



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

(Stock Code 股份編號: 257)



THINK GREEN

Annual Report 2008 年報

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CORPORATE

China Everbright International Limited (the “Company”, and together with its subsidiaries, collectively “the Group”) is a fast growing business conglomerate focusing on environmental protection infrastructure investments including the construction and operation of environmental energy and environmental water projects, environmental construction, environmental technology and toll bridge operation. In the last five years, the project locations have spread over many cities in China, including Suzhou, Yixing, Jiangyin, Changzhou, Qingdao, Zibo, Zhoucun, Boxing and Jinan. The Group has also constructed and operates the Qingzhou Bridge in Fuzhou. With its highly-trained and dedicated management team as well as strong parental support from China Everbright Holdings Company Limited, the Group is fully prepared to further explore and develop the environmental protection market and strives to obtain new environmental protection projects, with the aim to become a leading player in the environmental protection industry in China.



PROFILE

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基建投資包括建設及運營環保能源及環保水務項目、環保工程、環保科技及收費橋樑運營的綜合企業。過去五年來，環保業務遍佈中國多個城市包括蘇州、宜興、江陰、常州、青島、濰博、周村、博興及濟南。本集團亦投資及營運福州青洲大橋。在精幹敬業的管理層帶領下，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，進一步拓展環保市場並不斷開發新的環保項目，致力成為國內環保產業的翹楚。

CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

TANG Shuangning (Chairman)
ZANG Qiutao (Vice-chairman)
LI Xueming (Vice-chairman)
CHEN Xiaoping (Chief Executive Officer)
FAN Yan Hok, Philip (General Manager)
WONG Kam Chung, Raymond (Chief Financial Officer)
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

PRINCIPAL BANKERS

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

董事

執行董事

唐雙寧(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)
黃錦聰(財務總監)
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

主要往來銀行

中國銀行股份有限公司
中國光大銀行股份有限公司
招商銀行股份有限公司
中國民生銀行股份有限公司
中信實業銀行
中信嘉華銀行有限公司
德意志銀行
富邦銀行(香港)有限公司
中國工商銀行
上海浦東發展銀行
東亞銀行有限公司

SOLICITORS

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

AUDITORS

KPMG

REGISTRARS

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

PUBLIC RELATIONS

Strategic Financial Relations (China) Limited
Unit A, 29/F., Admiralty Centre I
18 Harcourt Road
Hong Kong

WEBSITE

www.ebchinaintl.com

STOCK CODE

257

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

卓佳登捷時有限公司
香港灣仔皇后大道東二十八號
金鐘匯中心二十六樓

公關顧問

縱橫財經公關顧問(中國)有限公司
香港金鐘夏慤道十八號
海富中心第一期二十九樓A室

電子網址

www.ebchinaintl.com

股份編號

257

FINANCIAL HIGHLIGHTS

財務概況

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	Percentage Change 百分比 變動
RESULTS	業績			
Turnover	營業額	1,862,509	1,347,852	38%
EBITDA on recurring basis**	除利息、稅項、折舊及攤銷前經常性盈利**	592,727	425,557	39%
Profit attributable to equity shareholders	股東應佔盈利	339,018	337,932	0.3%
Return on shareholders' equity (%)	股東資金回報(%)	12.86	15.20	-2.34%
Basic earnings per share (HK cents)	每股基本盈利(港仙)	10.80	10.89	-0.8%
FINANCIAL POSITION	財務狀況			
Total assets	資產總額	6,300,678	4,525,683	39%
Total liabilities	負債總額	3,169,637	1,922,257	65%
Shareholders' equity	股東權益	2,819,615	2,451,091	15%
Net asset value per share attributable to equity shareholders (HK\$)	股東應佔每股資產淨值(港幣元)	0.897	0.782	15%
Gearing (%)	資產負債比率(%)	50	42	8%
Current ratio (%)	流動比率(%)	136	221	-85%
MARKET INFORMATION	市場資料			
Share price at year end (HK\$)	年終時之股價(港幣元)	1.43	3.89	-63%
Price earnings ratio at year end (times)	年終時之市盈率(倍)	13.24	35.72	-63%
Market capitalisation at year end	年終時之資本市值	4,495,602	12,194,064	-63%

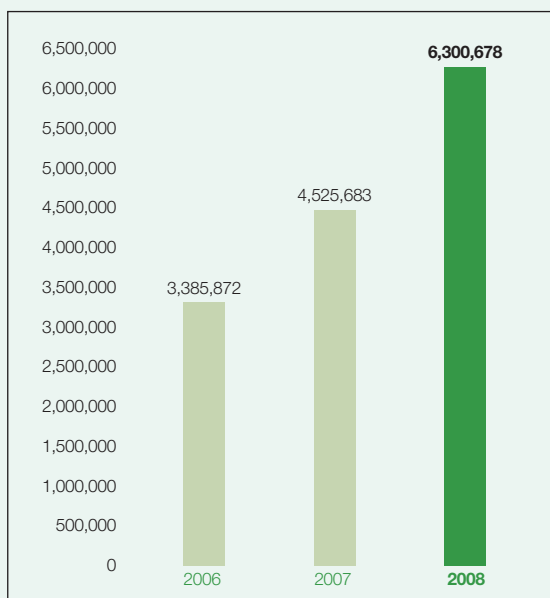
EBITDA is the profit for the year before deduction of interest, taxation, depreciation and amortisation.

* The amount for current year is stated excluding the profit on disposal of subsidiaries of HK\$51,778,000. The amount for last year is stated excluding the profit on sale of other financial assets and valuation gain on investment properties with a total amount of HK\$42,885,000.

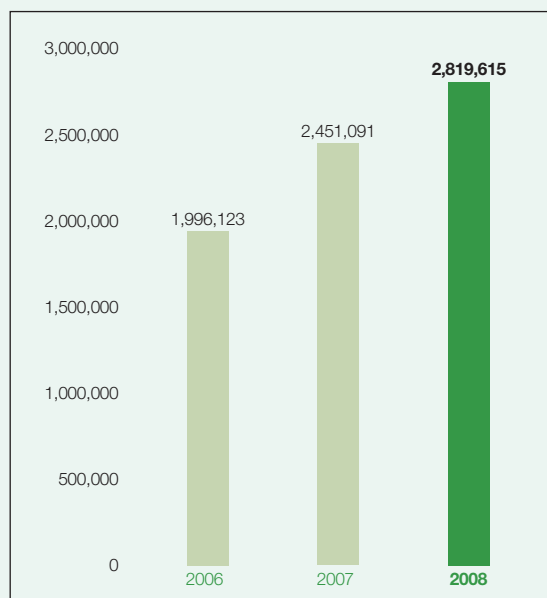
除利息、稅項、折舊及攤銷前盈利為扣除利息、稅項、折舊及攤銷前之本年度盈利。

* 本年度之金額並不包括出售附屬公司之盈利港幣51,778,000元。去年之金額並不包括出售其他財務資產盈利及投資物業估值盈餘合共港幣42,885,000元。

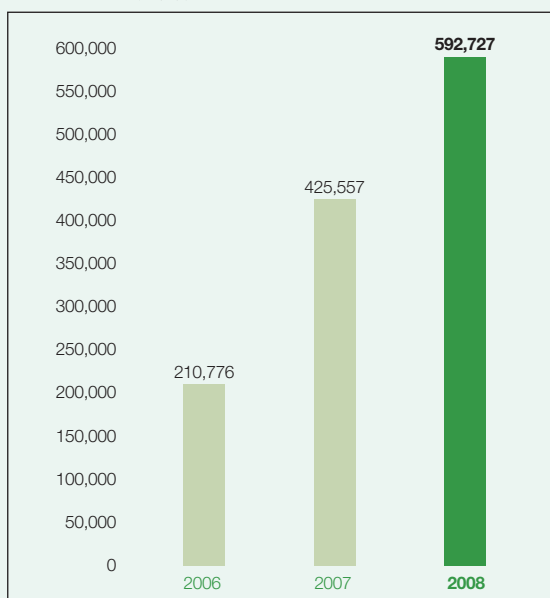
TOTAL ASSETS HK\$'000
資產總額 港幣千元



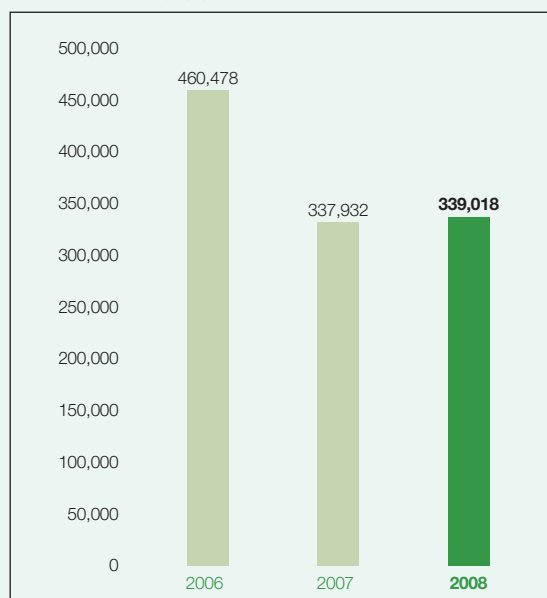
NET ASSETS ATTRIBUTABLE TO EQUITY SHAREHOLDERS HK\$'000
股東應佔淨資產 港幣千元



