排放標準。

蘇州沼氣發電項目

蘇州沼氣發電項目是由本集團獨資建設與經營的環保項目，項目總投資約人民幣27,940,000元，特許經營期限二十五年，按「BOO」（建造－經營－擁有）模式建造。該項目主要設備採用成熟進口設備，並與蘇州垃圾焚燒發電項目共用同一電網。該項目已於二零零六年八月三十一日正式投運，預計在特許經營期內年上網電量平均不低於12,480,000千瓦時。



Methane-to-energy Plant
沼氣發電廠



Project Highlights 項目摘要

Suzhou Waste-to-energy Project Phase II

In December 2006, the Group entered into a supplementary agreement to the “Concession Right Agreement for Providing Waste Treatment Service in Suzhou” with Suzhou Municipal Public Utilities Authority in relation to the construction work of Suzhou Waste-to-energy Project Phase II. Lying to the south of the existing power plant, the Suzhou Waste-to-energy Project Phase II will comprise a main plant with processing capacity of 500 tonnes of waste daily. The total investment cost of Suzhou Waste-to-energy Project Phase II is approximately RMB220,000,000. Its term of exclusive right of operation is the same as Suzhou Waste-to-energy Project Phase I. Construction work of the project is expected to commence in the second half of 2007 and commercial operation is expected to commence by the end of 2008. By then, the total processing capacity of Phase I and Phase II will reach 1,500 tonnes of waste daily and Suzhou Waste-to-energy Project will become one of the biggest waste-to-energy power plants in the PRC.

Suzhou Solid Waste Disposal Project

The Group entered into the “Concession Right Agreement for Operating a Solid Waste Disposal Centre in Suzhou” with Suzhou Environmental Protection Bureau. The Disposal Centre is a wholly-owned project to be constructed and operated by the Group. The total investment cost of the project

蘇州垃圾焚燒發電項目二期

本集團於二零零六年十二月與蘇州市市政公用局就垃圾焚燒發電項目二期工程簽署《蘇州市垃圾處理服務特許權協定》補充協議。蘇州垃圾焚燒發電項目二期將位於現有垃圾焚燒發電廠的南側，需新建日處理500噸生活垃圾的綜合主廠房。二期項目總投資約人民幣220,000,000元，特許經營期限與蘇州垃圾焚燒項目一期相同，預計二零零七年下半年開工建設，二零零八年年底投入商業運行，屆時一期與二期項目將達到日處理垃圾量1,500噸規模，並將會是國內最大垃圾焚燒發電廠之一。

蘇州固體廢棄物安全處理項目

本集團與蘇州市環保局簽署了《蘇州市固體廢物填埋場特許經營協議》，該項目是本集團獨資建設與運營，總投資約人民幣377,484,000元，特許經營期限三十年，項目總規模60萬立方米，第一期10萬立方米，投資約人民幣78,260,000萬元。該項目



Disposal centre for industrial solid waste
工業固體廢物安全填埋項目



Project Highlights

項目摘要

is approximately RMB377,484,000. The term of exclusive right of operation is 30 years. The total storage capacity of the Project is 600,000 cubic metre. As to phase I of the Disposal Centre, the storage capacity will be 100,000 cubic metre and the investment cost is approximately RMB78,260,000. Commenced on 31 August 2006, the construction of the project is expected to complete in mid 2007.

Suzhou Everbright Environmental Protection Industrial Zone Project

“Making the area a base for environmental education and promotion in Suzhou, establishing it as a beautiful industrial zone”

In July 2005, the Group entered into a framework letter of intent in respect of the construction of Suzhou Everbright Environmental Protection Industrial Zone with the Municipal Government of Mudu Town, Wuzhong district, Suzhou city, Jiangsu province. The Zone will be the first integrated zone for environmental protection to showcase centralised disposal of industrial and household solid waste in the PRC. The whole project will be implemented in phases over 3 to 5 years at an estimated investment of HK\$1,500,000,000. With an area of 2.5 square kilometres, the Zone comprises a number of completed or uncompleted environmental protection projects, including, inter alia, waste to-energy plants, a methane-to-energy plant, a disposal centre for industrial solid waste, a

於二零零六年八月三十一日正式開工，預計於二零零七年中完工投運。

蘇州市光大環保靜脈產業園項目

「建成蘇州市的環保宣傳教育基地及環境優美的工業景觀園區」

本集團於二零零五年七月與江蘇省蘇州市吳中區木瀆鎮人民政府簽署建設蘇州市光大環保靜脈產業園合作框架協議。該項目為全國第一個、示範性的集中處置工業、生活固體廢物的綜合環保產業園。整個項目將分三至五年實施，項目佔地約2.5平方公里。預計總投資約港幣1,500,000,000元。項目除包括已完成或在建的垃圾焚燒發電、沼氣發電、工業固體廢物安全處理項目外，還將包括污泥



Suzhou Everbright Environmental Protection Industrial Zone
蘇州市光大環保靜脈產業園



Project Highlights

項目摘要

sludge treatment centre and a leachate treatment plant etc. The Group has made thoroughgoing preparation for the construction of the Zone.

Yixing Waste-to-energy Project

“Establishing it as a waste-to-energy pioneer project by domestic techniques developed from imported technology”

In April 2005, the Group entered into an undertaking in respect of exclusive right of operation with the Construction Bureau of Yixing city. Pursuant to which a waste-to-energy plant will be constructed in Yixing city. The total investment cost of the project is approximately RMB238,300,000. The term of exclusive right of operation is 25 years and the power plant will be constructed on BOT basis. The power plant will be equipped with two waste incinerators with a respective processing capacity of 250 tonnes per day and a 9,000 kilowatt generator. The Group has made thoroughgoing preparation for the construction of the Yixing Waste-to-energy Project. Commenced in September 2005, the construction of the Yixing Waste-to-energy Project is expected to complete by the second quarter of 2007. With its designed waste processing capacity of 500 tonnes per day, the plant is expected to supply no less than 44,500,000 kilowatt-hour of electricity to the power grid per year during the term of exclusive right of operation.

處理、垃圾滲濾液處理等多個項目。現正全面組織推動項目建設的各項籌備工作。

宜興垃圾焚燒發電項目

「建成引進技術國產化的示範工程」

本集團於二零零五年四月與江蘇省宜興市建設局簽署特許權承諾書，於宜興市建設垃圾焚燒發電廠。項目總投資人民幣238,300,000元，特許經營期限為二十五年，按「BOT」模式建造。該項目配置兩台日處理250噸的焚燒爐和一台9,000千瓦的發電機。現正全面組織推動宜興垃圾焚燒發電項目建設的各項籌備工作，並於二零零五年九月正式開工，預計於二零零七年第二季度完工。按照項目設計規模日處理垃圾量500噸，預計在特許經營期內年上網電量平均不低於44,500,000千瓦時。



Yixing Waste-to-energy Plant
宜興垃圾焚燒發電廠



Full view of Yixing Waste-to-energy Plant
宜興垃圾焚燒發電廠全貌



Project Highlights

項目摘要

Jiangyin Waste-to-energy Project

“Constructing high quality projects, enhancing techniques and technologies and creating new focus”

In January 2006, the Group secured a waste-to-energy project in Jiangyin city of Jiangsu province, which is a key project in Jiangsu Province for the years 2006 and 2007. The total investment cost of the project is approximately RMB388,740,000. The term of exclusive right of operation is 30 years. The power plant is expected to handle 800 tonnes of waste daily. The construction of the power plant will be conducted in two phases on BOT basis. Its ultimate processing capacity is expected to be no less than 1,200 tonnes of waste per day. Phase I of the power plant will be equipped with two waste incinerators with a respective processing capacity of 400 tonnes per day and a 12,000 kilo-watt generator. Construction work of the project duly commenced on 28 June 2006 and commercial operation is expected to commence in the second half of 2008. With its designed waste processing capacity of 800 tonnes per day, Phase I of the power plant is expected to supply no less than 77,000,000 kilowatt-hour of electricity to the power grid per year during the term of exclusive right of operation.

江陰垃圾焚燒發電項目

「建成全優工程，提升技術工藝，打造新的『亮點』」

本集團於二零零六年一月取得江蘇省江陰垃圾焚燒發電項目。該項目為江蘇省二零零六年至二零零七年重點項目。項目總投資人民幣388,740,000元，特許經營期限三十年，設計規模日處理垃圾800噸，按「BOT」模式建造。該項目分兩期建設，最終規模日處理垃圾量不低於1,200噸。項目第一期配置兩台日處理量400噸的焚燒爐和一台12,000千瓦的發電機。工程建設於二零零六年六月二十八日正式開工，預計於二零零八年第二季度正式運行。按照第一期項目設計規模日處理垃圾量800噸，預計在特許經營期內年上網電量平均不低於77,000,000千瓦時。



Jiangyin Waste-to-energy Plant
江陰垃圾焚燒發電廠



Project Highlights

項目摘要

Changzhou Waste-to-energy Project

“Creating outstanding works by assimilating new ideas and enhancing techniques and technologies”

In June 2006, the Group entered into a framework agreement in respect of the exclusive right to operate a waste-to-energy plant in Changzhou with Changzhou Municipal Administration Bureau. The project is the fourth waste-to-energy project of the Group in Jiangsu province. The total investment cost of the project is approximately RMB412,560,000. The term of exclusive right of operation is 25.5 years. The power plant is expected to handle 800 tonnes of waste daily. It will be constructed on BOT basis. The power plant will be equipped with two waste incinerators with a respective processing capacity of 400 tonnes per day and a 12,000 kilo-watt generator. Foundation stone of the Project was laid on 15 December 2006. Commercial operation is expected to commence in 2008. With its designed waste processing capacity of 800 tonnes per day, the power plant is expected to supply no less than 77,000,000 kilowatt-hour of electricity to the power grid per year during the term of exclusive right of operation.

常州垃圾焚燒發電項目

「吸收創新、優化提高、打造行業精品示範工程」

本集團於二零零六年六月與常州市城市管理局簽署常州生活垃圾焚燒發電項目特許經營權框架協議，該項目是本集團在江蘇片區的第四個垃圾焚燒發電項目，項目總投資約人民幣412,560,000元，特許經營期限25.5年，設計規模日處理垃圾800噸，按「BOT」模式建造。該項目配置兩台日處理400噸的焚燒爐和一台12,000千瓦發電機。該項目於二零零六年十二月十五日正式奠基。預計於二零零八年交付運行。按照項目設計規模日處理垃圾量800噸，預計在特許經營期內年上網電量平均不低於77,000,000千瓦時。



Changzhou Waste-to-energy Plant
常州垃圾焚燒發電廠



Project Highlights

項目摘要

Qingdao Waste Water Treatment Project

“Producing quality projects and creating an attractive environment”

In November 2003, the Group entered into an agreement in respect of a waste water treatment project in Qingdao (including Qingdao Haibohe Waste Water Treatment Plant and Qingdao Maidao Waste Water Treatment Plant) with Veolia Water and Qingdao Municipal Government. The total investment cost of the project is approximately US\$42,808,150 and the Group indirectly owns 60% interests in the project. Upon execution of the supplementary agreements dated 1 June 2004 by the Group, Veolia Water and Qingdao Municipal Drainage Company, the project duly commenced. Commercial operation of the plants duly commenced on 1 January 2005. Waste water treatment service charges were charged based on the daily treatment capacity of 150,000 tonnes (of which 75,000 tonnes received the first grade treatment by Qingdao Maidao Waste Water Treatment Plant and 75,000 tonnes received the second grade treatment by Qingdao Haibohe Waste Water Treatment Plant). In March 2005, Qingdao EB-VW Waste Water Treatment Co. Ltd. entered into the “Engineering, Procurement and Construction Contract” with a consortium led by Veolia Water Systems, under which the consortium led by Veolia Water Systems was appointed to be in charge of the construction for the Extension Facilities of Qingdao Maidao Waste Water

青島污水處理項目

「創優質工程·建精品項目·打造優美環境」

本集團於二零零三年十一月與法國威立雅水務及青島市政府達成協議，進入青島污水處理項目（包括海泊河污水處理廠及麥島污水處理廠）。項目總投資額約42,808,150美元。本集團間接持有該項目60%權益。二零零四年六月一日本集團、威立雅水務及青島市排水公司簽署補充協議，該項目全面啟動。項目自二零零五年一月一日起正式開始商業運營，即按照日處理150,000噸（其中麥島污水處理廠一級處理75,000噸，海泊河污水處理廠二級處理75,000噸）收取污水處理費。二零零五年三月，青島光威污水處理有限公司以交鑰匙工程方式與威立雅水務系統牽頭的聯合體簽署工程、採購及建築合同建設麥島污水處理廠擴建工程。



Qingdao Haibohe Waste Water Treatment Plant
青島海泊河污水處理廠



Qingdao Maidao Waste Water Treatment Plant
青島麥島污水處理廠



Project Highlights

項目摘要

Treatment Plant under a turnkey contract. Construction of the Extension Facilities duly commenced at the end of June 2005 and the Facilities started to receive waste water in June 2006. It is expected that the Extension Facilities of Qingdao Maidao Waste Water Treatment Plant will commence operation by the second half of 2007. Its daily treatment capacity will then increase from 150,000 tonnes to 220,000 tonnes.

Zibo Waste Water Treatment Project

“Establishing the project company as a renowned corporation in the industry and making the same a base for environmental education on waste water treatment in Zibo”

In September 2005, the Group entered into the “Zibo Waste Water Treatment Project Agreement”, the “Concession Right Agreement”, the “Asset Transfer Agreement” and the “Waste Water Treatment Service Agreement” in respect of the Zibo Waste Water Treatment Project with Zibo Municipal Government, Zibo Finance Bureau and Zibo City Environmental Protection Bureau and Zibo City Fisheries Bureau. Under which, the Southern Plant and the Northern Plant held by the Zibo Environmental Waste Water Treatment Company was acquired by the Group. The term of exclusive right of operation is 25 years. The daily treatment capacity of the plants is expected to be 250,000 tonnes. The project is operated on TOT basis and the total investment cost is

擴建工程於二零零五年六月底開工，二零零六年六月實現通水。預計麥島污水處理廠擴建工程於二零零七年下半年投運後，項目每日污水處理量可由150,000噸逐漸增加至220,000噸。

淄博污水處理項目

「爭創行業標誌企業，建成淄博環保教育示範基地」

本集團於二零零五年九月與淄博市政府、淄博市財政局及淄博環保局和淄博市水利局就淄博污水處理項目簽訂「淄博污水處理項目協議書」、「特許經營協議」、「資產轉讓協議」及「污水處理服務協議」。該項目收購原淄博環保污水處理公司持有的南郊廠和北廠，項目特許經營期限二十五年，設計規模日處理污水250,000噸。按「TOT」模式運作，總投資約人民幣224,055,000元。自二零零五年十二月接收以來，項目運作正常，為本集團帶來穩定收入。在工程方面，二零零六年四月完成設備改造工程，目前每日污水處理量達到220,000噸以上。



Zibo Waste Water Treatment Plant
淄博污水處理廠



Zibo Waste Water Treatment Plant (Office building)
淄博污水處理廠（辦公樓）



Project Highlights

項目摘要

approximately RMB224,055,000. Since the Group formally took charge of the plants in December 2005, the plants have been operating smoothly and have been making steady contribution to the Group. As regards the machinery upgrade for the plants, it was completed in April 2006. At present, the daily treatment capacity of the plants is more than 220,000 tonnes. On 28 August 2006, the Group signed a supplementary agreement in respect of the overall upgrade of the Southern plant and the Northern plant with Zibo Municipal Government. The cost for the overall upgrade is approximately RMB130,221,000. It is expected that upon completion of the said upgrading work in the second half of 2007, water quality will improve to Grade 1A of the national waste water discharge standard. The upgraded Southern and Northern plants will increase waste water treatment fee from RMB0.75 per tonne to RMB0.98 per tonne.

二零零六年八月二十八日，淄博公司再與政府就現有南郊廠和北廠的全面升級改造工程項目簽署補充協議。全面升級改造工程總投資約人民幣130,221,000元，預計工程於二零零七年下半年完成後，出水水質將達到目前國家污水處理排放的最高標準——一級A標準。全面改造工程完成後，每噸污水處理費將由人民幣0.75元增加至人民幣0.98元。

Hanmiao Waste Water Treatment Plant at Zibo High-tech Industrial Development Zone

“Producing excellent projects and setting example of splendid works”

淄博高新區韓廟污水處理廠項目

「建全優項目，創行業標竿」

In July 2006, the Group entered into the “Waste Water Treatment Service Agreement” and the “Concession Right Agreement” in respect of the waste water treatment plant at Zibo High-tech Industrial Development Zone with Zibo

本集團於二零零六年七月再與淄博市政府簽訂淄博高新區污水處理廠項目《污水處理服務協議》和《特許經營協議》。淄博高新區韓廟污水項目是本集團第一個按「BOT」模式建設的污水處理項目。



Hanmiao Waste Water Treatment Plant
韓廟污水處理廠



Project Highlights

項目摘要

Municipal Government. The Hanmiao Waste Water Treatment Plant at Zibo High-tech Industrial Development Zone is the Group's first waste water treatment project on BOT basis. The total investment cost of the project is approximately RMB150,000,000. The term of exclusive right of operation is 25 years. The daily treatment capacity of the plant is expected to be 100,000 tonnes. Water quality of the plant will reach Grade 1A of the national waste water discharge standard. The plant is still under construction. Commercial operation is expected to commence in the second half of 2007 upon completion of construction.

Jinan Waste Water Treatment Project

"Creating outstanding environmental protection works under excellent management"

In June 2006, the Group entered into a "Cooperative Agreement" with the relevant department of Jinan Municipal Government to acquire Jinan No. 1 and No. 2 Waste Water Treatment Plants. On 31 October 2006, Everbright Water (Ji'nan) Limited duly executed the "Concession Right Agreement" and the "Waste Water Treatment Service Agreement" with the relevant departments of Jinan Municipal Government. Jinan No. 1 and No. 2 Waste Water Treatment Plants were formally handed over to the Group on 18 November 2006 and commercial operation of the same has

項目總投資約人民幣150,000,000元，特許經營期限二十五年，設計規模日處理污水100,000噸，出水標準將達到目前國家污水處理排放的最高標準——一級A標準。目前建設工程正全面施工，預計二零零七年下半年建成並通水運行。

濟南污水處理項目

「以一流管理、一流文化，創環保行業綜合示範企業」

本集團於二零零六年六月份與濟南市政府有關部門簽訂了收購濟南市水質淨化一廠、二廠項目之《合作協議》。光大水務（濟南）有限公司於二零零六年十月三十一日正式與濟南市政府有關部門簽訂《特許經營協議》、《污水處理協議》等一系列協議。二零零六年十一月十八日舉行濟南市水質淨化一廠、二廠項目交接儀式並開始正式商業運營。濟南市水質淨化一廠、二廠是本集團第二個全資收購的污水處理項目，項目總投資約人民幣400,000,000元，特許經營期限三十年，兩廠設計



Jinan Waste Water Treatment Plant
濟南污水處理廠



Project Highlights

項目摘要

commenced. It is the second wholly-owned waste water treatment project acquired by the Group. The total investment cost of the project is approximately RMB400,000,000. The term of exclusive right of operation is 30 years. The daily treatment capacity of the plants is expected to be 420,000 tonnes. Upgrade work on the machinery has already commenced. It is expected that the daily treatment capacity of the plants will gradually increase to its designed level.

INFRASTRUCTURE BUSINESS

Fuzhou Qingzhou Bridge Project

The Group has 80% interest in Fuzhou Qingzhou Bridge (“Qingzhou Bridge”). Located in the strategic traffic intersection of the city, Qingzhou Bridge is not only the major bridge over Minjiang that connects to the “Shenhai Expressway” (a coastal expressway in eastern China that runs from Shenyang City of Liaoning Province in the north to Haikou City of Hainan Province in the south), but also provides a short cut for Fuzhou City to Changle International Airport. The 1,196m-long Qingzhou Bridge has been designed to carry dual six lane carriageways. With a main span of 605m, the Qingzhou Bridge is one of the longest span cable-stayed bridges in the world. It was opened to traffic on 29 December 2002. Given its geographical advantages as well as the rising need for inbound traffic, the traffic flows of Qingzhou Bridge will continue to grow.

規模日處理污水420,000噸。目前項目設備改造工程已展開，預計工程完成後污水處理規模可逐漸增加至設計水平。

基建業務

福州青洲大橋項目

本集團擁有福州青洲大橋（「青洲大橋」）80%權益。青洲大橋位於福州市的交通樞紐地位，是高速路「沈海線」（北起遼寧省瀋陽市，南至海南省海口市）的中國東部沿海高速大通道）跨越閩江的唯一通道；亦是福州市區通往福州長樂國際機場之最便捷通道。青洲大橋全長1,196米，雙向六車道行車，大橋主跨605米，是目前世界上最大跨徑之疊合樑斜拉橋之一。青洲大橋自二零零二年十二月二十九日正式通車以來，憑藉其優越之地理位置及區內不斷上升之交通需求，車流量正持續增長。



Fuzhou Qingzhou Bridge
福州青洲大橋



Directors and Senior Management 董事及高層管理人員

Directors

WANG MINGQUAN – CHAIRMAN

aged 60, is the Chairman of the Company. He is also the Chairman of China Everbright Group Limited, China Everbright Holdings Company Limited, and China Everbright Bank Company Limited. He is the Chairman of Everbright Securities Company Limited and China Everbright Limited. Prior to joining the China Everbright Group, Mr. Wang was the Vice-chairman and Governor of Bank of Communications in China and the Chairman of China Pacific Insurance Company Limited. He had also been appointed as the Deputy Mayor of Wuhan City. Mr. Wang holds a Master's Degree in Economics from Zhongnan University of Finance and Economics. He is also an instructor of the Graduate Department of the People's Bank of China and a part-time Professor of Shanghai University of Finance and Economics. Mr. Wang has extensive knowledge and experience in banking, securities, insurance and business administration. He joined the Board in June 2000.

ZANG QIUTAO – VICE-CHAIRMAN

aged 55, is the Vice-chairman of the Company. He is also the Vice-chairman and General Manager of China Everbright Group Limited and China Everbright Holdings Company Limited. He is the Chairman of China Everbright Investment Management Corporation. Mr. Zang graduated from the Graduate School of the Chinese Academy of Social Sciences. He was formerly the Division Chief of the State Economic Commission and Deputy Division Director of the State Planning Commission. He joined the Board in September 2004.

董事

王明權 (主席)

現年60歲，本公司主席，亦為中國光大（集團）總公司、中國光大集團有限公司及中國光大銀行股份有限公司董事長。此外，彼為光大證券股份有限公司及中國光大控股有限公司主席。王先生加入中國光大集團前，曾任中國交通銀行副董事長兼行長及中國太平洋保險有限公司董事長。彼亦曾任武漢市副市長。王先生持有中南財經大學經濟學碩士學位。彼亦為中國人民銀行研究生部導師及上海財經大學兼職教授。王先生於銀行、證券、保險及工商管理等方面擁有非常廣泛知識及豐富經驗。彼於二零零零年六月加入董事會。

臧秋濤 (副主席)

現年55歲，本公司副主席，亦為中國光大（集團）總公司及中國光大集團有限公司副董事長兼總經理。彼為中國光大投資管理公司董事長。臧先生於中國社會科學院研究生院畢業。彼曾任國家經濟委員會處長及國家計劃委員會副司長級職務。臧先生於二零零四年九月加入董事會。



Directors and Senior Management 董事及高層管理人員

Directors (continued)

LI XUEMING – VICE-CHAIRMAN

aged 59, is the Vice-chairman of the Company. He is also an Executive Director and Deputy General Manager of China Everbright Group Limited and China Everbright Holdings Company Limited. He is the Chairman of Shanghai Everbright Convention and Exhibition Center Co., Ltd. and Vice-chairman of China Everbright Investment Management Corporation. Mr. Li is also a Non-executive Director and Deputy Chairman of HKC (Holdings) Limited. Mr. Li holds a Bachelor's Degree in Industrial Automation from Tsinghua University. Prior to joining the China Everbright Group in 1998, he was the Vice-president of China Aerospace International Holdings Ltd. Mr. Li joined the Board in June 2003.

CHEN XIAOPING – CHIEF EXECUTIVE OFFICER

aged 53, is the Chief Executive Officer of the Company. He is also a director of China Everbright Holdings Company Limited, a Standing Director of China Environmental Culture Promotion Association, a Director of World Eminence Chinesebusiness Association and a Financial Expert of Shenzhen Expert Working Federation. Prior to joining the Group, Mr. Chen had been a department head in the Bureau of Investigation & Supervision of The People's Bank of China, the Assistant Governor of China Everbright Bank Company Limited and the President of the Bank's Guangzhou Branch. He graduated from the Department of Finance of the Southwest University in Finance and Economics, the PRC, finished the MBA class of the Research Institute of Business Management of Sichuan University, the PRC and holds a Master's Degree with a major in Money & Banking from the Department of Finance and Trade of the China Research Institute of Social Science. He holds the title of Senior Economist and Certified Public Accountant in the PRC. He has comprehensive experience and knowledge in banking, capital market and management. Mr. Chen joined the Board in August 2001.

董事 (續)

李學明 (副主席)

現年59歲，本公司副主席，亦為中國光大（集團）總公司及中國光大集團有限公司執行董事兼副總經理。此外，彼為上海光大會展中心有限公司董事長和中國光大投資管理公司副董事長。李先生亦為香港建設（控股）有限公司之非執行董事兼副主席。李先生持有清華大學工業自動化學士銜。彼於一九九八年加入中國光大集團前，曾任航天科技國際集團有限公司副總裁。李先生於二零零三年六月加入董事會。

陳小平 (行政總裁)

現年53歲，本公司行政總裁，亦為中國光大集團有限公司董事、中國環境文化促進會常務理事、世界傑出華商協會理事及深圳市專家工作聯合會金融專家。陳先生在加入本集團前，曾任職中國人民銀行稽核監督局處長及中國光大銀行行長助理兼廣州銀行分行行長。彼畢業於中國西南財經大學金融系、四川大學工商管理研究所MBA研究生班及持有中國社會科學研究院財貿所貨幣銀行專業碩士學位銜，具有高級經濟師職稱和註冊會計師資格。彼於銀行、資本市場及企業管理方面擁有廣泛經驗及知識。陳先生於二零零一年八月加入董事會。



Directors and Senior Management 董事及高層管理人員

Directors (continued)

FAN YAN HOK, PHILIP – GENERAL MANAGER

aged 57, is the General Manager of the Company and a director of HKC (Holdings) Limited. Mr. Fan holds a Bachelor's Degree in Industrial Engineering, a Master's degree in Operations Research from Stanford University and a Master's Degree in Management Science from Massachusetts Institute of Technology. Prior to joining the Group, Mr. Fan had been an Executive Director of CITIC Pacific Limited in charge of industrial projects in China. He joined the Board in November 1997.

HUANG CHAOHUA – DEPUTY GENERAL MANAGER

aged 37, is the Deputy General Manager of the Company and the General Manager of Everbright Environmental Protection Engineering (Shenzhen) Co., Ltd. He holds a Master's Degree in Law from School of Law, Renmin University of China. He is a qualified lawyer and legal consultant for business in the PRC. Prior to joining the Group in May 2002, he used to work for the headquarter of China Everbright Bank Company Limited and the Bureau of Justice of Beijing Municipal. Mr. Huang joined the Board in December 2002.

WONG KAM CHUNG, RAYMOND – CHIEF FINANCIAL OFFICER

aged 43, is the Chief Financial Officer of the Company. He holds a Master of Business Administration Degree, a Master of Management Degree in Information Technology Management from Macquarie University, Australia, and a Bachelor of Arts with Honours Degree in Accountancy from the City University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants of United Kingdom and a Certified General Accountant in Canada. He has extensive experience in accounting, finance and auditing areas. Mr. Wong joined the Board in December 2002.

董事 (續)

范仁鶴 (總經理)

現年57歲，本公司總經理及香港建設（控股）有限公司董事。范先生持有史丹福大學工程學士銜，史丹福大學統籌學碩士銜及麻省理工學院管理科學碩士銜。范先生在加入本集團前，曾任中信泰富有限公司執行董事，主管中國工業業務。范先生於一九九七年十一月加入董事會。

黃朝華 (副總經理)

現年37歲，本公司副總經理及光大環保工程技術（深圳）有限公司總經理。黃先生持有中國人民大學法學院法學碩士銜，並具中華人民共和國律師資格與企業法律顧問資格。彼於二零零二年五月加入本集團前，曾在中國光大銀行總行及北京市司法局工作。黃先生於二零零二年十二月加入董事會。

黃錦聰 (財務總監)

現年43歲，本公司財務總監。黃先生持有澳洲麥克里大學工商管理碩士銜，管理學碩士銜（主修資訊科技管理），以及香港城市大學會計學榮譽文學士銜，並為香港會計師公會會員、英國特許公認會計師公會資深會員及加拿大註冊會計師。彼具有豐富之會計、財務及核數經驗。黃先生於二零零二年十二月加入董事會。



Directors and Senior Management 董事及高層管理人員

Directors (continued)

CHEN SHUANG

aged 39, is a director of China Everbright Holdings Company Limited. He is also the Deputy General Manager of Legal Department of China Everbright Holdings Company Limited and China Everbright Group Limited. Mr. Chen is also an Executive Director and Deputy General Manager of China Everbright Limited. He holds a Master's Degree in Laws from East China Politic and Law University. He is a senior economist and a qualified lawyer in the PRC. Prior to joining the China Everbright Group, Mr. Chen was the Chief of Legal Department of Bank of Communications. He joined the Board in December 2002.

ZHANG WEIYUN

aged 50, is the Deputy General Manager of Finance Management Department of China Everbright Holdings Company Limited. Ms. Zhang holds a Bachelor's Degree in Economics from the Shanxi Financial University. Prior to joining the China Everbright Group in 1991, she was the Deputy Division Chief of Capital Division and Division Chief of the General Affairs Division of Finance Management Department of China Everbright Group Limited. Ms. Zhang joined the Board in December 2002.

THE HON SIR DAVID AKERS-JONES, GBM

– INDEPENDENT NON-EXECUTIVE DIRECTOR

aged 80, is the chairman and non-executive director of a number of Hong Kong companies and a member of many community organizations. He has been an Independent Non-executive Director of the Company since March 1995.

董事 (續)

陳爽

現年39歲，中國光大集團有限公司董事，亦為中國光大集團有限公司及中國光大（集團）總公司法律部副主任。陳先生亦為中國光大控股有限公司的執行董事及副總經理。彼持有華東政法學院法學碩士銜，陳先生為高級經濟師，並具中華人民共和國律師資格。陳先生在加入中國光大集團前，曾任交通銀行總行法律事務室處長。彼於二零零二年十二月加入董事會。

張衛云

現年50歲，中國光大集團有限公司財務管理部副總經理。張女士持有山西財經大學經濟學學士。彼於一九九一年加入中國光大集團，曾任中國光大（集團）總公司財務管理部資金處副處長及綜合處處長。張女士於二零零二年十二月加入董事會。

鍾逸傑爵士GBM (獨立非執行董事)

現年80歲，為多間香港公司之主席及非執行董事，亦為本港多間社團組織之成員。彼由一九九五年三月起出任本公司之獨立非執行董事。



Directors and Senior Management 董事及高層管理人員

Directors (continued)

LI KWOK SING, AUBREY

– INDEPENDENT NON-EXECUTIVE DIRECTOR

aged 57, is a director of Management Capital Limited, a Hong Kong based financial advisory and direct investment firm, and has over 30 years' experience in merchant banking and commercial banking. He is also a non-executive director of ABC Communications (Holdings) Limited, The Bank of East Asia, Limited, Café de Coral Holdings Limited, CNPC (Hong Kong) Limited, Kowloon Development Company Limited, Pokfulam Development Company Limited and Value Partners China Greenchip Fund Limited, and non-executive Chairman of Atlantis Asian Recovery Fund Plc. Mr. Li has a Master of Business Administration from Columbia University and a Bachelor of Science in Civil Engineering from Brown University. He joined the Board in November 1998.

MAR SELWYN

– INDEPENDENT NON-EXECUTIVE DIRECTOR

aged 71, graduated from the London School of Economics, University of London. He is a fellow member of the Institute of Chartered Accountants of United Kingdom and the Hong Kong Institute of Certified Public Accountants. He is a partner of Nexia Charles Mar Fan & Co. He is an independent non-executive director and chairman of the board audit committee of Standard Bank Asia Limited. He is also an independent non-executive director and chairman of the audit committee of Onfem Holdings Limited and Man Yue International Holdings Limited. He was the President of Hong Kong Society of Accountants (now known as Hong Kong Institute of Certified Public Accountants) in 1991. He was formerly an Independent Non-Executive Director of several listed companies in Hong Kong and in the United States. Mr. Mar is an Honorary Fellow of the Lingnan University. He joined the Board in September 2004.

董事 (續)

李國星 (獨立非執行董事)

現年57歲，為偉業融資有限公司（一家從事財務顧問及直接投資以香港為基地之公司）之董事，且在投資銀行及商業銀行界具有逾三十年經驗。彼亦為佳訊（控股）有限公司、東亞銀行有限公司、大家樂集團有限公司、中國（香港）石油有限公司、九龍建業有限公司、博富臨置業有限公司及Value Partners China Greenchip Fund Limited之非執行董事，並為Atlantis Asian Recovery Fund Plc之董事會之非執行主席。李先生持有哥倫比亞大學工商管理碩士學位及布朗大學土木工程理學士學位。彼於一九九八年十一月加入董事會。

馬紹援 (獨立非執行董事)

現年71歲，畢業於倫敦大學倫敦經濟學院經濟系。彼為英國特許公認會計師公會及香港會計師公會資深會員。馬先生現為馬炎璋會計師行之合夥人及Standard Bank Asia Limited的非執行董事及審核委員會主席。彼亦為東方有色集團有限公司及萬裕國際集團有限公司的非執行董事及審核委員會主席。他曾於一九九一年出任香港會計師公會會長。彼曾任多間於美國及香港上市公司之獨立非執行董事。馬先生亦為嶺南大學榮譽院士。彼於二零零四年九月加入董事會。



Directors and Senior Management 董事及高層管理人員

Senior Management

POON YUEN LING

aged 39, is the Company Secretary of the Company. She is an associate member of The Hong Kong Institute of Company Secretaries and The Institute of Chartered Secretaries and Administrators. She joined the Group in April 1994, with over 10 years of experience in company secretarial and administration areas.

高層管理人員

潘婉玲

現年39歲，為本公司之公司秘書。彼為香港公司秘書公會及英國特許秘書及行政人員公會之會員。彼於一九九四年四月加入本集團，具逾十年公司秘書及行政事務經驗。



Corporate Governance Report 企業管治報告書

"People-oriented, honesty, pragmatism, creativity and standardized management" are the unchanged management principles of the Group. The Group strives to achieve high standards of corporate governance which it believes is crucial to the development of the Group and to safeguard the interests of the shareholders of the Company. To achieve this, the Board has established four committees namely the Executive Committee, the Audit Committee, the Remuneration Committee and the Management Committee. Besides, the Group has formed its risk management divisions responsible for regular risk control and inspection, and has enhanced its risk assessment and review for investments. In addition to the aforesaid, the Group has carried out regular internal audit on investment projects to enhance its management standard.

The Code on Corporate Governance ("the Code") set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") was duly adopted by the board of directors of the Company ("the Board") as the code on corporate governance practices of the Company.

For the year ended 31 December 2006, the Company has complied with the provisions of the Code and some of the recommended best practices as set out in the Code except that Mr. Wang Mingquan, the Chairman of the Company, was unable to attend the 2006 Annual General Meeting of the Company. However, appropriate arrangements have been made accordingly before the holding of the Annual General Meeting.

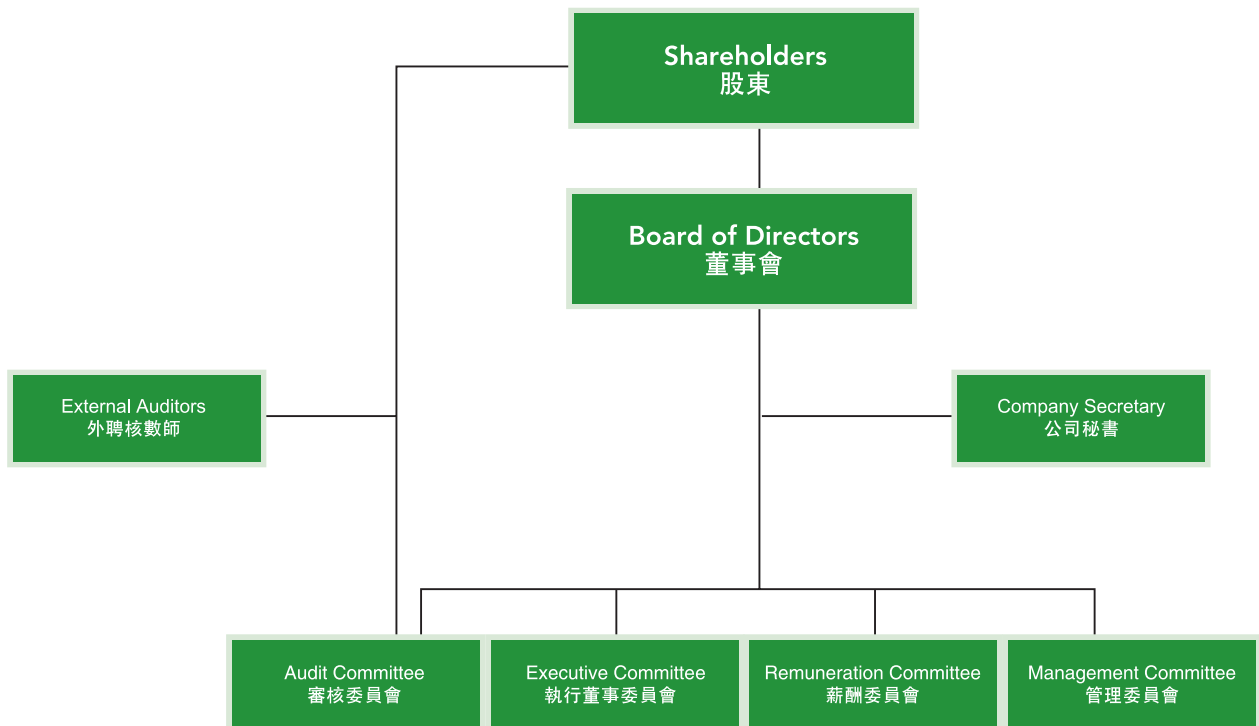
本集團一直奉行「以人為本、求真務實、開拓創新、規範管理」的管理理念。本集團致力推行高水平企業管治，並相信此乃為發展本集團業務及保障本公司股東利益之關鍵。為了達到此目的，本公司於董事會下設四個委員會包括執行董事委員會、審核委員會、薪酬委員會及管理委員會。此外，本集團亦設立風險管理部負責定期進行風險監督及檢查，以及提升風險評估及審核投資。除上述之外，本集團亦定期就項目投資進行內部審核以提升管理水平。

本公司董事會（「董事會」）已採納香港聯合交易所證券上市規則（「上市規則」）附錄十四所載的《企業管治常規守則》（「該守則」）作為本公司的企業管治常規守則。

截至二零零六年十二月三十一日止年度內，本公司均遵守該守則的守則條文及部份建議的最佳常規，惟本公司主席王明權先生未克出席本公司於二零零六年年度股東週年大會。但已於會前對股東週年大會做了具體的部署。



ORGANIZATIONAL STRUCTURE IN 有關企業管治的組織架構
RELATION TO CORPORATE GOVERNANCE





THE BOARD OF DIRECTORS

Composition and function

The Board comprises twelve directors, of which nine are executive directors and the remaining three are independent non-executive directors.

As at 31 December 2006, the directors were:

Name of Director	Title
<i>Executive Directors</i>	
Mr. Wang Mingquan	Chairman
Mr. Zang Qiutao	Vice-chairman
Mr. Li Xueming	Vice-chairman
Mr. Chen Xiaoping	Chief Executive Officer
Mr. Philip Fan Yan Hok	General Manager
Mr. Huang Chaohua	Deputy General Manager
Mr. Raymond Wong Kam Chung	Chief Financial Officer
Mr. Chen Shuang	Executive Director
Ms. Zhang Weiyun	Executive Director
<i>Non-executive Directors</i>	
Sir David Akers-Jones	Independent Non-executive Director
Mr. Aubrey Li Kwok Sing	Independent Non-executive Director
Mr. Selwyn Mar	Independent Non-executive Director

董事會

組成及職責

董事會由十二位董事組成，包括九位執行董事及三位獨立非執行董事組成。

於二零零六年十二月三十一日，董事會成員為：

董事姓名	職位
<i>執行董事</i>	
王明權先生	主席
臧秋濤先生	副主席
李學明先生	副主席
陳小平先生	行政總裁
范仁鶴先生	總經理
黃朝華先生	副總經理
黃錦聰先生	財務總監
陳 爽先生	執行董事
張衛云女士	執行董事
<i>非執行董事</i>	
鍾逸傑爵士	獨立非執行董事
李國星先生	獨立非執行董事
馬紹援先生	獨立非執行董事



THE BOARD OF DIRECTORS *(continued)*

Composition and function *(continued)*

In accordance with the Articles of Association of the Company, subject to the manner of retirement by rotation of directors as from time to time prescribed under the Listing Rules and notwithstanding any contractual or other terms on which any director may be appointed or engaged, at each annual general meeting, one-third of the directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

The position of the Chairman and the Chief Executive Officer are held by separate individuals, with a view to maintaining an effective segregation of duties respecting management of the Board and the day-to-day management of the Group's business.

The Board meets regularly throughout the year. Under the lead of the Chairman, the Board is responsible for approving and supervising the overall strategy and policies of the Group, approving annual budget and business plans, assessing the Group's performance and supervising the work of the management. All directors have access to board papers and related materials, and are provided with adequate information on a timely manner. The directors of the Company may, if necessary, seek legal or other independent professional advice at the expense of the Company.

In respect of regular board meetings and audit committee meetings, the agenda is sent out to the directors at least fourteen days before the meeting and the accompanying papers are sent at least three days before the meeting for information.

董事會 (續)

組成及職責 (續)

根據本公司的公司細則，遵照上市規則不時規定之董事輪值告退方式，以及儘管委任或聘任任何董事時訂立了任何合約性或其他性質之條款，於每次股東週年大會上，三分之一在任董事（或若其數目並非三之倍數，則為最接近之數目，惟不得少於三分之一）須輪值告退，惟每位董事（包括具有指定任期者）必須至少每年退任一次。

主席及行政總裁之職務由不同人士擔任，使董事會運作及集團日常業務管理得以有效區分。

董事會於年度內定期開會，在主席領導下，董事會負責批准及監察本集團的整體策略及政策，批准年度預算及業務計劃、評估集團表現，以及監督管理層的工作。全體董事均有權查閱董事會文件及有關資料，並會及時獲提供充份資料。在適當的情況下，本公司董事可向外諮詢法律或其他獨立的專業意見，有關費用由本公司支付。

定期的董事會會議及審核委員會會議議程會在召開會議前最少十四天前分發，而相關董事會或委員會會議文件會在召開會議前最少三天以書面方式分發予董事及委員會成員以供審閱。



THE BOARD OF DIRECTORS (*continued*)

Composition and function (*continued*)

As an integral part of good corporate governance, the Board has established the following committees with specific written terms of reference which deal clearly with the committee's authority and duties:-

1. EXECUTIVE COMMITTEE

The Executive Committee comprises Mr. Wang Mingquan (Chairman), the Chairman of the Board, and eight executive directors, namely Mr. Zang Qiutao, Mr. Li Xueming, Mr. Chen Xiaoping, Mr. Philip Fan Yan Hok, Mr. Huang Chaohua, Mr. Raymond Wong Kam Chung, Mr. Chen Shuang and Ms. Zhang Weiyun. Its main duties include performing the duties assigned by the Board as well as exercising the authority and rights authorized by the Board. There was no meeting held during the year. The general mandate in relation to the Executive Committee in written form has been established.

2. REMUNERATION COMMITTEE

The Remuneration Committee comprises Mr. Wang Mingquan (Chairman), the Chairman of the Board, Mr. Zang Qiutao, the Vice-chairman of the Board, and three independent non-executive directors of the Company, namely Sir David Akers-Jones, Mr. Aubrey Li Kwok Sing and Mr. Selwyn Mar. Its main duties include offering advice to the Board on the matters pertaining the remuneration policy and remuneration structure of the directors and senior management of the Company. The terms of reference of the Remuneration Committee are disclosed on the website of the Company.

董事會 (續)

組成及職責 (續)

為確保提供優良的企業管治，董事會成立了以下的委員會，並書面訂明各委員會之具體職權範圍，清楚說明各委員會之職權及職責：—

1. 執行董事委員會

執行董事委員會由董事會主席王明權先生（擔任主席）及八位執行董事包括臧秋濤先生、李學明先生、陳小平先生、范仁鶴先生、黃朝華先生、黃錦聰先生、陳爽先生及張衛云女士組成，其主要職責為負責履行董事會指定的職能及行使其所授予的權利及權力。本年度內，委員會並沒有召開會議。執行董事委員會已設有書面的一般性授權。

2. 薪酬委員會

薪酬委員會由董事會主席王明權先生（擔任主席）、董事會副主席臧秋濤先生及三位獨立非執行董事包括鍾逸傑爵士、李國星先生及馬紹援先生組成，其主要職責包括就本公司董事及高級管理人員的全體薪酬政策及架構向董事會提出建議等，有關薪酬委員會的職權範圍書已載列於本公司的網站內。



THE BOARD OF DIRECTORS (continued)

Composition and function (continued)

2. REMUNERATION COMMITTEE (continued)

During the year, the Remuneration Committee has reviewed the remuneration policy and structure of the executive directors and senior management of the Company, and offered advice on the same to the Board.

The remuneration of all the directors and their respective interest in share options are set out in note 30 to the financial statements and under the "Share option scheme" paragraph in the report of the directors of this Annual Report.

3. AUDIT COMMITTEE

The Audit Committee, comprising all three independent non-executive directors of the Company, namely Sir David Akers-Jones (Chairman), Mr. Aubrey Li Kwok Sing and Mr. Selwyn Mar, is primarily responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing the internal control and financial reporting matters of the Group. The terms of reference of the Audit Committee are disclosed on the website of the Company.

During the year, the Audit Committee has reviewed with the management and KPMG, the Company's auditors, the accounting principles and practices adopted by the Group and discussed the Group's internal control and financial reporting matters, including review of the annual results for the year ended 31 December 2005 and the interim results for the six months ended 30 June 2006.

董事會 (續)

組成及職責 (續)

2. 薪酬委員會 (續)

於本年度內，薪酬委員會已審議了本公司執行董事及高層管理人員的薪酬政策及架構，並向董事會提出了有關建議。

各董事的薪酬及購股權權益分別刊載於本年報財務報表附註三十及董事會報告「購股權計劃」一段內。

3. 審核委員會

審核委員會由全數三位獨立非執行董事，包括鍾逸傑士（擔任主席）、李國星先生及馬紹援先生組成，其主要職責包括審閱本集團所採納之會計原則及慣例，討論及檢討內部監控及財務申報等事宜，有關審核委員會的職權範圍書已載列於本公司的網站內。

於本年度內，審核委員會已與管理層及本公司核數師畢馬威會計師事務所審閱本集團所採納之會計政策及慣例，並就審核本集團的內部監控及財務報告等事宜（包括審閱本公司截至二零零五年十二月三十一日止之年度業績及截至二零零六年六月三十日止六個月之中期業績）進行討論。



THE BOARD OF DIRECTORS *(continued)*

Composition and function *(continued)*

4. MANAGEMENT COMMITTEE

The Management Committee comprises Mr. Chen Xiaoping (Chairman), the Chief Executive Officer of the Company, Mr. Philip Fan Yan Hok, the General Manager of the Company, Mr. Huang Chaohua, the Deputy General Manager of the Company and Mr. Raymond Wong Kam Chung, the Chief Financial Officer of the Company. The Management Committee is the decision-making body for day-to-day operation and its main duties include performing the duties assigned by the Board and/or the Executive Committee as well as exercising the authority and rights authorized by the same. The general mandate in relation to the Management Committee in written form has been established.

董事會 *(續)*

組成及職責 *(續)*

4. 管理委員會

管理委員會的成員包括行政總裁陳小平先生（擔任主席）、總經理范仁鶴先生、副總經理黃朝華先生及財務總監黃錦驄先生。管理委員會為本集團日常決策中心，其主要職責包括履行董事會及／或執行董事委員會指定的職能及行使其所授予的權利及權力。管理委員會已設有書面的一般性授權。



NUMBER OF BOARD MEETINGS AND COMMITTEE MEETINGS AND THE ATTENDANCE RATE OF DIRECTORS

董事會及委員會會議次數及各董事的出席次數

The following shows the number of regular board meetings and committee meetings held during the year as well as the attendance rate of each director.

下表顯示年度內本公司所舉行的定期董事會及委員會會議次數及董事個別的出席次數。

Attendance rate

出席次數

Name of Director 董事姓名		Board of Directors 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	Management Committee 管理委員會
Mr. Wang Mingquan	王明權先生	2/4	2/2	N/A 不適用	N/A 不適用
Mr. Zang Qiutao	臧秋濤先生	4/4	1/2	N/A 不適用	N/A 不適用
Mr. Li Xueming	李學明先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Chen Xiaoping	陳小平先生	4/4	N/A 不適用	N/A 不適用	14/14
Mr. Philip Fan Yan Hok	范仁鶴先生	4/4	N/A 不適用	N/A 不適用	13/14
Mr. Huang Chaochua	黃朝華先生	3/4	N/A 不適用	N/A 不適用	14/14
Mr. Raymond Wong Kam Chung	黃錦驄先生	4/4	N/A 不適用	N/A 不適用	14/14
Mr. Chen Shuang	陳 爽先生	3/4	N/A 不適用	N/A 不適用	N/A 不適用
Ms. Zhang Weiyun	張衛云女士	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Sir David Akers-Jones	鍾逸傑爵士	4/4	2/2	3/3	N/A 不適用
Mr. Aubrey Li Kwok Sing	李國星先生	4/4	2/2	3/3	N/A 不適用
Mr. Selwyn Mar	馬紹援先生	1/4	2/2	3/3	N/A 不適用



THE DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer should be separate. The Chairman's responsibility is to manage the Board and the Chief Executive Officer's responsibility is to manage the Company's business. The division of responsibilities between the Chairman and the Chief Executive Officer is clearly established.

The main responsibilities of the Chairman include providing leadership for and overseeing the functioning of the Board; formulating overall strategies and policies of the Company; ensuring that all directors of the Board are properly briefed on issues arising at Board meetings and giving each director an opportunity to express his/her view at board meetings; ensuring that directors receive adequate information, which must be complete and reliable, in a timely manner; ensuring that the Board works effectively and discharges its responsibilities; ensuring that all key and appropriate issues are discussed by the Board in a timely manner; drawing up and approving the agenda for each board meeting taking into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda; taking responsibility for ensuring that good corporate governance practices and procedures are established; encouraging all directors to make a full and active contribution to the Board's affairs and take the lead to ensure that the Board acts in the best interests of the Company; ensuring that appropriate steps are taken to provide effective communication with shareholders and that views of shareholders are communicated to the Board as a whole; and facilitating the effective contribution of directors and ensuring constructive relations between executive directors and non-executive directors.

主席及行政總裁之職責分工

主席與行政總裁的職位應有區分。主席管理董事會的職責與行政總裁管理本公司業務的職責應有清晰的區別。

主席的主要職責包括領導董事會及監察董事會功能；制定本公司整體策略及政策；確保董事會上所有董事均適當知悉當前的事項及給每名董事在董事會上表達其意見的機會；確保董事會及時收到充分的資訊，而有關資訊亦必須完備可靠；確保董事會有效地運作，且履行應有責任；確保及時就所有重要的適當事項進行討論；釐定並批准每次董事會會議的議程，在適當情況下，這過程中應計及其他董事提議加入議程的任何事項；有責任確保本公司制定良好的企業管治常規及程序；鼓勵所有董事全力投入董事會事務，並以身作則，確保董事會行事符合本公司最佳利益；確保採取適當步驟保持與股東有效聯繫，以及確保股東意見可傳達至整個董事會；及促進董事對董事會作出有效貢獻，並確保執行董事與非執行董事之間維持建設性的關係。



THE DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER *(continued)*

The responsibilities of the Chief Executive Officer include taking responsibility for the Group's operation and management; implementing decisions and plans approved by the Board; making day-to-day operational and managerial decision; and coordinating overall business operations.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules, the Board is of the view that all independent non-executive directors are independent and the Company has received an annual confirmation of independence from each of the independent non-executive directors of the Company pursuant to the Listing Rules.

All three independent non-executive directors are appointed for a term of one year until 31 December 2007, and are subject to retirement and re-election in accordance with the Company's Articles of Association.

NOMINATION OF DIRECTOR

In accordance with the Articles of Association of the Company, the directors will have the power from time to time and at any time to appoint any person as a director to fill a casual vacancy in the Board, or as an addition to the existing Board. For nomination, consideration will be made to the qualifications of the nominee. The Company has not established a nomination committee. During the year, there was no change to the members of the Board.

主席及行政總裁之職責分工 (續)

行政總裁的職責包括負責本集團的經營和管理；執行董事會的決議及計劃；作出經營管理的日常決策；及協調整體業務營運。

獨立非執行董事

根據上市規則第3.13條所載之獨立性指引，董事認為全體獨立非執行董事均為獨立人仕，而每名獨立非執行董事已根據上市規則的規定向本公司提供有關其獨立性的年度確認書。

三位獨立非執行董事的委任年期為一年，直至二零零七年十二月三十一日止，並須遵行本公司細則有關退任及膺選連任之規定。

董事提名

根據本公司的組織章程細則，董事會有權不時或於任何時間委任任何人選為董事，以填補臨時空缺或新增董事會成員，提名須考慮該被提名人之資格，本公司並無成立提名委員會，於本年度內，董事會成員並無任何變更。



SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the model code (“the Model Code”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions.

Having made specific enquiry of the directors, all directors have complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2006.

SHAREHOLDERS’ RIGHTS

It is the Company’s responsibility to ensure shareholder’s interest. To do so, the Company maintains on-going dialogue with shareholders to communicate with them and encourage their participation through annual general meetings or other general meetings.

Registered shareholders are notified by post for the shareholders’ meetings. Notice of meeting contains agenda, proposed resolutions and postal voting form.

All registered shareholders are entitled to attend annual and extraordinary general meetings, provided that their shares have been recorded in the Register of Shareholders.

Shareholders who are unable to attend a general meeting may complete and return to the Company’s Share Registrar the proxy form enclosed with notice of meeting to give proxy to their representatives, another shareholder or chairman of the meetings.

董事進行證券交易

本集團採納上市規則附錄十所載的《標準守則》（「標準守則」）作為董事進行本公司證券交易事宜的指引。

經向所有董事作出特定查詢後，截至二零零六年十二月三十一日止年度，本公司所有董事一直遵守標準守則的規定。

股東的權利

本公司有責任確保股東的權益，本公司就此透過股東週年大會或其他股東大會與股東一直保持溝通並鼓勵彼等參與股東大會。

登記股東以郵遞方式收取股東大會通告，大會通告載有議程、提呈的決議案及郵遞投票表格。

任何登記股東均有權出席股東週年大會及股東特別大會，惟彼等的股份必須已登記於股東名冊內。

未能出席股東大會的股東可填妥隨附於大會通告的代表委任表格並交回本公司股份過戶處，以委任彼等之代表或另一名股東或大會主席為彼等的代表。



SHAREHOLDERS' RIGHTS (continued)

Right to demand a poll has been included in circular of the Company accompanying notice convening general meeting of the Company and has been read out by the chairman at the general meeting of the Company.

EXTERNAL AUDITORS

It is the auditors' responsibility to form an independent opinion, based on their audit, on the Company's financial statements and to report their opinion solely to the Company, as a body, in accordance with section 141 of the Companies Ordinance, and for no other purpose. They do not assume responsibility towards or accept liability to any other person for the contents of the report of the auditors.

Apart from the provision of annual audit services, KPMG, the Group's external auditors, also carried out interim review of the Group's results and provided other financial services in compliance with the requirements under the Listing Rules and the Occupational Retirement Scheme Ordinance.

For the year ended 31 December 2006, KPMG, the external auditors received the following remuneration from the Group in connection with the provision of audit and non-audit services to the Group:-

股東的權利 (續)

要求以投票方式表決之權利載於本公司之通函(隨附本公司股東大會召開通告),並由大會主席於本公司股東大會上宣讀。

外聘核數師

核數師之職責是根據彼等審核工作的結果,對財務報表作出獨立意見,並按照公司條例第141條的規定。只向本公司作為一個整體作出報告。除此之外,該報告不可用作其他用途,核數師概不就核數師報告的內容,對任何其他人仕負責或承擔責任。

本集團的外聘核數師為畢馬威會計師事務所,除每年提供審核服務外,亦審閱本集團的中期業績及就本集團按照上市條例及職業(退休)計劃條例的需要而提供其他財務服務。

截至二零零六年十二月三十一日止年度內,外聘核數師畢馬威會計師事務所就提供審核及非審核服務予本集團而收取下列酬金:

		2006 二零零六年 HK\$'000 港幣千元
Annual audit services	年度審核服務	1,980
Interim review services	審閱中期業績服務	340
Other services	其他服務	300
		2,620



INTERNAL CONTROL

The Board has full responsibility for the Group's internal control system, which includes the establishment of a defined management structure with specified limits of authority. The system is designed to help the achievement of business objectives of the Group, safeguard assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication and ensure compliance with relevant legislation and regulation. The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The key procedures that the Board established to provide effective internal controls are as follows:

– Organizational Structure

An appropriate organizational structure is in place with defined operating policies and procedures as well as responsibility and lines of authority.

– Authority and Control

The executive directors and senior management are delegated with respective levels of authorities to carry out the corporate strategies and policies and the related matters formulated by the Board.

– Budgetary Control and Financial Reporting

The Group implements budget management, and financial budget is executed upon approval by the Board. Relevant procedures have been established to assess, review and approve major capital and recurrent expenditures, and regular review and comparison between operating results and the budget are made.

內部監控

董事會全權負責本集團的內部監控系統，包括制訂管理架構及相關的權限以協助本集團達致業務目標、保管資產以防未經授權使用或出售、確保存有正確會計記錄以提供可靠的財務資料供內部使用或對外發放，並確保遵守有關法例與規則。上述監控系統可合理（但並非絕對）保證不會出現重大失實陳述或損失。

為提供有效的內部監控，董事會目前確立了下列主要程序：

– 組織架構

本集團已制訂合適的組織架構，清楚訂明相關的營運政策及程序、職責及權限。

– 權限及監控

執行董事及高級管理人員獲授相關權限執行董事會制訂的企業策略、政策及有關事務。

– 預算控制及財務報告機制

本集團實行預算管理，財務預算由董事會批核後執行。本集團已訂立相關程序以評估、檢討及批核主要的資本性及經常性支出，並定期檢討與比較經營結果與預算。



INTERNAL CONTROL *(continued)*

– Budgetary Control and Financial Reporting *(continued)*

The Group has established appropriate internal control procedures to ensure the keeping of accurate and complete accounting and management records on a timely basis. Examination and review are carried out regularly to ensure that the financial statements are properly prepared in conformity with the generally accepted accounting principles, the Group's accounting policies and the applicable laws and regulations.

– Internal Auditing

The Group has regularly conducted internal audit to review whether the internal control procedures are implemented appropriately.

The Board has conducted a review of the effectiveness of the Group's internal control system. This review covered all material controls, including financial, operational and compliance controls and risk management functions.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The directors confirm that they are responsible for the preparation of the Group's financial statements.

The finance department of the Company is taken charge by the Qualified Accountant. With the assistance of the finance department, the directors ensure that the Group's financial statements have been properly prepared in accordance with relevant regulations and applicable accounting principles.

內部監控 (續)

– 預算控制及財務報告機制 (續)

本集團已建立適當的內部監控程序，確保全面、正確及準時記錄會計及管理資料，並定期進行檢討及審查，確保財務報表的編製符合一般認可的會計準則、集團會計政策，以及適用的法律及法規。

– 內部審核

本集團定期進行內部審核以檢討內部監控程序是否如實執行。

董事會已檢討本集團內部監控系統的有效性。該等檢討包括所有重要的監控，特別是財務監控、運作監控、合規監控及風險管理功能。

董事就財務報表所承擔的責任

董事確認須就編製本集團財務報表承擔有關責任。

本公司由合資格會計師負責管理財務部，在財務部的協助下，董事確保本集團財務報表的編製符合有關法規及適用之會計準則。



DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS *(continued)*

A statement by KPMG, the auditors of the Company, about their reporting responsibilities on the financial statements of the Group is included in the Report of the Auditors on page 99.

董事就財務報表所承擔的責任 (續)

本公司核數師畢馬威會計師事務所就本集團財務報表所作之申報責任聲明列載於第九十九頁之核數師報告內。

INVESTOR RELATIONSHIP AND COMMUNICATION

與投資者的關係及溝通

The Company recognizes the importance of good communications with shareholders and the investment community. Briefings and meetings with institutional investors and analysts are conducted regularly to provide them with up-to-date and comprehensive information about the Group's development. Annual and interim reports offer comprehensive operational and financial performance information to shareholders and the annual general meeting of the Company provides a forum for shareholders to exchange views directly with the Board, which together help enhance and facilitate communication with shareholders. The Company also maintains a website (<http://www.ebchinaintl.com>) which enables shareholders, investors and the general public to have access to the information of the Company on a timely basis.

本公司明白與股東及投資者保持良好溝通的重要性，本公司會不時與機構投資者及分析員舉行簡報會及會議，為彼等提供有關本集團發展的最新詳情。為了促進及加強本公司及股東之間的關係，年報及中期報告為股東提供經營及財務業績的詳盡資料，而本公司的股東週年大會則為股東提供與董事會直接交換意見的機會。此外，本公司之網站<http://www.ebchinaintl.com>為本公司與其股東、投資者及公眾人士提供通訊渠道，而本集團之最新重要資料亦可於網站內獲取。



Report of the Directors 董事會報告

The board of directors ("the Board") have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2006.

PRINCIPAL PLACE OF BUSINESS

China Everbright International Limited ("the Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Room 2703, 27th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 17 to the financial statements.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries ("the Group") during the financial year are set out in note 13 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2006, the five largest customers in aggregate and the largest customer of the Group accounted for approximately 62% and 23% respectively of the Group's turnover. For the year ended 31 December 2006, the Group only had one major supplier, which provided services for the operation of waste-water treatment plants.

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

董事會欣然提呈截至二零零六年十二月三十一日止年度之年度報告及經審核財務報表。

主要營業地點

中國光大國際有限公司(「本公司」)為一家於香港註冊成立，並以香港為本籍之公司。本公司之註冊辦事處及主要營業地點位於香港夏慤道十六號遠東金融中心二十七樓二七零三室。

主要業務

本公司之主要業務為投資控股。各附屬公司之主要業務及其他詳情載於財務報表附註十七。

本公司及其附屬公司(「本集團」)於本財政年度內之主要業務及按地域劃分之分析載於財務報表附註十三。

主要客戶及供應商

截至二零零六年十二月三十一日止年度，本集團五大客戶合計及最大客戶分別佔本集團之營業額約62%及23%。截至二零零六年十二月三十一日止年度，本集團只有一名主要供應商，其為污水處理廠之運作提供服務。

於年內任何時間，概無任何董事、彼等之聯繫人仕或任何本公司股東(據董事所知擁有本公司股本5%以上)擁有上述主要客戶及供應商任何權益。



CONTINUING CONNECTED TRANSACTIONS

In June 2004, Qingdao EB-VW Waste Water Treatment Co., Ltd. ("Qingdao EB-VW", a subsidiary of the Company) entered into an operation and maintenance agreement with Qingdao Veolia Water Operating Company Limited ("Qingdao Veolia", an associate of the Group). Pursuant to the agreement, Qingdao EB-VW will subcontract to Qingdao Veolia the provision of the operation and maintenance services in respect of the waste-water treatment plants ("the Plants") in Qingdao, the People's Republic of China ("PRC"). During the year ended 31 December 2006, service fee for the operation and maintenance of the Plants paid to Qingdao Veolia amounted to HK\$18,225,000 (2005: HK\$18,800,000).

In June 2004, Qingdao EB-VW entered into a waste-water treatment agreement with Qingdao Municipal Drainage Company ("Qingdao Drainage", a minority shareholder of Qingdao EB-VW). Pursuant to the agreement, Qingdao EB-VW will provide waste-water treatment services and other related services to Qingdao Drainage on an exclusive basis. During the year ended 31 December 2006, waste-water treatment revenue received from Qingdao Drainage amounted to HK\$52,667,000 (2005: HK\$52,423,000).

In June 2004, Qingdao EB-VW entered into a technical assistance agreement with Veolia Water Asia Limited ("Veolia Asia", a subsidiary of a minority shareholder of the Group). Pursuant to the agreement, Veolia Asia will provide technical assistance to Qingdao EB-VW in respect of the operation and maintenance of the Plants in Qingdao, the PRC. During the year ended 31 December 2006, technical assistance fee paid/payable to Veolia Asia amounted to HK\$2,170,000 (2005: HK\$2,211,000).

The independent non-executive directors of the Company have reviewed these connected transactions and confirmed that such transactions were:

- entered into in the ordinary and usual course of business of the Group;

持續關連交易

於二零零四年六月，青島光威污水處理有限公司（「青島光威」，本公司之附屬公司）與青島威立雅水務運營有限公司（「青島威立雅」，本集團之聯營公司），訂立營運及維修保養合同。據此，青島光威將把中華人民共和國（「中國」）青島市污水處理廠（「污水處理廠」）之營運及維修保養服務外判予青島威立雅。截至二零零六年十二月三十一日止年度，就營運及維修保養污水處理廠而已支付予青島威立雅之服務費為港幣18,225,000元（二零零五年：港幣18,800,000元）。

於二零零四年六月，青島光威與青島市排水公司（「青島排水」，青島光威之少數股東）訂立污水處理協議。據此，青島光威將獨家向青島排水提供污水處理服務及其他相關服務。截至二零零六年十二月三十一日止年度，從青島排水收取所得之污水處理收入為港幣52,667,000元（二零零五年：港幣52,423,000元）。

於二零零四年六月，青島光威與Veolia Water Asia Limited（「威立雅亞洲」，本集團少數股東之附屬公司）訂立技術支援協議。據此，威立雅亞洲將向青島光威提供有關營運及維修保養中國青島市污水處理廠之技術支援服務。截至二零零六年十二月三十一日止年度，已支付/應支付予威立雅亞洲之技術支援費用為港幣2,170,000元（二零零五年：港幣2,211,000元）。

本公司之獨立非執行董事已審閱上述關連交易，並確認有關交易為：

- 於本集團日常及一般業務過程中訂立；



CONTINUING CONNECTED TRANSACTIONS (continued)

- conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and
- in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The directors have requested the auditors of the Company to perform certain agreed upon procedures on the continuing connected transactions and have received a letter from the auditors as required under Rule 14A.38 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”).

MAJOR TRANSACTION

On 28 August 2006, the Company entered into a sale and purchase agreement with Shenzhen Energy (H.K.) International Limited (“Shenzhen Energy”), pursuant to which, the Company agreed to sell and Shenzhen Energy agreed to acquire the 15 “A” shares of Newton Industrial Limited (“Newton”, an associate of the Group), representing approximately 44.12% of Newton’s issued share capital, at a consideration of RMB663,627,000 (equivalent to approximately HK\$657,708,000). The principal activity of Newton is holding of an 34% equity interest in Shenzhen Mawan Power Company Limited, a sino-foreign joint venture established in the PRC which operates two power plants in Shenzhen, the PRC. The transaction constituted a major transaction as defined by the Listing Rules and was announced by way of a press announcement by the Company on 29 August 2006. Details of the transaction have been included in the circular to shareholders dated 20 September 2006.

持續關連交易 (續)

- 按一般商業條款進行或(倘並無足夠可供比較者以鑑定有關交易是否按一般商業條款進行),則按不遜於本集團給予獨立第三者或獨立第三者提供予本集團之條款訂立;及
- 根據監管持續關連交易之有關協議訂立,而交易條款屬公平合理,且符合本公司各股東之整體利益。

董事已要求本公司核數師就持續關連交易進行若干協定核數程序,並已接獲核數師根據香港聯合交易所有限公司證券上市規則(「上市規則」)第14A.38條之規定而發出之函件。

主要交易

於二零零六年八月二十八日,本公司與深圳能源(香港)國際有限公司(「深圳能源」)訂立買賣協議。據此,本公司同意出售,而深圳能源同意購入15股Newton Industrial Limited(「Newton」,本集團之聯營公司)「A」股,佔Newton已發行股本約44.12%,代價為人民幣663,627,000元(相當於約港幣657,708,000元)。Newton之主要業務為持有深圳媽灣電力有限公司34%股本權益。深圳媽灣電力有限公司乃於中國成立之中外合營企業,其於中國深圳經營兩家發電廠。上述交易構成主要交易(定義見上市規則)及本公司已於二零零六年八月二十九日透過報章公告予以公佈。有關交易之詳情載於二零零六年九月二十日致予股東之通函內。



Report of the Directors

董事會報告

DISCLOSEABLE TRANSACTIONS

- (a) On 13 April 2006, On Land Limited ("On Land", a subsidiary of the Company) entered into a sale and purchase agreement with CITIC Ka Wah Bank Limited ("CITIC Ka Wah Bank"), pursuant to which, On Land agreed to sell and CITIC Ka Wah Bank agreed to purchase an investment property located in Hong Kong at a consideration of HK\$122,098,000. The transaction constituted a discloseable transaction as defined by the Listing Rules and was announced by way of a press announcement by the Company on 13 April 2006. Details of the transaction have been included in the circular to shareholders dated 8 May 2006.
- (b) On 31 October 2006, Everbright Water (Ji'nan) Limited ("EB Water Jinan", a subsidiary of the Group) entered into an asset transfer agreement with Jinan State-owned Assets Commission and Jinan Utilities Authority, pursuant to which, Jinan State-owned Assets Commission and Jinan Utilities Authority agreed to sell and EB Water Jinan agreed to acquire two waste-water treatment plants at a total consideration of RMB400,000,000 (equivalent to approximately HK\$392,209,000). The transaction constituted a discloseable transaction as defined by the Listing Rules and was announced by way of a press announcement by the Company on 31 October 2006. Details of the transaction have been included in the circular to shareholders dated 22 November 2006.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2006 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 101 to 246.

須予披露交易

- (a) 於二零零六年四月十三日，再倫有限公司（「再倫」，本公司之附屬公司）與中信嘉華銀行有限公司（「中信嘉華銀行」）訂立買賣協議。據此，再倫同意出售，而中信嘉華銀行同意購買一個位於香港之投資物業，代價為港幣122,098,000元。上述交易構成須予披露交易（定義見上市規則）及本公司已於二零零六年四月十三日透過報章公告予以公佈。有關交易之詳情載於二零零六年五月八日致予股東之通函內。
- (b) 於二零零六年十月三十一日，光大水務（濟南）有限公司（「光大水務濟南」，本集團之附屬公司）與濟南市人民政府國有資產監督管理委員會（「濟南市國有資產委員會」）及濟南市市政公用事業局（「濟南市公用事業局」）訂立資產轉讓協議。據此，濟南市國有資產委員會及濟南市公用事業局同意出售，而光大水務濟南同意收購兩家污水處理廠，總代價為人民幣400,000,000元（相當於約港幣392,209,000元）。上述交易構成須予披露交易（定義見上市規則）及本公司已於二零零六年十月三十一日透過報章公告予以公佈。有關交易之詳情載於二零零六年十一月二十二日致予股東之通函內。

財務報表

本集團截至二零零六年十二月三十一日止年度之盈利，以及本公司與本集團於該日之財政狀況載於第一百零一頁至第二百四十六頁之財務報表內。



TRANSFER TO RESERVES

Profits attributable to shareholders, before dividends, of HK\$428,050,000 (2005 (restated): HK\$122,874,000) have been transferred to reserves. Other movements in reserves are set out in note 31 to the financial statements.

An interim dividend of HK0.6 cent per share (2005: HK0.6 cent per share) was paid on 31 October 2006. The Board now recommend the payment of a final dividend of HK0.6 cent per share (2005: HK0.6 cent per share) and a special dividend of HK0.4 cent per share (2005: Nil) in respect of the year ended 31 December 2006.

FIXED ASSETS

Details of the movements in fixed assets during the year are set out in note 14 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 31(c) to the financial statements. Shares were issued during the year to broaden the capital base and on exercise of share options.

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year.

轉撥至儲備

股東應佔盈利(未派付股息前)港幣428,050,000元(二零零五年(重報):港幣122,874,000元)已轉撥至儲備。儲備之其他變動詳情載於財務報表附註三十一。

本公司已於二零零六年十月三十一日派付中期股息每股0.6港仙(二零零五年:每股0.6港仙)。董事會現建議派付截至二零零六年十二月三十一日止年度末期股息每股0.6港仙(二零零五年:每股0.6港仙)及特別股息每股0.4港仙(二零零五年:無)。

固定資產

於本年度內固定資產之變動詳情載於財務報表附註十四。

股本

於本年度內本公司股本之變動詳情載於財務報表附註三十一(c)。於本年度內,本公司為了擴大股本基礎並因購股權獲行使而發行股份。

於本年度內,本公司及其任何附屬公司概無購買、出售或贖回本公司上市證券。



Report of the Directors

董事會報告

DIRECTORS

The directors during the financial year were:

Executive directors

Wang Mingquan, *Chairman*

Zang Qiutao, *Vice-chairman*

Li Xueming, *Vice-chairman*

Chen Xiaoping, *Chief Executive Officer*

Fan Yan Hok, Philip, *General Manager*

Huang Chaohua, *Deputy General Manager*

Wong Kam Chung, Raymond, *Chief Financial Officer*

Chen Shuang

Zhang Weiyun

Independent non-executive directors

Sir David Akers-Jones

Li Kwok Sing, Aubrey

Mar Selwyn

In accordance with articles 73, 77, 78 and 79 of the Company's Articles of Association, Mr Wang Mingquan, Mr Chen Xiaoping, Ms Zhang Weiyun and Sir David Akers-Jones retire from the board at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The independent non-executive directors are appointed for a term until 31 December 2007 and subject to retirement in accordance with the Company's Articles of Association as indicated above.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

董事

於本財政年度內之董事如下：

執行董事

王明權 (主席)

臧秋濤 (副主席)

李學明 (副主席)

陳小平 (行政總裁)

范仁鶴 (總經理)

黃朝華 (副總經理)

黃錦聰 (財務總監)

陳爽

張衛云

獨立非執行董事

鍾逸傑爵士

李國星

馬紹援

依據本公司之公司細則第七十三、七十七、七十八及七十九條規定，王明權先生、陳小平先生、張衛云女士及鍾逸傑爵士須於即將舉行之股東週年大會上依章告退，而彼等已表示願意膺選連任。

獨立非執行董事之任期直至二零零七年十二月三十一日及須如上文所述根據本公司之公司細則告退。

董事之服務合約

本公司或其任何附屬公司並無與在即將舉行之股東週年大會上提名連任之董事訂立不可於一年內免付賠償（一般法定賠償除外）予以終止之未屆滿服務合約。



Report of the Directors

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

董事及主要行政人員持有之股份、相關股份及債券權益及淡倉

The directors and chief executive of the Company who held office at 31 December 2006 had the following interests in the shares, underlying shares and debentures of the Company, its holding companies, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' and chief executives' interests and short positions required to be kept under section 352 of the SFO are as follows:

按本公司根據證券及期貨條例第352條規定須予存置之董事及主要行政人員權益及淡倉登記冊所載記錄顯示，於二零零六年十二月三十一日在任之本公司董事及主要行政人員於該日在本公司、其控股公司、附屬公司及其他聯繫公司（定義見證券及期貨條例）之股份、相關股份及債券中所擁有之權益如下：

(i) Long position in shares of equity derivatives of the Company

(i) 於本公司股份股本衍生工具之好倉

Name of director 董事姓名	Nature of interest 權益性質	Number of shares (ordinary shares) 股份數目 (普通股)	Percentage 百分比
Fan Yan Hok, Philip	范仁鶴 Personal 個人	5,000,000	0.16%

(ii) Long position in underlying shares of equity derivatives of the Company

(ii) 於本公司相關股份股本衍生工具之好倉

Name of director 董事姓名	Nature of interest 權益性質	Number of equity derivatives held (share options) 持有股本 衍生工具數目 (購股權)	Number of underlying shares (ordinary shares) 相關股份數目 (普通股)	Percentage 百分比
Wang Mingquan	王明權 Personal 個人	30,400,000	30,400,000	0.99%
Zang Qiutao	臧秋濤 Personal 個人	4,000,000	4,000,000	0.13%
Li Xueming	李學明 Personal 個人	22,000,000	22,000,000	0.72%
Chen Xiaoping	陳小平 Personal 個人	23,000,000	23,000,000	0.75%
Fan Yan Hok, Philip	范仁鶴 Personal 個人	9,000,000	9,000,000	0.29%
Huang Chaohua	黃朝華 Personal 個人	12,000,000	12,000,000	0.39%
Wong Kam Chung, Raymond	黃錦聰 Personal 個人	7,500,000	7,500,000	0.24%
Chen Shuang	陳爽 Personal 個人	5,000,000	5,000,000	0.16%
Zhang Weiyun	張衛云 Personal 個人	5,000,000	5,000,000	0.16%
Sir David Akers-Jones	鍾逸傑爵士 Personal 個人	1,000,000	1,000,000	0.03%
Li Kwok Sing, Aubrey	李國星 Personal 個人	1,000,000	1,000,000	0.03%



Report of the Directors

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事及主要行政人員持有之股份、相關股份及債券權益及淡倉 (續)

(iii) Long position in underlying shares of equity derivatives of China Everbright Limited ("CEL"), an associated corporation of the Company

(iii) 於本公司之聯繫公司中國光大控股有限公司(「光大控股」)相關股份股本衍生工具之好倉

Name of director 董事姓名	Nature of interest 權益性質	Number of equity derivatives held (share options) 持有股本衍生工具數目 (購股權)	Number of underlying shares (ordinary shares) 相關股份數目 (普通股)	Percentage 百分比
Wang Mingquan	王明權	Personal 個人	4,920,000	0.31%
Chen Shuang	陳爽	Personal 個人	2,030,000	0.13%

All the above underlying shares of equity derivatives (being unlisted and physically settled) were beneficially owned by the directors concerned. The percentage shown was calculated based on the respective number of issued shares of the Company and CEL as at 31 December 2006.