EBITDA ON RECURRING BASIS HK\$'000
除利息、稅項、折舊及攤銷前
經常性盈利 港幣千元



PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS HK\$'000
股東應佔盈利 港幣千元



CORPORATE MILESTONES

企業大事紀要

01/2008

Formally took charge of the operation of Jiangyin Waste Water Treatment Project and commenced its commercial operation and the upgrading work

Everbright Environmental Energy (Suzhou) Co., Ltd. received three certificates, namely the ISO9001 Quality Management System Certificate, the ISO14001 Environmental Management System Certificate and the GB/T28001 Occupational Health Management System Certificate

The "New Fly Ash Treatment Technology" was included in the "National 863 Program"

An utility patent of the "Household Waste Anaerobic Digester" was granted

江陰污水處理項目正式接管運營，並進入全面升級改造

光大環保能源(蘇州)有限公司通過ISO9001質量管理體系認證、ISO14001環境管理體系認證和GB/T28001職業健康管理體系認證

「飛灰處理新技術」獲「國家863計劃」立項

「生活垃圾厭氧發酵裝置」獲實用新型專利

02/2008

An utility patent of the "Sludge Dehydration Equipment" was granted

「污泥乾化裝置」獲實用新型專利



01/2008



01/2008



01/2008

03/2008

Entered into the "Concession Right Agreement" in respect of the extension of the waste water treatment plant with Boxing Municipal Government

Suzhou Waste-to-energy Project Phase I was awarded the "Yangzi Cup" certificate by the Jiangsu Provincial Department of Construction

Both Suzhou Methane-to-energy Project and Suzhou Industrial Solid Waste Landfill Project passed the inspection for acceptance by the Jiangsu Provincial Environmental Protection Bureau

Final results announcement for 2007, with profit attributable to equity shareholders amounted to HK\$337,932,000

與博興市政府簽署污水處理項目擴建工程《特許經營權協定》

蘇州垃圾焚燒發電項目一期榮獲江蘇省建設廳頒發「揚子杯」

蘇州沼氣發電項目及蘇州固體廢物填埋場項目通過江蘇省環保竣工驗收

公佈二零零七年度全年業績，錄得股東應佔盈利港幣337,932,000元

04/2008

Formally took charge of the operation of Boxing Waste Water Treatment Project and commenced its commercial operation and the extension and upgrading work

Everbright Water (Zibo) Limited received the "Certificate of Operation" (Grade A Industrial Waste Water Treatment Standard and Grade A Domestic Waste Water Treatment Standard) issued by the State Ministry of Environmental Protection

Held Annual General Meeting of 2008

博興污水處理項目正式接管運營並進入改擴建

光大水務(淄博)有限公司獲環境保護部頒發「工業廢水及生活污水甲級運營資質證書」

舉行二零零八年度股東周年大會



04/2008



04/2008



04/2008

CORPORATE MILESTONES 企業大事紀要

05/2008

The Group was awarded the "Outstanding Environmental Protection Corporation Award" in "The Third Capital Outstanding China Enterprise Award"

Water quality of the upgraded Zibo Southern and Northern Plants reached national Grade 1A discharge standard

Commercial operation of Jiangyin Waste-to-energy Project duly commenced

Everbright Environmental Protection Technology Development (Beijing) Limited formally established

Unveiled the stone for the opening ceremony of Everbright Water (Ji'nan) Limited's new "Industry-University-Research-Training Base"

榮獲「第三屆資本中國傑出企業成就獎—傑出環保企業」的榮譽
淄博南北廠升級改造項目達到國家一級A排放標準

江陰垃圾焚燒發電項目正式進入商業運營

光大環保科技發展(北京)有限公司正式成立

光大水務(濟南)有限公司「產學研培新基地」揭牌

06/2008

Entered into a strategic co-operative agreement in respect of the research and development of technology with the Shandong Academy of Sciences

Methane-to-energy Project of Qingdao Maidao Waste Water Treatment Plant (conversion of sludge into methane for energy production) successfully supplied electricity to the electricity transmission network of the city

"Environmental-friendly brick from sludge" and "The new water treatment technology – a technology based on low energy consumption and low pollution" were chosen by the Economic and Trade Commission of Shandong Province as core innovative projects

An utility patent of the "Subsection Disposal System for Domestic Waste" was granted

Entered into a letter of intent with Covanta Power International Holdings, US

與山東省科學院簽署「科研戰略合作協議」

麥島污水處理廠污泥沼氣發電工程成功並網發電

「污泥燒製生態磚」和「低能耗低污泥水處理新工藝」獲山東省經貿委立項

「分段處理生活垃圾系統」獲實用新型專利

與美國卡萬塔電力國際控股簽署《合作意向書》



05/2008



05/2008



05/2008

07/2008

Commercial operation of Suzhou Methane-to-energy Project Phase II commenced

Entered into a supplemental agreement to the "Concession Right Agreement" in respect of the extension and upgrading work of Jinan No.1 and No.2 Waste Water Treatment Plants with Jinan Municipal Government

An utility patent of the "Non-hazardous Treatment System for Fly Ash" was granted

Honored as the "Most Well-recognized and Reliable Green Enterprise" by the Social Survey Institute of China

蘇州沼氣發電項目二期進入商業運營

與濟南市政府簽署濟南淨化一廠、二廠改擴建工程《特許經營權協議補充協議》

「垃圾飛灰無害化處理系統」獲實用新型專利

榮獲中國社會調查所頒發「社會公認環保行業信譽企業」

08/2008

Entered into a "Concession Right Agreement" in respect of Jinan No.3 Waste Water Treatment Plant BOT Project with Jinan Municipal Government

Upgrading and extension work of Boxing Waste Water Treatment Project commenced.

Construction of Zibo Zhoucun Waste Water Treatment Project commenced.

Yixing Waste-to-energy Project was awarded the "Taihu Lake Cup"

The smooth operation of Qingdao Maidao Waste Water Treatment Plant during the 2008 Olympic Games led to the success of Olympic Sailing Competition

與濟南市政府簽署淨化三廠BOT項目《特許經營權協議》

博興污水處理項目改擴建工程開工建設

周村污水處理項目開工建設

宜興垃圾焚燒發電項目工程獲得「太湖杯」

青島麥島污水處理廠奧運期間運營穩定，保證了奧帆賽的順利舉行

07/2009



08/2008



08/2008



CORPORATE MILESTONES 企業大事紀要

09/2008

Construction of Jinan Licheng Waste Water Treatment Project commenced

The “Research on the Stabilization, Decrement and Non-hazardous Treatment of Sludge” was chosen as Yixing’s core technology project

The “Operational Optimization of Waste Incinerators and the Control of Pollutant Emission” were chosen as Changzhou’s core technology projects

Test running for Yixing Leachate Treatment Project completed successfully. Yixing Project is the country’s first waste-to-energy plant to treat leachate according to Grade 1A standard and the treated water can be used as recycled water

濟南歷城污水處理項目開工建設

「污泥穩定化、減量化和無害化處理技術研究」獲宜興市科技計劃立項

「垃圾焚燒爐優化運行和污染物排放控制」獲常州市科技計劃立項

宜興滲濾液處理項目調試成功，成為全國首個實現滲濾液處理項目按一級A標準處理並循環利用的項目

10/2008

Jointly hosted “China (Zibo) Eco-protection Industry Development Forum 2008”, “Everbright Environmental Protection Soiree – a soiree for a greener and brighter China” and “Everbright Environmental Protection Calligraphy and Paintings Exhibition” with Zibo Municipal Government

Jinan No.2 Waste Water Treatment Plant was awarded the “Ten Best Waste Water Treatment Plants in China” by China City and Town Water Supply and Discharge Association

The “Urban Bio-waste Anaerobic Digestive Technology Research” was included in the “Nation 863 Program”

與淄博市政府聯合舉辦「2008中國(淄博)生態環保產業發展高層論壇」、「綠色中國 陽光大地 光大環保晚會」及光大環保書畫展

濟南淨化二廠獲中國城鎮供水排水協會頒發「全國城鎮污水處理廠十佳運營單位」稱號

「城市生物質垃圾厭氧消化技術研發」獲「國家863計劃」立項

09/2008



10/2008



10/2008



11/2008

Zibo High-tech Industrial Development Zone Project Waste Water Treatment Plant Project was awarded a silver medal in the "State Outstanding Construction Projects 2008"

"Enhancing Water Quality of Jinan Waste Water Treatment Plant and Creating Outstanding Projects" were chosen as Jinan's core technology projects

Yixing Waste-to-energy Project passed the inspection for acceptance by Wuxi Environmental Protection Bureau

淄博高新區污水處理項目獲「2008年度國家優質工程銀獎」

「濟南市污水處理廠水質再提高(減排)技術集成與工程示範項目」獲濟南市科技計劃立項

宜興垃圾焚燒發電項目通過無錫環保局環保竣工驗收

12/2008

The Group won the tender of Jinan Waste-to-energy Project Yixing Methane-to-Energy Plant successfully supplied electricity to the electricity transmission network of the city, with a daily supply of more than 1,000 kilowatt-hour of electricity

Everbright Environmental Energy (Yixing) Co., Ltd. received three certificates, namely the ISO9001 Quality Management System Certificate, the ISO14001 Environmental Management System Certificate and the GB/T28001 Occupational Health Management System Certificate

Jiangyin Waste-to-energy Project passed the safety inspection and the inspection for acceptance by Jiangyin Environmental Protection Bureau

Everbright Environmental Protection Engineering (Shenzhen) Company Limited obtained the "State New and Advanced Technology Enterprise Certificate"

The "Research on Supercritical Water Oxidation Technology and Waste Heat Recovery Systems" was included in the "Shenzhen Industry-University-Research Project"

Has been granted the "2008 Outstanding Enterprises" by Economic Digest

濟南垃圾焚燒發電項目成功中標

宜興垃圾焚燒發電項目之沼氣發電廠一次性並網成功，日均發電1,000千瓦時以上

光大環保能源(宜興)有限公司通過ISO9001質量管理體系認證、ISO14001環境管理體系認證和GB/T28001職業健康管理體系認證

江陰垃圾焚燒發電項目通過環保及安全驗收

光大環保工程技術(深圳)有限公司獲「國家高新技術技術企業認證」

「生物污泥超臨界水氧化處理技術及餘熱回收系統的研究」獲深圳市產學研計劃立項

榮獲《經濟一周》雜誌頒發「二零零八年傑出企業獎」

12/2008



12/2008



12/2008



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



In 2008, we have faced many difficult challenges. Amid the global financial crisis which hit the world economy, all the governments in the world are suffering and facing challenges. The PRC has overcome extraordinary natural disasters, hosted the Olympics successfully, prudently faced the international financial crisis and maintained a steady and relatively fast development of the economy.

In 2008, the Group overcame certain difficulties and all the businesses have entered a new stage. It has strived to develop and grasped the leadership position in the industry. The Group restructured its core business into three major sectors namely environmental energy, environmental water and investment. The total number of environmental protection projects of the Group increased to 22 commanding a total investment of approximately RMB5.05 billion and the business had spread over 8 cities in Jiangsu and Shandong Provinces. The Group also strives to enhance innovation and its technical and scientific capability.

二零零八年，我們經歷了嚴峻的考驗。席捲全球的金融危機衝擊著世界經濟，波瀾壯闊的反危機考驗著各國政府。中國戰勝特大自然災害，成功舉辦奧運會，沉著應對國際金融危機，經濟保持平穩較快發展。

二零零八年，本集團力克時艱，各項事業邁上新台階。奮力開拓，贏得行業領先地位；結構調整，形成環保能源、水務、投資三大核心板塊；加大投入，實現總投資人民幣50.5億元，項目增至22個，業務覆蓋江蘇、山東等8個省市；致力創新，提升科技水平。

In 2008, the Group recorded a satisfactory financial results. Profit attributable to shareholders of the Group was HK\$339,018,000. EBITDA on recurring basis amounted to HK\$592,727,000, representing an increase as compared with previous year. The Group disposed of some of its property related business and made a profit of HK\$51,778,000.

Taking into account the satisfactory results and steady and healthy development of the Group, the Board has proposed to pay shareholders a final dividend of HK1.0 cent per share. Together with the HK0.6 cent per share interim dividend, shareholders of the Company will receive HK1.6 cents dividend per share for the entire year (2007: HK1.6 cents per share).

Looking forward to 2009, we are full of confidence. The Chinese government emphasizes scientific development and focuses on beneficial development of the economy and resources of the environment which provide the Group with enormous room to grow our environmental protection business. The reform and development of China Everbright Group has progressed smoothly which lays a concrete foundation for the Group. The enhancement of management structure and capability continues to facilitate the sustainable development of the Group. With emphasis on the strategy of development, the Group will overcome adverse impact arising from the financial crisis, it strives to further explore and develop the market and enhance its research and development capability aiming at transforming the Group into a new environmental protection company armed with relatively advanced technologies. It aims to cement its leadership in the PRC environmental protection industry and establish its brand as well as achieve more satisfactory results for shareholders to provide a bigger contribution to the society and benefit all the staff members as well.

I hereby would like to express my heartfelt thanks to all shareholders, board members, the general public, management and staff members.

Tang Shuangning
Chairman

Hong Kong, 20 March 2009

二零零八年，本集團取得良好財務成果。實現股東應佔盈利港幣339,018,000元，經常性盈利港幣592,727,000元，同比增長。本集團出售部分房地產業務，錄得盈利港幣51,778,000元。

鑒於本集團良好業績和穩健發展局面，董事會擬向本公司股東派發末期股息每股1.0港仙，連同二零零八年度中期股息0.6港仙，全年股息每股1.6港仙(二零零七年度：每股1.6港仙)。

展望2009年，我們充滿信心。中國政府堅持科學發展觀，注重經濟發展與環境資源的良性循環，為本集團提供了廣闊的市場空間；中國光大集團的改革與發展順利推進，為本集團奠定了堅實基礎；本集團治理機制和管理能力提升為實現可持續發展注入內在動力。我們將堅持發展戰略，克服金融危機的不利影響，更加積極地拓展市場，提升研發能力，由傳統環保公司轉型成為具有較高科技含量的新型環保公司，進一步鞏固本集團的行業龍頭地位和品牌優勢，以更好業績回報社會、股東並惠及全體員工。

本人謹此向全體股東、董事會成員、社會各界人士、經營管理層及全體員工表示衷心感謝！

唐雙寧
主席

香港，二零零九年三月二十日

CHIEF EXECUTIVE OFFICER'S REPORT

行政總裁報告

The most **reliable brand**
in the **green world**
金色的品牌 綠色的事業



OPERATING RESULTS

In 2008, all economies worldwide felt the impact of the global financial turmoil to varying degrees. To rescue pillar industries in financial trouble, governments introduced intervention measures and subjected themselves to heavy financial pressure. From the Chinese government's commitment of the economic stimulation plan to environmental protection, it is clear that the Chinese Government is determined as always in developing the sector despite the challenging economic environment. In fact, the government is hastening investment in environmental improvement projects and their implementation. Thus, rapid growth is expected for the environmental protection business in the PRC in the coming year.