上述相關股份股本衍生工具(非上市及實物結算)均由有關董事實益持有。上表所顯示之百分比以本公司及光大控股於二零零六年十二月三十一日各自已發行股份數目計算。

Further details relating to the options granted to the directors and chief executive of the Company are set out in the section "Share option scheme" below.

有關本公司向董事及主要行政人員授出購股權的進一步詳情載於下文「購股權計劃」一節。

Apart from the foregoing, none of the directors and chief executive of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding companies, subsidiaries or other associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

除上文所述者外，按本公司根據證券及期貨條例第352條規定須予存置之登記冊所載記錄顯示，本公司各董事及主要行政人員或彼等之任何配偶或十八歲以下之子女概無在本公司、其任何控股公司、附屬公司或其他聯繫公司之股份、相關股份或債券中擁有權益或淡倉或根據上市公司董事進行證券交易之標準守則須知會本公司之權益或淡倉。



SHARE OPTION SCHEME

The Company has a share option scheme which was adopted on 26 May 2003 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. The purpose of the scheme is to provide an opportunity for employees of the Group to acquire an equity participation in the Company and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The share option scheme shall be valid and effective for a period of ten years ending on 25 May 2013, after which no further options will be granted.

The exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") on the date of grant and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. The options are exercisable six months (or a later date as determined by the directors of the Company) after the date on which the options are granted for a period up to ten years or 25 May 2013, whichever is earlier.

The total number of securities available for issue under the share option scheme as at 31 December 2006 was 254,831,170 shares (including options for 157,200,000 shares that have been granted but not yet lapsed or exercised) which represented approximately 8% of the issued share capital of the Company at 31 December 2006. In respect of the maximum entitlement of each participant under the share option scheme, the number of securities issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the Company's ordinary shares in issue.

Offer of an option shall be deemed to have been accepted when the letter comprising acceptance of the option duly signed by the grantee together with a remittance of HK\$1 is received within 28 days from the date of offer. The share option scheme will expire on 25 May 2013.

購股權計劃

本公司設有一個購股權計劃，有關計劃於二零零三年五月二十六日採納。據此，本公司董事獲授權可酌情邀請本集團僱員（包括本集團任何成員公司之董事）接納可認購本公司股份之購股權。計劃旨在提供機會予本集團僱員，讓彼等參資本公司，以及鼓勵彼等為了本公司及各股東之整體利益，努力工作，提升本公司及其股份之價值。購股權計劃之有效期為期十年，直至二零一三年五月二十五日為止，此後將不可再行授出任何購股權。

購股權之行使價為股份面值、股份於授出日期在香港聯合交易所有限公司（「聯交所」）之收市價及股份在緊接授出日期前五個營業日在聯交所之平均收市價三者中之較高者。購股權之行使期自授出後六個月（或本公司董事決定之較後日期）起計最多達十年或至二零一三年五月二十五日止（以較早者為準）。

於二零零六年十二月三十一日，在購股權計劃下可予發行之證券總數為254,831,170股股份（包括已授出惟尚未失效或行使涉及157,200,000股股份之購股權），佔本公司於二零零六年十二月三十一日之已發行股本約8%。就購股權計劃下每名參與者可獲授權益上限而言，每名參與者在任何十二個月期間內獲授之購股權予以行使時所獲發行及可獲發行之股份總數，不得超逾本公司已發行普通股的1%。

在本公司於要約日期起計二十八日內接獲經由承授人正式簽署有關接納購股權之函件及港幣1元代價後，購股權要約即被視為已獲接納。購股權計劃將於二零一三年五月二十五日屆滿。



Report of the Directors

董事會報告

SHARE OPTION SCHEME (continued)

At 31 December 2006, the directors and employees of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 31 December 2006 was HK\$1.34) granted at nominal consideration under the share option scheme of the Company. The options are unlisted. Each option gives the holder the right to subscribe for one ordinary share of HK\$0.1 each of the Company.

Directors 董事		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出 之購股權 數目	No. of shares acquired on exercise of options during the year 年內行使 購股權購入 之股份數目		No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市價*	Market value per share on exercise of options* 購股權 行使時之 每股市價*
Wang Mingquan 王明權		12,700,000	-	-		12,700,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		12,700,000	-	-		12,700,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		-	2,500,000	-		2,500,000	3 August 2006 二零零六年 八月三日	3 August 2007 to 25 May 2013 二零零七年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
		-	2,500,000	-		2,500,000	3 August 2006 二零零六年 八月三日	3 August 2008 to 25 May 2013 二零零八年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-

購股權計劃 (續)

於二零零六年十二月三十一日，本公司董事及僱員在可認購本公司股份之購股權中擁有下列權益（於二零零六年十二月三十一日之每股市價為港幣1.34元）。有關購股權乃根據本公司購股權計劃按象徵式代價授出。有關購股權並無上市。每股購股權賦予持有人認購一股本公司每股面值港幣0.1元的普通股之權利。



Report of the Directors

董事會報告

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Directors 董事		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出 之購股權 數目	No. of shares acquired on exercise of options during the year 年內行使 購股權購入 之股份數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*	Market value per share on exercise of options* 購股權 行使時之 每股市值*
Zang Qiutao	臧秋濤	-	2,000,000	-	2,000,000	3 August 2006 二零零六年 八月三日	3 August 2007 to 25 May 2013 二零零七年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
		-	2,000,000	-	2,000,000	3 August 2006 二零零六年 八月三日	3 August 2008 to 25 May 2013 二零零八年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
Li Xueming	李學明	9,000,000	-	-	9,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		9,000,000	-	-	9,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		-	2,000,000	-	2,000,000	3 August 2006 二零零六年 八月三日	3 August 2007 to 25 May 2013 二零零七年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
		-	2,000,000	-	2,000,000	3 August 2006 二零零六年 八月三日	3 August 2008 to 25 May 2013 二零零八年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-



Report of the Directors

董事會報告

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Directors 董事		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出 之購股權 數目	No. of shares acquired on exercise of options during the year 年內行使 購股權購入 之股份數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*	Market value per share on exercise of options* 購股權 行使時之 每股市值*
Chen Xiaoping 陳小平		9,000,000	-	-	9,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		9,000,000	-	-	9,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		-	2,500,000	-	2,500,000	3 August 2006 二零零六年 八月三日	3 August 2007 to 25 May 2013 二零零七年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
		-	2,500,000	-	2,500,000	3 August 2006 二零零六年 八月三日	3 August 2008 to 25 May 2013 二零零八年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-



Report of the Directors

董事會報告

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Directors 董事	No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出 之購股權 數目	No. of shares acquired on exercise of options during the year 年內行使 購股權購入 之股份數目		No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*	Market value per share on exercise of options* 購股權 行使時之 每股市值*
Fan Yan Hok, Philip 范仁鶴	5,000,000	-	(5,000,000)	-	-	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$0.99 港幣0.99元
	5,000,000	-	-	5,000,000	-	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
	-	2,000,000	-	2,000,000	-	3 August 2006 二零零六年 八月三日	3 August 2007 to 25 May 2013 二零零七年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
	-	2,000,000	-	2,000,000	-	3 August 2006 二零零六年 八月三日	3 August 2008 to 25 May 2013 二零零八年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-



Report of the Directors

董事會報告

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出 之購股權 數目	No. of shares acquired on exercise of options during the year 年內行使 購股權購入 之股份數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目		Period during which options are exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*	Market value per share on exercise of options* 購股權 行使時之 每股市值*
Directors 董事						Date granted 授出日期				
Huang Chaohua	黃朝華	4,500,000	—	—	4,500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	—
		4,500,000	—	—	4,500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	—
		—	1,500,000	—	1,500,000	3 August 2006 二零零六年 八月三日	3 August 2007 to 25 May 2013 二零零七年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	—
		—	1,500,000	—	1,500,000	3 August 2006 二零零六年 八月三日	3 August 2008 to 25 May 2013 二零零八年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	—



Report of the Directors

董事會報告

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Directors 董事	No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出 之購股權 數目	No. of shares acquired on exercise of options during the year 年內行使 購股權購入 之股份數目		No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*	Market value per share on exercise of options* 購股權 行使時之 每股市值*
Wong Kam Chung, 黃錦聰 Raymond	4,500,000	–	(4,500,000)		–	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$0.99 港幣0.99元
	4,500,000	–	–		4,500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	–
	–	1,500,000	–		1,500,000	3 August 2006 二零零六年 八月三日	3 August 2007 to 25 May 2013 二零零七年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	–
	–	1,500,000	–		1,500,000	3 August 2006 二零零六年 八月三日	3 August 2008 to 25 May 2013 二零零八年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	–



Report of the Directors

董事會報告

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Directors 董事		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of shares		No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*	Market value per share on exercise of options* 購股權 行使時之 每股市值*
			No. of options granted during the year 年內授出 之購股權 數目	acquired on exercise of options during the year 年內行使 購股權購入 之股份數目						
Chen Shuang 陳爽		2,000,000	-	-	2,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		2,000,000	-	-	2,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		-	500,000	-	500,000	3 August 2006 二零零六年 八月三日	3 August 2007 to 25 May 2013 二零零七年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
		-	500,000	-	500,000	3 August 2006 二零零六年 八月三日	3 August 2008 to 25 May 2013 二零零八年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-



Report of the Directors

董事會報告

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Directors		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出 之購股權 數目	No. of shares acquired on exercise of options during the year 年內行使 購股權購入 之股份數目		No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*	Market value per share on exercise of options* 購股權 行使時之 每股市值*
Zhang Weiyun	張衛云	2,000,000	-	-	2,000,000		29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		2,000,000	-	-	2,000,000		29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		-	500,000	-	500,000		3 August 2006 二零零六年 八月三日	3 August 2007 to 25 May 2013 二零零七年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
		-	500,000	-	500,000		3 August 2006 二零零六年 八月三日	3 August 2008 to 25 May 2013 二零零八年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-



Report of the Directors

董事會報告

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Directors 董事		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出 之購股權 數目	No. of shares acquired on exercise of options during the year 年內行使 購股權購入 之股份數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*	Market value per share on exercise of options* 購股權 行使時之 每股市值*
Sir David Akers-Jones	鍾逸傑爵士	500,000	–	–	500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	–
		500,000	–	–	500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	–
Li Kwok Sing, Aubrey	李國星	500,000	–	–	500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	–
		500,000	–	–	500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	–



Report of the Directors

董事會報告

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出 之購股權 數目	No. of shares acquired on exercise of options during the year 年內行使 購股權購入 之股份數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市價*	Market value per share on exercise of options* 購股權 行使時之 每股市價*
Employees	僱員	3,000,000	-	(3,000,000)	-	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$1.04 港幣1.04元
		3,000,000	-	(1,700,000)	1,300,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$1.04 港幣1.04元
		-	18,000,000	-	18,000,000	3 August 2006 二零零六年 八月三日	3 August 2007 to 25 May 2013 二零零七年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
		-	18,000,000	-	18,000,000	3 August 2006 二零零六年 八月三日	3 August 2008 to 25 May 2013 二零零八年 八月三日至 二零一三年 五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-

* being the weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were granted or exercised, where applicable.

* 即本公司普通股在緊接購股權授出或行使(視何者適用)日期前之加權平均收市價。



Report of the Directors

董事會報告

SHARE OPTION SCHEME (continued)

The options granted to the directors are registered under the names of the directors who are also the beneficial owners. Information on the accounting policy for share options granted and the weighted average value per option is provided in note 1(q)(ii) and note 30 to the financial statements respectively.

No share option was lapsed or cancelled during the year ended 31 December 2006.

SHARE OPTION SCHEME OF CEL

As at 31 December 2006, two directors of the Company had the following interests in options to subscribe for shares of CEL, which was granted under the share option scheme of CEL.

購股權計劃 (續)

授予董事之購股權乃以董事之姓名登記，而彼等亦為實益擁有人。有關已授出購股權之會計政策及每股購股權之加權平均價值之資料分別載於財務報表附註一(q)(ii)及附註三十。

截至二零零六年十二月三十一日止年度內，沒有購股權失效或註銷。

光大控股之購股權計劃

於二零零六年十二月三十一日，本公司兩名董事擁有以下根據光大控股購股權計劃授出可認購光大控股股份之購股權權益。

		No. of options outstanding at the beginning of the year 年初尚未行使 之購股權數目	No. of options outstanding at the year end 年終尚未行使 之購股權數目	Date granted 授出日期	Period during which options exercisable 購股權之行使期	Exercise price per share 每股行使價
Wang Mingquan	王明權	3,000,000	3,000,000	7 July 2003 二零零三年 七月七日	8 July 2004 to 7 January 2007 二零零四年七月八日至 二零零七年一月七日	HK\$2.375 港幣2.375元
		1,920,000	1,920,000	3 May 2005 二零零五年 五月三日	4 May 2006 to 3 May 2010 二零零六年五月四日至 二零一零年五月三日	HK\$2.85 港幣2.85元
Chen Shuang	陳爽	750,000	750,000	3 September 2004 二零零四年 九月三日	4 September 2005 to 3 March 2008 二零零五年 九月四日至 二零零八年三月三日	HK\$3.225 港幣3.225元
		1,280,000	1,280,000	3 May 2005 二零零五年 五月三日	4 May 2006 to 3 May 2010 二零零六年 五月四日至 二零一零年五月三日	HK\$2.85 港幣2.85元



SHARE OPTION SCHEME OF CEL (continued)

Apart from the foregoing, at no time during the year was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or chief executive of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The Company has been notified of the following interests in the Company's issued shares at 31 December 2006 amounting to 5% or more of the ordinary shares in issue:

		Long position in ordinary shares held 所持普通股好倉	Percentage of total issued shares 佔全部已發行 股份百分比
China Everbright Holdings Company Limited ("CEH") (Note)	中國光大集團有限公司 （「光大集團」）（附註）	1,758,595,910	approximately 57.17% 約57.17%

Note: Out of the 1,758,595,910 shares, 1,758,215,910 shares are held by Guildford Limited ("Guildford"). Guildford is owned as to 55% by Datten Investments Limited ("Datten") and the remaining 45% by CEH. Datten is wholly-owned by CEH. The remaining 380,000 shares are held by Everbright Investment & Management Limited ("EIM"), a wholly-owned subsidiary of CEH. Accordingly, CEH is deemed to be interested in the 1,758,215,910 shares held by Guildford and the 380,000 shares held by EIM.

光大控股之購股權計劃（續）

除上文所述者外，在本年度內任何時間，本公司、其任何控股公司、附屬公司或同系附屬公司並無參與任何安排，致使本公司之董事或主要行政人員可藉購買本公司或任何其他法人團體之股份或債券而取得利益。

主要股東及其他人仕在股份及相關股份中擁有之權益及淡倉

本公司獲悉於二零零六年十二月三十一日擁有本公司已發行股份之權益達已發行普通股5%或以上之股東如下：

附註：在1,758,595,910股股份中，其中1,758,215,910股乃由Guildford Limited（「Guildford」）持有。Guildford乃由Datten Investments Limited（「Datten」）擁有55%股權，其餘45%則由光大集團持有。Datten為光大集團之全資附屬公司。其餘380,000股則由光大集團之全資附屬公司光大投資管理有限公司（「光大投資管理」）持有。故此，光大集團被視為擁有Guildford所持有之1,758,215,910股股份及光大投資管理所持有之380,000股股份。

Apart from the foregoing, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

除上文所述者外，本公司並無獲悉有其他必須記錄於依照證券及期貨條例第336條存置之登記冊內之權益。

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

足夠的公眾持股量

根據本公司公開取得之資料，以及就本公司董事所知，於本年報刊發日期，本公司維持上市規則所規定之公眾持股量。



Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2006 are set out in notes 25 and 28 to the financial statements.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 247 and 248 of the annual report.

PROPERTIES

Particulars of the major properties of the Group are shown on pages 249 and 250 of the annual report.

RETIREMENT SCHEMES

The Company provides retirement benefits to all local eligible employees under an approved defined contribution provident fund ("the ORSO Scheme"). The ORSO Scheme is administered by trustees, the majority of which are independent, with its assets held separately from those of the Company. The ORSO Scheme is funded by contributions from employees and employers at 5% each based on the monthly salaries of employees. Forfeited contribution may be used to reduce the existing level of contribution by the Company.

董事於合約之權益

於年結日或本年度內任何時間，本公司、其任何控股公司、附屬公司或同系附屬公司概無訂立任何本公司董事擁有重大利益之重要合約。

銀行貸款及其他借貸

本公司及本集團於二零零六年十二月三十一日之銀行貸款及其他借貸詳情載於財務報表附註二十五及二十八。

五年業績概要

本集團過去五個財政年度之業績及資產與負債概要載於年報第二百四十七頁及第二百四十八頁。

物業

本集團之主要物業詳情載於年報第二百四十九頁及第二百五十頁。

退休計劃

本公司已為所有本地合資格僱員設定認可定額供款公積金（「職業退休計劃條例計劃」）。職業退休計劃條例計劃由信託人（大部份為獨立信託人）管理，其資產與本公司之資產分開持有。僱員及僱主均須就職業退休計劃條例計劃供款，分別為僱員月薪的5%。沒收供款可用作抵銷本公司現需承擔之供款。



RETIREMENT SCHEMES (continued)

As from 1 December 2000, the Group also operates a Mandatory Provident Fund Scheme ("the MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the ORSO Scheme. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the plan vest immediately.

The employees of the subsidiaries in the PRC are members of the retirement schemes operated by the local authorities. The subsidiaries are required to contribute a certain percentage of their payroll to these schemes to fund the benefits. The only obligation of the Group with respect to these schemes is the required contributions under the schemes.

The Group's total contributions to these schemes charged to income statement during the year ended 31 December 2006 amounted to HK\$2,971,000.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors to be independent.

AUDITORS

KPMG retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

Wang Mingquan
Chairman

Hong Kong, 22 March 2007

退休計劃 (續)

自二零零零年十二月一日起，本集團亦根據香港強制性公積金計劃條例為受香港僱傭條例管轄且原先未包括在職業退休計劃條例計劃內之僱員提供強制性公積金計劃（「強積金計劃」）。強積金計劃為由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及僱員各自須向計劃供款，供款額為僱員有關入息之5%，有關入息每月上限為港幣20,000元。向計劃作出之供款即時歸屬有關人仕。

中國附屬公司之僱員均參與當地政府管理之退休計劃。該等附屬公司須按員工薪金之若干百分比向上述計劃作出供款。就此等計劃而言，本集團之唯一責任為根據此等計劃作出所需供款。

本集團於截至二零零六年十二月三十一日止年度內向此等計劃所作之總供款額為港幣2,971,000元，並已入賬損益表內。

獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條就彼等之獨立性而發出之確認書。本公司認為全體獨立非執行董事均屬獨立。

核數師

畢馬威會計師事務所任滿告退並願意膺選連任。本公司將於即將舉行之股東週年大會上提呈續聘畢馬威會計師事務所為本公司核數師之決議案。

承董事會命

王明權
主席
香港，二零零七年三月二十二日



Report of the Auditors 核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA EVERBRIGHT INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of China Everbright International Limited ("the Company") set out on pages 101 to 246, which comprise the consolidated and Company balance sheets as at 31 December 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致中國光大國際有限公司各股東 獨立核數師報告書

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核刊於第一百零一頁至第二百四十六頁有關中國光大國際有限公司(「貴公司」)的綜合財務報表,此綜合財務報表包括於二零零六年十二月三十一日的綜合資產負債表及 貴公司的資產負債表與截至該日止年度的綜合損益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》編製及真實而公允地列報綜合財務報表,這責任包括設計、實施及維護與編製及真實而公允地列報綜合財務報表相關的內部監控,致使綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇並應用適當的會計政策;以及因應情況作出合理的會計估計。

核數師的責任

我們的責任是根據我們審核工作的結果,對綜合財務報表提出意見,並按照香港《公司條例》第141條的規定,僅向整體股東報告。除此以外,我們的報告書不可用作其他用途。我們概不就本報告書的內容,對任何其他人士負責或承擔法律責任。



Report of the Auditors 核數師報告

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2006 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

22 March 2007

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行情序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師會考慮與該公司編製及真實而公允地列報綜合財務報表相關的內部監控，以便設計適當的審核程序，但此並非為對公司的內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證能充足和適當地為下列審核意見建立基礎。

意見

我們認為，上述綜合財務報表已根據香港財務報告準則真實和公允地反映 貴公司及 貴集團於二零零六年十二月三十一日的財政狀況和 貴集團截至該日止年度的盈利及現金流量，並已按照香港《公司條例》妥善編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道十號
太子大廈八樓

二零零七年三月二十二日



Consolidated Income Statement

綜合損益表

For the year ended 31 December 2006 (Expressed in Hong Kong dollars)
截至二零零六年十二月三十一日止年度(以港幣計算)

			2006 二零零六年	2005 二零零五年 (restated) (重報)
		Note 附註	\$'000 千元	\$'000 千元
Turnover	營業額	3 & 13	235,859	132,855
Direct costs and operating expenses	直接成本及經營費用		(71,645)	(39,332)
			164,214	93,523
Other revenue	其他收益	4	26,016	12,413
Other income	其他收入	4	353,964	–
Administrative expenses	行政費用		(92,103)	(55,284)
Valuation gains on investment properties	投資物業估值盈餘	14	5,831	25,230
Profit from operations	經營盈利		457,922	75,882
Finance costs	財務費用	5(a)	(52,631)	(32,090)
			405,291	43,792
Share of profits of associates	所佔聯營公司盈利	6	32,658	68,045
Profit before taxation	除稅前盈利	5	437,949	111,837
Income tax	所得稅	7(a)	(9,899)	11,037
Profit for the year	本年度盈利		428,050	122,874



Consolidated Income Statement

綜合損益表

For the year ended 31 December 2006 (Expressed in Hong Kong dollars)
截至二零零六年十二月三十一日止年度（以港幣計算）

			2006 二零零六年	2005 二零零五年 (restated) (重報)
	Note 附註		\$'000 千元	\$'000 千元
Attributable to:	應佔部份:			
Equity shareholders of the Company	本公司股東	10 & 31	409,347	106,808
Minority interests	少數股東權益	31	18,703	16,066
Profit for the year	本年度盈利	31	428,050	122,874
Dividends payable to equity shareholders of the Company attributable to the year:	應派付予本公司股東之本年度股息:	11		
Interim dividend declared during the year	年內已宣派中期股息		18,371	15,311
Final dividend proposed after the balance sheet date	結算日後建議分派末期股息		18,456	15,311
Special dividend proposed after the balance sheet date	結算日後建議分派特別股息		12,304	—
			49,131	30,622
Earnings per share	每股盈利	12		
Basic	基本		14.15 cents 仙	4.19 cents仙
Diluted	攤薄		13.85 cents 仙	4.13 cents仙

The notes on pages 115 to 246 form part of these financial statements.
載於第一百一十五頁至第二百四十六頁之附註為此等財務報表之一部份。



Consolidated Balance Sheet

綜合資產負債表

At 31 December 2006 (Expressed in Hong Kong dollars)

於二零零六年十二月三十一日 (以港幣計算)

			2006 二零零六年	2005 二零零五年 (restated) (重報)
	Note 附註	\$'000 千元	\$'000 千元	\$'000 千元
Non-current assets				
Fixed assets	14(a)			
– Investment properties			168,308	262,194
– Other property, plant and equipment			1,209,741	1,031,827
– Interest in leasehold land held under operating leases			242,583	76,045
			1,620,632	1,370,066
Intangible assets	15		66,412	34,433
Goodwill	16		48,318	48,236
Interest in associates	18		442	413,304
Other financial assets	19		62,976	51,931
Finance lease receivables	20		789,177	131,701
Deferred tax assets	29(b)		18,625	16,433
			2,606,582	2,066,104
Current assets				
Inventories	21	3,445		–
Debtors, other receivables, deposits and prepayments	22	123,319		109,023
Finance lease receivables	20	14,643		2,384
Pledged bank deposits	23	99,314		89,197
Deposits with bank		10,909		907
Cash and cash equivalents	24	756,763		408,566
			1,008,393	610,077
Current liabilities				
Secured bank loans	25	88,448		40,227
Amount due to minority shareholder	26	586		575
Creditors, other payables and accrued expenses	27	538,445		233,219
Current taxation	29(a)	1,515		2,138
			628,994	276,159
Net current assets			379,399	333,918
Total assets less current liabilities carried forward			2,985,981	2,400,022



Consolidated Balance Sheet

綜合資產負債表

At 31 December 2006 (Expressed in Hong Kong dollars)
於二零零六年十二月三十一日 (以港幣計算)

			2006 二零零六年	2005 二零零五年 (restated) (重報)
	Note 附註	\$'000 千元	\$'000 千元	\$'000 千元
Total assets less current liabilities brought forward	總資產減流動負債承前		2,985,981	2,400,022
Non-current liabilities	非流動負債			
Secured bank loans	有抵押銀行貸款	25	802,584	572,016
Loans from ultimate holding company	最終控股公司貸款	28	98,828	535,628
Deferred tax liabilities	遞延稅項負債	29(b)	26,276	21,163
			927,688	1,128,807
NET ASSETS	資產淨額		2,058,293	1,271,215
CAPITAL AND RESERVES	股本及儲備	31(a)		
Share capital	股本		307,601	255,181
Reserves	儲備		1,633,737	923,154
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益總額		1,941,338	1,178,335
Minority interests	少數股東權益		116,955	92,880
TOTAL EQUITY	權益總額		2,058,293	1,271,215

Approved and authorised for issue by the board of directors on 22 March 2007.

董事會於二零零七年三月二十二日核准及許可發行。

Chen Xiaoping

陳小平

Director

董事

Philip Fan Yan Hok

范仁鶴

Director

董事

The notes on pages 115 to 246 form part of these financial statements.

載於第一百一十五頁至第二百四十六頁之附註為此等財務報表之一部份。



Balance sheet 資產負債表

At 31 December 2006 (Expressed in Hong Kong dollars)
於二零零六年十二月三十一日 (以港幣計算)

			2006 二零零六年	2005 二零零五年
	Note 附註	\$'000 千元	\$'000 千元	\$'000 千元
Non-current assets				
Property, plant and equipment	14(b)		1,727	1,314
Interest in subsidiaries	17		1,451,949	978,225
Investment in associate	18		–	205,199
Other financial assets	19		13,649	13,649
			1,467,325	1,198,387
Current assets				
Other receivables, deposits and prepayments			39,826	8,853
Cash and cash equivalents	24		332,270	228,407
			372,096	237,260
Current liabilities				
Secured bank loans	25		21,429	31,429
Other payables and accrued expenses			38,122	22,187
			59,551	53,616
Net current assets			312,545	183,644
Total assets less current liabilities			1,779,870	1,382,031
Non-current liabilities				
Secured bank loans	25		24,107	30,536
Loans from ultimate holding company	28		–	440,480
			24,107	471,016
NET ASSETS			1,755,763	911,015



Balance sheet

資產負債表

At 31 December 2006 (Expressed in Hong Kong dollars)
於二零零六年十二月三十一日 (以港幣計算)

			2006 二零零六年	2005 二零零五年
	Note 附註	\$'000 千元	\$'000 千元	\$'000 千元
CAPITAL AND RESERVES	股本及儲備	31(b)		
Share capital	股本		307,601	255,181
Reserves	儲備		1,448,162	655,834
TOTAL EQUITY	權益總額		1,755,763	911,015

Approved and authorised for issue by the board of directors on 22 March 2007.
董事會於二零零七年三月二十二日核准及許可發行。

Chen Xiaoping

陳小平

Director

董事

Philip Fan Yan Hok

范仁鶴

Director

董事

The notes on pages 115 to 246 form part of these financial statements.
載於第一百一十五頁至第二百四十六頁之附註為此等財務報表之一部份。



Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2006 (Expressed in Hong Kong dollars)

截至二零零六年十二月三十一日止年度（以港幣計算）

		2006 二零零六年		2005 二零零五年 (restated) (重報)
		Note 附註	\$'000 千元	\$'000 千元
Total equity at 1 January:	於一月一日之權益總額：			
As previously reported:	如前呈報：			
– attributable to equity shareholders of the Company	– 本公司股東 應佔部份	31	1,176,857	1,076,280
– minority interests	– 少數股東權益	31	92,328	3,194
			1,269,185	1,079,474
Prior period adjustments arising from change in accounting policy	會計政策變動 所致之前期 調整	31	2,030	–
As restated	已重報	31	1,271,215	1,079,474
Net income recognised directly in equity:	直接於權益確認 之收入淨額：			
Share of exchange reserves of associates	所佔聯營公司 匯兌儲備	31	5,088	9,598
Exchange differences on translation of financial statements of subsidiaries and associates	換算附屬公司及 聯營公司財務 報表產生之 匯兌差額	31	48,517	8,868
Changes in fair value of available-for-sale securities	待售證券公允值 之變動	31	26,129	8,811
Net income for the year recognised directly in equity carried forward	直接於權益確認 之本年度收入 淨額轉後		79,734	27,277



Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2006 (Expressed in Hong Kong dollars)

截至二零零六年十二月三十一日止年度 (以港幣計算)

		2006 二零零六年		2005 二零零五年 (restated) (重報)
		Note 附註	\$'000 千元	\$'000 千元
Net income for the year recognised directly in equity brought forward	直接於權益確認 之本年度收入 淨額承前		79,734	27,277
Net profit for the year:	本年度淨盈利:			
As previously reported:	如前呈報:	2(a)(i)		
– attributable to equity shareholders of the Company	– 本公司股東 應佔部份			105,330
– minority interests	– 少數股東權益			15,514
				<u>120,844</u>
Prior period adjustments arising from change in accounting policy	會計政策變動 所致之前期 調整	2(a)(i)		<u>2,030</u>
Net profit for the year (2005: as restated)	本年度淨盈利 (二零零五年: 已重報)	2(a)(i) & 31	428,050	122,874
Exchange reserve realised on disposal of associate	出售聯營公司 而變現之匯兌儲備	31	(14,269)	–
Transfer from fair value reserve to profit or loss on disposal of available-for-sale securities	出售待售證券後 從公允值儲備 轉撥至 損益表	31	(4,122)	–
Total recognised income and expenses for the year (2005: as restated)	本年度已確認收入 及開支總額 (二零零五年: 已重報)		<u>489,393</u>	<u>150,151</u>



Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2006 (Expressed in Hong Kong dollars)

截至二零零六年十二月三十一日止年度（以港幣計算）

		2006 二零零六年		2005 二零零五年 (restated) (重報)
		Note 附註	\$'000 千元	\$'000 千元
Attributable to:	應佔部份：			
– equity shareholders of the Company	– 本公司股東		464,732	131,771
– minority interests	– 少數股東權益		24,661	18,380
			<u>489,393</u>	<u>150,151</u>
Dividends declared:	宣派股息：			
– by the Company to equity shareholders	– 本公司支付予股東		(33,682)	(30,604)
– by non-wholly owned subsidiary to minority shareholder	– 非全資附屬公司支付予少數股東		(586)	(575)
			<u>(34,268)</u>	<u>(31,179)</u>
Movements in equity arising from capital transactions with equity shareholders of the Company:	與本公司股東進行資本交易而產生之權益變動：			
– shares issued under share option scheme	– 根據購股權計劃發行股份	31	4,203	888
– issue of ordinary shares	– 發行普通股	31	321,723	–
– Equity-settled share-based transactions	– 以股份支付之股本交易	31	6,027	–
			<u>331,953</u>	<u>888</u>



Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2006 (Expressed in Hong Kong dollars)

截至二零零六年十二月三十一日止年度（以港幣計算）

		2006 二零零六年		2005 二零零五年 (restated) (重報)
		Note 附註	\$'000 千元	\$'000 千元
Movements in equity arising from transactions between non-wholly owned subsidiaries and their minority shareholders:	非全資附屬公司與其少數股東進行交易而產生之權益變動：			
Capital contribution received by non-wholly owned subsidiaries from minority shareholders	非全資附屬公司收取少數股東出資	31	-	71,881
Total equity at 31 December	於十二月三十一日之權益總額	31	2,058,293	1,271,215
Restatements of total recognised income and expense for the year are attributable to:	下列各方應佔本年度已確認收入及開支重報總額：			
- equity shareholders of the Company	- 本公司股東			1,478
- minority interests	- 少數股東權益			552
				2,030
Arising from restatement of net profit for the year	重報本年度淨盈利所產生			2,030

The notes on pages 115 to 246 form part of these financial statements.

載於第一百一十五頁至第二百四十六頁之附註為此等財務報表之一部份。



Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2006 (Expressed in Hong Kong dollars)
截至二零零六年十二月三十一日止年度(以港幣計算)

		2006 二零零六年	2005 二零零五年 (restated) (重報)
	Note 附註	\$'000 千元	\$'000 千元
Operating activities	經營活動		
Profit before taxation	除稅前盈利	437,949	111,837
Adjustments for:	經調整:		
– Valuation gains on investment properties	– 投資物業估值盈餘	(5,831)	(25,230)
– Depreciation	– 折舊	23,636	18,464
– Amortisation of land lease premium	– 土地租賃費用攤銷	4,651	283
– Amortisation of intangible assets	– 無形資產攤銷	1,485	115
– Finance costs	– 財務費用	52,631	32,090
– Dividend income from listed securities	– 上市證券股息收入	(3,149)	–
– Dividend income from unlisted securities	– 非上市證券股息收入	(1,677)	(1,135)
– Interest income	– 利息收入	(17,612)	(9,072)
– Share of profits of associates	– 所佔聯營公司盈利	(32,658)	(68,045)
– Profit on sale of associate	– 出售聯營公司盈利	(310,000)	–
– Profit on sale of investment properties	– 出售投資物業盈利	(16,083)	–
– Net loss/(gain) on sale of fixed assets	– 出售固定資產所得虧損/(收益)淨額	847	(587)
– Profit on sale of available-for-sale securities	– 出售待售證券之盈利	(11,542)	–
– Equity-settled share-based payment expenses	– 以股份支付之股本交易開支	6,027	–
– Excess of interest in fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination	– 收購業務之可辨別資產·負債及或有負債之公允值高於業務合併之成本值	(16,339)	–
– Foreign exchange loss	– 匯兌虧損	18,111	2,304
Operating profit before changes in working capital carried forward	營運資金變動前之經營盈利轉後	130,446	61,024



Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2006 (Expressed in Hong Kong dollars)
截至二零零六年十二月三十一日止年度 (以港幣計算)

		2006 二零零六年	2005 二零零五年 (restated) (重報)
	Note 附註	\$'000 千元	\$'000 千元
Operating profit before changes in working capital brought forward	營運資金變動前之經營盈利承前	130,446	61,024
Increase in inventories	存貨增加	(3,445)	—
(Increase)/decrease in debtors, other receivables, deposits and prepayments	應收賬款、其他應收款項、按金及預付款項 (增加)／減少	(11,429)	10,011
Increase/(decrease) in amount due to minority shareholder	應付少數股東款項 增加／(減少)	11	(7,387)
Increase in creditors, other payables and accrued expenses	應付賬款、其他應付款項及應計費用增加	52,823	34,235
Cash generated from operations	經營產生之現金	168,406	97,883
Interest received	已收利息	17,612	9,072
People's Republic of China ("PRC") income tax paid	已付中華人民共和國 (「中國」) 所得稅	(7,470)	(2,610)
Net cash generated from operating activities	經營活動產生之現金淨額	178,548	104,345



Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2006 (Expressed in Hong Kong dollars)
截至二零零六年十二月三十一日止年度(以港幣計算)

			2006 二零零六年	2005 二零零五年 (restated) (重報)
	Note 附註		\$'000 千元	\$'000 千元
Investing activities		投資活動		
Payment for the purchase of fixed assets		購買固定資產之款項	(632,449)	(370,449)
Repayment of finance lease receivables		融資租賃應收款項還款	6,486	968
Proceeds from sale of fixed assets		出售固定資產所得款項	119,835	2,845
Increase in pledged bank deposits		已抵押銀行存款增加	(10,117)	(82,285)
(Increase)/decrease in deposits with bank		銀行存款(增加)/減少	(10,002)	4,947
Payment for purchase of business, net of cash acquired	33	購買業務之款項(扣除收購所得現金)	(119,305)	(99,883)
Proceed from sale of associate		出售聯營公司所得款項	657,708	—
Dividend received from associate		已收聯營公司股息	88,632	99,818
Dividend received from listed securities		已收上市證券股息	323	—
Dividend received from unlisted securities		已收非上市證券股息	1,677	1,135
Proceeds from sale of other financial assets		出售其他財務資產所得款項	25,330	—
Net cash generated from/(used in) investing activities		投資活動產生/(動用)之現金淨額	128,118	(442,904)



Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2006 (Expressed in Hong Kong dollars)
截至二零零六年十二月三十一日止年度 (以港幣計算)

		2006 二零零六年	2005 二零零五年 (restated) (重報)
	Note 附註	\$'000 千元	\$'000 千元
Financing activities	融資活動		
Proceeds from new bank loans	新做銀行貸款所得款項	306,830	328,971
Repayment of bank loans	償還銀行貸款	(49,319)	(88,735)
Repayment of loans from ultimate holding company	償還最終控股公司貸款	(440,480)	(9,425)
Capital contributions received by non-wholly owned subsidiaries from minority shareholders	非全資附屬公司收取少數股東出資	-	24,277
Proceeds from shares issued under share option scheme	根據購股權計劃發行股份所得款項	4,203	888
Proceeds from issue of ordinary shares	發行普通股所得款項	321,723	-
Interest paid	已付利息	(70,445)	(50,853)
Dividend paid to equity shareholders of the Company	已付本公司股東股息	(33,682)	(30,604)
Dividend paid to minority shareholder	已付少數股東股息	(586)	(575)
Net cash generated from financing activities	融資活動產生之現金淨額	38,244	173,944
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額	344,910	(164,615)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	408,566	572,358
Effect of foreign exchange rates changes	匯率變動影響	3,287	823
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	756,763	408,566

24

The notes on pages 115 to 246 form part of these financial statements.
載於第一百一十五頁至第二百四十六頁之附註為此等財務報表之一部份。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on the changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

一. 主要會計政策

(a) 遵守聲明

此等財務報表是按照香港會計師公會頒佈之所有適用香港財務報告準則（「香港財務報告準則」），該統稱包括所有適用的單獨的《香港財務報告準則》、《香港會計準則》（「香港會計準則」）及詮釋、香港公認會計原則及香港《公司條例》之規定而編製。此外，此等財務報表亦已遵照香港聯合交易所有限公司證券上市規則（「上市規則」）中適用的披露規定。本集團所採用之主要會計政策撮要載列如下。

香港會計師公會頒佈了若干新訂及經修訂之香港財務報告準則，有關準則自本集團及本公司的本會計期間開始生效或可供提前採用。於本期間及過往會計期間，由於初次運用上述與本集團有關之新訂及經修訂香港財務報告準則而導致會計政策變動之影響已反映於財務報表中。其資料載於財務報表附註二內。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2006 comprise the Company and its subsidiaries and the Group's interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investment property (see note 1(g)); and
- financial instruments classified as available-for-sale securities (see note 1(f)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

一. 主要會計政策 (續)

(b) 財務報表編製基準

截至二零零六年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司及本集團之聯營公司權益。

編製財務報表所採用之計算基準為歷史成本法；惟下列資產及負債均以公允值列賬（詳見下文會計政策所闡釋）除外：

- 投資物業（見附註一(g)）；及
- 分類為待售證券之金融工具（見附註一(f)）。

編製此等符合香港財務報告準則之財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產及負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源而得出的資產及負債之賬面值所作出估計之基準。實際數字或會有別於估計數字。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements are discussed in note 40.