經營業績

二零零八年受金融海嘯衝擊，全球各國均受到不同程度的影響。經濟發展放緩，各國政府為挽救陷入財困的支柱行業，紛紛出手救市，導致政府財政面臨巨大的壓力。在中國大陸，從中央政府刺激經濟方案中加大對環保的投入可以看出，在面對如此嚴峻的經濟環境，中國政府努力發展環保產業的決心一如既往。目前國家正在組織加快推進對環境治理項目的投入，新的一年將是國內環保產業繼續高速發展的好時機。

Amid the financial turmoil, the Group focused on strengthening internal operations management and obtained good results. During the year under review, environmental protection business made steady progress with new projects completed and upgrading projects swinging into operation. The environmental business has become more mature and contributed to increased turnover and recurring profits. In 2008, the consolidated turnover of the Group amounted to HK\$1,862,509,000, representing an increase of 38% from HK\$1,347,852,000 for 2007. EBITDA on recurring basis was HK\$592,727,000, representing a growth of 39% from HK\$425,557,000 for 2007. For the year ended 31 December 2008, the Group recorded non-recurring profit of HK\$51,778,000 arising from the disposal of its entire issued shares in two subsidiaries which are engaged in non-core property business. For the year ended 31 December 2007, the Group recorded non-recurring profits of HK\$42,885,000 due to the disposal of other financial assets as well as the revaluation of investment properties. The income tax expense for 2008 was HK\$95,161,000, representing a significant increase as compared with HK\$6,807,000 of 2007. The increase was mainly due to the recognition of withholding income tax in respect of profits derived from the PRC subsidiaries as well as the one-off write-back of deferred tax in 2007 as a result of the change in PRC tax rate. Profit attributable to equity shareholders of the Company for 2008 was HK\$339,018,000, an increase of HK\$1,086,000 as compared to HK\$337,932,000 for last year. Stripping the impact of the non-recurring profit and the income tax expense, the net profit for the year increased 27% as compared with last year. Basic earnings per share for 2008 were HK10.80 cents, HK0.09 cent less than HK10.89 cents of last year.

In late 2008, the Group disposed most of its property business assets to its parent company at a total consideration of HK\$195,907,000. That coupled with the steady cash flow from infrastructure business had enabled the Group to develop its core environmental protection business at full force. The Group has firmly established the business sector development model.

To reward shareholders for their support and taking into consideration the long-term continual development of the Group, the board of directors of the Company ("the Board") has proposed to pay a final dividend of HK1.0 cent per share to shareholders of the Company. Together with the interim dividend of HK0.6 cent per share already paid, the total dividends for the year will be HK1.6 cents per share (2007: HK1.6 cents per share).

面對金融海嘯，本集團致力於強化內部經營管理並取得良好成效。回顧年度內，環保業務發展穩步上升，多個環保項目以及升級改造工程建造完成並正式投運，環保業務日益成熟，帶動營業額與經常性盈利上升。二零零八年度之綜合營業額為港幣1,862,509,000元，較二零零七年的營業額港幣1,347,852,000元上升38%。年內之除利息、稅項、折舊及攤銷前經常性盈利為港幣592,727,000元，較二零零七年之港幣425,557,000元增長39%。二零零八年度，本集團由於出售兩間非核心房地產業務附屬公司之全部已發行股份，錄得非經常性盈利港幣51,778,000元。至於二零零七年度，由於出售其他財務資產及投資物業估值盈餘錄得非經常性盈利共港幣42,885,000元。二零零八年之稅項支出為港幣95,161,000元，較二零零七年之港幣6,807,000元大幅上升，主要由於本年就國內附屬公司產生的盈利確認預提所得稅及二零零七年由於國內稅率變更錄得一次性遞延稅項回撥等因素所致。二零零八年度本公司之股東應佔盈利為港幣339,018,000元，較去年的盈利港幣337,932,000元增長港幣1,086,000元。剔除非經常性盈利與稅項之因素，本年度之淨盈利較去年增加27%。二零零八年度每股基本盈利為10.80港仙，較去年之10.89港仙減少0.09港仙。

二零零八年年底，本集團以總代價港幣195,907,000元向母公司出售大部份房地產業務資產，藉此進一步整合公司資源，加上基建業務為本集團繼續帶來穩定的現金流，本集團得以全力開發環保核心業務，逐步確立了以業務板塊為中心的發展模式。

為回饋股東的支持及考慮本集團的長期可持續發展，本公司董事會（「董事會」）建議向股東派發末期股息每股1.0港仙，連同二零零八年度已付中期股息每股0.6港仙，全年股息每股1.6港仙（二零零七年度：每股1.6港仙）。

CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告**ENVIRONMENTAL PROTECTION BUSINESS**

In 2008, the Group further consolidated resources to focus on developing its core environmental protection business. In the second half of the year, the Group repositioned its development focus and reclassified its environmental businesses into four sectors, namely environmental energy, environmental water, environmental construction and environmental technology. There is a total of 22 environmental energy projects and environmental water projects spreading across developed urban areas, second-tier and third-tier municipal and rural areas in Jiangsu Province and Shandong Province. The projects carried a total investment of approximately HK\$5,728,720,000 (equivalent to RMB5,050,000,000) (excluding the total investment costs of approximately HK\$1,104,378,000 (equivalent to RMB973,535,000) of Jinan Waste-to-energy Project ("Jinan Waste Project") and Jinan Xike Waste Water Treatment Project ("Jinan Xike Project") which the Company has just won the tenders at the end of 2008). As at 31 December 2008, the Group had completed environmental protection projects of investment costs totaling approximately HK\$4,140,560,000 (equivalent to RMB3,650,000,000). Investment in projects under construction is about HK\$1,588,160,000 (equivalent to RMB1,400,000,000).

With processing volume rising and operating efficiency improving, the business has been able to boost its revenue base. During the year under review, turnover of environmental protection business amounted to HK\$1,734,676,000 (construction service revenue: 63%, operation service revenue: 22%, and finance income: 15%), an increase of 40% when compared with 2007 and accounting for 93% of the Group's total turnover, 1 percentage point higher than that of 2007. EBITDA amounted to HK\$510,808,000, an increase of 47% when compared with 2007 and accounting for 86% of total profits on recurring basis.

環保業務

二零零八年本集團進一步整合資源，集中力量重點發展環保核心業務。下半年，本集團重新規劃業務發展方向，將環保業務劃分為環保能源、環保水務、環保工程及環保科技四大板塊。環保能源項目及環保水務項目分佈在江蘇省及山東省，覆蓋區域包括經濟較發達的城市地區及二、三線城鄉地區。涉及的項目已增加至22個，總投資額約港幣5,728,720,000元(人民幣5,050,000,000元)(不含年底前成功投得的濟南垃圾焚燒發電項目(「濟南垃圾項目」)及濟南西客污水處理項目(「濟南西客項目」)，投資額共約港幣1,104,378,000元(人民幣973,535,000元))。於二零零八年十二月三十一日，本集團已完成建設工程的環保項目投資額約港幣4,140,560,000元(人民幣3,650,000,000元)；在建中的環保項目投資額約港幣1,588,160,000元(人民幣1,400,000,000元)。

環保業務處理量的增長及運營效益的提升，進一步增加本集團的收益基礎。回顧年度內，環保業務的營業額為港幣1,734,676,000元(其中建造服務收益佔63%；運營服務收益佔22%；財務收入佔15%)，比二零零七年增長40%，佔總營業額的93%，比二零零七年上升一個百分點。除利息、稅項、折舊及攤銷前盈利為港幣510,808,000元，較二零零七年增長47%，佔總經常性盈利的86%。

Major operating and financial data of the environmental protection business in 2008: 二零零八年環保業務之主要運營與財務數據如下：

		2008 二零零八年			2007 二零零七年		
		Environ- mental energy projects 環保能源 項目 HK\$'000 港幣千元	Environ- mental water projects 環保水務 項目 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元	Environ- mental energy projects 環保能源 項目 HK\$'000 港幣千元	Environ- mental water projects 環保水務 項目 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Turnover	營業額						
- Construction service	- 建造服務	595,006	505,460	1,100,466	546,478	297,402	843,880
- Operation service	- 運營服務	138,362	241,642	380,004	75,557	194,104	269,661
- Finance income	- 財務收入	111,248	142,958	254,206	66,008	58,946	124,954
		844,616	890,060	1,734,676	688,043	550,452	1,238,495
EBITDA	除利息、稅項、 折舊及攤銷前盈利	285,140	225,668	510,808	200,519	146,727	347,246



ENVIRONMENTAL ENERGY

環保能源

CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告**ENVIRONMENTAL ENERGY SECTOR**

The environmental energy sector encompasses Suzhou Waste-to-energy Project Phase I and Phase II ("Suzhou Project Phase I and Phase II"), Yixing Waste-to-energy Project ("Yixing Project"), Jiangyin Waste-to-energy Project ("Jiangyin Project"), Changzhou Waste-to-energy Project ("Changzhou Project"), Suzhou Methane-to-energy Project Phase I and Phase II ("Methane Project" Phase I and Phase II) and Suzhou Industrial Solid Waste Landfill Project ("Solid Waste Project"). The designed total annual processing capacity is approximately 1,500,000 tonnes of household waste, approximately 20,000 m³ of other waste and capable of supplying an average annual on-grid electricity of approximately 400,000,000 kilowatt-hour.