(c) Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

一. 主要會計政策 (續)

(b) 財務報表編製基準 (續)

本集團持續就所作估計及相關假設作出評估。會計估計之變動如僅影響當期，則有關會計估計變動將於當期確認。如該項會計估計變動影響當期及以後期間，則有關會計估計變動將於當期及以後期間確認。

管理層在應用香港財務報告準則時所作出並對財務報表有重大影響之判斷詳述於附註四十。

(c) 附屬公司及少數股東權益

附屬公司為本集團控制之實體。於本集團有權監管該實體之財務及經營決策，以自其業務獲取利益時，即存在控制。於評估控制權時，將計及現時可行使之潛在投票權。

於附屬公司之投資會自控制開始日期起合併入賬綜合財務報表內，直至控制結束日期為止。集團內公司間之結餘及交易和集團內公司間之交易所產生之任何未變現盈利於編製綜合財務報表時悉數抵銷。倘並無出現耗損跡象，集團內公司間之交易所產生之未變現虧損則按照未變現收益之相同方式抵銷。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries and minority interests (continued)

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

一. 主要會計政策 (續)

(c) 附屬公司及少數股東權益 (續)

少數股東權益指並非由本公司直接或間接透過附屬公司擁有之權益所佔附屬公司之資產淨值，而本集團未有就此與該權益持有人達成任何附加協議，致令本集團整體上對該等權益產生符合財務負債定義之法定義務。少數股東權益會在綜合資產負債表之權益項目中，與本公司股東之應佔權益分開呈報。而少數股東所佔集團業績之權益則會在綜合損益表中列作為本公司少數股東與本公司股東之間的年內損益總額分配。

倘少數股東應佔之虧損超過其應佔附屬公司股權之權益，超額部份及任何其他少數股東應佔虧損便會沖減本集團所佔權益；惟如少數股東有具約束力之義務及有能力作出額外投資彌補虧損則除外。附屬公司之所有其後盈利均會分配予本集團，直至收回以往由本集團承擔之少數股東應佔虧損為止。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries and minority interests (continued)

Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet in accordance with notes 1(n) or (o) depending on the nature of the liability.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (see note 1(k)), unless the investment is classified as held for sale.

(d) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, unless it is classified as held for sale. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investments in associates recognised for the year (see notes 1(e) and (k)).

一. 主要會計政策 (續)

(c) 附屬公司及少數股東權益 (續)

少數股東權益持有人之貸款及其他有關該等持有人之合約責任，於綜合資產負債表根據附註一(n)或(o)（視乎負債性質而定）列為財務負債。

在本公司之資產負債表內，於附屬公司之投資按成本值減去任何耗損虧損（見附註一(k)）列賬；惟如有關投資已被列作待售投資則除外。

(d) 聯營公司

聯營公司是指本集團或本公司可以對其管理層發揮重大影響力的公司，包括參與財務及經營政策之決定，但並不控制或共同控制其管理層之公司。

於聯營公司之投資根據權益法記入綜合財務報表內，首先按成本值入賬，其後按本集團所佔聯營公司資產淨值於收購後之變動作出調整；惟如有關投資已被列作待售投資則除外。綜合損益表包括本集團所佔聯營公司於該年度之收購後及除稅後業績，包括於年內確認有關於聯營公司之投資之任何商譽耗損虧損（見附註一(e)及(k)）。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Associates (continued)

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal and constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Company's balance sheet, its investments in associates are stated at cost less impairment losses (see note 1(k)), unless it is classified as held for sale.

一. 主要會計政策 (續)

(d) 聯營公司 (續)

如本集團分攤之虧損超過其於聯營公司之權益，則本集團之權益將會減至零，並毋須確認其他虧損；惟如本集團需對該聯營公司承擔法定及推定責任或代表該聯營公司作出付款則除外。就此而言，本集團之聯營公司權益為根據權益會計法所得之投資賬面值，連同實際構成本集團於聯營公司之投資淨額之任何長期權益。

本集團及其聯營公司間之交易所產生之未變現盈虧均在本集團之聯營公司權益中沖銷；惟倘未變現虧損是由已轉讓資產的耗損產生，則須立刻在損益表中確認。

在本公司之資產負債表內，本公司於聯營公司之投資需按成本值減去耗損虧損（見附註一(k)）列賬；惟如有關投資已被列作待售投資則除外。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 1(k)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in profit or loss.

On disposal of a cash-generating unit or an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

Also in accordance with the transitional arrangements under HKFRS 3, goodwill which had previously been taken directly to reserves (i.e. goodwill which arose before 1 January 2001) will not be recognised in profit or loss on disposal or impairment of the acquired business, or under any other circumstances.

一. 主要會計政策 (續)

(e) 商譽

商譽即商業合併或投資聯營公司之成本超過本集團應佔收購業務之可辨別資產、負債及或有負債之公允淨值之數。

商譽按成本值減累計耗損虧損列賬。商譽被分配為現金生產單位，並須每年作耗損測試（見附註一(k)）。就聯營公司而言，商譽之賬面值會計入於聯營公司權益之賬面值內。

在商業合併或投資聯營公司時，若本集團應佔收購業務之可辨別資產、負債及或有負債之公允淨值高於成本值，超出之金額即時在損益表確認。

於年內出售單一現金生產單位或聯營公司時，其應佔已收購商譽金額會於計算出售交易之盈虧時計入其中。

此外，根據香港財務報告準則第3號之過渡條文，當所收購業務被出售或出現耗損時，或在任何其他情況下，過往直接計入儲備之商譽（即於二零零一年一月一日之前產生之商譽）也不會在損益表中確認。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries and associates, are as follows:

Investments in equity securities are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At each balance sheet date the fair value is remeasured, with any resulted gain or loss being recognised in profit or loss.

Investment in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 1(k)).

一. 主要會計政策 (續)

(f) 其他股本證券投資

本集團及本公司之股本證券投資(除附屬公司及聯營公司投資外)準則如下:

股本證券投資初步按成本值(即其交易價格)列賬;但如可根據一項變數只包括可觀察市場數據之估值方法更可靠地估計出公允值則除外。成本包括應佔交易成本;惟下文所述者除外。此等投資其後因應所屬分類入賬如下:

持作貿易用途之證券投資被歸類為流動資產,任何應佔交易成本於產生時在損益表中確認。於各個結算日,會重新計算公允值,所得之盈虧於損益表中確認。

倘股本證券投資於活躍市場並無市場報價及其公允值無法準確計量,則該等投資在資產負債表中以成本值減去耗損虧損確認入賬(見附註一(k))。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Other investments in equity securities (continued)

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity. When these investments are derecognised or impaired (see note 1(k)), the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments.

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 1(j)) to earn rental income and/or for capital appreciation.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 1(t)(iv).

一. 主要會計政策 (續)

(f) 其他股本證券投資 (續)

其他不屬上述任何類別的證券投資被歸類為待售證券。於各個結算日，會重新計算公允值，所得之盈虧會直接於權益中確認。當終止確認此等投資或此等投資出現耗損（見附註一(k)）時，先前直接於權益中確認之累計收益或虧損會於損益表中確認。

投資會於本集團承諾買入／賣出當日確認／終止確認。

(g) 投資物業

投資物業是根據租賃權益擁有或持有用作賺取租金收入及／或資本增值之土地及／或樓宇（見附註一(j)）。

投資物業於資產負債表中按公允值列賬。公允值變動所產生或投資物業退廢或出售所產生之任何盈虧於損益表中確認。投資物業之租金收入按附註一(t)(iv)所載者入賬。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Other property, plant and equipment

Other property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(k)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 1(v)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, over their estimated useful lives as follows:

- toll bridge is depreciated on an units-of-usage basis which is based on the actual traffic volume for a particular period over the projected total traffic volume throughout the periods for which the Group is granted the right to operate the bridge. The projected total traffic volume is based on independent professional traffic studies. It is a Group policy to compare the yearly actual traffic volume with the projected traffic volume. Appropriate adjustments will be made should actual volume be materially different from that projected;

一. 主要會計政策 (續)

(h) 其他物業、廠房及設備

其他物業、廠房及設備於資產負債表內按成本值減累計折舊及耗損虧損入賬(見附註一(k))。

自建物業、廠房及設備成本包括物料成本、直接勞工成本、初步估計(倘適用)之拆卸及搬遷項目以及恢復項目所在地原貌之成本及適當比例之生產經常費用及借貸成本(附註一(v))。

物業、廠房及設備退廢或被出售所產生之盈虧以出售所得款項淨額與資產之賬面值之間的差額釐定，並於退廢或出售當日在損益表中確認。

物業、廠房及設備項目乃按其估計可使用年期減彼等之估計剩餘價值(如有)以撇銷其成本值計算折舊如下：

- 收費橋樑之折舊乃按照交通流量法計提。其按有關期間之實際交通流量佔本集團獲授該橋樑經營權期間之預計交通總流量之比例計提。預計交通總流量乃根據獨立專業交通流量研究計算所得。本集團會將每年的實際交通流量與預計交通總流量作比較。倘實際交通總流量與預計者出現重大差異，將會作出適當調整；



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Other property, plant and equipment (continued)

- buildings situated on leasehold land are depreciated on a straight-line basis over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion;
- other fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Toll bridge ancillary facilities	5 to 10 years
Leasehold improvements	10 years or over the remaining term of the lease, if shorter
Furniture and fixtures	5 to 10 years
Motor vehicles, electronic equipment and other fixed assets	3 to 12 years

No depreciation is provided in respect of construction in progress.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

一. 主要會計政策 (續)

(h) 其他物業、廠房及設備 (續)

- 位於租賃土地之上的樓宇乃按其餘下之租賃年期及估計可使用年期(即完成日期起計五十年之內)(以較短者為準)以直線法折舊;
- 其他固定資產乃按下列估計可使用年期以直線法折舊:

收費橋樑附屬設施	五至十年
租賃物業裝修	十年或剩餘之 租賃年期 (以較短者 為準)
傢俬及裝置	五至十年
汽車、電子設備 及其他固定資產	三至十二年

在建工程並不计提折舊。

當一項物業、廠房及設備之各部份有不同的可使用年期，此項目各部份之成本將按合理基礎分配，而每部份將作個別折舊。資產之可使用年期及其剩餘價值(倘適用)會每年進行檢討。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group are stated in the balance sheet at cost less accumulated amortisation and impairment losses (see note 1(k)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of waste-water treatment concession rights is charged to profit or loss on a straight-line basis over their estimated useful lives of 25 to 30 years. Both the period and method of amortisation are reviewed annually.

(j) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exception:

一. 主要會計政策 (續)

(i) 無形資產 (商譽除外)

本集團收購所得之無形資產於資產負債表中按成本值減累計攤銷及耗損虧損列賬 (見附註一(k))。有關內部產生之商譽及品牌之開支於產生期間支銷。

污水處理特許經營權之攤銷按直線法於估計可使用年期二十五年至三十年內計入損益表。攤銷期及方法均會每年檢討。

(j) 租賃資產

如本集團能確定某項安排賦予有關人士權利，可透過付款或支付一系列款項而於協定期間內使用特定資產，有關安排 (包括一項交易或一系列交易) 即屬或包含租賃。本集團之結論乃基於有關安排之細節評估而作出，並不論有關安排是否具備租賃之法律形式。

(i) 本集團租用之資產之分類

就本集團根據租賃持有之資產而言，如有關租賃把絕大部份擁有權之風險及利益轉移至本集團，則有關資產被分類為根據融資租賃持有之資產。不會轉移絕大部份擁有權之風險及利益予本集團之租賃乃分類為經營租賃；惟下述者除外：



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Leased assets (continued)

(i) Classification of assets leased to the Group (continued)

Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the assets, the life of the assets, as set out in note 1(h). Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(k). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

一. 主要會計政策 (續)

(j) 租賃資產 (續)

(i) 本集團租用之資產之分類 (續)

就根據經營租賃持作自用之土地而言，如其公允值不能夠與訂立租賃時已建於其上之建築物之公允值分開計量，將當作根據融資租賃持有者入賬；惟如有關建築物亦是根據經營租賃確實持有則除外。就此而言，訂立租賃之時指本集團首次訂立租賃之時，或自前度承租人接收之時。

(ii) 根據融資租賃購入之資產

如屬本集團根據融資租賃獲得資產使用權之情況，則將相當於租賃資產公允值或最低租賃付款金額現值（如為較低者）列作固定資產，而相應負債（已扣除財務費用）則列為融資租賃承擔。折舊是在相關的租賃期或資產之可使用年期（如本集團很可能取得資產之所有權）內計提，沖銷其成本；有關的可使用年期載列於附註一(h)。耗損虧損按照附註一(k)所述之會計政策入賬。租賃付款內含的財務費用於租賃期內計入損益表內，使每個會計期間之財務費用與負債餘額之比率大致相同。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Leased assets (continued)

(iii) Assets leased out under finance leases

Where assets are leased out under finance leases, an amount representing the net investment in the lease is included in the balance sheet as a receivable. Finance income implicit in the lease payments is credited to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period.

(iv) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 1(g)).

一. 主要會計政策 (續)

(j) 租賃資產 (續)

(iii) 根據融資租賃出租之資產

如屬資產根據融資租賃出租之情況，則將相當於租賃投資淨額之數入賬資產負債表，列作應收款項。租賃付款內含的財務收入於租賃期內計入損益表內，使每個會計期間之回報與未償付租賃投資淨額之比率大致相同。

(iv) 經營租賃支出

如屬本集團根據經營租賃使用資產之情況，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額方式計入損益表中；惟如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。已收取之租賃獎勵在損益表中確認為總租賃付款淨額的一部份。

根據經營租賃持有之土地之收購成本乃於租賃期內以直線法攤銷；惟如該物業被分類為投資物業則除外（見附註一(g)）。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets

(i) *Impairment of investments in equity securities and other receivables*

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exist, any impairment loss is determined and recognised as follows:

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.
- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

一. 主要會計政策 (續)

(k) 資產耗損

(i) 股本證券投資及其他應收款項之耗損

按成本值或攤銷成本列賬或已被分類為待售證券之股本證券投資及其他流動與非流動應收款項會於各個結算日進行檢討，以判斷有否存在客觀耗損證據。如存在任何上述證據，則會釐定及確認耗損虧損如下：

- 就按成本值列賬之非上市股本證券而言，耗損虧損按財務資產之賬面值與按類似財務資產之現行市場回報率貼現（如貼現影響重大）估計之未來現金流量之差額計算。股本證券之耗損虧損不予撥回。
- 就按攤銷成本列賬之應收賬款、其他流動應收款項及其他財務資產而言，耗損虧損按資產之賬面值與按財務資產最初之實際利率（即此等資產最初確認時計算所得之實際利率）（如貼現影響重大）估計之未來現金流量現值之差額計算。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(i) Impairment of investments in equity securities and other receivables (continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale securities, the cumulative loss that has been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

一. 主要會計政策 (續)

(k) 資產耗損 (續)

(i) 股本證券投資及其他應收款項之 耗損 (續)

倘於其後期間耗損虧損金額有所減少，而客觀上與確認耗損虧損後發生之事件有關，有關耗損虧損會撥回損益表。耗損虧損之撥回不應導致資產之賬面值超過其在以過年度沒有確認任何耗損虧損而應已釐定之數額。

- 就待售證券而言，早前直接於權益內確認之任何累計虧損須從權益內轉回，並在損益表內確認。在損益表內確認之累計虧損為收購成本（已扣除任何本金還款及攤銷）與現行公允值兩者之差額，減去早前已在損益表內就該資產確認之任何耗損虧損。

已於損益表確認之待售股本證券耗損虧損並不能撥回損益表。其後該資產公允值之任何增加須直接在權益內確認。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- prepaid interest in leasehold land classified as being held under an operating lease;
- intangible assets;
- investments in subsidiaries and associates (except for those classified as being held for sale); and
- goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

一. 主要會計政策 (續)

(k) 資產耗損 (續)

(ii) 其他資產之耗損

本集團會於每個結算日審閱內部及外界所得資料，以確定下列資產（商譽除外）是否出現耗損或先前已確認之耗損虧損不再存在或已經減少：

- 物業、廠房及設備（按重估數額列賬之物業除外）；
- 被分類為根據經營租賃持有之租賃土地之預付利息；
- 無形資產；
- 於附屬公司及聯營公司之投資（被分類為待售者除外）；及
- 商譽。

倘出現任何該等跡象，則估計資產之可收回數額。此外，就商譽而言，其可收回數額會每年估計（不論有否出現耗損跡象）。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

- Calculation of recoverable amount
The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).
- Recognition of impairment losses
An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

一. 主要會計政策 (續)

(k) 資產耗損 (續)

(ii) 其他資產之耗損 (續)

- 計算可收回數額
資產之可收回數額乃指出售價格淨額與使用價值兩者中之較高者。在評估使用價值時，估計日後現金流量乃根據除稅前貼現率貼現至現值，而該貼現率須能反映市場現行對款項的時間價值及資產獨有風險之評估。倘資產並不可在近乎獨立於其他資產之情況下產生現金流量，可收回數額則指可獨立產生現金流量之最小資產組別（即現金生產單位）之可收回數額。
- 確認耗損虧損
倘資產或其所屬之現金生產單位之賬面值超過其可收回數額，則於損益表確認耗損虧損。就現金生產單位確認之耗損虧損而言，其首先用作減少已分配至現金生產單位（或單位類別）之任何商譽之賬面值，其後按比例基準用作減少單位（或單位類別）內其他資產之賬面值；惟資產之賬面值將不得減少至低於其個別公允值減出售成本或使用價值（如能計算）。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

- Reversals of impairment losses
In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(k)(i) and (ii)).

一. 主要會計政策 (續)

(k) 資產耗損 (續)

(ii) 其他資產之耗損 (續)

- 耗損虧損撥回
就商譽以外的資產而言，倘用作釐定可收回數額之估計出現有利變動，則須撥回耗損虧損。商譽之耗損虧損不會撥回。

耗損虧損撥回只限於該資產並未計算過往年度所確認之耗損虧損時之賬面值。耗損虧損撥回之數於確認有關撥回之年度計入損益表內。

(iii) 中期財務報告及耗損

根據上市規則，本集團須按照香港會計準則第34號－「中期財務報告」之規定就有關財政年度首六個月編製中期財務報告。於中期期末，本集團採用其於財政年度結束時將會採用之同一減值測試、確認、及撥回標準（見附註一(k)(i)至(ii)）。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(iii) Interim financial reporting and impairment (continued)

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(l) Inventories

Inventories, mainly comprise spare parts and consumables used in the repairs and maintenance of the waste-water treatment plants and waste-to-energy power plant, are carried at cost less provision for obsolescence. Cost is calculated using the weighted average cost formula. When inventories are consumed, the carrying value of those inventories is recognised as an expense in profit or loss.

(m) Debtors, other receivables, deposits and prepayments

Debtors, other receivables, deposits and prepayments are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 1(k)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 1(k)).

一. 主要會計政策 (續)

(k) 資產耗損 (續)

(iii) 中期財務報告及耗損 (續)

於中期期間就商譽及按成本值入賬之待售股本證券確認之耗損虧損不會於其後的期間撥回。假設有關於中期期間的耗損評估於財政年度結束時進行，即使沒有確認虧損，或虧損屬輕微，均採用以上相同處理方法。

(l) 存貨

存貨主要包括用於維修及保養污水處理廠及垃圾焚燒發電廠之零部件及消耗品，其按成本值減去設備廢棄撥備列賬。成本值按加權平均成本公式計算。在耗用存貨後，有關存貨之賬面值會於損益表中確認為開支。

(m) 應收賬款、其他應收款項、按金及預付款項

應收賬款、其他應收款項、按金及預付款項初步按公允值確認，其後則按攤銷成本減呆壞賬耗損虧損列賬（見附註一(k)）；惟如有關應收款項為給予關聯人仕之免息貸款，而有關貸款並無固定還款期或貼現影響甚微者則除外。在此情況下，有關應收款項按成本值減呆壞賬耗損虧損列賬（見附註一(k)）。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(o) Creditors, other payables and accrued expenses

Creditors, other payables and accrued expenses are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

一. 主要會計政策 (續)

(n) 計息借款

計息借款初步按公允值減應佔交易成本確認。在初步確認後，計息借款按攤銷成本列賬，而初步確認數額與贖回價值兩者之任何差額（連同任何應付利息及費用）於借貸期內按實際利率法在損益表中確認。

(o) 應付賬款、其他應付款項及應計費用

應付賬款、其他應付款項及應計費用初步按公允值確認，其後按攤銷成本列賬，但如貼現影響甚微則除外。在此情況下，則按成本值列賬。

(p) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、於銀行及其他財務機構之活期存款及可隨時兌換為已知金額現金之短期及高流通性投資，其價值變動風險並不重大，並在購入起計三個月內到期。在編製綜合現金流量表時，現金及現金等價物也包括須按要求償還及構成本集團現金管理中一部份的銀行透支。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Employee benefits

(i) *Short-term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) *Share based payments*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes Option Pricing Model, taking into accounts the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

一. 主要會計政策 (續)

(q) 僱員福利

(i) 短期僱員福利及定額供款退休計劃供款

薪金、年度花紅、年度有薪假期、定額供款退休計劃供款及非金錢福利之成本於僱員提供服務之年度提取。倘因付款遞延而造成重大分別，有關數額則按現值列賬。

(ii) 以股份償付

僱員獲授購股權之公允值會確認為員工成本，而在權益內之資本儲備則作相應之增加。公允值乃於授出日期採用「柏力克—舒爾斯」期權定價模式，並經考慮購股權之授出條款及條件計算。當僱員須符合生效條件方可無條件享有該等購股權時，在考慮購股權生效的或然率後，購股權之估計公允值總額在生效期內經攤分入賬。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Employee benefits (continued)

(ii) Share based payments (continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

一. 主要會計政策 (續)

(q) 僱員福利 (續)

(ii) 以股份償付 (續)

於生效期內，估計可生效之購股權數目會作出檢討。除非原來的員工支出符合資產確認之要求，否則任何已在過往年度確認之累計公允值之調整須在檢討年內之損益表中計入／撥回，並在資本儲備作相應調整。在生效日期，除非因未能符合生效條件引致權利喪失純粹與本公司股份之市價有關，否則確認為支出之金額按生效購股權之實際數目作調整（並在資本儲備作相應調整）。權益金額在資本儲備中確認，直至購股權獲行使（轉撥至股份溢價賬），或購股權屆滿（直接轉入保留盈利）為止。

(iii) 終止福利

終止福利僅於本集團在具備正式而詳細且不可能撤回方案之情況下，決意終止聘用或因採取自願離職措施而提供福利時，方予確認。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

一. 主要會計政策 (續)

(r) 所得稅

本年度所得稅包括本期稅項及遞延稅項資產及負債之變動。本期稅項及遞延稅項資產及負債之變動均在損益表內確認；惟如其與直接於權益中確認之項目有關，則須於權益中確認。

本期稅項是按本年度應課稅收入，以於結算日採用或主要採用之稅率計算之預期應繳稅項，及任何有關以往年度應繳稅項之調整。

遞延稅項資產及負債乃因作財務報告用途之資產及負債賬面值與作稅基用途之資產及負債賬面值兩者之可予扣減及應課稅之暫時性差異所產生。遞延稅項資產亦可由未經使用之稅務虧損及未經使用之稅項優惠所產生。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

一. 主要會計政策 (續)

(r) 所得稅 (續)

除了若干有限之例外情況外，所有遞延稅項負債，及所有遞延稅項資產（僅限於將來很可能取得應課稅盈利而令該項資產得以運用之部份）均予確認。容許確認由可予扣減暫時性差異所產生之遞延稅項資產之未來應課稅盈利包括其將由目前之應課稅暫時性差異撥回之部份，而此等應課稅暫時性差異應由同一稅務當局向同一應課稅單位徵收，並預期在可予扣減暫時性差異預期撥回之同一期間內撥回或在由遞延稅項資產產生之稅務虧損能轉回或轉入之期間內撥回。在評定目前之應課稅暫時性差異是否容許確認由未經使用之稅務虧損及優惠所產生之遞延稅項資產時採用上述相同之標準，即該等暫時性差異由同一稅務當局向同一應課稅單位徵收，並預期在稅務虧損或優惠能應用之期間內撥回方計算在內。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

一. 主要會計政策 (續)

(r) 所得稅 (續)

確認遞延稅項資產及負債之有限例外情況：包括不可在稅務方面獲得扣減之商譽所引致之暫時性差異、首次確認但並不影響會計盈利及應課稅盈利之資產或負債（惟其不可為企業合併之部份）、以及有關於附屬公司投資所引致之暫時性差異；如為應稅差異，只限於本集團可以控制撥回時間，且在可預見將來不大可能撥回之暫時差異或如為可予扣減差異，則只限於可能在未來撥回之差異。

應確認之遞延稅項數額是按照資產及負債賬面值之預期變現或清償方式，以結算日採用或主要採用之稅率計算。遞延稅項資產及負債均不作貼現計算。

本集團會在每個結算日評估遞延稅項資產之賬面值。如果不再可能取得足夠之應課稅盈利以運用有關之稅務利益，賬面金額則予以調低。如日後可能取得足夠之應課稅盈利時，已扣減金額則予以撥回。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

一. 主要會計政策 (續)

(r) 所得稅 (續)

分派股息所產生之額外所得稅在支付有關股息之責任確認時予以確認。

本期稅項結餘及遞延稅項結餘及其變動，乃各自分開列示及並無相互抵銷。若本公司或本集團在法律上擁有抵銷本期稅項資產及本期稅項負債之行使權利及能符合下列額外條件，則本期稅項資產可抵銷本期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 若為本期稅項資產及負債：本公司或本集團計劃以淨額清償，或計劃同時變現資產和清償負債；或
- 若為遞延稅項資產及負債：如其與同一稅務當局向下述者徵收之所得稅有關：
 - 同一應課稅單位；或
 - 如為不同之應課稅單位，預期在未來每一個週期將清償或追償顯著數目之遞延稅項負債或資產及計劃以淨額基準變現本期稅項資產及清償本期稅項負債或計劃同時變現本期稅項資產及清償本期稅項負債。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Toll bridge revenue

Toll bridge revenue, net of business tax, is recognised on a usage of the bridge.

一. 主要會計政策 (續)

(s) 撥備及或有負債

當本集團或本公司因過往事件而須負上法律或推定之責任，且可能須就履行該等責任而導致經濟效益流出，並能夠就此作出可靠估計，方始為未能確定何時發生或款額之負債作出撥備。當數額涉及重大之時間價值時，則按預期用以履行責任之開支之現值作出撥備。

倘不一定需要流出經濟效益履行責任或未能可靠估計款額，則該等責任將披露作或有負債；除非出現經濟效益流出的可能性極微。可能出現的責任（僅於一項或多項未來事件發生或不發生的情況下確定）亦披露為或有負債；除非出現經濟效益流出的可能性極微。

(t) 收益確認

在經濟效益預期會流入本集團，並且收益及成本（倘適用）能可靠計算之情況下，以下各項收益將會於損益表中確認：

(i) 收費橋樑收益

收費橋樑收益（經扣除營業稅）按使用路橋基準確認。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Revenue recognition (continued)

- (ii) *Revenue from waste-water treatment plants, waste-to-energy power plant and methane-to-energy power plant operation services*

Revenue from waste-water treatment plants, waste-to-energy power plant and methane-to-energy power plant operation services are recognised when the related services are rendered.

- (iii) *Finance lease income*

Finance lease income is recognised on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

- (iv) *Rental income from operating leases*

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

- (v) *Property management fee income*

Property management fee income is recognised when the related services are rendered.

一. 主要會計政策 (續)

(t) 收益確認 (續)

- (ii) 來自污水處理廠、垃圾焚燒發電廠及沼氣發電廠之營運服務收益

來自污水處理廠、垃圾焚燒發電廠及沼氣發電廠之營運服務收益於提供相關服務時確認。

- (iii) 融資租賃收入

融資租賃收入按一個能反映出租人就有關融資租約之投資淨額定期回報率之方式計算及確認。

- (iv) 經營租賃產生之租金收入

根據經營租賃應收之租金收入於租賃期間內以等額方式在損益表中確認；除非有另一基準更能代表使用租賃資產所產生之利益之模式。已授出之租賃獎勵於損益表中確認為將予收取之總租賃款項淨額的一部份。

- (v) 物業管理費收入

物業管理費收入於提供相關服務時確認。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Revenue recognition (continued)

(vi) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(vii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(u) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

一. 主要會計政策 (續)

(t) 收益確認 (續)

(vi) 股息

非上市投資之股息收入於股東確立收取該款項之權利後確認。

(vii) 利息收入

利息收入是按實際利率法以應計基準確認。

(u) 外幣換算

於本年度內外幣交易按交易當日之匯率換算。以外幣計算之貨幣資產及負債均按結算日之匯率換算。匯兌盈虧於損益表確認。

以歷史成本計算之外匯非貨幣性資產及負債乃按交易日之匯率折算。以公允值列賬之外匯非貨幣資產及負債乃以釐定公允值日期之匯率換算。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Translation of foreign currencies (continued)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(v) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

一. 主要會計政策 (續)

(u) 外幣換算 (續)

外國業務之業績乃按交易日之概約匯率換算為港幣；資產負債表項目，包括因合併二零零五年一月一日或之後購入之外國業務之賬目所產生之商譽，則按結算日之匯率換算為港幣。匯兌差額直接於權益之獨立部份確認。因合併二零零五年一月一日之前購入之外國業務之賬目所產生之商譽則按收購外國業務當日之適用匯率兌換。

於出售外國業務時，與該外國業務有關並於權益中確認之累計匯兌差額會於計算出售盈虧時包括在內。

(v) 借貸成本

借貸成本乃於產生之期間列入損益表，除非該等借貸成本乃與購入、建造或生產需經一段長時期準備方可作預期運用或出售之資產直接有關則予以資本化。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Borrowing costs (continued)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(w) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

一. 主要會計政策 (續)

(v) 借貸成本 (續)

借貸成本乃於資產之開支產生、借貸成本產生及有關籌備資產作其擬定用途或出售所需之活動進行時，即資本化作為合格資產之部份成本。當所有有關籌備合格資產作其擬定用途或出售所需之活動大致上中斷或完成時，即暫時中止或停止資本化借貸成本。

(w) 關聯人仕

就此等財務報表而言，某人仕將被視為與本集團有關聯，如：

- (i) 該人仕有能力直接或間接透過一個或多個中介人控制本集團，或可於作出財務及經營決策時對本集團行使重大影響力，或擁有本集團之共同控制權；
- (ii) 本集團及該人仕均受共同控制；
- (iii) 該人仕為本集團之聯營公司或本集團為合營方之合營企業；
- (iv) 該人仕為本集團或本集團母公司之主要管理人員、或為有關人仕之近親家庭成員、或受該等個別人仕控制、或共同控制或重大影響之實體；



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Related parties (continued)

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(x) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

一. 主要會計政策 (續)

(w) 關聯人仕 (續)

(v) 該人仕為(i)所指之近親家庭成員或受該等個別人仕控制、或共同控制或重大影響之實體；或

(vi) 屬提供福利予本集團僱員或與集團關聯之實體之僱員離職後福利計劃。

個別人仕之近親家庭成員指可影響該個別人仕與該實體交易之家庭成員，或受該個別人仕與該實體交易影響之家庭成員。

(x) 分部報告

「分部」是指集團內可劃分的單位，這些單位或負責提供產品或服務（業務分部），或在特定之經濟環境（地區分部）提供產品或服務，而個別分部所承受之風險及所得之回報與其他分部不同。

根據本集團之內部財務報告方式，本集團之財務報表已選定業務分部資料為主要呈報形式，而地區分部資料則為次要呈報形式。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Segment reporting (continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

一. 主要會計政策 (續)

(x) 分部報告 (續)

分部收入、開支、業績、資產及負債包括直接歸屬於該分部之項目，以及可按合理基準分配至該分部之項目。例如：分部資產可能包括存貨、應收賬款及物業、廠房及設備。分部收入、開支、資產及負債於綜合賬項過程中對銷集團內公司間之結餘及集團內公司間之交易前釐定；惟集團內公司間結餘及交易源自集團同一業務分部內企業者則除外。集團內公司間之交易訂價按提供予其他外界人士之類似條款釐定。

分部之資本開支是期內就收購預期使用超過一段期間的分部資產（包括有形及無形資產）而產生之總成本。

未分配項目主要包括財務及企業資產、計息貸款、借貸、稅項結餘、企業及財務開支。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group.

Note 1 summaries the accounting policies of the Group after the adoption of these developments to the extent that they are relevant to the Group. The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 41).

(a) Restatement of prior periods and opening balances

The following tables disclose the adjustments that have been made in accordance with the transitional provisions of the respective HKFRSs to each of the line items in the consolidated income statement, balance sheet, cash flow statement and other significant related disclosure items as previously reported for the year ended 31 December 2005. The effects of changes in accounting policies on the balances at 1 January 2006 are disclosed in note 31.

二. 會計政策之變動

香港會計師公會頒佈了若干新訂及經修訂之香港財務報告準則，有關準則自本集團之本會計期間開始生效或可供提前採用。

附註一載列本集團於採納上述與本集團有關之新訂及經修訂準則後之會計政策概要。與本會計期間及過往會計期間有關，並已在財務報表中反映之會計政策重大變動詳情載於下文。

本集團並無應用任何於本會計期間尚未生效之新準則或詮釋（見附註四十一）。

(a) 重報過往期間及期初結餘

下表披露根據相關香港財務報告準則之過渡條文，就截至二零零五年十二月三十一日止年度綜合損益表、資產負債表、現金流量表內各個已呈報項目及其他重大相關披露項目作出之調整。會計政策變動對二零零六年一月一日結餘之影響載於附註三十一。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES (continued)

二. 會計政策之變動 (續)

(a) Restatement of prior periods and opening balances (continued)

(i) Effect on the consolidated financial statements
Consolidated income statement for the year ended 31 December 2005

(a) 重報過往期間及期初結餘 (續)

(i) 對綜合財務報表之影響
截至二零零五年十二月三十一日止年度之綜合損益表

		2005 (as previously reported) 二零零五年 (如前呈報)	Effect of HK(IFRIC) 4 (increase/ (decrease) in profit for the year) 《香港(國際 財務報告 詮釋委員會) 詮釋》第4號 之影響 (年內盈利 增加/(減少)) (note 2(c)) (附註二(c))	2005 (as restated) 二零零五年 (已重報)
		\$'000 千元	\$'000 千元	\$'000 千元
Turnover	營業額	133,823	(968)	132,855
Direct costs and operating expenses	直接成本及經營費用	(43,161)	3,829	(39,332)
		90,662	2,861	93,523
Other revenue	其他收益	12,413	—	12,413
Administrative expenses	行政費用	(55,284)	—	(55,284)
Valuation gains on investment properties	投資物業 估值盈餘	25,230	—	25,230
Profit from operations	經營盈利	73,021	2,861	75,882
Finance costs	財務費用	(32,090)	—	(32,090)
		40,931	2,861	43,792
Share of profits of associates	所佔聯營公司盈利	68,045	—	68,045
Profit before taxation	除稅前盈利	108,976	2,861	111,837
Income tax	所得稅	11,868	(831)	11,037
Profit for the year	本年度盈利	120,844	2,030	122,874



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(a) Restatement of prior periods and opening balances (continued)

(i) Effect on the consolidated financial statements (continued)

Consolidated income statement for the year ended 31 December 2005 (continued)

Attributable to:

Equity shareholders of the Company
Minority interests

Profit for the year

Earnings per share

Basic

Diluted

Other significant disclosure items:

Waste-water treatment revenue
Revenue from waste-water treatment plants operation services
Finance lease income
Rental income
Depreciation

應佔部份:

本公司股東
少數股東權益

本年度盈利

每股盈利

基本

攤薄

其他重大披露項目:

污水處理收益
污水處理廠營運服務收益
融資租賃收入
租金收入
折舊

二. 會計政策之變動 (續)

(a) 重報過往期間及期初結餘 (續)

(i) 對綜合財務報表之影響 (續)

截至二零零五年十二月三十一日止年度之綜合損益表 (續)

	Effect of HK(IFRIC) 4 (increase/ (decrease) in profit for the year) 《香港(國際財務報告詮釋委員會)詮釋》第4號之影響 (年內盈利增加/ (減少)) (note 2(c)) (附註二(c))	
2005 (as previously reported) 二零零五年 (如前呈報)		2005 (as restated) 二零零五年 (已重報)
\$'000 千元	\$'000 千元	\$'000 千元

105,330	1,478	106,808
15,514	552	16,066
120,844	2,030	122,874
4.13 cents 仙	0.06 cent 仙	4.19 cents 仙
4.07 cents 仙	0.06 cent 仙	4.13 cents 仙
56,340	(56,340)	—
—	51,413	51,413
—	3,676	3,676
14,245	283	14,528
(22,293)	3,829	(18,464)



CHANGES IN ACCOUNTING POLICIES

(a) 重報過往期間及期初結餘 (續)

於二零零五年十二月三十一日之
綜合資產負債表

(i) *Effect on the consolidated financial statements (continued)*

Consolidated balance sheet at 31 December 2005

《香港(國際
財務報告
詮釋委員會)

詮釋》第4號
之影響
(年內資產淨額
增加／(減少))
(note 2(c))
(附註二(c))

2005
(as restated)
二零零五年
(已重報)

\$'000
千元

\$'000
千元

非流動資產

固定資產

- 投資物業
- 其他物業、廠房及設備
- 根據經營租賃持有之租賃土地權益

262,194

(131,225)

1,031,827

76,045

(131,225)

1.370.066

無形資產

—

34,433

商譽

48,236

聯營公司權益

413.304

其他財務資產

51.931

融資租賃應收款項

- 131.701

131.701

遞延稅項資產

(399)

16.433

77

2.066.104



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(a) Restatement of prior periods and opening balances (continued)

(i) Effect on the consolidated financial statements (continued)

Consolidated balance sheet at 31 December 2005 (continued)

二. 會計政策之變動 (續)

(a) 重報過往期間及期初結餘 (續)

(i) 對綜合財務報表之影響 (續)

於二零零五年十二月三十一日之
綜合資產負債表 (續)

		Effect of HK(IFRIC) 4 (increase/ (decrease) in net assets for the year) 《香港(國際 財務報告 詮釋委員會) 詮釋》第4號 之影響 (年內資產淨額 增加/(減少)) (note 2(c)) (附註二(c))	
	2005 (as previously reported) 二零零五年 (如前呈報)		2005 (as restated) 二零零五年 (已重報)
	\$'000 千元	\$'000 千元	\$'000 千元
Current assets	流動資產		
Debtors, other receivables, deposits and prepayments	應收賬款·其他 應收款項·按金及 預付款項	109,023	109,023
Finance lease receivables	融資租賃應收款項	—	2,384
Pledged bank deposits	已抵押銀行存款	89,197	89,197
Deposits with bank	銀行存款	907	907
Cash and cash equivalents	現金及現金等價物	408,566	408,566
		607,693	610,077
Current liabilities	流動負債		
Secured bank loans	有抵押銀行貸款	40,227	40,227
Amount due to minority shareholder	應付少數股東 款項	575	575
Creditors, other payables and accrued expenses	應付賬款·其他應付 款項及應計費用	233,219	233,219
Current taxation	本期稅項	2,138	2,138
		276,159	276,159
Net current assets	流動資產淨額	331,534	333,918
Total assets less current liabilities carried forward	總資產減流動負債 轉後	2,397,561	2,400,022



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES (continued)

二. 會計政策之變動 (續)

(a) Restatement of prior periods and opening balances (continued)

(i) Effect on the consolidated financial statements (continued)

Consolidated balance sheet at 31 December 2005 (continued)

(a) 重報過往期間及期初結餘 (續)

(i) 對綜合財務報表之影響 (續)

於二零零五年十二月三十一日之
綜合資產負債表 (續)

		2005 (as previously reported) 二零零五年 (如前呈報)	Effect of HK(IFRIC) 4 (increase/ (decrease) in net assets for the year) 《香港(國際 財務報告 詮釋委員會) 詮釋》第4號 之影響 (年內資產淨額 增加/(減少)) (note 2(c)) (附註二(c))	2005 (as restated) 二零零五年 (已重報)
		\$'000 千元	\$'000 千元	\$'000 千元
Total assets less current liabilities brought forward	總資產減流動負債 承前	2,397,561	2,461	2,400,022
Non-current liabilities	非流動負債			
Secured bank loans	有抵押銀行貸款	572,016	—	572,016
Loans from ultimate holding company	最終控股公司 貸款	535,628	—	535,628
Deferred tax liabilities	遞延稅項負債	20,732	431	21,163
		1,128,376	431	1,128,807
NET ASSETS	資產淨額	1,269,185	2,030	1,271,215
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	255,181	—	255,181
Reserves	儲備	921,676	1,478	923,154
Total equity attributable to equity shareholders of the Company	本公司股東 應佔權益 總額	1,176,857	1,478	1,178,335
Minority interests	少數股東權益	92,328	552	92,880
TOTAL EQUITY	權益總額	1,269,185	2,030	1,271,215



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES 二. 會計政策之變動 (續)

(continued)

(a) Restatement of prior periods and opening balances (continued)

(i) Effect on the consolidated financial statements (continued)

Consolidated cash flow statement for the year ended 31 December 2005

(a) 重報過往期間及期初結餘 (續)

(i) 對綜合財務報表之影響 (續)

截至二零零五年十二月三十一日止年度之綜合現金流量表

		2005 (as previously reported) 二零零五年 (如前呈報)	Reclassification 重新分類 (note 38) (附註三十八)	Effect of adoption of HK(IFRIC) 4 採納《香港(國際 財務報告詮釋 委員會)詮釋》 第4號之影響 (note 2(c)) (附註二(c))	2005 (as restated) 二零零五年 (已重報)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Net cash generated from operating activities	經營活動產生之現金淨額	55,020	50,293	(968)	104,345
Net cash used in investing activities	投資活動動用之現金淨額	(445,007)	1,135	968	(442,904)
Net cash generated from financing activities	融資活動產生之現金淨額	225,372	(51,428)	–	173,944
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(164,615)	–	–	(164,615)



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES (continued)

二. 會計政策之變動 (續)

(b) Estimated effect of changes in accounting policies on the current period

The following tables provide estimates of the extent to which each of the line items in the consolidated income statement, balance sheet, cash flow statement and other significant related disclosure items for the year ended 31 December 2006 is higher or lower than it would have been had the previous policies still been applied in the year, where it is practicable to make such estimates.

(i) Effect on the consolidated financial statements (continued)

Estimated effect on the consolidated income statement for the year ended 31 December 2006

(b) 會計政策變動對本期間之估計影響

下表載列假設本年度繼續採用過往會計政策，計算本集團截至二零零六年十二月三十一日止年度綜合損益表、資產負債表、現金流量表內各個項目及其他重大相關披露項目時，可能增加或減少之估計金額（倘計算有關估計金額屬切實可行）。

(i) 對綜合財務報表之影響 (續)

對截至二零零六年十二月三十一日止年度之綜合損益表之估計影響

		Estimated effect of HK(IFRIC) 4 (increase/(decrease) in profit for the year) 《香港（國際財務報告詮釋委員會） 詮釋》第4號之估計影響 (年內盈利增加／(減少)) (note 2(c)) (附註二(c)) \$'000 千元
Turnover	營業額	(6,486)
Direct costs and operating expenses	直接成本及經營費用	<u>26,619</u>
Profit before taxation	除稅前盈利	20,133
Income tax	所得稅	<u>(3,966)</u>
Profit for the year	本年度盈利	<u>16,167</u>
Attributable to:	應佔部份：	
Equity shareholders of the Company	本公司股東	15,131
Minority interests	少數股東權益	<u>1,036</u>
Profit for the year	本年度盈利	<u>16,167</u>
Earnings per share	每股盈利	
Basic	基本	<u>0.52 cent</u> 仙
Diluted	攤薄	<u>0.51 cent</u> 仙



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES

(continued)

二. 會計政策之變動 (續)

(b) Estimated effect of changes in accounting policies on the current period (continued)

(i) Effect on the consolidated financial statements (continued)

Estimated effect on the consolidated income statement for the year ended 31 December 2006 (continued)

(b) 會計政策變動對本期間之估計影響 (續)

(i) 對綜合財務報表之影響 (續)

對截至二零零六年十二月三十一日止年度之綜合損益表之估計影響 (續)

Estimated effect of

HK(IFRIC) 4

(increase/(decrease)

in profit for the year)

《香港(國際財務報告詮釋委員會)

詮釋》第4號之估計影響

(年內盈利增加／(減少))

(note 2(c))

(附註二(c))

\$'000

千元

Other significant disclosure items:

其他重大披露項目:

Waste-water treatment revenue	污水處理收益	(117,388)
Waste treatment revenue	廢物處理收益	(14,148)
Electricity income	電費收入	(20,561)
Revenue from waste-water treatment plants operation services	污水處理廠營運服務收益	99,604
Revenue from waste-to-energy power plant operation services	垃圾焚燒發電廠營運服務收益	18,404
Revenue from methane-to-energy power plant operation services	沼氣發電廠營運服務收益	1,204
Finance lease income	融資租賃收入	21,450
Rental income	租金收入	4,949
Depreciation	折舊	26,619



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES 二. 會計政策之變動 (續)

(continued)

(b) Estimated effect of changes in accounting policies on the current period (continued)

(i) Effect on the consolidated financial statements (continued)

Estimated effect on the consolidated balance sheet at 31 December 2006

(b) 會計政策變動對本期間之估計影響 (續)

(i) 對綜合財務報表之影響 (續)

對二零零六年十二月三十一日之綜合資產負債表之估計影響

		Estimated effect of HK(IFRIC) 4 (increase/(decrease) in net assets) 《香港(國際財務報告詮釋委員會) 詮釋》第4號之估計影響 (資產淨額增加/(減少)) (note 2(c)) (附註二(c)) \$'000 千元
Non-current assets	非流動資產	
Other property, plant and equipment	其他物業、廠房及設備	(780,299)
Finance lease receivables	融資租賃應收款項	789,177
Deferred tax assets	遞延稅項資產	(1,192)
		7,686
Current assets	流動資產	
Finance lease receivables	融資租賃應收款項	14,643
		14,643
Net current assets	流動資產淨額	14,643
Total assets less current liabilities	總資產減流動負債	22,329
Non-current liabilities	非流動負債	
Deferred tax liabilities	遞延稅項負債	3,718
NET ASSETS	資產淨額	18,611
CAPITAL AND RESERVES	股本及儲備	
Exchange reserve	匯兌儲備	371
Retained profits	保留盈利	16,609
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益總額	16,980
Minority interests	少數股東權益	1,631
TOTAL EQUITY	權益總額	18,611



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES 二. 會計政策之變動 (續)

(continued)

(b) Estimated effect of changes in accounting policies on the current period (continued)

(i) Effect on the consolidated financial statements (continued)

Estimated effect on the consolidated cash flow statement for the year ended 31 December 2006

(b) 會計政策變動對本期間之估計影響 (續)

(i) 對綜合財務報表之影響 (續)

對截至二零零六年十二月三十一日止年度之綜合現金流量表之估計影響

		Estimated effect of adoption of HK(IFRIC) 4 採納《香港(國際財務報告詮釋委員會) 詮釋》第4號之估計影響 (note 2(c)) (附註二(c)) \$'000 千元
Net decrease in cash from operating activities	經營活動之 現金淨額減少	(6,486)
Net increase in cash from investing activities	投資活動之 現金淨額增加	6,486
Net change in cash and cash equivalents	現金及現金等價物變動淨額	—

(c) Lease arrangement (HK(IFRIC) 4: Determining whether an arrangement contains a lease)

In prior years, the Group recognised its waste-water treatment plants under the build-operate-transfer ("BOT") and transfer-operate-transfer ("TOT") arrangements as property, plant and equipment and recognised the waste-water treatment revenue and depreciation of waste-water treatment plants on a straight-line basis over their estimated useful lives.

(c) 租賃安排(《香港(國際財務報告詮釋委員會)詮釋》第4號：釐定一項安排是否包含租賃)

於過往年度，本集團把其在「建造—經營—轉移」(「BOT」)及「轉移—經營—轉移」(「TOT」)安排下之污水處理廠確認為物業、廠房及設備，並確認污水處理收益及按直線法於估計可使用年期內確認污水處理廠折舊。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES (continued)

(c) Lease arrangement (HK(IFRIC) 4: Determining whether an arrangement contains a lease) (continued)

With effect from 1 January 2006, the Group assesses each BOT and TOT arrangement in accordance with the requirements of HK(IFRIC) 4, in order to determine whether the arrangement contains a lease. As a result, the Group has determined that certain BOT and TOT arrangements, although they do not take the legal form of a lease, convey to the customer a right to use certain specific assets owned by the Group in return for a series of receipts and therefore contain leases that should be accounted for in accordance with HKAS 17, *Leases*.

The change in accounting policy has been applied retrospectively with comparatives restated. As a result of the change, certain BOT and TOT arrangements identified as containing lease elements are classified as finance leases. Consequently, waste-water treatment plants, waste-to-energy power plant and methane-to-energy power plant under the BOT and TOT arrangements are derecognised as property, plant and equipment and the fair values of the waste-water treatment plants, waste-to-energy power plant and methane-to-energy power plant are recognised as finance lease. The lease receivables are reduced when lease payments, being a portion of the waste-water treatment revenue, waste treatment revenue and

二. 會計政策之變動 (續)

(c) 租賃安排 (《香港 (國際財務報告詮釋委員會) 詮釋》第4號：釐定一項安排是否包含租賃) (續)

自二零零六年一月一日起，本集團根據《香港 (國際財務報告詮釋委員會) 詮釋》第4號之規定，對各項BOT及TOT安排進行評估，以釐定有關安排是否包含租賃。其後，本集團確定儘管若干BOT及TOT安排並無具備租賃之法律形式，惟其賦予客戶權利，可透過支付一系列款項使用本集團所擁有之若干特定資產，故此有關安排包含租賃，並須按照香港會計準則第17號－「租賃」處理。

上述會計政策變動已追溯應用，並已重報比較數字。由於上述變動，若干被辨別為包含租賃部份之BOT及TOT安排被分類為融資租賃。因此，在BOT及TOT安排下之污水處理廠、垃圾焚燒發電廠及沼氣發電廠不再確認為物業、廠房及設備，而污水處理廠、垃圾焚燒發電廠及沼氣發電廠之公允值則確認為融資租賃應收款項。租賃應收款項會於租賃款項（即部份污水處理收益、垃圾處理收益及電費



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

2. CHANGES IN ACCOUNTING POLICIES (continued)

(c) Lease arrangement (HK(IFRIC) 4: Determining whether an arrangement contains a lease) (continued)

electricity income, are received and an imputed finance lease income on the lease receivables is recognised using an estimate of the lessee's incremental borrowing rate of interest. Apart from the above, the leasehold land on which the waste-water treatment plants are situated was also identified as containing lease elements and the Group classified the lease as an operating lease. Rental income, being a portion of the waste-water treatment revenue, is recognised in profit or loss in equal instalments over the periods covered by the lease term.

The adjustments for each financial statement line affected for the years ended 31 December 2005 and 2006 are set out in notes 2(a) and 2(b). Further details of the arrangement are set out in note 40.

3. TURNOVER

The principal activities of the Group are toll bridge operation, environmental protection project operation (waste-water treatment plants, waste-to-energy power plant and methane-to-energy power plant), property investments and management, environmental protection project management and consultancy and investment holding.

二. 會計政策之變動 (續)

(c) 租賃安排 (《香港 (國際財務報告詮釋委員會) 詮釋》第4號：釐定一項安排是否包含租賃) (續)

收入) 獲收取後扣減，並會透過利用承租人之估計累升借貸利率，確認租賃應收款項之估算融資租賃收入。除上述者外，污水處理廠所在租賃土地亦被辨別為包含租賃部份及本集團已把有關租賃分類為經營租賃。租金收入 (即部份污水處理收益) 將於租賃期內以等額方式在損益表內確認。

截至二零零五年及二零零六年十二月三十一日止年度各財務報表受影響項目之調整載於附註二(a)及二(b)。有關安排之進一步資料載於附註四十。

三. 營業額

本集團之主要業務為收費橋樑營運、環保項目營運 (污水處理廠、垃圾焚燒發電廠及沼氣發電廠)、物業投資及管理、環保項目管理及顧問及投資控股。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

3. TURNOVER (continued)

Turnover represents the toll bridge revenue, revenue from waste-water treatment plants, waste-to-energy power plant and methane-to-energy power plant operation services, finance lease income, rental income and property management fee income. The amount of each significant category of revenue recognised in turnover during the year is as follows:

三. 營業額 (續)

營業額包括收費橋樑收益、來自污水處理廠、垃圾焚燒發電廠及沼氣發電廠之營運服務收益、融資租賃收入、租金收入及物業管理費收入。年內已在營業額中確認的各項主要收入類別的數額如下：

		2006 二零零六年	2005 二零零五年 (restated) (重報)
		\$'000 千元	\$'000 千元
Toll bridge revenue	收費橋樑收益	72,584	59,824
Revenue from waste-water treatment plants operation services	污水處理廠營運服務收益	99,604	51,413
Revenue from waste-to-energy power plant operation services	垃圾焚燒發電廠營運服務收益	18,404	—
Revenue from methane-to-energy power plant operation services	沼氣發電廠營運服務收益	1,204	—
Finance lease income	融資租賃收入	21,450	3,676
Gross rentals from investment properties	投資物業租金總額	14,082	14,245
Other rental income	其他租金收入	4,949	283
Property management fee income	物業管理費收入	3,582	3,414
		235,859	132,855



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

4. OTHER REVENUE AND OTHER INCOME

四. 其他收益及其他收入

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Other revenue	其他收益		
Interest income	利息收入	17,612	9,072
Dividend income from listed securities	上市證券之股息收入	3,149	—
Dividend income from unlisted securities	非上市證券之股息收入	1,677	1,135
Others	其他	3,578	2,206
		26,016	12,413
Other income	其他收入		
Profit on sale of associate	出售聯營公司之收益	310,000	—
Profit on sale of investment properties	出售投資物業之收益	16,083	—
Profit on sale of available-for-sale securities	出售待售證券之收益	11,542	—
Excess of interest in fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination (note 33)	所佔收購業務之 可辨別資產、負債 及或有負債之公允值高於 業務合併之成本值 (附註三十三)	16,339	—
		353,964	—



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

5. PROFIT BEFORE TAXATION

五. 除稅前盈利

Profit before taxation is arrived at after charging/
(crediting):

除稅前盈利已扣除／(計入)：

		2006 二零零六年	2005 二零零五年 (restated) (重報)
		\$'000 千元	\$'000 千元
(a) Finance costs:	(a) 財務費用：		
Interest on bank advances wholly repayable within five years	須於五年內全數償還之銀行貸款之利息	3,758	986
Interest on other bank advances	其他銀行貸款之利息	42,671	23,540
Interest on loans from ultimate holding company	最終控股公司貸款之利息	24,016	17,141
Total borrowing costs	總借貸成本	70,445	41,667
Less: borrowing costs capitalised into construction in progress*	減：已於在建工程資本化之借貸成本*	(17,814)	(9,577)
		52,631	32,090
* The borrowing costs have been capitalised at rates of 6.1% – 6.8% (2005: 6.1% – 6.4%) per annum.		* 借貸成本按6.1%—6.8%之年率資本化(二零零五年：6.1%—6.4%)。	
(b) Staff costs:	(b) 員工成本：		
Contributions to defined contribution retirement plan	定額供款退休計劃供款	2,971	1,146
Equity-settled share-based payment expenses	以股份支付之股本交易開支	6,027	—
Salaries, wages and other benefits	薪金、工資及其他福利	48,781	29,547
		57,779	30,693
Less: Staff costs capitalised into construction in progress	減：已於在建工程資本化之員工成本	(17,601)	(10,314)
		40,178	20,379



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

5. PROFIT BEFORE TAXATION (continued)

五. 除稅前盈利 (續)

		2006 二零零六年	2005 二零零五年 (restated) (重報)
		\$'000 千元	\$'000 千元
(c) Other items:	(c) 其他項目:		
Amortisation	攤銷		
– land lease premium	– 土地租賃費用	4,651	283
– intangible assets	– 無形資產	1,485	115
Depreciation	折舊		
– assets held for use under operating leases	– 用作經營租賃的資產	732	1,018
– other assets	– 其他資產	22,904	17,446
Net foreign exchange loss/(gain)	匯兌虧損／(收益)淨額	6,587	(1,151)
Auditors' remuneration	核數師酬金		
– audit services	– 審核服務	2,440	1,825
– other services	– 其他服務	300	5
Net loss/(gain) on sale of other property, plant and equipment	出售其他物業、廠房及設備之虧損／(收益)淨額	847	(587)
Operating lease charges: minimum lease payments	經營租賃費用：最少租賃費用		
– hire of waste-water treatment facilities	– 污水處理設施租賃	976	959
– hire of premises	– 物業租賃	1,610	649
Rentals receivable from properties less direct outgoings of \$2,252,000 (2005: \$1,149,000)	應收物業租金減直接支出 2,252,000元 (二零零五年： 1,149,000元)	(16,779)	(13,379)



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

6. SHARE OF PROFITS OF ASSOCIATES

六. 所佔聯營公司盈利

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Share of profits of associates before taxation	所佔聯營公司除稅前盈利	38,246	78,738
Share of associates' taxation	所佔聯營公司稅項	(5,588)	(10,693)
		<u>32,658</u>	<u>68,045</u>

7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

七. 綜合損益表之所得稅

(a) Income tax in the consolidated income statement represents:

(a) 綜合損益表所示的所得稅為：

		2006 二零零六年 \$'000 千元	2005 二零零五年 (restated) (重報) \$'000 千元
Current tax – PRC income tax	本期稅項－中國所得稅		
Provision for the year	本年度撥備	6,847	4,748
Over-provision in respect of prior years	過往年度撥備過剩	–	(50)
		<u>6,847</u>	<u>4,698</u>
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差異的產生和轉回	3,052	(15,735)
		<u>9,899</u>	<u>(11,037)</u>



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

(a) Income tax in the consolidated income statement represents: (continued)

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group sustained a loss for Hong Kong Profits Tax purposes during the year. Taxation for the PRC operations is charged at the appropriate current rates of taxation ruling in the PRC. During the year, certain PRC subsidiaries are subject to tax at 50% of the standard tax rates or fully exempt from income tax under the relevant tax rules and regulations.

(b) Reconciliation between tax expense/(credit) and accounting profit at applicable tax rates:

七. 綜合損益表之所得稅 (續)

(a) 綜合損益表所示的所得稅為：(續)

由於本年度內本集團之香港業務蒙受稅項虧損，故此本集團並無在財務報表就香港利得稅作出撥備。中國業務之稅項按中國現行的適用稅率計算。年內，根據有關稅務法律及法規，若干中國附屬公司按標準稅率50%繳納稅項或獲全數豁免繳納所得稅。

(b) 按適用稅率計算之稅項支出／(撥回) 與會計盈利之對賬：

		2006 二零零六年	2005 二零零五年 (restated) (重報)
		\$'000 千元	\$'000 千元
Profit before taxation	除稅前盈利	437,949	111,837
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	按照在相關稅務司法權區之適用所得稅稅率就除稅前盈利計算之名義稅項	83,624	20,859
Tax effect of non-deductible expenses	不可扣減支出之稅項影響	6,808	4,002
Tax effect of non-taxable income	非課稅收入之稅項影響	(76,057)	(14,881)
Tax effect of profits entitled to tax exemption in the PRC	可享有中國稅項豁免優惠之盈利之稅項影響	(10,205)	(6,874)
Tax effect of prior year's temporary differences recognised this year	本年度確認之以往年度暫時差異之稅項影響	1,427	(7,396)
Tax effect of utilisation of unused tax losses not recognised in prior years	動用過往年度未使用而且未確認之可抵扣虧損之稅項影響	(358)	(6,715)
Tax effect of unused tax losses not recognised	未使用而且未確認之可抵扣虧損之稅項影響	4,660	18
Over-provision in prior years	以往年度撥備過剩	-	(50)
Actual tax expense/(credit)	實際稅項支出／(撥回)	9,899	(11,037)



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

8. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

八. 董事酬金

根據香港《公司條例》第一百六十一條列報之董事酬金如下：

		Salaries, allowances and benefits		Retirement scheme		Share-based payments		2006
		Directors' fees	in kind	Discretionary bonuses	contributions	Sub-total		Total
		董事袍金	薪金、津貼及實物利益	酌情花紅	退休計劃供款	小計	股份償付	二零零六年總額
							(Note)	
							(附註)	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
Executive directors	執行董事							
Wang Mingquan	王明權	-	35	-	-	35	457	492
Zang Qiutao	臧秋濤	-	1,704	1,000	-	2,704	365	3,069
Li Xueming	李學明	-	1,694	1,000	-	2,694	365	3,059
Chen Xiaoping	陳小平	-	2,170	2,400	-	4,570	457	5,027
Fan Yan Hok, Philip	范仁鶴	-	1,813	1,000	139	2,952	365	3,317
Huang Chaohua	黃朝華	-	1,390	1,000	-	2,390	274	2,664
Wong Kam Chung, Raymond	黃錦聰	-	1,195	750	96	2,041	274	2,315
Chen Shuang	陳爽	-	25	-	-	25	91	116
Zhang Weiyun	張衛云	-	878	-	-	878	91	969
Independent non-executive directors	獨立非執行董事							
Sir David Akers-Jones	鍾逸傑爵士	110	50	-	-	160	-	160
Li Kwok Sing, Aubrey	李國星	100	50	-	-	150	-	150
Mar Selwyn	馬紹援	100	50	-	-	150	-	150
		310	11,054	7,150	235	18,749	2,739	21,488



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

8. DIRECTORS' REMUNERATION (continued) 八. 董事酬金 (續)

		Salaries, allowances and benefits		Retirement scheme		Share-based payments	2005 Total 二零零五年 總額
		Directors' fees 董事袍金	in kind 薪金、津貼及 實物利益	Discretionary bonuses 酌情花紅	contributions 退休計劃供款		
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	Sub-total 小計 \$'000 千元	
Executive directors	執行董事						
Wang Mingquan	王明權	-	25	-	-	25	25
Zang Qiutao	臧秋濤	-	1,694	500	-	2,194	2,194
Li Xueming	李學明	-	1,694	500	-	2,194	2,194
Chen Xiaoping	陳小平	-	1,944	1,200	-	3,144	3,144
Fan Yan Hok, Philip	范仁鶴	-	1,605	420	100	2,125	2,125
Huang Chaochua	黃朝華	-	1,136	700	-	1,836	1,836
Wong Kam Chung, Raymond	黃錦聰	-	1,026	180	59	1,265	1,265
Chen Shuang	陳爽	-	25	-	-	25	25
Zhang Weiyun	張衛云	-	878	-	-	878	878
Independent non-executive directors	獨立非執行董事						
Sir David Akers-Jones	鍾逸傑爵士	110	25	-	-	135	135
Li Kwok Sing, Aubrey	李國星	100	25	-	-	125	125
Mar Selwyn	馬紹援	100	25	-	-	125	125
		310	10,102	3,500	159	14,071	14,071

Note: These represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(q)(ii).

The details of the share options are disclosed under the paragraph "Share option scheme" in the report of the directors and note 30.

附註： 其為根據本公司購股權計劃授予董事之購股權之估計價值。此等購股權之價值乃按本集團處理以股份支付之股本交易之會計政策(詳見附註一(q)(ii))計算。

有關購股權詳情載於董事會報告「購股權計劃」一節及附註三十。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS 九. 最高薪酬個別人士

Of the five individuals with the highest emoluments, all are directors whose emoluments are disclosed in note 8.

五名最高薪酬個別人士均為董事，有關的酬金詳情載於附註八。

10. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY 十. 本公司股東應佔盈利

The consolidated profit attributable to equity shareholders of the Company includes a profit of \$457,845,000 (2005: \$7,960,000) which has been dealt with in the financial statements of the Company.

本公司股東應佔綜合盈利包括盈利457,845,000元（二零零五年：7,960,000元）已列入本公司之財務報表內。

Reconciliation of the above amount to the Company's profit for the year:

上述金額與年內本公司盈利對賬如下：

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Amount of consolidated profit attributable to equity shareholders dealt with in the Company's financial statements	已列入本公司財務報表之股東應佔綜合盈利	457,845	7,960
Final dividends from associate attributable to the profits of the previous financial year, approved and paid during the year	就上一個財政年度應佔聯營公司盈利而於年內批准並支付之股息	88,632	99,818
Company's profit for the year (note 31(b))	年內本公司盈利 (附註三十一(b))	546,477	107,778



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

11. DIVIDENDS

十一. 股息

(a) Dividends payable to equity shareholders of the Company attributable to the year

(a) 應派付予本公司股東之本年度股息

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Interim dividend declared and paid of 0.6 cent per ordinary share (2005: 0.6 cent per ordinary share)	已宣派及支付中期股息每股普通股0.6仙(二零零五年：每股普通股0.6仙)	18,371	15,311
Final dividend proposed after the balance sheet date of 0.6 cent per ordinary share (2005: 0.6 cent per ordinary share)	於結算日後建議分派末期股息每股普通股0.6仙(二零零五年：每股普通股0.6仙)	18,456	15,311
Special dividend proposed after the balance sheet date of 0.4 cent per ordinary share (2005: Nil)	於結算日後建議分派特別股息每股普通股0.4仙(二零零五年：無)	12,304	—
		49,131	30,622

The final dividend and the special dividend proposed after the balance sheet date have not been recognised as liabilities at the balance sheet date.

於結算日後建議分派的末期股息及特別股息尚未在結算日確認為負債。

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

(b) 屬於上一個財政年度，並於年內批准並支付予本公司股東之應付股息

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Final dividend in respect of the previous financial year, approved and paid during the year, of 0.6 cent per ordinary share (2005: 0.6 cent per ordinary share)	屬於上一個財政年度，並於年內批准並支付之末期股息每股普通股0.6仙(二零零五年：每股普通股0.6仙)	15,311	15,293



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

12. EARNINGS PER SHARE

十二. 每股盈利

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$409,347,000 (2005 (restated): \$106,808,000) and the weighted average number of 2,892,282,933 ordinary shares (2005: 2,550,669,234 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

(a) 每股基本盈利

每股基本盈利乃按照本公司普通股股東應佔盈利409,347,000元(二零零五年(重報): 106,808,000元)及年內已發行普通股的加權平均數2,892,282,933股普通股(二零零五年: 2,550,669,234股普通股)計算。其計算方式如下:

普通股加權平均數

		2006 二零零六年 '000 千股	2005 二零零五年 '000 千股
Issued ordinary shares at 1 January	於一月一日已發行普通股	2,551,812	2,548,812
Effect of ordinary shares issued (note 31(c)(ii))	已發行普通股之影響 (附註三十一(c)(ii))	338,137	—
Effect of share options exercised (note 31(c)(iii))	已行使購股權之影響 (附註三十一(c)(iii))	2,334	1,857
Weighted average number of ordinary shares at 31 December	於十二月三十一日之 普通股加權平均數	<u>2,892,283</u>	<u>2,550,669</u>



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

12. EARNINGS PER SHARE (continued)

十二. 每股盈利 (續)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$409,347,000 (2005 (restated): \$106,808,000) and the weighted average number of 2,955,671,923 ordinary shares (2005: 2,588,143,435 ordinary shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

(b) 每股攤薄盈利

每股攤薄盈利乃按本公司普通股股東應佔盈利409,347,000元(二零零五年(重報): 106,808,000元)及普通股加權平均數2,955,671,923股普通股(二零零五年: 2,588,143,435股普通股)計算。其計算方式如下:

普通股加權平均數(攤薄)

		2006 二零零六年 '000 千股	2005 二零零五年 '000 千股
Weighted average number of ordinary shares at 31 December	於十二月三十一日之 普通股加權平均數	2,892,283	2,550,669
Effect of deemed issue of shares under the Company's share option scheme for nil consideration (note 30)	被視為根據本公司購股權計劃 無償發行股份之 影響(附註三十)	63,389	37,474
Weighted average number of ordinary shares (diluted) at 31 December	於十二月三十一日之 普通股加權平均數(攤薄)	2,955,672	2,588,143



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

13. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group in making operating and financial decisions.

Business segments

The Group comprises the following main business segments:

Infrastructure investment and operation	The operation of a toll bridge to generate toll fee revenue and investment in associates which engage in power industry, to generate dividend income.
Property investment and management	The leasing and management of office premises and shopping arcades to generate rental and management fee income and to gain from the appreciation in the properties' values in the long term.
Environmental protection project operation	The operation of waste-water treatment plants, waste-to-energy power plant and methane-to-energy power plant to generate revenue from operation services, finance lease income as well as rental income.
Environmental protection project management and consultancy	The provision of management and consultancy services to environmental protection projects to generate management and consultancy fee income.

十三. 分部報告

分部資料是按本集團之業務和地區分部作出呈述。由於業務分部資料對本集團之營運及財務決策意義較大，故已選為報告分部信息的主要形式。

業務分部

本集團之主要業務分部如下：

基建投資及營運	營運收費橋樑以賺取收益及投資於從事電力行業的聯營公司以賺取股息收入。
物業投資及管理	租賃及管理辦公室單位及商場以賺取租金及管理費收入，以及從物業價值之長遠升值中賺取收益。
環保項目營運	經營污水處理廠及垃圾焚燒發電廠及沼氣發電廠以賺取營運服務收益、融資租賃收入及租金收入。
環保項目管理及顧問	提供環保項目管理及顧問服務，以賺取管理及顧問費用收入。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

13. SEGMENT REPORTING (continued)

十三. 分部報告 (續)

Business segments (continued)

業務分部 (續)

		Infrastructure investment and operation 基建投資及營運		Property investment and management 物業投資及管理		Environmental protection project operation 環保項目營運		Environmental protection project management and consultancy 環保項目管理及顧問		Inter-segment elimination 分部間抵銷		Consolidated 綜合	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
							(restated) (重報)						(restated) (重報)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Revenue from external customers	來自外界客戶收入	72,584	59,824	17,664	17,659	145,611	55,372	-	-	-	-	235,859	132,855
Inter-segment revenue	分部間收入	-	-	-	-	-	-	136,789	37,110	(136,789)	(37,110)	-	-
Other revenue and other income from external customers	來自外界客戶之其他收益及其他收入	310,762	131	17,065	952	24,542	236	1,134	590	-	-	353,503	1,909
Unallocated other revenue and other income	未分配其他收益及其他收入	-	-	-	-	-	-	-	-	-	-	26,477	10,504
Total	合計	383,346	59,955	34,729	18,611	170,153	55,608	137,923	37,700	(136,789)	(37,110)	615,839	145,268
Segment results	分部業績	361,423	41,310	33,391	37,181	78,691	16,737	50,202	25,979	(57,126)	(30,479)	466,581	90,728
Unallocated operating income and expenses	未分配經營收入及費用											(8,659)	(14,846)
Profit from operations	經營盈利											457,922	75,882
Finance costs	財務費用											(52,631)	(32,030)
Share of profits/(losses) of associates	所佔聯營公司盈利／(虧損)	32,838	68,034	-	-	(180)	11	-	-	-	-	32,658	68,045
Income tax	所得稅											(9,899)	11,037
Profit after taxation	除稅後盈利											428,050	122,874
Depreciation and amortisation for the year	本年度折舊及攤銷	16,286	14,175	2,203	2,210	9,276	990	1,395	1,155				
Valuation gains on investment properties	投資物業估值盈餘	-	-	5,831	25,230	-	-	-	-				



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

13. SEGMENT REPORTING (continued)

十三. 分部報告 (續)

Business segments (continued)

業務分部 (續)

		Infrastructure investment and operation 基建投資及營運		Property investment and management 物業投資及管理		Environmental protection project operation 環保項目營運		Environmental protection project management and consultancy 環保項目管理及顧問		Inter-segment elimination 分部間抵銷		Consolidated 綜合	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
						(restated) (重報)						(restated) (重報)	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Segment assets	分部資產	675,801	640,275	239,568	346,791	2,201,384	927,296	33,742	52,996	-	-	3,150,495	1,967,358
Interest in associates	聯營公司權益	-	412,702	-	-	442	602	-	-	-	-	442	413,304
Unallocated assets	未分配資產											464,038	295,519
Total assets	資產總值											3,614,975	2,676,181
Segment liabilities	分部負債	2,374	2,158	6,199	6,589	453,069	209,935	35,681	4,649	-	-	497,323	223,331
Unallocated liabilities	未分配負債											1,059,359	1,181,635
Total liabilities	負債總值											1,556,682	1,404,966
Capital expenditure incurred during the year	本年度內產生的資本開支	152	33	11	7	1,033,381	620,745	585	15,242				

Geographical segments

The Group's business participates in two principal economic environments. Hong Kong and other parts of the PRC are the major markets for the Group's business.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

地區分部

本集團之業務現處於兩個主要營商環境。香港及中國其他地區為本集團業務之主要市場。

在呈述地區分部信息時，分部收入是以客戶的所在地為計算基準。分部資產及資本開支則以資產的所在地為計算基準。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

13. SEGMENT REPORTING (continued)

十三. 分部報告 (續)

Geographical segments (continued)

地區分部 (續)

		2006 二零零六年	2005 二零零五年 (restated) (重報)
		\$'000 千元	\$'000 千元
Revenue from external customers:	來自外界客戶收入：		
Hong Kong	香港	2,473	3,955
Other parts of the PRC	中國其他地區	233,386	128,900
		235,859	132,855
		2006 二零零六年	2005 二零零五年 (restated) (重報)
		\$'000 千元	\$'000 千元
Segment assets:	分部資產：		
Hong Kong	香港	462,694	467,094
Other parts of the PRC	中國其他地區	3,152,281	2,209,087
		3,614,975	2,676,181
		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
Capital expenditure incurred during the year:	本年度內產生的資本開支：		
Hong Kong	香港	1,314	767
Other parts of the PRC	中國其他地區	1,034,129	636,025
		1,035,443	636,792



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

14. FIXED ASSETS

(a) The Group

十四. 固定資產

(a) 本集團

		Toll bridge	Toll bridge ancillary facilities	Waste-water treatment infrastructure	Land and buildings	Machinery and equipment	Leasehold improvements, furniture and fixtures	Motor vehicles, electronic equipment and other fixed assets	Construction		Investment	Interest in leasehold land held under operating leases	Total fixed assets
		收費橋樑	收費橋樑 附屬設施	污水處理 基礎建設	土地及樓宇	機器及設備	租賃物業 裝修、傢俬 及裝置	汽車、電子設備 及其他 固定資產	in progress	Sub-total	properties	根據經營租賃 持有之 租賃土地權益	固定資產 總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
Cost or valuation:	成本值或估值：												
At 1 January 2006 (restated)	於二零零六年 一月一日 (重報)	581,367	20,361	-	139,420	-	4,441	16,043	358,760	1,120,392	262,194	76,328	1,458,914
Exchange adjustments	匯兌調整	22,489	788	-	1,024	-	81	509	13,878	38,769	6,053	2,953	47,775
Additions	增置												
- through acquisition of business	- 透過收購 業務	-	-	143,749	24,410	55,048	-	1,798	-	225,005	-	128,012	353,017
- others	- 其他	-	-	-	5,724	4,406	582	8,054	591,167	609,933	-	40,330	650,263
Transfer	轉撥												
- from construction in progress	- 撥自在建 工程	-	-	-	123,280	360,235	-	-	(481,745)	1,770	(1,770)	-	-
- to "Finance lease receivables"	- 撥往「融資租賃 應收款項」	-	-	(143,749)	(108,025)	(419,689)	-	-	-	(671,463)	-	-	(671,463)
Disposals	出售	-	-	-	-	-	(2,098)	(467)	-	(2,565)	(104,000)	-	(106,565)
Fair value adjustment	公允值調整	-	-	-	-	-	-	-	-	-	5,831	-	5,831
At 31 December 2006	於二零零六年 十二月三十一日	603,856	21,149	-	185,833	-	3,006	25,937	482,060	1,321,841	168,308	247,623	1,737,772
Representing:	代表：												
Cost	成本值	603,856	21,149	-	185,833	-	3,006	25,937	482,060	1,321,841	-	247,623	1,569,464
Valuation - 2006	估值 - 二零零六年	-	-	-	-	-	-	-	-	-	168,308	-	168,308
		603,856	21,149	-	185,833	-	3,006	25,937	482,060	1,321,841	168,308	247,623	1,737,772
Accumulated depreciation and amortisation:	累計折舊及攤銷：												
At 1 January 2006 (restated)	於二零零六年 一月一日 (重報)	25,089	9,114	-	48,438	-	1,882	4,042	-	88,565	-	283	88,848
Exchange adjustments	匯兌調整	1,238	421	-	71	-	5	130	-	1,865	-	106	1,971
Charge for the year	本年度折舊	12,891	3,266	-	3,577	-	443	3,459	-	23,636	-	4,651	28,287
Written back on disposal	出售時撥回	-	-	-	-	-	(1,820)	(146)	-	(1,966)	-	-	(1,966)
At 31 December 2006	於二零零六年 十二月三十一日	39,218	12,801	-	52,086	-	510	7,485	-	112,100	-	5,040	117,140
Net book value:	賬面淨值：												
At 31 December 2006	於二零零六年 十二月三十一日	564,638	8,348	-	133,747	-	2,496	18,452	482,060	1,209,741	168,308	242,583	1,620,632

At 31 December 2006, the Group was applying for the property ownership certificates and land use rights in respect of land and buildings and interest in leasehold land held under operating leases of \$54,662,000 and \$89,097,000 respectively from the relevant PRC government authorities.