During the year under review, environmental energy projects processed 937,000 tonnes of household waste, 14,000 m³ of solid waste and generated on-grid electricity volume of 204,030,000 kilowatt-hour, representing an increase of 68%, 27% and 55% as compared with last year respectively. Environmental energy projects brought an EBITDA of HK\$285,140,000, representing an increase of 42% against last year. The increase in profit is mainly attributable to the transformation from construction stage to operation stage of Jiangyin Project and Methane Project Phase II during the year. In addition, the projects in operation including Suzhou Project Phase I, Yixing Project, Methane Project Phase I and Solid Waste Project further enhanced their operating efficiency during the year. Despite the electricity production of certain projects had been affected by the snowstorm at the beginning of the year, the operation service revenue still increased by 83% during the year. Moreover, Changzhou Project and Suzhou Project Phase II also entered into peak construction period giving rise to an increase of 9% in construction service revenue.

環保能源板塊

環保能源板塊包括蘇州垃圾焚燒發電項目一期及二期(「蘇州項目一期及二期」)、宜興垃圾焚燒發電項目(「宜興項目」)、江陰垃圾焚燒發電項目(「江陰項目」)、常州垃圾焚燒發電項目(「常州項目」)、蘇州沼氣發電項目一期及二期(「沼氣項目一期及二期」)、以及蘇州工業固體廢物填埋場(「固廢項目」)。設計總規模包括年處理生活垃圾約1,500,000噸；年處理其他廢物約20,000立方米及年上網電量約400,000,000千瓦時。

回顧年度內，環保能源各項目合共處理生活垃圾937,000噸，固體廢物14,000立方米，提供上網電量合共204,030,000千瓦時，分別較去年增加68%、27%及55%。環保能源項目貢獻除利息、稅項、折舊及攤銷前盈利合共港幣285,140,000元，較去年增加42%。盈利增加，主要由於江陰項目及沼氣項目二期於年內由建設期陸續轉入運營期；加上已運營項目(蘇州項目一期、宜興項目、沼氣項目一期及固廢項目)於年內進一步加強運營效益；縱然部份項目受年初國內雪災而影響發電量，全年運營服務收益仍然增加83%。此外，常州項目及蘇州項目二期亦於年內進入建設高峰期，帶動建造服務收益增加9%。

CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告

Major operating and financial data of the environmental energy sector in 2008:

二零零八年環保能源板塊之主要運營與財務數據如下：

		Waste processing volume (tonne) 垃圾處理量(噸)		Uploaded electricity (kWh) 上網電量(千瓦時)		EBITDA (HK\$'000) 除利息、稅項、折舊及攤銷前盈利 (港幣千元)	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
- Suzhou Project Phase I ⁽¹⁾	- 蘇州項目一期 ⁽¹⁾	489,000	441,000	110,800,000	99,992,000	78,782	86,418
- Suzhou Project Phase II ⁽²⁾	- 蘇州項目二期 ⁽²⁾	-	-	-	-	68,395	440
- Yixing Project ⁽³⁾	- 宜興項目 ⁽³⁾	200,000	118,000	34,514,000	12,658,000	15,032	11,411
- Jiangyin Project ⁽⁴⁾	- 江陰項目 ⁽⁴⁾	248,000	-	41,370,000	-	34,768	55,683
- Changzhou Project ⁽⁵⁾	- 常州項目 ⁽⁵⁾	-	-	-	-	72,552	29,382
- Methane Project ⁽⁶⁾	- 沼氣項目 ⁽⁶⁾	-	-	17,346,000	18,712,000	8,496	7,821
<hr/>		<hr/>		<hr/>		<hr/>	
- Solid Waste Project ⁽⁷⁾ (m ³)	- 固廢項目 ⁽⁷⁾ (立方米)	937,000 14,000	559,000 11,000	204,030,000 -	131,362,000 -	278,025 7,115	191,155 9,364
Total	合計					285,140	200,519

(1) The decrease in profit of Suzhou Project Phase I was mainly attributable to the recognition of value-added tax refund on purchase of local equipment during the construction stage in previous year.

(2) Suzhou Project Phase II was still under construction in December 2008.

(3) The increase in profit of Yixing Project was mainly attributable to the gradual increase in waste processing and on-grid electricity volume which enhanced its operation service revenue.

(4) The decrease in profit of Jiangyin Project was mainly attributable to the recognition of construction service revenue in previous year. During the year under review, it mainly reflected the operation service revenue since the commencement of commercial operation of the project in May. As the project gradually enters normal operation, the operating efficiency of the project is expected to increase.

(5) The increase in profit of Changzhou Project was mainly attributable to the entering into peak construction period during the year under review which increased the construction service revenue.

(6) The increase in profit of Methane Project was mainly attributable to the implementation of expansion work for Phase II which recorded construction service revenue, off-setting the impact of reduction of operation service revenue arising from the undergoing of an overhaul during the year.

(1) 蘇州項目一期的盈利下降，主要由於去年錄得建設期國產設備增值稅退稅。

(2) 蘇州項目二期於二零零八年十二月仍在建設中。

(3) 宜興項目的盈利上升，主要由於垃圾量及上網電量逐步上升，提升運營服務收益。

(4) 江陰項目的盈利下降，主要由於去年錄得建造服務收益。由於項目於五月進入商業運營，於回顧年度則主要反映運營服務收益。預計項目逐漸進入正常運營後經營效益會進一步提升。

(5) 常州項目的盈利上升，主要由於工程建設於回顧年度進入高峰期，增加建造服務收益。

(6) 沼氣項目的盈利上升，主要由於年內進行二期擴建工程，錄得建造服務收益，抵銷了進行大修停機導致經營服務收益減少的影响。

(7) The decrease in profit of Solid Waste Project was mainly due to the recognition of construction service revenue in previous year. During the year under review, it only reflected the operation service revenue. Following the gradual increase in the solid waste treatment volume, it is expected the operating efficiency will further be enhanced.

The Company was notified by the Bureau of City Appearance, Environment & Sanitation of Jinan City ("Jinan Environmental Bureau") on 29 December 2008 that it had won the tender of Jinan Waste Project. On 10 January 2009, the Company signed a cooperative agreement in relation to Jinan Waste Project with the Jinan Environmental Bureau. Pursuant to the agreement, a project company will be established in Jinan City to construct, operate and manage the waste-to-energy plant on BOT (Build-Operate-Transfer) mode for 25 years. The total investment of the project is approximately RMB900,853,000 (equivalent to approximately HK\$1,021,928,000). The plant with a designed daily waste processing capacity of 2,000 tonnes will take about 18 months to build with key equipment imported from overseas and operations meeting Euro I smoke and gas emission standard and Euro II dioxin emission standard. Formal agreements related to Jinan Waste Project (including a concession right agreement, a waste treatment service agreement and other related documents) are expected to be signed by the relevant parties after the project company is established.