於二零零六年十二月三十一日，本集團就金額分別為54,662,000元及89,097,000元之土地及樓宇以及根據經營租賃持有之租賃土地權益，向有關中國政府機關申請房產證及土地使用權。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

14. FIXED ASSETS (continued)

十四. 固定資產 (續)

(a) The Group (continued)

(a) 本集團 (續)

		Toll bridge	Toll bridge ancillary facilities	Waste-water treatment infrastructure	Land and buildings	Machinery and equipment	Leasehold improvements, furniture and fixtures	Motor vehicles, electronic equipment and other fixed assets	Construction in progress	Sub-total	Investment properties	Interest in leasehold land held under operating leases	Total fixed assets
		收費橋樑	收費橋樑附屬設施	污水處理基礎建設	土地及樓宇	機器及設備	租賃物業裝修、傢俬及裝置	汽車、電子設備及其他固定資產	在建工程	小計	投資物業	根據經營租賃持有之租賃土地權益	固定資產總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
Cost or valuation:	成本值或估值:												
At 1 January 2005	於二零零五年一月一日	571,305	20,009	-	124,160	-	3,123	6,927	3,209	728,733	230,054	-	958,787
Exchange adjustments	匯兌調整	10,062	352	-	135	-	11	90	-	10,650	-	-	10,650
Additions	增置												
- through acquisition of business	- 透過收購業務	-	-	50,232	11,527	33,907	-	4,328	-	99,994	-	66,076	166,070
- others	- 其他	-	-	15,256	12,358	35,659	1,489	5,609	355,551	425,922	-	10,252	436,174
Transfer	轉撥												
- from construction in progress	- 撥自在建工程	-	-	-	(6,910)	-	-	-	-	(6,910)	6,910	-	-
- to "Finance lease receivables"	- 撥往「融資租賃應收款項」	-	-	(65,488)	-	(69,566)	-	-	-	(135,054)	-	-	(135,054)
Disposals	出售	-	-	-	(1,850)	-	(182)	(911)	-	(2,943)	-	-	(2,943)
Fair value adjustment	公允值調整	-	-	-	-	-	-	-	-	-	25,230	-	25,230
At 31 December 2005 (restated)	於二零零五年十二月三十一日 (重報)	581,367	20,361	-	139,420	-	4,441	16,043	358,760	1,120,392	262,194	76,328	1,458,914
Representing:	代表:												
Cost	成本值	581,367	20,361	-	139,420	-	4,441	16,043	358,760	1,120,392	-	76,328	1,196,720
Valuation - 2005	估值 - 二零零五年	-	-	-	-	-	-	-	-	-	262,194	-	262,194
		581,367	20,361	-	139,420	-	4,441	16,043	358,760	1,120,392	262,194	76,328	1,458,914
Accumulated depreciation and amortisation:	累計折舊及攤銷:												
At 1 January 2005	於二零零五年一月一日	14,004	5,784	-	45,477	-	1,720	3,410	-	70,395	-	-	70,395
Exchange adjustments	匯兌調整	246	101	-	9	-	1	34	-	391	-	-	391
Charge for the year	本年度折舊	10,839	3,229	-	2,962	-	278	1,156	-	18,464	-	283	18,747
Written back on disposals	出售時撥回	-	-	-	(10)	-	(117)	(558)	-	(685)	-	-	(685)
At 31 December 2005 (restated)	於二零零五年十二月三十一日 (重報)	25,089	9,114	-	48,438	-	1,882	4,042	-	88,565	-	283	88,848
Net book value:	賬面淨值:												
At 31 December 2005 (restated)	於二零零五年十二月三十一日 (重報)	556,278	11,247	-	90,982	-	2,559	12,001	358,760	1,031,827	262,194	76,045	1,370,066



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

14. FIXED ASSETS (continued)

十四. 固定資產 (續)

(b) The Company

(b) 本公司

		Office equipment 辦公室 設備 \$'000 千元	Leasehold improvements 租賃物業 裝修 \$'000 千元	Furniture and fixtures 傢俬及 裝置 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Total fixed assets 固定資產 總額 \$'000 千元
Cost:	成本值:					
At 1 January 2006	於二零零六年一月一日	1,201	1,861	232	934	4,228
Additions	增置	252	-	-	1,089	1,341
Disposals	出售	(140)	(1,861)	(221)	-	(2,222)
At 31 December 2006	於二零零六年 十二月三十一日	1,313	-	11	2,023	3,347
Accumulated depreciation:	累計折舊:					
At 1 January 2006	於二零零六年一月一日	1,040	1,428	196	250	2,914
Charge for the year	本年度折舊	78	186	15	380	659
Written back on disposals	出售時撥回	(136)	(1,614)	(203)	-	(1,953)
At 31 December 2006	於二零零六年 十二月三十一日	982	-	8	630	1,620
Net book value:	賬面淨值:					
At 31 December 2006	於二零零六年 十二月三十一日	331	-	3	1,393	1,727



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

14. FIXED ASSETS (continued)

十四. 固定資產 (續)

(b) The Company (continued)

(b) 本公司 (續)

		Office equipment 辦公室 設備 \$'000 千元	Leasehold improvements 租賃物業 裝修 \$'000 千元	Furniture and fixtures 傢俬及 裝置 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Total fixed assets 固定資產 總額 \$'000 千元
Cost:	成本值：					
At 1 January 2005	於二零零五年一月一日	1,434	1,861	244	250	3,789
Additions	增置	81	–	–	684	765
Disposals	出售	(314)	–	(12)	–	(326)
At 31 December 2005	於二零零五年 十二月三十一日	1,201	1,861	232	934	4,228
Accumulated depreciation:	累計折舊：					
At 1 January 2005	於二零零五年一月一日	1,270	1,242	192	188	2,892
Charge for the year	本年度折舊	68	186	15	62	331
Written back on disposals	出售時撥回	(298)	–	(11)	–	(309)
At 31 December 2005	於二零零五年 十二月三十一日	1,040	1,428	196	250	2,914
Net book value:	賬面淨值：					
At 31 December 2005	於二零零五年 十二月三十一日	161	433	36	684	1,314



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

14. FIXED ASSETS (continued)

十四. 固定資產 (續)

(c) Investment properties of the Group were revalued as at 31 December 2006 on an open market value basis calculated by reference to net rental income allowing for reversionary income potential. The valuations were carried out by an independent firm of surveyors, Greater China Appraisal Limited, who have among their staff associate members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being revalued.

(c) 本集團之投資物業已於二零零六年十二月三十一日根據計入有逆轉可能的淨租金收入而計算之公開市值進行重估。估值由獨立測量師行漢華評值有限公司進行。其中員工為香港測量師學會會員及對上述重估物業所在地和類別有近期估值經驗。

(d) The analysis of net book value of properties is as follows:

(d) 物業賬面淨值之分析如下：

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
In the PRC	中國		
Hong Kong:	香港：		
– medium-term leases	– 中期租賃	63,895	65,932
– long leases	– 長期租賃	1,759	106,200
Other parts of the PRC:	中國其他地區：		
– medium-term leases	– 中期租賃	477,650	255,739
– long leases	– 長期租賃	1,334	1,350
		544,638	429,221
Representing:	代表：		
Land and buildings	土地及樓宇	133,747	90,982
Investment properties	投資物業	168,308	262,194
		302,055	353,176
Interest in leasehold land	根據經營租賃持有		
held under operating leases	之租賃土地權益	242,583	76,045
		544,638	429,221



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

14. FIXED ASSETS (continued)

- (e) Fixed assets leased out under operating leases
The Group leases out properties under operating leases. The leases typically run for an initial period of one to ten years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

All properties held under operating leases that would otherwise meet the definition of investment property are disclosed as investment property.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

十四. 固定資產 (續)

- (e) 根據經營租賃租出之固定資產
本集團根據經營租賃出租物業。上述租賃之年期基本上初步為期一至十年，並可選擇續約，屆時所有條款將會重新商訂。上述租賃均不包括或有租金。

所有根據經營租賃持有並能符合投資物業定義之物業均披露為投資物業。

本集團根據不可解除的經營租賃在日後應收的最低付款總額如下：

		The Group 本集團	
		2006 二零零六年	2005 二零零五年 (restated) (重報)
		\$'000 千元	\$'000 千元
Within one year	一年內	10,323	9,300
After one year but within five years	一年後但五年內	29,877	13,240
After five years	五年後	164,742	51,002
		204,942	73,542



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

15. INTANGIBLE ASSETS

十五. 無形資產

		The Group 本集團	
		Waste-water treatment concession rights 污水處理 特許經營權	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Cost:	成本值：		
At 1 January	於一月一日	34,548	—
Exchange adjustments	匯兌調整	1,336	—
Addition through acquisition of business	透過收購業務增置	32,163	34,548
At 31 December	於十二月三十一日	68,047	34,548
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	115	—
Exchange adjustments	匯兌調整	35	—
Charge for the year	本年度攤銷	1,485	115
At 31 December	於十二月三十一日	1,635	115
Net book value:	賬面淨值：		
At 31 December	於十二月三十一日	66,412	34,433

The amortisation charge for the year is included in "Direct costs and operating expenses" in the consolidated income statement.

本年度攤銷計入綜合損益表之「直接成本及經營費用」內。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

16. GOODWILL

十六. 商譽

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
Cost:	成本值：		
At 1 January	於一月一日	48,236	46,133
Addition through acquisition of business	透過收購業務增置	–	2,103
Exchange adjustments	匯兌調整	82	–
At 31 December	於十二月三十一日	<u>48,318</u>	<u>48,236</u>

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segment as follows:

包含商譽之現金生產單位之耗損測試

本集團按業務分部分配商譽予可辨別之現金生產單位如下：

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
Infrastructure investment and operation (Toll bridge)	基建投資及營運 (收費橋樑)	25,340	25,340
Environmental protection project operation (waste-water treatment plants and waste-to-energy power plant)	環保項目營運 (污水處理廠及 垃圾焚燒發電廠)	22,978	22,896
		<u>48,318</u>	<u>48,236</u>



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

16. GOODWILL (*continued*)

The recoverable amount of the respective CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five year period. Discount rates of 10% – 12% have been used for the value-in-use calculations. Management determined the budgets based on independent professional traffic studies and/or service agreements governing the relevant operations. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

十六. 商譽 (續)

現金生產單位之可收回數額根據使用價值計算。計算方法按照管理層已核准之五年財務預算之現金流量估計。用於計算使用價值之貼現率為10%至12%。管理層根據獨立專業交通流量研究及／或監管有關業務之服務協議，釐定有關預算。所使用之貼現率為除稅前貼現率，能反映有關分部之特定風險。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

17. INTEREST IN SUBSIDIARIES

十七. 附屬公司權益

		The Company	
		本公司	
		2006	2005
		二零零六年	二零零五年
		\$'000	\$'000
		千元	千元
Unlisted shares/capital contributions, at cost	非上市股份／出資額， 按成本值	388,642	388,642
Amounts due from subsidiaries	應收附屬公司款項	2,566,729	2,126,938
		2,955,371	2,515,580
Less: impairment losses	減：耗損虧損	(1,438,917)	(1,480,947)
		1,516,454	1,034,633
Amounts due to subsidiaries	應付附屬公司款項	(64,505)	(56,408)
		1,451,949	978,225

Amounts due from/(to) subsidiaries are unsecured, interest free and not expected to be recovered within one year.

應收／(應付)附屬公司款項為無抵押、免息及預期不會於一年內償還。

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

以下僅列出對本集團業績、資產或負債構成主要影響之附屬公司資料。除另有註明外，所持股份均為普通股。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

17. INTEREST IN SUBSIDIARIES (continued)

十七. 附屬公司權益 (續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立／註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及 繳足股本資料	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
			Group's effective interest 本集團之 實際權益	held by the Company 由本公司 持有	held by a subsidiary 由附屬公司 持有	
Everbright Environmental Energy (Changzhou) Co. Ltd. ("EB Energy (Changzhou)")* (note (a)) 光大環保能源(常州) 有限公司 (「光大能源(常州)」)* (附註(a))	PRC 中國	RMB137,520,000 人民幣 137,520,000元	100%	–	100%	Design, construction, operation and management of waste-to-energy power plant 設計、建造、營運及 管理垃圾焚燒 發電廠
Everbright Environmental Energy (Jiangyin) Co. Ltd. ("EB Energy (Jiangyin)")* (note (b)) 光大環保能源(江陰) 有限公司 (「光大能源(江陰)」)* (附註(b))	PRC 中國	USD6,000,000 6,000,000美元	100%	–	100%	Design, construction, operation and management of waste-to-energy power plant 設計、建造、營運及 管理垃圾焚燒 發電廠
Everbright Environmental Energy (Suzhou) Co. Ltd. ("EB Energy (Suzhou)")* (formerly known as Suzhou SuNeng Waste-to-Energy Co. Ltd.) 光大環保能源(蘇州) 有限公司(「光大 能源(蘇州)」)* (前稱「蘇州市 蘇能垃圾發電有限公司」)	PRC 中國	RMB167,000,000 人民幣 167,000,000元	Note (c) 附註(c)	–	Note (c) 附註(c)	Design, construction, operation and management of waste-to-energy power plant 設計、建造、營運及 管理垃圾焚燒 發電廠



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

17. INTEREST IN SUBSIDIARIES (continued)

十七. 附屬公司權益 (續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立／註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及 繳足股本資料	Proportion of ownership interest 擁有權權益比例			Principal activity 主要業務
			Group's effective interest 本集團之 實際權益	held by the Company 由本公司 持有	held by a subsidiary 由附屬公司 持有	
Everbright Environmental Energy (Suzhou) Methane-to-Energy Co. Ltd. ("EB Methane-to-energy")* (note(d)) 光大環保能源(蘇州)沼氣發電有限公司 (「光大沼氣發電公司」)* (附註(d))	PRC 中國	USD2,100,000 2,100,000美元	100%	–	100%	Design, construction, operation and management of methane-to-energy power plant 設計、建造、營運及管理沼氣發電廠
Everbright Environmental Energy (Yixing) Co. Ltd. ("EB Energy (Yixing)")* (note (e)) 光大環保能源(宜興)有限公司 (「光大能源(宜興)」)* (附註(e))	PRC 中國	USD11,520,000 11,520,000美元	100%	–	100%	Design, construction, operation and management of waste-to-energy power plant 設計、建造、營運及管理垃圾焚燒發電廠
Everbright Environmental (Suzhou) Solid Waste Treatment Co. Ltd. ("EB Solid Waste")* (note (f)) 光大環保(蘇州)固體廢棄物處理有限公司 (「光大固廢處理公司」)* (附註(f))	PRC 中國	USD2,432,500 2,432,500美元	100%	–	100%	Design, construction, operation and management of solid waste disposal centre 設計、建造、營運及管理固體廢棄物處理中心



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

17. INTEREST IN SUBSIDIARIES (continued)

十七. 附屬公司權益 (續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立／註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及 繳足股本資料	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
			Group's effective interest 本集團之 實際權益	held by the Company 由本公司 持有	held by a subsidiary 由附屬公司 持有	
Everbright Water (Ji'nan) Limited ("EB Water (Jinan)")* (note (g)) 光大水務(濟南)有限公司 (「光大水務(濟南)」)* (附註(g))	PRC 中國	USD18,500,000 18,500,000美元	100%	–	100%	Operation and maintenance of waste-water treatment plants 營運及維修保養 污水處理廠
Everbright Water (Zibo) Limited ("EB Water (Zibo)")* (note (h)) 光大水務(淄博)有限公司 (「光大水務(淄博)」)* (附註(h))	PRC 中國	USD20,508,000 20,508,000美元	100%	–	100%	Design, construction, operation and maintenance of waste-water treatment plants 設計、建造、營運及 維修保養 污水處理廠
Fuzhou Guang Min Road and Bridge Construction & Development Company Limited ("FZGM")# 福州光閩路橋建設 開發有限公司 (「光閩路橋」)#	PRC 中國	RMB224,730,000 人民幣224,730,000元	Note (i) 附註(i)	–	Note (i) 附註(i)	Development, construction, operation and maintenance of a toll bridge 開發、建造、營運及 維修保養收費橋樑



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

17. INTEREST IN SUBSIDIARIES (continued)

十七. 附屬公司權益 (續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立／註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及 繳足股本資料	Proportion of ownership interest 擁有權權益比例			Principal activity 主要業務
			Group's effective interest 本集團之 實際權益	held by the Company 由本公司 持有	held by a subsidiary 由附屬公司 持有	
On Land Limited 再倫有限公司	Hong Kong 香港	2 shares of \$1 each 2股每股面值 1元股份	100%	–	100%	Property investment 物業投資
Qingdao EB-VW Waste Water Treatment Co., Ltd. ("Qingdao EB-VW") [#] 青島光威污水處理 有限公司 ("青島光威") [#]	PRC 中國	USD15,257,380 15,257,380美元	Note (j) 附註(j)	–	Note (j) 附註(j)	Construction, operation and maintenance of waste-water treatment plants 建造、營運及維修 保養污水處理廠
Sino Villa Holdings Limited	British Virgin Islands ("BVI")/PRC 英屬處女群島／ 中國	1 share of US\$1 1股面值 1美元股份	100%	100%	–	Property investment 物業投資

* Registered under the laws of the PRC as foreign investment enterprise.

* 根據中國法律註冊為外商投資企業。

[#] Registered under the laws of the PRC as sino-foreign co-operative joint venture.

[#] 根據中國法律註冊為中外合作合營企業。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

17. INTEREST IN SUBSIDIARIES (continued)

Notes:

- (a) Everbright Environmental Energy (Changzhou) Investment Limited, a wholly-owned subsidiary of the Company and the foreign investor of EB Energy (Changzhou), is committed to contribute the full amount of the registered capital in EB Energy (Changzhou).

Pursuant to a concession right agreement, EB Energy (Changzhou) will design, construct, operate and manage a waste-to-energy power plant to provide waste treatment service in Changzhou city, the PRC for a period of 25.5 years. Upon expiry of the concession period, the waste-to-energy power plant and related facilities will be transferred to a local government authority. The waste-to-energy power plant is expected to have a daily capacity of 800 tonnes. The fee charged by EB Energy (Changzhou) is governed by the relevant concession right agreement. During the concession period, EB Energy (Changzhou) has the obligation to maintain the waste-to-energy power plant in good condition.

- (b) Everbright Environmental Energy (Jiangyin) Investment Limited, a wholly-owned subsidiary of the Company and the foreign investor of EB Energy (Jiangyin), is committed to contribute the full amount of the registered capital in EB Energy (Jiangyin).

Pursuant to a concession right agreement, EB Energy (Jiangyin) will design, construct, operate and manage a waste-to-energy power plant to provide waste treatment service in Jiangyin city, the PRC for a period of 30 years. Upon expiry of the concession period, the waste-to-energy power plant and related facilities will be transferred to a local government authority. The waste-to-energy power plant is expected to have a daily capacity of 800 tonnes. The fee charged by EB Energy (Jiangyin) is governed by the relevant concession right agreement. During the concession period, EB Energy (Jiangyin) has the obligation to maintain the waste-to-energy power plant in good condition.

十七. 附屬公司權益 (續)

附註:

- (a) 本公司之全資附屬公司兼光大能源(常州)外方投資者光大環保能源(常州)投資有限公司，承諾注入光大能源(常州)全數註冊資本。

根據特許經營協議，光大能源(常州)將設計、建造、營運及管理一家垃圾焚燒發電廠，為中國常州市提供垃圾處理服務為期二十五年半。待特許經營期屆滿後，垃圾焚燒發電廠及相關設施將轉歸當地政府機關所有。預期垃圾焚燒發電廠每日之處理量為800噸。光大能源(常州)所收取之垃圾處理費須受有關特許經營協議所管限。於特許經營期內，光大能源(常州)有責任維持垃圾焚燒發電廠在良好狀況。

- (b) 本公司之全資附屬公司兼光大能源(江陰)外方投資者光大環保能源(江陰)投資有限公司，承諾注入光大能源(江陰)全數註冊資本。

根據特許經營協議，光大能源(江陰)將設計、建造、營運及管理一家垃圾焚燒發電廠，為中國江陰市提供垃圾處理服務為期三十年。待特許經營期屆滿後，垃圾焚燒發電廠及相關設施將轉歸當地政府機關所有。預期垃圾焚燒發電廠每日之處理量為800噸。光大能源(江陰)所收取之垃圾處理費須受有關特許經營協議所管限。於特許經營期內，光大能源(江陰)有責任維持垃圾焚燒發電廠在良好狀況。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

17. INTEREST IN SUBSIDIARIES (continued)

Notes: (continued)

- (c) Everbright Environmental Energy (Suzhou) Investment Limited ("EB Energy (Suzhou) Investment"), a wholly-owned subsidiary of the Company and the foreign joint venture partner of EB Energy (Suzhou), is committed to contribute the full amount of the registered capital in EB Energy (Suzhou). Net profit of EB Energy (Suzhou), after payment of an agreed sum of RMB880,000 annually to the PRC joint venture partner, is fully attributable to EB Energy (Suzhou) Investment.

Pursuant to a concession right agreement, EB Energy (Suzhou) will design, construct, operate and manage a waste-to-energy power plant to provide waste treatment service in Suzhou city, the PRC for a period of 25 years. Upon expiry of the concession period, the waste-to-energy power plant and related facilities will be transferred to the PRC joint venture partner. The waste-to-energy power plant is expected to have a daily capacity of 1,500 tonnes. The fee charged by EB Energy (Suzhou) is governed by the relevant concession right agreement. During the concession period, EB Energy (Suzhou) has the obligation to maintain the waste-to-energy power plant in good condition.

- (d) EB Energy (Suzhou) Investment, the foreign investor of EB Methane-to-energy, is committed to contribute the full amount of the registered capital in EB Methane-to-energy.

Pursuant to a concession right agreement, EB Methane-to-energy will design, construct, operate and manage a methane-to-energy power plant to generate electricity in Suzhou city, the PRC for a period of 25 years. The methane-to-energy power plant is expected to supply no less than 12,480,000 kilowatt-hour of electricity per year. The fee charged by EB Methane-to-energy is governed by the relevant concession right agreement.

十七. 附屬公司權益 (續)

附註: (續)

- (c) 本公司之全資附屬公司兼光大能源(蘇州)外方合營夥伴光大環保能源(蘇州)投資有限公司(「光大能源(蘇州)投資」)，承諾注入光大能源(蘇州)全數註冊資本。光大能源(蘇州)之淨盈利(在每年支付人民幣880,000元之協定款項予中方合營夥伴後)將全歸光大能源(蘇州)投資所有。

根據特許經營協議，光大能源(蘇州)將設計、建造、營運及管理一家垃圾焚燒發電廠，為中國蘇州市提供垃圾處理服務為期二十五年。待特許經營期屆滿後，垃圾焚燒發電廠及相關設施將轉歸中方合營夥伴所有。預期垃圾焚燒發電廠每日之處理量為1,500噸。光大能源(蘇州)所收取之垃圾處理費須受有關特許經營協議所管限。於特許經營期內，光大能源(蘇州)有責任維持垃圾焚燒發電廠在良好狀況。

- (d) 光大沼氣發電公司外方投資者光大環保能源(蘇州)投資，承諾注入光大沼氣發電公司全數註冊資本。

根據特許經營協議，光大沼氣發電公司將設計、建造、營運及管理一家沼氣發電廠，為中國蘇州市提供電力服務為期二十五年。預期沼氣發電廠之年上網電量不會低於12,480,000千瓦時。光大沼氣發電公司所收取之費用須受有關特許經營協議所管限。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

17. INTEREST IN SUBSIDIARIES (continued)

Notes: (continued)

- (e) Everbright Environmental Energy (Yixing) Investment Limited, a wholly-owned subsidiary of the Company and the foreign investor of EB Energy (Yixing), is committed to contribute the full amount of the registered capital in EB Energy (Yixing).

Pursuant to a concession right agreement, EB Energy (Yixing) will design, construct, operate and manage a waste-to-energy power plant to provide waste treatment service in Yixing city, the PRC for a period of 25 years. Upon expiry of the concession period, the waste-to-energy power plant and related facilities will be transferred to a local government authority. The waste-to-energy power plant is expected to have a daily capacity of 500 tonnes. The fee charged by EB Energy (Yixing) is governed by the relevant concession right agreement. During the concession period, EB Energy (Yixing) has the obligation to maintain the waste-to-energy power plant in good condition.

- (f) China Everbright Environmental Solid Waste Treatment Limited, a wholly-owned subsidiary of the Company and the foreign investor of EB Solid Waste, is committed to contribute the full amount of the registered capital in EB Solid Waste.

Pursuant to a concession right agreement, EB Solid Waste will design, construct, operate and manage a solid waste disposal centre to provide waste treatment service in Suzhou city, the PRC for a period of 30 years. Upon expiry of the concession period, the solid waste disposal centre will be transferred to a local government authority. The solid waste disposal centre is expected to have a total capacity of 600,000 cubic metre. The fee charged by EB Solid Waste is governed by the relevant concession right agreement. During the concession period, EB Solid Waste has the obligation to maintain the solid waste disposal centre in good condition.

十七. 附屬公司權益 (續)

附註: (續)

- (e) 本公司之全資附屬公司兼光大能源(宜興)外方投資者光大環保能源(宜興)投資有限公司，承諾注入光大能源(宜興)全數註冊資本。

根據特許經營協議，光大能源(宜興)將設計、建造、營運及管理一家垃圾焚燒發電廠，為中國宜興市提供垃圾處理服務為期二十五年。待特許經營期屆滿後，垃圾焚燒發電廠及相關設施將轉歸當地政府機關所有。預期垃圾焚燒發電廠每日之處理量為500噸。光大能源(宜興)所收取之垃圾處理費須受有關特許經營協議所管限。於特許經營期內，光大能源(宜興)有責任維持垃圾焚燒發電廠在良好狀況。

- (f) 本公司之全資附屬公司兼光大固廢處理公司外方投資者中國光大環保固廢處置有限公司，承諾注入光大固廢處理公司全數註冊資本。

根據特許經營協議，光大固廢處理公司將設計、建造、營運及管理一家固體廢棄物處理中心，為中國蘇州市提供垃圾處理服務為期三十年。待特許經營期屆滿後，固體廢棄物處理中心將轉歸當地政府機關所有。預期固體廢棄物處理中心之總規模為600,000立方米。光大固廢處理公司所收取之垃圾處理費須受有關特許經營協議所管限。於特許經營期內，光大固廢處理公司有責任維持固體廢棄物處理中心在良好狀況。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

17. INTEREST IN SUBSIDIARIES (continued)

Notes: (continued)

- (g) On 31 October 2006, EB Water (Jinan) acquired the waste-water treatment business together with the corresponding assets from Jinan State-owned Assets Commission and Jinan Utilities Authority at a consideration of RMB400,000,000 (equivalent to approximately \$392,209,000). In addition, pursuant to a concession right agreement, EB Water (Jinan) was granted an exclusive right to operate the waste-water treatment plants to provide waste-water treatment service in certain specified areas in Jinan city, the PRC for a period of 30 years commencing from November 2006. Upon the expiry of the concession period, EB Water (Jinan) will cease to have any rights and obligations under the concession right agreement and the assets acquired as referred to above will be transferred back to a local government authority.

The designed daily capacity of waste-water treatment plants is 420,000 tonnes. The revenue charged by EB Water (Jinan) is governed by the relevant waste-water treatment service agreement. During the concession period, EB Water (Jinan) has the obligation to promptly repair or upgrade the waste-water treatment facilities and equipment.

- (h) On 1 December 2005, EB Water (Zibo) acquired the waste-water treatment business together with the corresponding assets and liabilities from Zibo Finance Bureau and Zibo Environmental Waste Water Treatment Company ("the Transferors") at a consideration of RMB224,055,000 (equivalent to approximately \$214,891,000). In addition, pursuant to a concession right agreement, EB Water (Zibo) was granted the exclusive right to operate the waste-water treatment plants to provide waste-water treatment service in certain specified areas in Zibo city, the PRC for a period of 25 years commencing from December 2005. Upon expiry of the concession period, EB Water (Zibo) will cease to have any rights and obligations under the concession right agreement and the assets acquired as referred to above will be transferred back to the Transferors.

十七. 附屬公司權益 (續)

附註：(續)

- (g) 於二零零六年十月三十一日，光大水務（濟南）向濟南市人民政府國有資產監督管理委員會及濟南市市政公用事業局收購污水處理業務連同相關資產，代價為人民幣400,000,000元（相當於約392,209,000元）。此外，根據特許經營協議，光大水務（濟南）獲獨家授權營運污水處理廠，為中國濟南市若干指定地區提供污水處理服務，由二零零六年十一月起計為期三十年。待特許經營期屆滿後，根據特許經營協議，光大水務（濟南）將不再具有任何權利及責任，而上文所述之收購資產須轉回予當地政府機關。

預期污水處理廠之每日處理量為420,000噸。光大水務（濟南）所收取之污水處理費須受有關污水處理協議管限。於特許經營期內，光大水務（濟南）有責任及時維修或提升污水處理設施及設備。

- (h) 於二零零五年十二月一日，光大水務（淄博）向淄博市財政局及淄博市環保污水處理公司（「轉讓人」）收購污水處理業務連同相關資產及負債，代價為人民幣224,055,000元（相當於約214,891,000元）。此外，根據特許經營協議，光大水務（淄博）獲獨家授權營運污水處理廠，為中國淄博市若干指定區域提供污水處理服務，由二零零五年十二月起計為期二十五年。待特許經營期屆滿後，根據特許經營協議，光大水務（淄博）將不再具有任何權利及責任，而上文所述之收購資產須轉回予轉讓人。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

17. INTEREST IN SUBSIDIARIES (continued)

Notes: (continued)

The designed daily capacity of waste-water treatment plants is 250,000 tonnes. The revenue charged by EB Water (Zibo) is governed by the relevant waste-water treatment service agreement. During the concession period, EB Water (Zibo) has the obligation to promptly repair or upgrade the waste-water treatment facilities and equipment.

- (i) Greenway Venture Limited ("Greenway"), an 80% owned subsidiary of the Company and the foreign joint venture partner of FZGM, is committed to contribute the full amount of FZGM's registered capital. Net profit (after payment of an agreed sum ranging from RMB600,000 to RMB2,500,000 annually to the PRC joint venture partner of FZGM) of FZGM should first be applied for the repayment of capital and advances made by Greenway. After the capital and advances made by Greenway have been fully repaid, the net profit of FZGM (after payment of an agreed sum to the PRC joint venture partner mentioned above) is to be shared by Greenway and the PRC joint venture partner on a 90:10 basis.

Pursuant to the joint venture agreement of FZGM, FZGM was granted a right to construct, operate and maintain a toll bridge in Fuzhou city, the PRC. After the completion of the toll bridge construction, FZGM has an operating period of the toll bridge for a period of 30 years commencing from January 2003. Upon expiry of the operating period, FZGM will transfer all the fixed assets and the operating right to the PRC joint venture partner. The toll fee is based on the type of vehicles and it is subject to the approval from the relevant local government authorities. During the operating period, FZGM has the obligation to maintain the toll bridge in good condition.

- (j) EB-VW HK Holding Company Limited ("EB-VW"), an 60% owned subsidiary of the Company and the foreign joint venture partner of Qingdao EB-VW, is committed to contribute 60% of Qingdao EB-VW's registered capital. The remaining 40% registered capital is contributed by the PRC joint venture partner, by way of transferring waste-water treatment plants to Qingdao EB-VW. EB-VW is fully entitled to the net profit of Qingdao EB-VW for the first 14 years of the joint venture period. From the 15th year of the joint venture period onwards, the net profit of Qingdao EB-VW is to be shared by EB-VW and the PRC joint venture partner on a 98:2 basis.

十七. 附屬公司權益 (續)

附註: (續)

預期污水處理廠之每日處理量為250,000噸。光大水務(淄博)所收取之污水處理費須受有關污水處理協議所管限。於特許經營期內，光大水務(淄博)有責任及時維修或提升污水處理設施及設備。

- (i) 本公司擁有80%權益之附屬公司兼光閩路橋之外方合營夥伴Greenway Venture Limited (「Greenway」) 承諾注入光閩路橋全數註冊資本。光閩路橋之淨盈利(在每年支付介乎人民幣600,000元至人民幣2,500,000元之協定款項予中方合營夥伴後)將首先用以償還Greenway已支付之資本及墊款。在全數償還Greenway已支付之資本及墊款後，光閩路橋之淨盈利(在如上文所述般支付協定款項予中方合營夥伴後)將由Greenway及中方合營夥伴按90:10之比例攤分。

根據光閩路橋之合營協議，光閩路橋獲授權在中國福州市建造、營運及維修保養一條收費橋樑。在收費橋樑建造完成後，光閩路橋擁有收費橋樑之經營權三十年，由二零零三年一月起計。待經營期屆滿後，光閩路橋將把所有固定資產及經營權轉歸中方合營夥伴所有。收費橋樑之收費按車輛之類別而定，並須待有關當地政府機關批准後方可作實。於營運期內，光閩路橋有責任維持收費橋樑在良好狀況。

- (j) 本公司擁有60%權益之附屬公司兼青島光威外方合營夥伴光大威立雅水務香港控股有限公司(「光大威立雅」) 承諾注入青島光威60%註冊資本，餘下40%將由中方合營夥伴透過轉讓污水處理廠予青島光威之方式出資。光大威立雅於合營期首十四年可全數享有青島光威之淨盈利。而由第十五年合營期起，青島光威之淨盈利將由光大威立雅及中方合營夥伴按98:2之比例攤分。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

17. INTEREST IN SUBSIDIARIES (continued)

Notes: (continued)

Pursuant to a waste-water treatment agreement, Qingdao EB-VW will provide the PRC joint venture partner with design, construction, maintenance and operation services for waste-water treatment facilities and the provision of waste-water treatment services in Qingdao, the PRC for a period of 25 years commencing from January 2005. Furthermore, Qingdao EB-VW is obliged to construct extension of the existing facilities.

Upon expiry of joint venture agreement, the fixed assets of Qingdao EB-VW will be transferred to the PRC joint venture partner. The waste-water treatment plants are expected to have aggregate daily capacity of 220,000 cubic metre. The waste-water treatment revenue charged by Qingdao EB-VW is governed by the relevant waste-water treatment agreement. During the joint venture period, Qingdao EB-VW has the obligation to maintain the waste-water treatment facilities in good condition.

十七. 附屬公司權益 (續)

附註: (續)

根據污水處理協議，青島光威將為中方合營夥伴提供污水處理設施之設計、建造、維修保養及營運服務，並為中國青島市提供污水處理服務，由二零零五年一月起計，為期二十五年。此外，青島光威須負責建造現有污水處理廠之擴建設施。

待合營協議屆滿後，青島光威之固定資產將轉歸中方合營夥伴所有。預期污水處理廠之每日總處理量為220,000立方米。青島光威所收取之污水處理費須受有關污水處理協議所管限。於合營期內，青島光威有責任維持污水處理設施在良好狀況。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

18. INTEREST IN ASSOCIATES

十八. 聯營公司權益

		The Group		The Company	
		本集團		本公司	
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Unlisted capital contributions, at cost	非上市注資，按成本值	-	-	-	205,199
Share of net assets	所佔資產淨額	442	413,304	-	-
		442	413,304	-	205,199

The following list contains only the particulars of associates, all of which are unlisted corporate entities, which principally affected the results or assets of the Group.

以下僅列出對本集團業績或資產構成主要影響之聯營公司（均為非上市企業實體）資料。

Proportion of ownership interest						
擁有權益比例						
Name of associate	Form of business structure	Place of establishment and operation	Group's effective interest	held by		Principal activity
				the Company	held by subsidiaries	
聯營公司名稱	業務架構性質	成立及經營地點	本集團之實際權益	由本公司持有	由附屬公司持有	主要業務
Qingdao Veolia Water Operating Company Limited	Established	PRC	21%	-	21%	Operation of waste-water treatment plants
青島威立雅水務運營有限公司	成立	中國				營運污水處理廠

Note: During the year, the Company disposed of its 44.12% interest in Newton Industrial Limited ("Newton"). Newton holds an 34% equity interest in Shenzhen Mawan Power Company Limited, a sino-foreign joint venture established in the PRC which operates two power plants in Shenzhen, the PRC.

附註：年內，本公司出售了Newton Industrial Limited（「Newton」）44.12%權益。Newton持有深圳媽灣電力有限公司（一家於中國成立之中外合營企業）34%股本權益，該公司在中國深圳經營兩家發電廠。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

18. INTEREST IN ASSOCIATES (continued)

十八. 聯營公司權益 (續)

Additional combined financial information in respect of the Group's associates is given as follows:

有關本集團聯營公司之額外合併財務資料載列如下：

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
(i) Operating results (Note)	(i) 經營業績 (附註)		
Turnover	營業額	18,600	18,000
Depreciation	折舊	-	-
Profit before taxation	除稅前盈利	86,236	178,492
Profit after taxation	除稅後盈利	73,571	154,255
Group's share of profits after taxation for the year attributable to associates	本集團所佔聯營公司之 本年度除稅後盈利	32,658	68,045

Note: Operating results of Newton are included up to the date of disposal.

附註：Newton之經營業績入賬至出售日期為止。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

18. INTEREST IN ASSOCIATES (continued)

十八. 聯營公司權益 (續)

Additional combined financial information in respect of the Group's associates is given as follows:
(continued)

有關本集團聯營公司之額外合併財務資料載列如下：(續)

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
(ii) Balance sheet	(ii) 資產負債表		
Non-current assets	非流動資產	241	935,314
Current assets	流動資產	5,481	4,671
Current liabilities	流動負債	(3,619)	(2,045)
Net assets	資產淨額	2,103	937,940
Group's share of net assets attributable to associates	本集團所佔聯營公司之資產淨額	442	413,304

19. OTHER FINANCIAL ASSETS

十九. 其他財務資產

		The Group 本集團		The Company 本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Available-for-sale equity securities:	待售股本證券：				
– Listed in Hong Kong	– 香港上市	49,327	38,282	–	–
– Unlisted outside Hong Kong	– 香港以外地區非上市	13,649	13,649	13,649	13,649
		62,976	51,931	13,649	13,649
Market value of listed securities	上市證券之 市值	49,327	38,282	–	–



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

20. FINANCE LEASE RECEIVABLES

Additional combined financial information in respect of the Group's associates is given as follows:
(continued)

The Group's waste-water treatment plants, waste-to-energy power plant and methane-to-energy power plant are under BOT and TOT arrangements. Based on the key attributes of the BOT and TOT arrangements (note 40), the Group's management has determined that the BOT and TOT arrangements contain lease elements and classified the leases as finance leases in accordance with HK(IFRIC) 4, and have accounted them as such in the financial statements.