(7) 固廢項目的盈利下降，主要由於去年錄得建造服務收益，於回顧年度則只反映運營服務收益。隨著廢物處理量逐步增長，預計經營效益會進一步上升。

於二零零八年十二月二十九日，本公司接獲濟南市市容環境衛生管理局(「濟南市環衛局」)發出的通知書，表示本公司已成功投得濟南垃圾項目。本公司並於二零零九年一月十日與濟南市環衛局就濟南垃圾項目訂立合作協議。據此，本公司將會在濟南市成立一家項目公司建造、運營及管理濟南垃圾焚燒發電廠。項目的總投資約人民幣900,853,000元(相等於約港幣1,021,928,000元)，以建設—運營—移交(BOT)方式投資，為期25年，設計日處理規模為2,000噸。該項目建設期約18個月，關鍵設備將進口國外成熟先進的產品，煙氣排放指標達到歐盟一號標準，二噁英執行歐盟二號標準。預期有關各方將於項目公司成立後，訂立有關濟南垃圾項目之正式協議(包括特許經營權協議、垃圾處理服務協議及其他相關文件)。



環保水務

**ENVIRONMENTAL
WATER**

CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告**ENVIRONMENTAL WATER SECTOR**

The environmental water sector encompasses Qingdao Waste Water Treatment Project ("Qingdao Project"), Zibo Waste Water Treatment Project (including southern and northern plants) ("Zibo Southern and Northern Plants Project"), Zibo High-tech Zone Waste Water Treatment Project ("Zibo High-tech Zone Project"), Jinan Waste Water Treatment Project ("Jinan Project"), Binzhou Boxing Waste Water Treatment Project ("Boxing Project"), Zhoucun Waste Water Treatment Project ("Zhoucun Project"), Jiangyin Waste Water Treatment Project ("Jiangyin Waste Water Project") and Jinan Licheng Waste Water Treatment Project ("Jinan Licheng Project"). The total designed daily waste water treatment capacity is approximately 1,500,000 tonnes.

During the year under review, environmental water projects treated 363,912,000 tonnes of waste water, representing an increase of 26% as compared with previous year. Environmental water projects brought an EBITDA of HK\$225,668,000, representing an increase of 54% against previous year. The increase in profit was mainly attributable to (1) certain projects including Jiangyin Waste Water Project, Zhoucun Project, Boxing Project and Jinan Project had undergone construction work or upgrading work which recorded construction service revenue of HK\$505,460,000, representing an increase of 70% as compared with previous year; (2) the newly acquired Jiangyin Waste Water Project and Boxing Project and the existing projects in operation continued to operate smoothly which increased the operation service revenue by 24%.

環保水務板塊

環保水務板塊包括青島污水處理項目(「青島項目」)、濰博污水處理項目(包括南郊廠和北廠)(「濰博南北廠項目」)、濰博高新區污水處理項目(「濰博高新區項目」)、濟南污水處理項目(「濟南項目」)、濱州博興污水處理項目(「博興項目」)、周村污水處理項目(「周村項目」)、江陰污水處理項目(「江陰污水項目」)及濟南歷城污水處理項目(「濟南歷城項目」)，設計總規模為日處理污水約1,500,000噸。

回顧年度內，環保水務項目合共處理污水363,912,000噸，較去年增加26%。環保水務項目貢獻除利息、稅項、折舊及攤銷前盈利合共港幣225,668,000元，較去年增加54%，主要由於：(一)年內進行多個項目(包括江陰污水項目、周村項目、博興項目及濟南項目)的建造工程或升級改造工程，錄得建造服務收益港幣505,460,000元，較去年增加70%；及(二)新收購之江陰污水項目與博興項目及現有之項目持續良好運營，增加運營服務收益24%。

CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告

Major operating and financial data of the environmental water sector in 2008:

二零零八年環保水務板塊之主要運營與財務數據如下：

		Waste water processing volume (tonne) 污水處理量(噸)		EBITDA (HK\$'000) 除利息、稅項、折舊及攤銷前盈利(港幣千元)	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
- Qingdao Project ⁽⁸⁾	- 青島項目 ⁽⁸⁾	69,172,000	61,621,000	20,490	41,929
- Zibo Southern and Northern Plants Project ⁽⁹⁾	- 淄博南北廠項目 ⁽⁹⁾	83,659,000	88,924,000	21,713	57,002
- Zibo High-tech Zone Project ⁽¹⁰⁾	- 淄博高新區項目 ⁽¹⁰⁾	34,607,000	12,900,000	9,080	19,946
- Jinan Project ⁽¹¹⁾	- 濟南項目 ⁽¹¹⁾	146,517,000	126,290,000	73,099	27,850
- Boxing Project ⁽¹²⁾	- 博興項目 ⁽¹²⁾	3,309,000	-	6,615	-
- Zhoucun Project ⁽¹³⁾	- 周村項目 ⁽¹³⁾	-	-	8,002	-
- Jiangyin Waste Water Project ⁽¹⁴⁾	- 江陰污水項目 ⁽¹⁴⁾	26,648,000	-	71,204	-
- Jinan Licheng Project ⁽¹⁵⁾	- 濟南歷城項目 ⁽¹⁵⁾	-	-	15,465	-
		363,912,000	289,735,000	225,668	146,727

(8) The decrease in profit of Qingdao Project was mainly attributable to the increase in operating costs after the upgrade and extension work of Maidaoy Plant was completed. The Group is now negotiating with the Qingdao Municipal Government on tariff hike upon which it is expected to increase the long term revenue of the project.

(8) 青島項目的盈利下降，主要由於麥島污水處理升級改擴建工程完成後運營成本上升。本集團正與青島市政府磋商調價，預計落實後會提升項目長期收益。

(9) The decrease in profit of Zibo Southern and Northern Plants Project was mainly attributable to the recognition of construction service revenue for upgrading work in previous year. Operation service revenue during the year under review has gradually returned to normal upon completion of the test run in May.

(9) 淄博南北廠項目盈利下降，主要由於去年進行更新改造工程，增加建造服務收益。於回顧年度則隨著調試於五月完成，運營服務收益逐步回復正常水平。

(10) The decrease in profit of Zibo High-tech Zone Project was mainly attributable to the recognition of construction service revenue in previous year. During the year under review, it mainly reflected the operation service revenue. As the project gradually enters normal operation, the operating efficiency of the project is expected to increase.

(10) 淄博高新區項目的盈利下降，主要由於去年錄得建造服務收益。於回顧年度則只反映運營服務收益。隨著項目逐漸進入正常營運，預計經營效益會進一步提升。

(11) The increase in profit of Jinan Project was mainly attributable to the implementation of upgrading work during the year under review which increased the construction service revenue. Moreover, the gradual increase in operating efficiency brought an increase in operation profit.

(11) 濟南項目的盈利上升，主要由於在回顧年度內進行更新改造工程，增加建造服務收益，加上經營效益穩步提升，帶動運營利潤增長。

(12) Boxing Project commenced commercial operation in April 2008.

(12) 博興項目於二零零八年四月開始商業運營。

(13) Construction work of Zhoucun Project commenced in August 2008 and the plant was ready to receive water in December 2008. Test running is in progress.

(13) 周村項目的工程建設於二零零八年八月開工，並於二零零八年十二月具備通水條件，正在調試中。

(14) Jiangyin Waste Water Project commenced commercial operation in January 2008.