Finance lease receivables represent the Group's net investment in finance leases and are analysed as:

二十. 融資租賃應收款項

有關本集團聯營公司之額外合併財務資料載列如下：(續)

本集團之污水處理廠、垃圾焚燒發電廠及沼氣發電廠乃根據BOT及TOT安排運作。基於BOT及TOT安排之主要特質(附註四十)，本集團管理層確定BOT及TOT安排包含租賃部份，並根據《香港(國際財務報告詮釋委員會)詮釋》第4號把有關租賃分類為融資租賃，以及在財務報表中按此將之入賬。

融資租賃應收款項指本集團在融資租賃之投資淨額，現分析如下：

		The Group 本集團	
		2006 二零零六年	2005 二零零五年 (restated) (重報)
		\$'000 千元	\$'000 千元
Finance lease receivables:	融資租賃應收款項：		
Within one year	一年內	64,252	10,678
After one year but within five years	一年後但五年內	257,006	42,712
After five years	五年後	1,259,782	208,920
Total gross investment	投資總額	1,581,040	262,310
Unearned finance income	未賺取之融資收入	(777,220)	(128,225)
Present value of future finance lease receivables	未來融資租賃應收款項之現值	803,820	134,085
Finance lease receivables within one year included under current assets	計入流動資產並於一年內到期之融資租賃應收款項	(14,643)	(2,384)
		789,177	131,701



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

20. FINANCE LEASE RECEIVABLES (continued)

The lease receivables are reduced when lease payments are received and an imputed finance lease income on the lease receivables is recognised using the estimated lessee's incremental borrowing rate of interest at the inception of the lease. The average interest rate used in the lease arrangements ranges from 6.1% to 6.8%. There is no allowance for uncollectible minimum lease payments receivable.

The present value of future finance lease receivables is analysed as follows:

二十. 融資租賃應收款項 (續)

租賃應收款項會於租賃款項獲收取後扣減，並會透過利用承租人之估計累升借貸利率，確認租賃應收款項之估算融資租賃收入。租賃安排所使用之平均利率介乎6.1%至6.8%。並無就無法收取之最低租賃應收款項作出撥備。

未來融資租賃應收款項之現值分析如下：

		The Group 本集團	
		2006 二零零六年	2005 二零零五年 (restated) (重報)
		\$'000 千元	\$'000 千元
Within one year	一年內	14,643	2,384
After one year but within five years	一年後但五年內	68,522	11,170
After five years	五年後	720,655	120,531
		803,820	134,085



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

21. INVENTORIES

Inventories in the balance sheet comprise:

二十一. 存貨

資產負債表所示存貨包括:

		The Group	
		本集團	
		2006	2005
		二零零六年	二零零五年
		\$'000	\$'000
		千元	千元
Plant materials and operating supplies	廠房物資及營業用品	3,239	—
Other raw materials	其他原材料	206	—
		3,445	—

22. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in "Debtors, other receivables, deposits and prepayments" of the Group are trade debtors of \$40,434,000 (2005: \$14,343,000), of which \$6,001,000 (2005: \$4,595,000) is due from a minority shareholder. The trade debtors are current and not yet due for payment and represent toll bridge revenue and revenue from waste-water treatment plants, waste-to-energy power plant and methane-to-energy power plant operation services which are settled on a monthly basis.

The Group's credit policy is set out in note 32(a).

二十二. 應收賬款、其他應收款項、按金及預付款項

本集團之「應收賬款、其他應收款項、按金及預付款項」中包括應收貿易賬款40,434,000元(二零零五年:14,343,000元)，其中6,001,000元(二零零五年:4,595,000元)為應收少數股東款項。該筆應收貿易賬款屬即期及未到期還款，其為收費橋樑收益及來自污水處理廠、垃圾焚燒發電廠及沼氣發電廠之營運服務收益，有關款項按月支付。

本集團之信貸政策載於附註三十二(a)。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

23. PLEDGED BANK DEPOSITS

The amounts are pledged to secure certain bank loans of the Group.

二十三. 已抵押銀行存款

該等款項已作抵押，作為本集團若干銀行貸款之抵押品。

24. CASH AND CASH EQUIVALENTS

二十四. 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Deposits with bank	銀行存款	516,072	215,946	325,761	198,203
Cash at bank and in hand	銀行結餘及現金	240,691	192,620	6,509	30,204
		756,763	408,566	332,270	228,407

Included in "Cash and cash equivalents" in the balance sheets are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

在資產負債表中之「現金及現金等價物」包括下列款項，其以相關實體之功能貨幣以外之貨幣為單位：

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
United States Dollars	美元	USD21,217 21,217美元	USD10,809 10,809美元	USD94 94美元	USD21 21美元



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

25. SECURED BANK LOANS

二十五. 有抵押銀行貸款

At 31 December 2006, the secured bank loans were repayable as follows:

於二零零六年十二月三十一日，有抵押銀行貸款之還款期如下：

		The Group		The Company	
		本集團		本公司	
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Within one year or on demand	一年內或按要求	88,448	40,227	21,429	31,429
After one year but within two years	一年後但兩年內	85,404	55,607	6,429	6,429
After two years but within five years	兩年後但五年內	361,507	218,764	17,678	19,286
After five years	五年後	355,673	297,645	–	4,821
		802,584	572,016	24,107	30,536
		891,032	612,243	45,536	61,965

At 31 December 2006, the banking facilities of the Group are secured by revenue from the operations of toll bridge, waste-water treatment plants and waste-to-energy power plant, finance lease receivables, bank deposits, mortgages on fixed assets and shares of a subsidiary of the Company. Such banking facilities, amounting to \$1,185,329,000 (2005: \$975,180,000), were utilised to the extent of \$891,032,000 (2005: \$612,243,000) at 31 December 2006.

於二零零六年十二月三十一日，本集團之銀行融資以經營收費橋樑、污水處理廠及垃圾焚燒發電廠之收益、融資租賃應收款項、銀行存款、固定資產按揭及本公司附屬公司股份作抵押。於二零零六年十二月三十一日，上述1,185,329,000元（二零零五年：975,180,000元）之銀行融資已動用891,032,000元（二零零五年：612,243,000元）。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

26. AMOUNT DUE TO MINORITY SHAREHOLDER

The amount is unsecured, interest free and repayable within one year.

27. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

Included in “Creditors, other payables and accrued expenses” of the Group is an amount of \$3,798,000 (2005: \$1,393,000) which is payable to an associate. The balance is due within one month and represents service fee for operation of waste-water treatment plants.

Apart from the above, there are other payables to related companies and a minority shareholder of \$45,759,000 (2005: \$32,012,000) and \$21,606,000 (2005: \$18,756,000) respectively as at 31 December 2006. The amounts are unsecured, interest free and expected to be settled within one year.

Included in “Creditors, other payables and accrued expenses” are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

二十六. 應付少數股東款項

有關款項為無抵押、免息及須於一年內償還。

二十七. 應付賬款、其他應付款項及應計費用

本集團之「應付賬款、其他應付款項及應計費用」中包括一筆應付予一家聯營公司之款項 3,798,000元 (二零零五年: 1,393,000元)。該結餘於一個月內到期，其為經營污水處理廠之服務費。

除上文所述者外，於二零零六年十二月三十一日，本公司還有應付予關聯公司及一名少數股東之其他應付款項，金額分別為 45,759,000元 (二零零五年: 32,012,000元) 及 21,606,000元 (二零零五年: 18,756,000元)。該等款項為無抵押、免息，並預期須於一年內支付。

「應付賬款、其他應付款項及應計費用」包括下列款項，其以相關實體之功能貨幣以外之貨幣為單位：

The Group 本集團		The Company 本公司	
2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
United States Dollars 美元	USD2,895 2,895美元	Nil 無	USD2,895 2,895美元
			Nil 無



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

28. LOANS FROM ULTIMATE HOLDING COMPANY 二八. 最終控股公司貸款

The Group

At 31 December 2006, the loans are unsecured, interest free and not expected to be settled within one year.

At 31 December 2005, the loans were unsecured, interest bearing at 4.9% to 5% per annum and not expected to be settled within one year, except for a loan of \$95,148,000 which was interest free. The interest-bearing loans were fully repaid in 2006.

The Company

At 31 December 2005, the loans were unsecured, interest bearing at 4.9% to 5% per annum and not expected to be settled within one year. The loans were repaid in 2006.

Included in "Loans from ultimate holding company" are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

本集團

於二零零六年十二月三十一日，此等貸款為無抵押、免息及預期不會於一年內償還。

於二零零五年十二月三十一日，除了一筆金額為95,148,000元之貸款為免息外，此等貸款為無抵押、按年利率4.9%至5%計息及預期不會於一年內償還。上述計息貸款已於二零零六年悉數償還。

本公司

於二零零五年十二月三十一日，此等貸款為無抵押、按年利率4.9%至5%計息及預期不會於一年內償還。上述貸款已於二零零六年悉數償還。

「最終控股公司貸款」包括下列款項，其以相關實體之功能貨幣以外之貨幣為單位：

		The Group		The Company	
		本集團		本公司	
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
United States Dollars	美元	Nil	USD43,886	Nil	USD43,886
		無	43,886美元	無	43,886美元



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

29. INCOME TAX IN THE BALANCE SHEET

二十九. 資產負債表所示的所得稅

(a) Current taxation in the balance sheet represents:

(a) 資產負債表所示的本期稅項為：

		The Group	
		本集團	
		2006	2005
		二零零六年	二零零五年
		\$'000	\$'000
		千元	千元
Provision for PRC income tax for the year	本年度中國所得稅撥備	6,847	4,748
Provisional tax paid	已付預繳所得稅	(5,332)	(2,610)
		1,515	2,138



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

29. INCOME TAX IN THE BALANCE SHEET 二十九. 資產負債表所示的所得稅 (續)

(continued)

(b) Deferred tax assets and liabilities recognised

The Group

The components of deferred tax (assets)/liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

(b) 已確認遞延稅項資產及負債

本集團

已於綜合資產負債表確認之遞延稅項(資產)/負債部份及本年度變動如下:

		Depreciation in excess of related depreciation allowances 超出有關折舊 免稅額之折舊 \$'000 千元	Revaluation of properties 物業重估 \$'000 千元	Total 總額 \$'000 千元
Deferred tax arising from:	遞延稅項來自:			
At 1 January 2005	於二零零五年一月一日	1,284	19,537	20,821
Addition through acquisition of business	透過收購業務 增置	(356)	—	(356)
(Credited)/charged to profit or loss (restated)	在損益表中(計入)/扣除 (重報)	(16,930)	1,195	(15,735)
At 31 December 2005 (restated)	於二零零五年 十二月三十一日(重報)	(16,002)	20,732	4,730
At 1 January 2006 (restated)	於二零零六年一月一日(重報)	(16,002)	20,732	4,730
Exchange adjustments	匯兌調整	(81)	(50)	(131)
Charged to profit or loss	在損益表中扣除	1,176	1,876	3,052
At 31 December 2006	於二零零六年 十二月三十一日	(14,907)	22,558	7,651



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

29. INCOME TAX IN THE BALANCE SHEET 二十九. 資產負債表所示的所得稅 (續)

(continued)

(b) Deferred tax assets and liabilities recognised (continued)

(b) 已確認遞延稅項資產及負債 (續)

		The Group	
		本集團	
		2006	2005
		二零零六年	二零零五年
			(restated)
			(重報)
		\$'000	\$'000
		千元	千元
Net deferred tax assets recognised	於綜合資產負債表確認之		
on the consolidated balance sheet	遞延稅項資產淨額	(18,625)	(16,433)
Net deferred tax liabilities recognised	於綜合資產負債表確認之		
on the consolidated balance sheet	遞延稅項負債淨額	26,276	21,163
		<u>7,651</u>	<u>4,730</u>

(c) Deferred tax assets not recognised

(c) 未確認遞延稅項資產

In accordance with the accounting policy set out in note 1(r), the Group has not recognised deferred tax assets in respect of cumulative tax losses of \$30,693,000 (2005: \$26,033,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

根據附註一(r)所載之會計政策，本集團並無就累計可抵扣虧損確認遞延稅項資產30,693,000元(二零零五年: 26,033,000元)，原因為在有關稅務司法權區及實體不大可能取得應課稅盈利而令該項資產得以運用。根據現行稅務條例，上述可抵扣虧損不設應用限期。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 26 May 2003 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options at nominal consideration to subscribe for shares of the Company. The options are exercisable six months (or a later date as determined by the directors of the Company) after the date on which the options are granted for a period up to ten years or 25 May 2013, whichever is earlier. Each option gives the holder the right to subscribe for one ordinary share in the Company.

三十一. 以股份支付之股本交易

本公司設有一個購股權計劃，其於二零零三年五月二十六日採納。據此，本公司董事獲授權可酌情邀請本集團僱員（包括本集團任何成員公司之董事）接納可按象徵式代價認購本公司股份之購股權。購股權自授出日期後六個月（或本公司董事決定之較後日期）起生效及其行使期自屆時起計最多達十年或至二零一三年五月二十五日止（以較早者為準）。每股購股權賦予其持有人認購一股本公司普通股之權利。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued) 三. 以股份支付之股本交易 (續)

(a) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

(a) 下文載列年內尚未行使之購股權之授出條款及條件，據此，所有購股權以股份實物交收方式結算交收：

	Number of instruments 文據數目	Vesting conditions 生效條件	Contractual life of options 購股權之合約年期
Options granted to directors: 授予董事之購股權：			
– on 29 September 2003		Six months from the date of grant	9.7 years
– 二零零三年九月二十九日	49,700,000	由授出日期起計六個月	9.7年
– on 29 September 2003		One year from the date of grant	9.7 years
– 二零零三年九月二十九日	49,700,000	由授出日期起計一年	9.7年
– on 3 August 2006		One year from the date of grant	6.8 years
– 二零零六年八月三日	15,000,000	由授出日期起計一年	6.8年
– on 3 August 2006		Two years from the date of grant	6.8 years
– 二零零六年八月三日	15,000,000	由授出日期起計兩年	6.8年
Options granted to employees: 授予僱員之購股權：			
– on 29 September 2003		Six months from the date of grant	9.7 years
– 二零零三年九月二十九日	3,000,000	由授出日期起計六個月	9.7年
– on 29 September 2003		One year from the date of grant	9.7 years
– 二零零三年九月二十九日	3,000,000	由授出日期起計一年	9.7年
– on 3 August 2006		One year from the date of grant	6.8 years
– 二零零六年八月三日	18,000,000	由授出日期起計一年	6.8年
– on 3 August 2006		Two years from the date of grant	6.8 years
– 二零零六年八月三日	18,000,000	由授出日期起計兩年	6.8年
Total share options 購股權總數	171,400,000		



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued) 三. 以股份支付之股本交易 (續)

(b) The number and weighted average exercise prices of share options are as follows:

(b) 購股權之數目及加權平均行使價如下：

		2006 二零零六年		2005 二零零五年	
		Weighted average exercise price 加權平均 行使價	Number of options 購股權數目	Weighted average exercise price 加權平均 行使價	Number of options 購股權數目
Outstanding at the beginning of the period	期初尚未 行使	\$0.296	105,400,000	\$0.296	108,400,000
Exercised during the period	期內已行使	\$0.296	(14,200,000)	\$0.296	(3,000,000)
Granted during the period	期內授出	\$0.85	66,000,000	—	—
Outstanding at the end of the period	期終尚未 行使	\$0.529	157,200,000	\$0.296	105,400,000
Exercisable at the end of the period	期終可予 行使	\$0.296	91,200,000	\$0.296	105,400,000

The weighted average share price at the date of exercise for shares options exercised during the year was \$1.01 (2005: \$0.45).

年內已行使購股權於行使日期之加權平均股價為1.01元(二零零五年:0.45元)。

The options outstanding at 31 December 2006 had an exercise price of \$0.296 or \$0.85 (2005: \$0.296) and a weighted average remaining contractual life of 6.4 years (2005: 7.4 years).

於二零零六年十二月三十一日尚未行使之購股權之行使價為0.296元或0.85元(二零零五年:0.296元)，而加權平均餘下合約年期則為6.4年(二零零五年:7.4年)。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued) 三. 以股份支付之股本交易 (續)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on Black-Scholes Option Pricing Model. The contractual life of the share option is used as an input into this model.

(c) 購股權之公允值及假設

本集團以授出購股權而獲得之服務之公允值按獲授購股權之公允值計量。獲授購股權之估計公允值按「柏力克－舒爾斯」期權定價模式計算。購股權之合約年期為此模式之一項輸入參數。

2006
二零零六年

Fair value of share options and assumptions

購股權之公允值及假設

Fair value at measurement date	於計量日期之公允值	\$0.29
Share price	股價	\$0.85
Exercise price	行使價	\$0.85
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes Option Pricing Model)	預期波幅 (以「柏力克－舒爾斯」期權定價模式內採用的加權平均波幅)	52.13%
Option life (expressed as weighted average life used in the modelling under Black-Scholes Option Pricing Model)	購股權年期 (以「柏力克－舒爾斯」期權定價模式內採用的加權平均年期)	3 years 3年
Expected dividends	預期股息	2.28%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率 (根據外匯基金票據)	4.30%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on public available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

預期波幅乃根據歷史波幅計算 (以購股權之加權平均剩餘年期計算)，再調整因公眾所知的資料影響未來波幅之估計變動。預期股息乃根據過往股息及釐定。所採用主觀假設之變動可對公允值之估計構成重大影響。

There were no service conditions or market conditions associated with the share options granted.

已授出之購股權並無附帶任何服務條件或市場條件。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES

三十一. 股本及儲備

(a) The Group

(a) 本集團

		Share capital	Share premium	Special reserve	Capital redemption reserve	Capital reserve	Goodwill arising on consolidation	Exchange reserve	Revaluation reserve of land and buildings	Fair value reserve	Reserve fund	Retained profits	Total	Minority interests	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
At 1 January 2005	於二零零五年一月一日	254,881	445,204	112,016	70	-	(12,614)	1,677	243	-	-	274,803	1,076,280	3,194	1,079,474
Dividend approved in respect of the previous year (note 11)	去年度已批准股息 (附註十一)	-	-	-	-	-	-	-	-	-	-	(15,293)	(15,293)	-	(15,293)
Shares issued under share option scheme (note 31(c)(iii))	根據購股權計劃發行股份 (附註三十一(c)(iii))	300	588	-	-	-	-	-	-	-	-	-	888	-	888
Share of exchange reserves of associates	所佔聯營公司匯兌儲備	-	-	-	-	-	-	9,598	-	-	-	-	9,598	-	9,598
Exchange differences on translation of financial statements of subsidiaries and associates	換算附屬公司及聯營公司財務報表產生之匯兌差額	-	-	-	-	-	-	8,868	-	-	-	-	8,868	-	8,868
Revaluation reserve realised on disposal of land and buildings	出售土地及樓宇而變現之重估儲備	-	-	-	-	-	-	-	(243)	-	-	243	-	-	-
Changes in fair value of available-for-sale securities	待售證券公允值變動	-	-	-	-	-	-	-	-	8,811	-	-	8,811	-	8,811
Profit for the year (restated)	本年度盈利 (重報)	-	-	-	-	-	-	-	-	-	-	106,808	106,808	16,066	122,874
Transfer to reserve fund	轉撥至儲備金	-	-	-	-	-	-	-	-	-	3,740	(3,740)	-	-	-
Share of reserve by minority interests	少數股東權益應佔儲備	-	-	-	-	-	-	(2,314)	-	-	-	-	(2,314)	2,314	-
Capital contribution received by non-wholly owned subsidiaries from minority shareholders	非全資附屬公司收取少數股東之注資	-	-	-	-	-	-	-	-	-	-	-	-	71,881	71,881
Dividend paid to minority shareholder	已付予少數股東之股息	-	-	-	-	-	-	-	-	-	-	-	-	(575)	(575)
Dividend declared in respect of the current year (note 11)	本年度已宣派股息 (附註十一)	-	-	-	-	-	-	-	-	-	-	(15,311)	(15,311)	-	(15,311)
Transfer from special reserve (note 31(d)(iii))	轉撥自特別儲備 (附註三十一(d)(iii))	-	-	(686)	-	-	-	-	-	-	-	686	-	-	-
At 31 December 2005 (as restated)	於二零零五年十二月三十一日 (已重報)	255,181	445,792	111,330	70	-	(12,614)	17,829	-	8,811	3,740	348,196	1,178,335	92,880	1,271,215



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

三十一. 股本及儲備 (續)

(a) The Group (continued)

(a) 本集團 (續)

		Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Special reserve 特別儲備 \$'000 千元	Capital redemption reserve 資本贖回儲備 \$'000 千元	Capital reserve 資本儲備 \$'000 千元	Goodwill arising on consolidation 綜合賬項產生之商譽 \$'000 千元	Exchange reserve 匯兌儲備 \$'000 千元	Revaluation reserve of land and buildings 土地及樓宇之重估儲備 \$'000 千元	Fair value reserve 公允價值儲備 \$'000 千元	Reserve fund 儲備金 \$'000 千元	Retained profits 保留盈利 \$'000 千元	Total 總額 \$'000 千元	Minority interests 少數股東權益 \$'000 千元	Total equity 權益總額 \$'000 千元
At 1 January 2006 於二零零六年一月一日	於二零零六年一月一日														
- as previously reported 一如前呈報	- 一如前呈報	255,181	445,792	111,330	70	-	(12,614)	17,829	-	8,811	3,740	346,718	1,176,857	92,328	1,269,185
- prior period adjustments in respect of HK(IFRIC) 4 一就《香港(國際財務報告詮釋委員會)詮釋》第4號所作前期調整	- 就《香港(國際財務報告詮釋委員會)詮釋》第4號所作前期調整	-	-	-	-	-	-	-	-	-	-	1,478	1,478	552	2,030
- as restated 一如重報	- 一如重報	255,181	445,792	111,330	70	-	(12,614)	17,829	-	8,811	3,740	348,196	1,178,335	92,880	1,271,215
Dividend approved in respect of the previous year (note 11) 去年度已批准股息(附註十一)	去年度已批准股息(附註十一)	-	-	-	-	-	-	-	-	-	-	(15,311)	(15,311)	-	(15,311)
Issue of ordinary shares 發行普通股	發行普通股	51,000	270,723	-	-	-	-	-	-	-	-	-	321,723	-	321,723
Shares issued under share option scheme (note 31(c)(iii)) 根據購股權計劃發行股份(附註三十一(c)(iii))	根據購股權計劃發行股份(附註三十一(c)(iii))	1,420	2,783	-	-	-	-	-	-	-	-	-	4,203	-	4,203
Share of exchange reserves of associates 所佔聯營公司匯兌儲備	所佔聯營公司匯兌儲備	-	-	-	-	-	-	5,088	-	-	-	-	5,088	-	5,088
Exchange differences on translation of financial statements of subsidiaries and associates 換算附屬公司及聯營公司財務報表產生之匯兌差額	換算附屬公司及聯營公司財務報表產生之匯兌差額	-	-	-	-	-	-	48,517	-	-	-	-	48,517	-	48,517
Exchange reserve realised on disposal of associate 出售聯營公司時變現之匯兌儲備	出售聯營公司時變現之匯兌儲備	-	-	-	-	-	-	(14,269)	-	-	-	-	(14,269)	-	(14,269)
Equity-settled share-based transactions 以股份支付之股本交易	以股份支付之股本交易	-	-	-	-	6,027	-	-	-	-	-	-	6,027	-	6,027
Available-for-sale securities 待售證券	待售證券	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- changes in fair value 一公允價值變動	- 公允價值變動	-	-	-	-	-	-	-	-	26,129	-	-	26,129	-	26,129
- transfer to profit or loss on disposal 一出售時轉撥至損益表	- 出售時轉撥至損益表	-	-	-	-	-	-	-	-	(4,122)	-	-	(4,122)	-	(4,122)
Profit for the year 本年度盈利	本年度盈利	-	-	-	-	-	-	-	-	-	-	409,347	409,347	18,703	428,050
Transfer to reserve fund 轉撥至儲備金	轉撥至儲備金	-	-	-	-	-	-	-	-	-	4,899	(4,899)	-	-	-
Share of reserve by minority interests 少數股東權益應佔儲備	少數股東權益應佔儲備	-	-	-	-	-	-	(5,958)	-	-	-	-	(5,958)	5,958	-
Dividend paid to minority shareholder 已付予少數股東之股息	已付予少數股東之股息	-	-	-	-	-	-	-	-	-	-	-	-	(586)	(586)
Dividend declared in respect of the current year (note 11) 本年度已宣派股息(附註十一)	本年度已宣派股息(附註十一)	-	-	-	-	-	-	-	-	-	-	(18,371)	(18,371)	-	(18,371)
Transfer from special reserve (note 31(d)(iii)) 轉撥自特別儲備(附註三十一(d)(iii))	轉撥自特別儲備(附註三十一(d)(iii))	-	-	(111,330)	-	-	-	-	-	-	-	111,330	-	-	-
At 31 December 2006 於二零零六年十二月三十一日	於二零零六年十二月三十一日	307,601	719,298	-	70	6,027	(12,614)	51,207	-	30,818	8,639	830,292	1,941,338	116,955	2,058,293



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

三十一. 股本及儲備 (續)

(b) The Company

(b) 本公司

		Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Special reserve 特別儲備 \$'000 千元	Capital redemption reserve 資本 贖回儲備 \$'000 千元	Capital reserve 資本儲備 \$'000 千元	Retained profits 保留盈利 \$'000 千元	Total 總額 \$'000 千元
At 1 January 2005	於二零零五年一月一日	254,881	445,204	112,016	70	–	20,782	832,953
Dividend approved in respect of the previous year (note 11)	上年度已批准股息 (附註十一)	–	–	–	–	–	(15,293)	(15,293)
Shares issued under share option scheme (note 31(c)(iii))	根據購股權計劃 發行股份 (附註三十一(c)(iii))	300	588	–	–	–	–	888
Profit for the year	本年度盈利	–	–	–	–	–	107,778	107,778
Dividend declared in respect of the current year (note 11)	本年度已宣派股息 (附註十一)	–	–	–	–	–	(15,311)	(15,311)
Transfer from special reserve (note 31(d)(iii))	轉撥自特別儲備 (附註三十一(d)(iii))	–	–	(686)	–	–	686	–
At 31 December 2005	於二零零五年 十二月三十一日	255,181	445,792	111,330	70	–	98,642	911,015



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

三十一. 股本及儲備 (續)

(b) The Company (continued)

(b) 本公司 (續)

		Capital redemption						Total
		Share capital	Share premium	Special reserve	reserve	Capital reserve	Retained profits	
		股本	股份溢價	特別儲備	資本贖回儲備	資本儲備	保留盈利	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
At 1 January 2006	於二零零六年一月一日	255,181	445,792	111,330	70	–	98,642	911,015
Dividend approved in respect of the previous year (note 11)	去年度已批准股息 (附註十一)	–	–	–	–	–	(15,311)	(15,311)
Issue of ordinary shares	發行普通股	51,000	270,723	–	–	–	–	321,723
Shares issued under share option scheme (note 31(c)(iii))	根據購股權計劃發行股份 (附註三十一(c)(iii))	1,420	2,783	–	–	–	–	4,203
Equity-settled share-based transactions	以股份支付之股本交易	–	–	–	–	6,027	–	6,027
Profit for the year	本年度盈利	–	–	–	–	–	546,477	546,477
Dividend declared in respect of the current year (note 11)	本年度已宣派股息 (附註十一)	–	–	–	–	–	(18,371)	(18,371)
Transfer from special reserve (note 31(d)(iii))	轉撥自特別儲備 (附註三十一(d)(iii))	–	–	(111,330)	–	–	111,330	–
At 31 December 2006	於二零零六年十二月三十一日	307,601	719,298	–	70	6,027	722,767	1,755,763



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

三十一. 股本及儲備 (續)

(c) Share capital

(i) Authorised and issued share capital

(c) 股本

(i) 法定及已發行股本

		2006 二零零六年		2005 二零零五年	
		No. of shares 股數 '000 千股	\$'000 千元	No. of shares 股數 '000 千股	\$'000 千元
Authorised:	法定：				
Ordinary shares of \$0.10 each	每股面值0.10元 之普通股	5,000,000	500,000	5,000,000	500,000
Ordinary shares, issued and fully paid:	普通股， 已發行及 悉數繳足：				
At 1 January	於一月一日	2,551,812	255,181	2,548,812	254,881
Issue of ordinary shares	發行普通股	510,000	51,000	—	—
Shares issued under share option scheme	根據購股權計劃 發行股份	14,200	1,420	3,000	300
At 31 December	於十二月三十一日	3,076,012	307,601	2,551,812	255,181

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派之股息，並於本公司大會上可就每股股份享有一票投票權。就本公司之剩餘資產而言，所有普通股享有同等權利。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

(c) Share capital (continued)

(ii) Issue of ordinary shares

On 4 May 2006, 510,000,000 new ordinary shares were issued and allotted at a subscription price of \$0.66 per share. The share capital and share premium account have been increased by \$51,000,000 and \$270,723,000 respectively.

(iii) Shares issued under share option scheme

During the year ended 31 December 2006, options were exercised to subscribe for 14,200,000 ordinary shares in the Company at a consideration of \$4,203,000 of which \$1,420,000 was credited to share capital and the balance of \$2,783,000 was credited to the share premium account.

三十一. 股本及儲備 (續)

(c) 股本 (續)

(ii) 發行普通股

於二零零六年五月四日，本公司發行及配發510,000,000股新普通股，認購價為每股0.66元。股本及股份溢價賬分別增加51,000,000元及270,723,000元。

(iii) 根據購股權計劃發行股份

於截至二零零六年十二月三十一日止年度，購股權持有人行使購股權，認購14,200,000股本公司普通股，代價為4,203,000元。其中1,420,000元已記入股本，餘下2,783,000元則記入股份溢價賬。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

三十一. 股本及儲備 (續)

(c) Share capital (continued)

(iv) Terms of unexpired and unexercised share options at balance sheet date

(c) 股本 (續)

(iv) 於結算日尚未到期失效及尚未行使之購股權之條款

Exercise period 行使期		Exercise price 行使價	2006 二零零六年	2005 二零零五年
			Number 數目	Number 數目
29 March 2004 to 25 May 2013	二零零四年三月二十九日至 二零一三年五月二十五日	\$0.296	40,200,000	52,700,000
29 September 2004 to 25 May 2013	二零零四年九月二十九日至 二零一三年五月二十五日	\$0.296	51,000,000	52,700,000
3 August 2007 to 25 May 2013	二零零七年八月三日至 二零一三年五月二十五日	\$0.85	33,000,000	—
3 August 2008 to 25 May 2013	二零零八年八月三日至 二零一三年五月二十五日	\$0.85	33,000,000	—
			157,200,000	105,400,000

Each option entitles the holder to subscribe for one ordinary share in the Company. Further details of these options are set out in note 30 to the financial statements.

每股購股權賦予其持有人可認購一股本公司普通股之權利。此等購股權之進一步資料載於財務報表附註三十。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves

(i) *Share premium and capital redemption reserve*

The application of the share premium account and the capital redemption reserve is governed by Sections 48B and 49H respectively of the Hong Kong Companies Ordinance.

(ii) *Capital reserve*

The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for share based payments in note 1(q)(ii).

(iii) *Special reserve*

On 5 January 2004, the Company announced its intention to put forward a proposal for the reduction of the Company's share premium account by the sum of \$2,372,172,824 (i.e. accumulated losses of the Company as at 30 September 2003) and the application of the same amount of credit arising from such reduction towards the elimination of the accumulated losses of the Company. The reduction of share premium account, approved by the shareholders at the extraordinary general meeting held on 2 February 2004, was confirmed by an order made by the High Court of Hong Kong ("the Court") on 2 March 2004 and became effective upon registration of the said order by the Registrar of Companies in Hong Kong on the same date.

三十一. 股本及儲備 (續)

(d) 儲備性質及目的

(i) *股份溢價及資本贖回儲備*

股份溢價賬及資本贖回儲備之用途分別受香港《公司條例》第四十八B條及第四十九H條規管。

(ii) *資本儲備*

資本儲備包括根據附註一(q)(ii)所載就股權償付採納之會計政策確認實際或估計已授予本集團僱員但尚未行使之購股權數目之公允值。

(ii) *特別儲備*

於二零零四年一月五日，本公司公佈其擬提呈建議，削減本公司股份溢價賬2,372,172,824元（即本公司截至二零零三年九月三十日之累計虧損），並將削減股份溢價賬所產生之同一數額進賬金額用於抵銷本公司之累計虧損。削減股份溢價賬事項已於二零零四年二月二日舉行之股東特別大會上獲股東批准，並於二零零四年三月二日獲香港高等法院（「法院」）作出頒令予以確認及於本公司在同日向香港公司註冊處登記上述頒令後生效。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves (continued)

(iii) Special reserve (continued)

To safeguard the interests of the Company's creditors, the Company undertakes to the Court to create a special reserve upon the reduction of share premium account on the terms set out below:

- (i) that for so long as there shall remain outstanding any debt of or claim against the Company which, if the date on which the reduction of the share premium account of the Company ("the Effective Date") were the commencement of the winding-up of the Company, would be admissible to proof in such winding-up and the person entitled to the benefit thereof shall not have consented to the said reduction of share premium account or agreed otherwise, the Company shall credit to a special reserve in the books of the Company ("the Special Reserve"):

- any amount arising by reason of a release of any provision taken into account in establishing the accumulated losses of the Company shown in the balance sheet of the management accounts of the Company for the nine months ended 30 September 2003; or

三十一. 股本及儲備 (續)

(d) 儲備性質及目的 (續)

(iii) 特別儲備 (續)

為了保障本公司債權人之權益，本公司向法院作出承諾，於削減股份溢價賬時設立一個特別儲備，條款如下：

- (i) 倘於本公司削減股份溢價賬生效之日（「生效日期」）（若該日為本公司清盤開始日）公司仍有任何未清償債務或未了結申索，而此等債務或申索為本公司清盤事宜之可接納證據，且擁有權益之人仕不批准或不同意上述削減股份溢價賬事項，則本公司須把下述各項記入本公司賬目之特別儲備（「特別儲備」）下：

- 因撥回已計入本公司截至二零零三年九月三十日止九個月之管理賬目中之資產負債表內所示累計虧損之任何撥備所產生之金額；或



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves (continued)

(iii) Special reserve (continued)

(i) (continued)

- any amount received by the Company as profit by way of distribution from a corporation which was a subsidiary or an associated company of the Company at the Effective Date (a “subsidiary” or an “associated company” respectively) which is made by such subsidiary or associated company out of profits available for distribution prior to the Effective Date or any dividend paid to the Company in respect of any liquidation of a subsidiary or an associated company commencing prior to the Effective Date; and

(ii) the Special Reserve:

- shall not be treated as realised profits of the Company; and
- shall, for so long as the Company shall remain a limited company, be treated as an undistributable reserve of the Company for the purposes of the Companies Ordinance (Chapter 32 of the Laws of the Hong Kong Special Administrative Region of the People's Republic of China) or any statutory modification or re-enactment thereof.

三十一. 股本及儲備 (續)

(d) 儲備性質及目的 (續)

(iii) 特別儲備 (續)

(i) (續)

- 本公司從一家公司收取所得作為分派盈利之金額，有關公司於生效日期為本公司附屬公司或聯營公司（分別簡稱為「附屬公司」或「聯營公司」），而上述金額乃由有關附屬公司或聯營公司利用生效日期前可供分派之盈利支付，或本公司就生效日期前已開始清盤行動之附屬公司或聯營公司收取所得之股息；及

(ii) 特別儲備：

- 不得被視為本公司之已變現盈利；及
- 只要本公司仍為有限公司，根據公司條例（中華人民共和國香港特別行政區法例第32章）或法例規定就其所作之任何修改或修訂，其應被視為本公司之不可分派儲備。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves (continued)

(iii) Special reserve (continued)

Provided always that:

- (1) the Special Reserve may be applied for the same purposes as a share premium account may lawfully be applied;
- (2) the amount standing to the credit of the Special Reserve may be reduced by an amount equal to any increase, after the Effective Date, in the share premium account of the Company which results from an issue of shares (other than for the purposes of any redemption or purchase by the Company of its own shares) for cash or other consideration or by way of the capitalisation of distributable profits or reserves, and the Company shall be at liberty to transfer the amount so reduced to the general reserves of the Company and the same shall become available for distribution;
- (3) the amount credited to the Special Reserve in accordance with the foregoing provisions of this undertaking shall not at any time exceed \$1,762,999,500 ("the Limit");
- (4) the Limit may be reduced by the amount of any increase, after the Effective Date, in the paid-up share capital or share premium account of the Company which results from an issue of shares (other than for the purposes of any redemption or purchase by the Company of its own shares) for cash or other consideration or by way of the capitalisation of distributable profits or reserves;

三十一. 股本及儲備 (續)

(d) 儲備性質及目的 (續)

(iii) 特別儲備 (續)

惟:

- (1) 特別儲備可用作適用於股份溢價賬之合法用途;
- (2) 特別儲備進賬金額可被削減，數額為在生效日期後，因發行股份（因本公司贖回或購買本身股份者除外）換取現金或其他代價或透過資本化可分派盈利或儲備而引致本公司股份溢價賬增加之數。本公司可轉撥就此減少之數至本公司之一般儲備，而有關金額可供分派之用；
- (3) 根據本承諾之上述規定記入特別儲備之金額在任何時間均不得超過1,762,999,500元（「有關限額」）；
- (4) 在生效日期後，因發行股份（因本公司贖回或購買本身股份者除外）換取現金或其他代價或透過資本化可分派盈利或儲備而引致本公司之繳足股本或股份溢價賬增加之數可用作減少有關限額；



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves (continued)

(iii) Special reserve (continued)

- (5) the Limit may be reduced upon the liquidation, disposal or other realisation, after the Effective Date, of a subsidiary, an associated company or any of the financial or fixed assets of the Company by the amount of the provision made in relation to such subsidiary, associated company or financial or fixed assets as at 30 September 2003 less such amount (if any) as credited to the Special Reserve as a result of such liquidation, disposal or realisation; and
- (6) in the event that the amount standing to the credit of the Special Reserve at any time exceeds the Limit after any reduction of the Limit pursuant to provisos (4) and/or (5) above, the Company shall be at liberty to transfer the amount of any such excess to the general reserves of the Company and the same shall become available for distribution.

During the year, the entire amount of \$111,330,000 was transferred from the Special Reserve in accordance with the undertaking. This was due to the increase in the share premium account of the Company which resulted from an issue of shares for cash during the year.