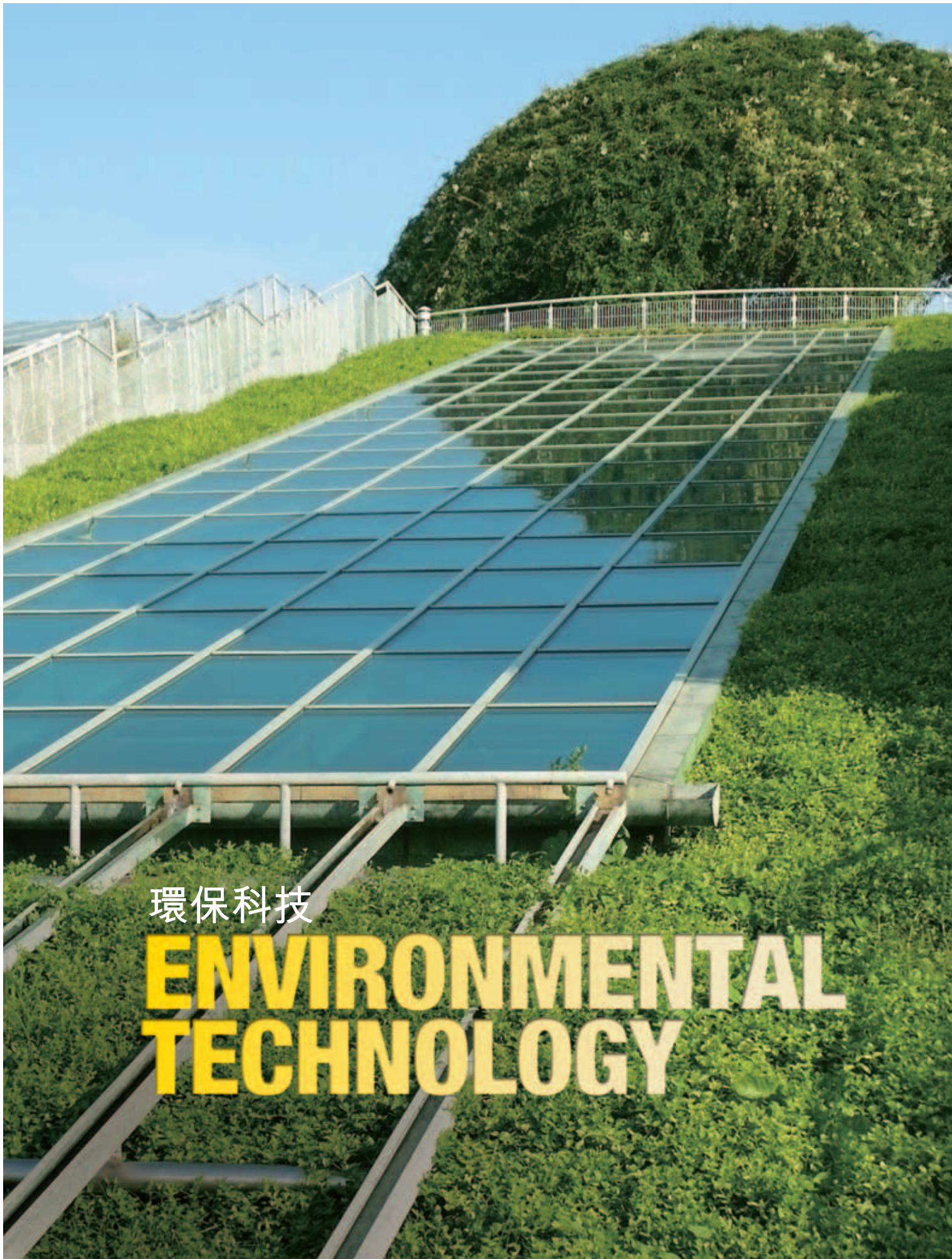
(14) 江陰污水項目於二零零八年一月開始商業運營。

(15) Construction work of Jinan Licheng Project commenced in September 2008.

(15) 濟南歷城項目於二零零八年九月開始建造工程。

On 30 December 2008, the Company had successfully won the tender of Jinan Xike Project. Jinan Xike Project is the highlighted environmental protection project in Jinan City aiming at conserving energy, reducing waste water emission and improving environment. The total investment of the project is approximately RMB72,682,000. The term of exclusive right of operation is 26 years and the project will be invested, constructed and operated on BOT mode. The designed waste water treatment capacity of the project is 30,000 tonnes per day. Upon completion of the construction of the project, water discharge quality will meet Grade 1A of the national waste water discharge standard. The management is now negotiating the terms and conditions of the project with Jinan Utility Bureau. It is expected that agreements will be signed in the second quarter of this year. Construction work will be commenced in the third quarter.

於二零零八年十二月三十日，本公司成功投得濟南西客項目之投標。濟南西客項目是濟南市重點環保項目，是實現濟南市節能減排任務、改善城市環境的重要工程。項目總投資約人民幣72,682,000元，特許經營期限26年，以BOT方式投資、建設及運營。該項目的設計規模為日處理污水30,000噸，建成後出水水質將達到國家污水處理排放的一級A標準。管理層現正與濟南市市政公用事業局就項目商討有關條款，預計有關協議可以在本年第二季度簽署，第三季度開始工程建設。



環保科技

**ENVIRONMENTAL
TECHNOLOGY**

CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告

ENVIRONMENTAL TECHNOLOGY SECTOR

Strategic Partnership

Apart from striving to secure and operate different environmental protection projects, the Group has been relentless in pursuing technological research and development. It has been active in working together with major research institutes and strengthening its partnership with renowned international and local enterprises. During the year under review, the Group had worked with different educational institutions such as Tsinghua University, Tongji University, Shandong Academy of Sciences, Zhongshan University, Nanjing University, Jiangnan University and Shenzhen University on various initiatives including research and development projects, sourcing of government fundings for research and discussion about different technologies, etc.

Research and Development Facility

To develop core technology and boost its competitive strengths, Everbright Environmental Technological Development (Beijing) Limited has been established in May 2008. The Group now plans to set up two technology research and development centers to specialize in solid waste and water resources technologies respectively to serve as platforms for cooperating with domestic research and development institutions and applying for government funding. During the year under review, the Group submitted an application for a solid waste resource technology research and development center project in Suzhou City and was granted funding from the Suzhou Municipal Government. When the center is completed, it will serve the city as its solid waste resource technology center and cater to the needs of environmental protection enterprises in the city and the Yangtze River Delta region. The Group also plans to set up Zibo Water Resource Technology Research Center based on the state qualified laboratory of Zibo Project Company to provide water resource engineering and technical research services to Shandong Province.

In 2009, the Group will continue to invest in technological innovation and enhancing its research and development capabilities, with the aim of lowering construction and production costs, and boosting cost-effectiveness and competitiveness. The Group will seek to commercialize patented technologies and introduce them to the market, striving to develop into a new environmental protection enterprise that employs "top-notch techniques and high-end technologies".

Research Project and Patent

During the year under review, the Group submitted applications for 45 projects. Of all these projects, 13 had been approved. The City Bio-waste Anaerobic Digestive Technology Research, a joint initiative of the Group and Tsinghua University, has been included in the "National 863 Program" after passing the review of The Ministry of Science and Technology. Furthermore, the different environmental protection project companies of the Group also obtained government research and development funding in Suzhou, Yixing, Changzhou, Shandong Province, Jinan and Shenzhen in a total amount of RMB2,710,000. The Group has also internally identified 11 research topics relevant to its environmental protection projects.

During the year, the Group submitted 9 patent applications and gained approval for 5 patents. The Group also secured 6 patents for its sludge dehydration equipment, anaerobic reactor, subsection disposal system for municipal solid waste and safe treatment of fly ash, in its bid to boost environmental protection technology and its core competitiveness.

環保科技板塊

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，積極主動地與各大科研機構建立合作關係。本集團並致力加強與國內外知名公司建立強強聯合、優勢互補的戰略合作關係。回顧年度內，本集團與清華大學、同濟大學、山東科學院、中山大學、南京大學、江南大學、深圳大學等進行了多方面的合作，包括具體項目研發、申報政府資金計劃和技術研討等。

技術研發設施

本集團為發展核心技術，提昇競爭優勢，加強自身研發力量，於二零零八年五月成立光大環保科技發展(北京)有限公司，目前正計劃建立固體廢棄物及水資源兩個技術研發中心，作為與國內科研機構合作及申請政府資助的平台。回顧年度內，本集團在蘇州申報了蘇州市固體廢棄物資源化技術研究中心項目並獲得蘇州市政府資助。該中心興建後將作為蘇州市級固體廢棄物資源化技術工程中心，服務於蘇州市及長三角地區的環保企業。本集團亦計劃以淄博項目公司國家級實驗室為平台建立服務於山東全省的水資源化工程技術研究中心。

二零零九年，本集團將繼續圍繞技術創新，不斷提升研發能力，以便降低建設及生產成本，增加效益及增強競爭力。本集團將進一步將專利技術轉化為成果，推出市場並致力打造成為「高技術、高科技」的新型環保公司。

研發課題及專利

回顧年度內，本集團在各地共申報研發項目45項，其中13個項目已成功立項。本集團與清華大學聯合申報的「城市生物質垃圾厭氧消化技術研究」通過科技部評審，獲得「國家863計劃」立項。此外，本集團轄屬環保項目公司亦分別成功在蘇州、宜興、常州、山東省、濟南、深圳獲得政府研發資金共人民幣2,710,000元。本集團內部亦圍繞自身環保項目的需要確立了相關科研課題共11項。

本集團於年內申報國家專利9項，獲批專利5項。此外，本集團亦成功申請共6項實用型專利，包括污泥乾化裝置、厭氧反應器、分段處理生活垃圾及垃圾飛灰無害化處理的系統，逐步建立自身環保技術及核心競爭力。



INFRASTRUCTURE & PROPERTY INVESTMENT

基建及物業投資

CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告

INFRASTRUCTURE AND PROPERTY INVESTMENT

Toll Bridge

During the year under review, traffic on Qingzhou Bridge continued to grow and generated steady cash flow for the Group. For the year ended 31 December 2008, the average number of standard vehicles crossing the bridge daily increased to 33,742, 7% higher than that in 2007, and brought an EBITDA of HK\$98,927,000 to the Group, representing an increase of 15% when compared with 2007.