三十一. 股本及儲備 (續)

(d) 儲備性質及目的 (續)

(iii) 特別儲備 (續)

- (5) 於生效日期後，在清盤、出售或以其他方式變現附屬公司、聯營公司或本公司任何財務或固定資產時，於二零零三年九月三十日就有關附屬公司、聯營公司或財務或固定資產所提撥之準備金額減上述清盤、出售或變現事項所產生之特別儲備進賬金額（如有）之數，可用作減少有關限額；及
- (6) 倘於根據上文第(4)及／或(5)條削減有關限額後特別儲備之進賬金額超過有關限額，本公司可轉撥超出之數至本公司之一般儲備，而有關金額可供分派之用。

年內，已根據上述承諾從特別儲備全數轉撥111,330,000元，原因為本公司於年內發行股份換取現金導致股份溢價賬有所增加所致。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves (continued)

(iv) Goodwill arising on consolidation

The goodwill arising on consolidation has been set up and dealt with in accordance with the accounting policy set out in note 1(e).

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(u).

(vi) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the balance sheet date and is dealt with in accordance with the accounting policies in notes 1(f) and (k).

三十一. 股本及儲備 (續)

(d) 儲備性質及目的 (續)

(iv) 綜合賬項所產生之商譽

已根據附註一(e)所載會計政策設立及處理綜合賬項所產生之商譽。

(v) 匯兌儲備

匯兌儲備包括換算外國業務之財務報表所產生之所有匯兌差額。本公司根據附註一(u)所載會計政策處理儲備。

(vi) 公允值儲備

公允值儲備包括於結算日持有之待售證券公允值之累計變動淨額及其根據附註一(f)及(k)所載會計政策處理。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

31. CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves (continued)

(vii) Reserve fund

Statutory reserve – wholly foreign-owned enterprises

Subsidiaries of the Group in the PRC, which are wholly foreign-owned enterprises, follow the accounting principles and relevant financial regulations of the PRC applicable to wholly foreign-owned enterprises ("PRC GAAP – WFOE"), in the preparation of its accounting records and financial statements. Pursuant to the accounting regulations for business enterprises (企業會計制度 [財會 (2000) 25 號]), the subsidiaries are required to appropriate 10% of the profit arrived at in accordance with PRC GAAP – WFOE for each year to a statutory reserve. The profit arrived at must be used initially to set off against any accumulated losses. The appropriations to statutory reserve, after offsetting against any accumulated losses, must be made before the distribution of dividends to shareholders. The appropriation is required until the statutory reserve reaches 50% of the registered capital. This statutory reserve is not distributable in the form of cash dividends, but may be used to set off losses or be converted into paid-in capital.

(e) Distributability of reserves

At 31 December 2006, the aggregate amount of reserves available for distribution to equity shareholders of the Company was \$722,767,000 (2005: \$98,642,000). After the balance sheet date the directors proposed a final dividend of 0.6 cent per ordinary share (2005: 0.6 cent per ordinary share) amounting to \$18,456,000 (2005: \$15,311,000) and a special dividend of 0.4 cent per ordinary share (2005: Nil), amounting to \$12,304,000 (2005: Nil). These dividends have not been recognised as liabilities at the balance sheet date.

三十一. 股本及儲備 (續)

(d) 儲備性質及目的 (續)

(vii) 儲備金

法定儲備－全外資企業

本集團位於中國之附屬公司均為全外資企業。彼等依據適用於全外資企業之中國會計原則及有關財務法規（「中國公認會計原則－全外資企業」），編製會計記錄及財務報表。根據《企業會計制度[財會(2000)25號]》，附屬公司須將按照中國公認會計原則－全外資企業計算所得之盈利其中10%劃撥至法定儲備。盈利必須先用以抵銷任何累計虧損。此外，只有在劃撥盈利（已扣除任何累計虧損後）至法定儲備後方可向股東分派股息。附屬公司須一直劃撥盈利至法定儲備，直至法定儲備達至註冊資本50%為止。此法定儲備不會以現金股息形式分派；惟可用於抵銷虧損或轉換為繳足股本。

(e) 儲備分派情況

於二零零六年十二月三十一日，可供分派予本公司股東之儲備總額為722,767,000元（二零零五年：98,642,000元）。於結算日後，董事建議派發末期股息每股普通股0.6仙（二零零五年：每股普通股0.6仙）合共18,456,000元（二零零五年：15,311,000元）及特別股息每股普通股0.4仙（二零零五年：無），總額為12,304,000元（二零零五年：無）。於結算日，此等股息並無確認為負債。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

32. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Debts are usually due within 30 days from the date of billing.

Debtors of the Group represent receivable in respect of toll bridge revenue and revenue from waste-water treatment plants, waste-to-energy power plant and methane-to-energy power plant operation services which are settled on a monthly basis. In addition, the Group has finance lease receivables in respect of the BOT and TOT arrangements (note 2(c)).

At the balance sheet date, the Group's trade debtors amounted to \$40,434,000, of which \$33,433,000 was due from five largest customers of the Group. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Group does not provide any guarantees which would expose the Group to credit risk.

三十二. 金融工具

本集團在日常業務過程中承受著多種的風險，包括信貸風險、流動資金風險及貨幣風險。本集團透過下述財務管理政策及常規管理上述風險：

(a) 信貸風險

管理層設定了既定的信貸政策，並持續監察集團所面對之信貸風險。債項通常由發票日期起計三十日內到期。

本集團之應收賬款指有關收費橋樑收益及來自污水處理廠、垃圾焚燒發電廠及沼氣發電廠之營運服務收益之應收款項，有關款項按月收取。此外，本集團亦有有關BOT及TOT安排之融資租賃應收款項（附註二(c)）。

於結算日，本集團之應收賬款為40,434,000元，其中33,433,000元源自本集團五大客戶。信貸風險之最高值已於資產負債表中按各財務資產之賬面值呈列。本集團並無提供會導致本集團承受信貸風險之擔保。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

32. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

(c) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's cash and cash equivalents, bank deposits, bank loans and loans from ultimate holding company. The Group does not use financial derivatives to hedge against the interest rate risk.

三十二. 金融工具 (續)

(b) 流動資金風險

本集團旗下之獨立營運實體須自行負責現金管理工作，包括現金盈餘之短期投資及籌措貸款以應付預期現金需求；惟須獲母公司董事會之批准方可作實。本集團之政策是定期監察即期及預期流動資金所需，確保集團維持充裕的現金儲備及從主要財務機構取得足夠的承諾信貸融資，以應付其短期及長期流動資金需求。

(c) 利率風險

本集團面對之利率波動風險，其主要關乎集團之現金及現金等價物、銀行存款、銀行貸款及最終控股公司貸款。本集團並無利用金融衍生工具來對沖利率風險。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

32. FINANCIAL INSTRUMENTS (continued)

三十二. 金融工具 (續)

(c) Interest rate risk (continued)

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following tables indicate their effective interest rates at the balance sheet date and the periods in which they reprice or the maturity dates, if earlier.

(c) 利率風險 (續)

實際利率及重訂息率

就賺取收入財務資產及計息財務負債而言，下表載列彼等於結算日之實際利率及彼等重訂息率之期間或到期日（如為較早者）。

The Group		本集團											
		2006 二零零六年					2005 二零零五年						
		Effective interest rate 實際利率	One year or less 一年或以下	1 - 2 years 一至二年	2 - 5 years 二至五年	More than 5 years 五年以上	Effective interest rate 實際利率	One year or less 一年或以下	1 - 2 years 一至二年	2 - 5 years 二至五年	More than 5 years 五年以上		
		Total 總額	Total 總額	Total 總額	Total 總額	Total 總額	Total 總額	Total 總額	Total 總額	Total 總額	Total 總額		
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元		
Repricing dates for assets/(liabilities) which reprice before maturity	於到期日前重訂息率之資產/(負債)之重訂息率日期												
Pledged bank deposits	已抵押銀行存款	1.4% - 1.9%	99,314	99,314	-	-	-	0.7% - 1.9%	89,197	89,197	-		
Cash and cash equivalents	現金及現金等價物	0.7% - 1.5%	240,691	240,691	-	-	-	0.3% - 1.4%	192,620	192,620	-		
Secured bank loans	有抵押銀行貸款	4.5% - 5.1%	(45,536)	(45,536)	-	-	-	5.4%	(36,965)	(36,965)	-		
			294,469	294,469	-	-	-		244,852	244,852	-		
Maturity dates for assets/(liabilities) which do not reprice before maturity	並無於到期日前重訂息率之資產/(負債)之到期日												
Deposits with bank	銀行存款	2.5%	10,909	10,909	-	-	-	2.1%	907	907	-		
Cash and cash equivalents	現金及現金等價物	1.6% - 5.4%	516,072	516,072	-	-	-	1.6%	215,946	215,946	-		
Secured bank loans	有抵押銀行貸款	4.8% - 6.8%	(845,496)	(67,019)	(78,975)	(343,829)	(355,673)	4.1% - 6.4%	(575,278)	(33,798)	(49,178)		
Loans from ultimate holding company	最終控股公司貸款	-	-	-	-	-	-	4.9% - 5%	(440,480)	-	(440,480)		
			(318,515)	459,962	(78,975)	(343,829)	(355,673)		(798,905)	183,055	(489,658)		



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

32. FINANCIAL INSTRUMENTS (continued)

三十二. 金融工具 (續)

(c) Interest rate risk (continued)

Effective interest rates and repricing analysis
(continued)

(c) 利率風險 (續)

實際利率及重訂息率 (續)

The Company

本公司

		2006 二零零六年					2005 二零零五年						
		Effective interest rate 實際利率	Total 總額 \$'000 千元	One year or less 一年或以下 \$'000 千元	1 - 2 years 一至二年 \$'000 千元	2 - 5 years 二至五年 \$'000 千元	More than 5 years 五年以上 \$'000 千元	Effective interest rate 實際利率	Total 總額 \$'000 千元	One year or less 一年或以下 \$'000 千元	1 - 2 years 一至二年 \$'000 千元	2 - 5 years 二至五年 \$'000 千元	More than 5 years 五年以上 \$'000 千元
Repricing dates for assets/(liabilities) which reprice before maturity	於到期日前重訂息率之 資產/(負債)之重訂 息率日期												
Cash and cash equivalents	現金及現金等價物	0.7%	6,509	6,509	-	-	-	0.3%	30,204	30,204	-	-	-
Secured bank loans	有抵押銀行貸款	4.5% - 5.1%	(45,536)	(45,536)	-	-	-	5.4%	(36,965)	(36,965)	-	-	-
			(39,027)	(39,027)	-	-	-		(6,761)	(6,761)	-	-	-
Maturity dates for assets/(liabilities) which do not reprice before maturity	並無於到期日前重訂 息率之資產/(負債) 之到期日												
Cash and cash equivalents	現金及現金等價物	3% - 4.3%	325,761	325,761	-	-	-	1.6%	198,203	198,203	-	-	-
Secured bank loans	有抵押銀行貸款	-	-	-	-	-	-	4.1%	(25,000)	(25,000)	-	-	-
Loans from ultimate holding company	最終控股公司貸款	-	-	-	-	-	-	4.9% - 5%	(440,480)	-	(440,480)	-	-
			325,761	325,761	-	-	-		(267,277)	173,203	(440,480)	-	-



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

32. FINANCIAL INSTRUMENTS (continued)

(d) Foreign currency risk

Forecast transactions

Presently, there is no hedging policy with respect of the foreign exchange exposure. The Group's transactional currencies are Chinese Renminbi and Hong Kong dollars as substantially all the turnover are within Hong Kong and other parts in the PRC. With the nature hedging of the revenue and costs being denominated in Chinese Renminbi and Hong Kong dollars, the Group's transactional foreign exchange exposure was insignificant.

With respect to borrowings denominated in United States dollars (USD), the impact of foreign exchange rate fluctuations is insignificant as the HKD is pegged to USD.

(e) Sensitivity analysis

In managing interest rate and foreign currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in foreign exchange rates and interest rates would have an impact on consolidated earnings.

At 31 December 2006, it is estimated that a general increase of one percentage point in interest rate would increase the Group's profit before tax by approximately \$7,586,000 (2005: \$2,449,000) so far as the effect on interest-bearing financial instruments is concerned.

三十二. 金融工具 (續)

(d) 外匯風險

預計交易

目前，本集團並無有關外匯風險之對沖政策。本集團之交易貨幣為人民幣及港幣，原因為基本上所有營業額均來自香港及中國其他地方。鑑於收入及成本以人民幣及港幣結算，兩者產生自然對沖作用，故本集團在交易上所承受之外匯風險甚微。

就以美元為單位之貸款而言，由於港幣與美元掛鈎，故匯率波動影響甚微。

(e) 敏感度分析

透過管理利率及外匯風險，本集團旨在減輕短期利率波動對本集團盈利之影響。然而，長期而言，匯率及利率之長期變動會對綜合盈利構成影響。

於二零零六年十二月三十一日，就計息金融工具之影響而言，據本集團估計，利息整體上升一個百分點將會使本集團之除稅前盈利增加約7,586,000元（二零零五年：2,449,000元）。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

32. FINANCIAL INSTRUMENTS (continued)

(f) Fair values

The fair values of cash and cash equivalents, debtors, bank deposits, other receivables, deposits and prepayments and creditors, other payables and accrued expenses are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments. The carrying amounts of other financial assets, finance lease receivables, bank loans and loans from ultimate holding company approximately their fair values.

As set out in note 17, the Company had amounts due from/to subsidiaries, it is not practical to estimate the fair values of the amounts due to the related party nature of these instruments.

(g) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of the following financial instruments.

(i) Securities

Fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

(ii) Interest-bearing loans and borrowings

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

三十二. 金融工具 (續)

(f) 公允值

現金及現金等價物、應收賬款、銀行存款、其他應收款項、按金及預付款項，以及應付賬款、其他應付款項及應計費用等項目之公允值與彼等之賬面值並無重大差異，原因為此等金融工具均屬即時或於短期內到期。其他財務資產、融資租賃應收款項、銀行貸款及最終控股公司貸款之公允值與彼等之賬面值相若。

誠如附註十七所載，本公司具有應收／應付附屬公司款項。由於彼等屬關聯人仕性質，故不宜估計有關款項之公允值。

(g) 公允值估計

下文概述在估計下列金融工具公允值時使用之主要方法及假設。

(i) 證券

公允值乃按結算日之市場報價計算，而並無扣除任何交易成本。

(ii) 計息貸款及借款

公允值按未來現金流量之現值，以類似金融工具可得之現有市場利率貼現估算。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

33. ACQUISITION OF BUSINESS

On 18 November 2006, the Group acquired the waste-water treatment business together with the corresponding assets ("the Acquired Business") from Jinan State-owned Assets Commission and Jinan Utilities Authority at a consideration of RMB400,000,000 (equivalent to approximately \$392,209,000). For the one and a half month period ended 31 December 2006, the Acquired Business contributed net profit of \$11,889,000 to the consolidated net profit for the year. It is impracticable to disclose the impact on the Group's revenue and net profit had the acquisition occurred on 1 January 2006 since the Acquired Business was previously held by the local government authorities in the PRC and no revenue was charged for treatment of waste-water.

The acquisition had the following effect on the Group's assets.

三三. 收購業務

於二零零六年十一月十八日，本集團向濟南市人民政府國有資產監督管理委員會及濟南市市政公用事業局收購污水處理業務，連同相關資產（「收購業務」），代價為人民幣400,000,000元（相當於約392,209,000元）。於截至二零零六年十二月三十一日止一個半月期間內，收購業務為本年度之綜合淨盈利貢獻淨盈利11,889,000元。按收購事項於二零零六年一月一日已發生之假設披露其對本集團收益及淨盈利之影響並不切實際，原因為收購業務原先由中國當地政府持有，且並無就已處理之污水收取污水處理費。

收購事項對本集團之資產構成下列影響。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

33. ACQUISITION OF BUSINESS (continued) 三三. 收購業務 (續)

The net assets of the Acquired Business at the acquisition date:

收購業務於收購日之資產淨額：

		Carrying amount 賬面值 \$'000 千元	Fair value adjustments 公允值調整 \$'000 千元	Recognised values 已確認價值 \$'000 千元
Other property, plant and equipment	其他物業、廠房及設備	241,711	(16,706)	225,005
Interest in leasehold land held under operating lease	根據經營租賃持有之租賃土地權益	177,723	(49,711)	128,012
Intangible assets	無形資產	–	32,163	32,163
Debtors, other receivables, deposits and prepayments	應收賬款、其他應收款項、按金及預付款項	2,867	–	2,867
Cash and cash equivalents	現金及現金等價物	20,501	–	20,501
Net identifiable assets	可辨別資產淨額	442,802	(34,254)	408,548
Excess of the Group's interest in fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination (Note)	本集團所佔收購業務可辨別資產、負債及或有負債之公允值高於業務合併之成本值 (附註)			(16,339)
Consideration, satisfied in cash	代價，以現金支付			392,209
Balance payment shown as "Creditors, other payable and accrued expenses" in the consolidated balance sheet	在綜合資產負債表列作「應付賬款、其他應付款項及應計費用」之餘額付款			(252,403)
Cash acquired	收購所得現金			(20,501)
Net cash outflow	現金流出淨額			119,305

Note: The excess of the Group's interest in fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination which arose on the acquisition of business was a result of gain from bargain purchase.

附註：在收購業務時，本集團所佔收購業務可辨別資產、負債及或有負債之公允值高於業務合併之成本值，其為從廉價收購中取得之收益。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

34. MATERIAL RELATED PARTY TRANSACTIONS 三十四. 與關聯人仕之重大交易

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

除此等財務報表其他部份所披露之交易及結餘外，本集團曾與關聯人仕進行下列重大交易：

- (a) The Group entered into the following related party transactions with its ultimate holding company, China Everbright Holdings Company Limited:

- (a) 本集團與其最終控股公司中國光大集團有限公司訂立了以下之關聯人仕交易：

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Interest expense	利息支出	24,016	17,141
Rental income for provision of office premises	提供辦公室單位之 租金收入	833	999

- (b) The Group entered into the following related party transactions with an associate:

- (b) 本集團與一家聯營公司訂立了下列關聯人仕交易：

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Service expense for operation of waste-water treatment plants (note 34(g))	有關營運污水處理廠之 服務開支 (附註三十四(g))	18,225	18,800



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

34. MATERIAL RELATED PARTY TRANSACTIONS (continued)

三十四. 與關聯人仕之重大交易 (續)

(c) The Group entered into the following related party transactions with the minority shareholders of the non-wholly owned subsidiaries of the Group:

(c) 本集團與其非全資附屬公司之少數股東訂立了下列關聯人仕交易：

		2006 二零零六年	2005 二零零五年 (restated) (重報)
		\$'000 千元	\$'000 千元
Revenue from waste-water treatment plants operation services (note 34(g))	污水處理廠營運服務收益 (附註三十四(g))	48,500	48,328
Finance lease rentals received	已收融資租賃租金	921	849
Interest element of finance lease rentals received	已收融資租賃租金之利息部份	3,246	3,246
Technical service expense (note 34(g))	技術服務費 (附註三十四(g))	2,170	2,211
Operating lease charge in respect of waste-water treatment facilities	有關污水處理設施之經營租賃支出	976	959

(d) The Group entered into the following related party transactions with subsidiaries of a minority shareholder of a non-wholly owned subsidiary of the Group:

(d) 本集團與其非全資附屬公司之少數股東之附屬公司訂立了下列關聯人仕交易：

		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
Fee paid/payable for work performed in connection with the construction of waste-water treatment plant pursuant to an engineering, procurement and construction contract and a service contract	就根據工程、採購及建築合同以及服務合同建造污水處理廠所進行之工程而已付／應付之費用	77,446	51,446
Purchase of equipment	購買設備	8,430	3,114



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

34. MATERIAL RELATED PARTY TRANSACTIONS (continued) 三十四. 與關聯人仕之重大交易 (續)

(e) The Group paid key management personnel compensation as follows:

(e) 本集團已支付予主要管理人員之個人報酬如下：

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Salaries and other short-term employee benefits	薪金及其他短期 僱員權利	22,267	16,883
Retirement scheme contributions	退休計劃供款	361	319
Equity compensation benefits	股本償付福利	4,420	—
		27,048	17,202

Total remuneration is included in “Staff costs” (see note 5(b)).

酬金總額計入「員工成本」內（見附註五(b)）。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

34. MATERIAL RELATED PARTY TRANSACTIONS (continued)

三十四. 與關聯人仕之重大交易 (續)

(f) Included in the balance sheets are the following balances with related parties:

(f) 包括在資產負債表內有下列與關聯人仕之結餘：

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年 (restated) (重報)	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Amount due from minority shareholder (included in "Finance lease receivables")	應收少數股東款項 (包括在「融資租賃應收款項」內)	55,179	50,021	-	-
Amount due from minority shareholder (included in "Debtors, other receivables, deposits and prepayments")	應收少數股東款項 (包括在「應收賬款、其他應收款項、按金及預付款項」內)	6,001	4,595	-	-
Deposits placed with related party bank (included in "Cash and cash equivalents")	存放於關聯人仕銀行之存款 (包括在「現金及現金等價物」內)	36,112	27,394	27,989	23,737
Loans from ultimate holding company	最終控股公司貸款	(98,828)	(535,628)	-	(440,480)
Amount due to minority shareholder	應付少數股東款項	(586)	(575)	-	-
Amount due to minority shareholder (included in "Creditors, other payables and accrued expenses")	應付少數股東款項 (包括在「應付賬款、其他應付款項及應計費用」內)	(21,606)	(18,756)	-	-
Amount due to associate (included in "Creditors, other payables and accrued expenses")	應付聯營公司款項 (包括在「應付賬款、其他應付款項及應計費用」內)	(3,798)	(1,393)	-	-
Amounts due to related companies (included in "Creditors, other payables and accrued expenses")	應付關聯公司款項 (包括在「應付賬款、其他應付款項及應計費用」內)	(45,759)	(32,012)	-	-



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

34. MATERIAL RELATED PARTY TRANSACTIONS (continued)

三十四. 與關聯人仕之重大交易 (續)

(g) During the year ended 31 December 2006, the Group entered into certain continuing connected transactions. The Company's independent non-executive directors have reviewed these transactions. Details of which are disclosed under the paragraph "Continuing connected transactions" in the report of the directors.

(g) 截至二零零六年十二月三十一日止年度，本集團訂立了若干持續關連交易。本公司之獨立非執行董事已審閱有關交易。有關交易詳情在董事會報告中「持續關連交易」一節下披露。

35. COMMITMENTS

三十五. 承擔

(a) Capital commitments outstanding at 31 December 2006 not provided for in the financial statements were as follows:

(a) 於二零零六年十二月三十一日，並無在財務報表中撥備之資本承擔如下：

		The Group		The Company	
		本集團		本公司	
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Contracted for	已訂約	310,623	289,081	136,308	27,564
Authorised but not contracted for	已授權但未訂約	-	19,667	-	-
		310,623	308,748	136,308	27,564



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

35. COMMITMENTS (continued)

- (b) At 31 December 2006, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within one year	一年內
After one year but within five years	一年後但五年內
After five years	五年後

三十五. 承擔 (續)

- (b) 於二零零六年十二月三十一日，根據不可解除的經營租賃在日後應付的最低租賃付款總額如下：

The Group	
本集團	
2006	2005
二零零六年	二零零五年
\$'000	\$'000
千元	千元
1,575	1,341
4,018	3,836
12,951	13,427
18,544	18,604

The Group leases waste-water treatment facilities from a minority shareholder under an operating lease. The lease runs for twenty years, with an option to renew the lease for a further five years. The Group also leases a number of properties under operating leases. The leases typically run for an initial period of one to two years. None of the leases includes contingent rentals.

本集團根據經營租賃向一名少數股東租用污水處理設施。有關租賃為期二十年，並可選擇續租五年。此外，本集團根據經營租賃租用多項物業。有關租賃一般初步為期一至兩年，且並不包括或有租金。

36. PLEDGE OF ASSETS

Details of assets pledged are set out in note 25. The aggregate net book value of assets pledged amounted to approximately \$919,947,000 as at 31 December 2006 (2005: \$662,693,000).

三十六. 資產抵押

已抵押資產詳情載於附註二十五。於二零零六年十二月三十一日，已抵押資產之賬面淨值總額約為919,947,000元（二零零五年：662,693,000元）。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

37. NON-ADJUSTING POST BALANCE SHEET EVENT

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China ("new tax law") which will take effect on 1 January 2008. Certain PRC subsidiaries of the Group have been granted tax incentives and are subject to tax at 50% of the standard tax rates or fully exempt from income tax under the existing relevant tax rules. According to the new tax law, the Group will continue to enjoy the tax incentives. However, the detailed implementation rules regarding the preferential tax policies have yet to be made public. Consequently, the Group is not able to make an estimate of the expected financial effect of the new tax law on its deferred tax assets and liabilities. The expected financial effect of the new tax law, if any, will be reflected in the Group's 2007 financial statements. The enactment of the new tax law is not expected to have any financial effect on the amounts accrued in the balance sheet in respect of current tax payable.

38. COMPARATIVE FIGURES

Certain comparative figures have been adjusted or reclassified as a result of the changes in accounting policies. Further details are disclosed in note 2. In addition, "Interest paid" has been reclassified from operating activities to financing activities in the consolidated cash flow statement with comparatives restated as the directors considered this presentation reflects more appropriately the nature of the interest paid.

39. PARENT AND ULTIMATE HOLDING COMPANY

At 31 December 2006, the directors consider the parent and ultimate controlling party of the Group to be Guildford Limited and China Everbright Holdings Company Limited, which are incorporated in BVI and Hong Kong respectively. Neither of them produces financial statements available for public use.

三十七. 結算日後未調整之事項

於二零零七年三月十六日，中華人民共和國第十屆全國人民代表大會第五次會議通過《中華人民共和國企業所得稅法》（以下簡稱「新稅法」），並將於二零零八年一月一日起生效。根據現行有關稅務法律，本集團旗下若干中國附屬公司獲授稅務優惠，可按標準稅率50%繳納稅項或獲全數豁免繳納所得稅。根據新稅法，本集團將可繼續享有稅務優惠。然而，由於有關實施優惠稅務政策之細則詳情尚未公佈，故管理層未能估計新稅法對其遞延稅項資產及負債之預期財務影響。新稅法之預期財務影響（如有）將會反映在本集團二零零七年財務報表。預期新稅法不會對資產負債表所示應付本期稅項之金額構成任何財務影響。

三十八. 比較數字

若干比較數字已因應會計政策變動而予以調整或重新分類。進一步詳情載於附註二。此外，在綜合現金流量表，「已付利息」已由經營活動重新分類為融資活動，並已重報比較數字。作出上述變動是由於董事認為此呈報方式能更恰當地反映已付利息之性質。

三十九. 母公司及最終控股公司

於二零零六年十二月三十一日，董事認為本集團之母公司及最終控股人仕分別為 Guildford Limited 及中國光大集團有限公司，彼等分別於英屬處女群島及香港註冊成立。彼等均無編製財務報表以供公眾人仕取用。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

40. ACCOUNTING JUDGEMENTS

Certain critical accounting judgements in applying the Group's accounting policies are described below:

Determining whether an arrangement contains a lease

In prior and current years, the Group entered into BOT and TOT arrangements in respect of its waste-water treatment, waste-to-energy and methane-to-energy projects.

Although the arrangements are not in the legal form of leases, on the initial application of HK(IFRIC) 4 (see note 2(c)), the Group concluded that the arrangements contain leases of assets, because fulfilment of the arrangements is economically dependent on the use of the specific assets, and it is unlikely that any parties other than the respective customers will receive more than an insignificant part of the output.

The leases were classified as finance leases as the duration of the arrangements are for more than a major part of the specific assets' useful lives and the present value of the minimum payments under the arrangements amount to at least substantially all of the fair value of the specific assets. At the inception of the arrangements, the present value of the minimum lease payments relating to the lease elements has been estimated based on the fair value of the specific assets and the imputed finance charge on the finance lease receivables have been estimated using the lessees' incremental borrowing rates. The remaining receipts under the arrangement are accounted for as revenue from waste-water treatment plants, waste-to-energy power plant and methane-to-energy power plant operation services and are therefore recognised in accordance with policy set out in note 1(t)(ii).

四. 會計判斷

本集團在應用會計政策時所作之若干關鍵會計判斷如下：

釐定一項安排是否包含租賃

於過往年度及本年度，本集團就其污水處理項目、垃圾焚燒發電項目及沼氣發電項目訂立BOT及TOT安排。

儘管有關安排並無具備租賃之法律形式，惟於初次應用《香港（國際財務報告詮釋委員會）詮釋》第4號（見附註二(c)）時，本集團確定有關安排包含資產租賃，原因為從經濟角度而言，有關安排獲履行與否取決於特定資產之使用情況，而且除了有關客戶外，其他人仕極其量只能從其取得非常有限的服務。

有關租賃被分類為融資租賃，因為有關安排之年期覆蓋特定資產可使用年期的大部份時間，而且有關安排之最低付款現值最低限度大致上相當於特定資產之全數公允值。在訂立有關安排時，已根據特定資產之公允值估計租賃部份最低租賃付款之現值，並已透過利用承租人之估計累升借貸利率，估算租賃應收款項之估算融資租賃開支。在有關安排下之餘下款項入賬為來自污水處理廠、垃圾焚燒發電廠及沼氣發電廠之營運服務收益，並根據附註一(t)(ii)所載政策確認。



Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

41. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2006

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2006 and which have not been adopted in these financial statements:

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position except for HK(IFRIC) 12, *Service concession arrangements*.

Service concessions are arrangements whereby a government or other public sector entity grants contracts for the supply of public services, such as roads, airports, prisons and energy and water supply and distribution facilities, to private sector operators. Control of the assets remains in public hands but the private sector operator is responsible for construction activities, as well as for operating and maintaining the public sector infrastructure. HK(IFRIC) 12 draws a distinction between two types of service concession arrangement. In one, the operator receives a financial asset, i.e. an unconditional contractual right to receive cash or another financial asset from the government in return for constructing or upgrading the public sector asset. In the other, the operator receives an intangible asset, i.e. no more than a right to charge for use of the public sector asset that it constructs or upgrades. A right to charge users is not an unconditional right to receive cash because the amounts are contingent on the extent to which the public uses the service.

四十一. 已公佈但於截至二零零六年十二月三十一日止年度尚未生效之修訂、新準則及詮釋之可能影響

於此等財務報表刊發日期，香港會計師公會已公佈數項修訂、新準則及詮釋。該等修訂、新準則及詮釋於截至二零零六年十二月三十一日止年度尚未生效，此等財務報表亦無採用該等修訂、新準則及詮釋。

本集團正評估該等修訂、新準則及新詮釋在首個應用期產生之影響，至今所得結論為採納該等修訂、新準則及新詮釋對本集團之經營業績及財政狀況不會有重大影響；惟《香港（國際財務報告詮釋委員會）詮釋》第12號－「服務特許經營權安排」除外。

根據服務特許經營權安排，政府或其他政府資助企業授出有關提供公共服務之合約（例如：道路、機場、監獄、能源及水務及配銷設施）予私營公司。資產之控制權仍在公眾手裡，而私營公司須負責建造工作，以及營運及維修保養公共基礎建設。《香港（國際財務報告詮釋委員會）詮釋》第12號清楚劃分兩類服務特許經營權安排。第一類是經營者取得財務資產，即獲得無條件合約權利，可從政府收取現金或其他財務資產，作為建造或提升公共資產之回報；第二類是經營者取得無形資產，即僅限於就其建造或提升之公共資產收取使用費的權利。向使用者收費之權利並非一項不受制約的收取現金權利，因為所得金額取決於公眾人士使用有關服務之情況。



Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

41. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

Certain BOT and TOT arrangements of the Group, such as the toll bridge project, waste-water treatment projects, waste-to-energy projects and methane-to-energy project, may be service concession arrangements under HK(IFRIC) 12. The Group has already commenced an assessment of the impact of HK(IFRIC) 12 but is not yet in a position to state the impact on the Group's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the financial statements:

四十一. 已公佈但於截至二零零六年十二月三十一日止年度尚未生效之修訂、新準則及詮釋之可能影響 (續)

本集團的若干BOT及TOT安排(例如: 收費橋樑項目、污水處理項目、垃圾焚燒發電項目及沼氣發電項目)或屬《香港(國際財務報告詮釋委員會)詮釋》第12號下之服務特許經營權安排。本集團已著手評估《香港(國際財務報告詮釋委員會)詮釋》第12號之影響，惟目前未能確定其對本集團經營業績及財政狀況之影響。

此外，下列新準則或會導致本公司須在財務報表中作出新增或經修訂披露：

Effective for accounting periods beginning on or after 自以下日期或之後 開始之會計期間生效		
HKFRS 7 香港財務報告準則第7號	Financial instruments: disclosures 金融工具：披露	1 January 2007 二零零七年一月一日
Amendments to HKAS 1 香港會計準則第1號之修訂	Presentation of financial statements: capital disclosures 財務報告之呈報：資本披露	1 January 2007 二零零七年一月一日



Five Year Summary

五年業績概要

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有註明外，所有金額以港幣計算)

		At 31 December 於十二月三十一日				
		2006 二零零六年	2005 二零零五年 (restated) (重報)	2004 二零零四年	2003 二零零三年	2002 二零零二年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Assets and liabilities	資產及負債					
Fixed assets	固定資產	1,620,632	1,370,066	888,392	878,121	562,084
Intangible assets	無形資產	66,412	34,433	–	–	–
Goodwill	商譽	48,318	48,236	45,453	26,715	–
Interest in associates	聯營公司權益	442	413,304	435,479	928,408	904,934
Interest in jointly controlled entity	合營公司權益	–	–	–	–	523,585
Other financial assets	其他財務資產	62,976	51,931	46,462	46,462	81,300
Finance lease receivables	融資租賃應收款項	789,177	131,701	–	–	–
Deferred tax assets	遞延稅項資產	18,625	16,433	–	–	–
Net current assets/(liabilities)	流動資產／(負債)淨值	379,399	333,918	546,402	33,080	(248,177)
		2,985,981	2,400,022	1,962,188	1,912,786	1,823,726
Non-current liabilities	非流動負債	(927,688)	(1,128,807)	(880,052)	(912,390)	(870,736)
NET ASSETS	淨資產	2,058,293	1,271,215	1,082,136	1,000,396	952,990
Share capital	股本	307,601	255,181	254,881	254,831	254,831
Reserves	儲備	1,633,737	923,154	824,061	745,565	691,270
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益總額	1,941,338	1,178,335	1,078,942	1,000,396	946,101
Minority interests	少數股東權益	116,955	92,880	3,194	–	6,889
TOTAL EQUITY	權益總額	2,058,293	1,271,215	1,082,136	1,000,396	952,990

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2006. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs is provided in note 2 to the financial statements. Figures for 2005 have been adjusted for these new and revised policies and as disclosed in note 2. Earlier years' figures have not been restated as the adoption of new and revised HKFRSs has no significant impact on the Group.

香港會計師公會頒佈了多項新訂及經修訂之香港財務報告準則。有關準則自二零零六一月一日或以後開始之會計期間生效或可供提前採用。由於初次運用該等新訂及經修訂之香港財務報告準則而導致會計政策變動之資料載於財務報表附註二。二零零五年之數字已因應該等新訂及經修訂政策作出調整，並已在附註二披露。由於新訂及經修訂之香港財務報告準則對本集團較早年度之數字並無影響，因此無須予以重報。



Five Year Summary 五年業績概要

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港幣計算)

		For the year ended 31 December 截至十二月三十一日止年度				
		2006 二零零六年	2005 二零零五年 (restated) (重報)	2004 二零零四年	2003 二零零三年	2002 二零零二年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Results	業績					
Turnover	營業額	235,859	132,855	65,244	83,613	261,049
Profit/(loss) from operations	經營盈利／(虧損)	457,922	75,882	28,322	(41,237)	(25,420)
Finance costs	財務費用	(52,631)	(32,090)	(27,614)	(31,374)	(64,612)
Share of profits of associates	所佔聯營公司盈利	32,658	68,045	85,182	83,233	90,826
Share of profit of jointly controlled entity	所佔合營公司盈利	—	—	—	31,982	2,132
Gain on sale of discontinued operation	出售終止經營業務收益	—	—	—	19,576	—
Profit before taxation	除稅前盈利	437,949	111,837	85,890	62,180	2,926
Taxation	稅項	(9,899)	11,037	328	(4,512)	(974)
Profit for the year	本年度盈利	428,050	122,874	86,218	57,668	1,952
Attributable to:	應佔部份：					
Equity shareholders of the Company	本公司股東	409,347	106,808	86,776	56,837	1,009
Minority interests	少數股東權益	18,703	16,066	(558)	831	943
Profit for the year	本年度盈利	428,050	122,874	86,218	57,668	1,952
Basic earnings per share	每股基本盈利	14.15 cents 仙	4.19 cents 仙	3.41 cents 仙	2.23 cents 仙	0.04 cent 仙



Major Properties held by the Group

本集團所持有之主要物業

As at 31 December 2006
於二零零六年十二月三十一日

	Location 地點	Existing use 現時用途	Term of lease 租賃年期	Percentage of interest 所佔權益百分比
1.	Units 2703 and 2704, 27th Floor Far East Finance Centre 16 Harcourt Road Hong Kong 香港夏慤道十六號 遠東金融中心 二十七樓二七零三及二七零四室	Commercial 商業	Medium 中期性	100%
2.	Flat A on 22nd Floor Good View Court 21 Robinson Road Mid-Levels Hong Kong 香港半山區 羅便臣道二十一號 好景閣二十二樓A座	Residential 住宅	Long 長期性	100%
3.	Units 3 and 4, 11th Floor Qingsong South Lane Dalian Development Zone the PRC 中國大連開發區青松南里 十一樓三及四單元	Residential 住宅	Medium 中期性	100%
4.	Shop Units at Sections 1 & 3 of Lower Ground Floor and on Levels 1 & 2, Office Units on Level 3 of the commercial podium, Zhongshan Garden Shenzhen Guangdong Province, the PRC 中國廣東省 深圳市中山花園 商業裙樓地下第一層 第一部份及第三部份商舖 第一層及第二層商舖 第三層辦公室	Commercial 商業	Medium 中期性	100%



Major Properties held by the Group

本集團所持有之主要物業

As at 31 December 2006

於二零零六年十二月三十一日

	Location 地點	Existing use 現時用途	Term of lease 租賃年期	Percentage of interest 所佔權益百分比
5.	Room 1301-1309 Central Business Building No. 88 Fuhua Road One Futian District Shenzhen, Guangdong Province the PRC 中國廣東省深圳市福田區 福華一路八十八號中心商務大廈 一三零一至一三零九室	Commercial 商業	Medium 中期性	100%
6.	24th Floor Tower of Education, Science & Technology Building Zhuzilin, Futian District Shenzhen, Guangdong Province the PRC 中國廣東省深圳市 福田區竹子林 教育科技大廈二十四層	Commercial 商業	Medium 中期性	100%