Looking forward, with the maintenance work of Wulong Longjiang Bridge and Phase II of North Airport Highway to complete in 2009, traffic on Qingzhou Bridge is expected to increase further.

基建及物業投資

收費橋樑

回顧年度內，青洲大橋的車流量持續增長，為本集團提供穩定的現金流。截至二零零八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33,742輛，較二零零七年增長7%。二零零八年之除利息、稅項、折舊及攤銷前盈利為港幣98,927,000元，較二零零七年的盈利增長15%。

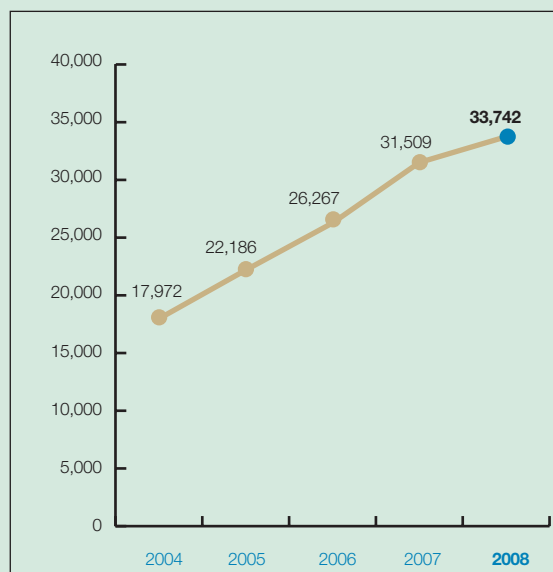
展望未來，預計烏龍龍江大橋維修工程和北連青洲大橋的機場高速路二期工程於二零零九年通車以後，青洲大橋的車流量會進一步提升。

FUZHOU QINGZHOU BRIDGE

福州青洲大橋

ANNUAL AVERAGE TRAFFIC FLOW CHART

Daily standard vehicles
年平均車流量統計表 每日標準車架次



CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告**Property Investment**

During the year under review, Shenzhen Zhongshan Garden, a four-storey commercial complex with a shopping arcade owned by the Group, generated steady rental revenue and cash flow. The property was 97% leased during the year and brought an EBITDA of HK\$11,969,000 to the Group, an increase of 14% as compared with 2007.

To optimize its business structure, the Company convened an extraordinary general meeting on 18 December 2008 at which a resolution was passed to dispose of Sino Villa Holdings Limited which held the Shenzhen Zhongshan Garden and its management company to Everbright Real Estate Limited for a total consideration of HK\$195,907,000.

The transaction had been completed. It generated a profit on disposal of subsidiaries of HK\$51,778,000 for the Group for the year ended 31 December 2008.

物業投資

回顧年度內，本集團所持有之深圳中山花園之四層商業裙樓為本集團帶來穩健的租務收益及現金流量。年內出租率達97%，貢獻除利息、稅項、折舊及攤銷前盈利港幣11,969,000元，較二零零七年增長14%。

為進一步優化業務架構，於二零零八年十二月十八日本公司舉行的股東特別大會正式通過決議，以總代價港幣195,907,000元向光大置業有限公司出售持有深圳中山花園物業之Sino Villa Holdings Limited及其管理公司之權益。

此項交易已完成，本集團於截至二零零八年十二月三十一日止年度錄得出售附屬公司之盈利港幣51,778,000元。

HONORS AND RECOGNITIONS

Below are awards won by the Group during the year under review:

屢獲殊榮

於回顧年度內，本集團榮獲多項殊榮，詳列如下：

Date 獲獎時間	Organizer 舉辦單位	Awards 獎項
March 2008 二零零八年三月	Jiangsu Provincial Department of Construction 江蘇省建設廳	"Yangzi Cup" 「揚子杯」
April 2008 二零零八年四月	Zibo Municipal Government 淄博市政府	"Outstanding Enterprise" 「先進單位」
May 2008 二零零八年五月	Capital Magazine 《資本雜誌》	"Outstanding Environmental Protection Corporation Award" of "The Third Capital Outstanding China Enterprise Award" 「第三屆資本中國傑出企業成就獎—環保企業」
August 2008 二零零八年八月	Wuxi Construction Bureau and Wuxi Construction Association 無錫市建設局及無錫建築行業協會	"Taihu Lake Cup" for Yixing Project 宜興項目「太湖杯」
October 2008 二零零八年十月	China City and Town Water Supply and Discharge Association 中國城鎮供水排水協會	"Ten Best Waste Water Treatment Plants in China" for Jinan No. 2 Waste Water Treatment Plant 濟南淨化二廠「全國城鎮污水處理廠十佳運營單位」
November 2008 二零零八年十一月	Evaluation Committee for State Outstanding Construction Quality Award 國家工程建設質量獎審定委員會	Silver medal in the "State Outstanding Construction Projects 2008" for Zibo High-tech Zone Project 淄博高新區項目「二零零八年度國家優質工程銀獎」
December 2008 二零零八年十二月	Economic Digest 《經濟一週》	"2008 Outstanding Enterprises Award" 「二零零八年傑出企業」



CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告

BUSINESS PROSPECTS

Despite some of the adverse effects of the global financial crisis still expected to linger on in 2009, the market generally believes the PRC will be able to maintain stable economic growth. On 9 November 2008, the State Council announced a RMB4 trillion investment plan for the next two years to stimulate domestic demand and ensure economic growth. The fifth item amongst the ten investment areas of the plan is construction conducive to ecological and environmental protection, which points to huge growth potential for the waste water treatment and waste-to-energy sectors in the PRC. The Group believes that following the increasing investment of the country in environmental protection and the launching of policies conducive to related industries, it will nurture demand for related services and in turn the overall growth of the market. The sector will grow in scope and its structure will adjust and optimize to reach higher standards, and eventually become a new growth driver of the economy. According to preliminary forecast of the Environmental Protection Bureau, during the "11th Five Year Plan" period, the environmental protection industry in the PRC will be able to maintain a growth rate of 15% to 17% a year. By 2010, the value of the industry will reach RMB880 billion.

Stepping into the 21st century, the PRC has seen notable improvement in her mastery of technologies and ability to quickly integrate different technological disciplines for application in the new age of information. Developing energy technologies and a low-carbon economy is the consensus among different countries in the world and environmental protection and green GDP have become dominant concepts of the era. The core philosophy of modern management encompasses: first "people-oriented", meaning striving for full development of human potentials, and second the development of environmental protection and green GDP, which will provide the world with the next economic growth model. In the development of energy technologies and low-carbon economies, promotion of wind power, solar energy, bio-fuel, waste-to-energy, water quality restoration, recycling of solid waste, energy conservation and emission reduction will become the guiding tune of human society development while presenting huge room for growth to the environmental protection industry. To grow our Everbright Environment into an environmental protection enterprise that develops leading technologies and employs superior techniques is both essential and achievable and agrees with the theme of modern development. To this end, the Group will continue to expand its core environmental protection operation, inject more resources into developing environmental protection technology and related crucial training for its people, encourage innovation and keep boosting its core competitiveness. The Group will take full advantage of its prominent brand and follow the principal of "implementing projects with one success followed by another", and with emphasis on integrity, efficiency, innovation and pragmatism, strive to consolidate its leadership in Jiangsu and Shandong as well as foray into new markets.

業務展望

儘管全球金融海嘯的陰霾未必可以在二零零九年完全散去，但外界相信中國仍然可以維持經濟平穩增長。二零零八年十一月九日，國務院宣佈未來兩年投資人民幣4萬億元，以擴大內需，保證經濟的增長。10項投資措施中的第5項即為加強生態環境建設，因而污水處理及垃圾焚燒等環保行業將在內地有空前的發展機遇。隨著國家對環保基礎設施的建設投資增多及出台的一系列鼓勵政策將有力拉動環保產業的市場需求，環保產業的總體規模將迅速擴大，領域將不斷拓展，產業結構將逐步調整，產業水平也將明顯提升，而中國環保產業對國民經濟的直接貢獻也將逐漸增加，成為拉動經濟增長新的增長點。據國家環保總局的初步測算，「十一五」期間，我國環保產業可望保持年均15%至17%的增長速度，到二零零一零年，我國環保產業年產值預計將達人民幣8,800億元。

進入21世紀後，我國科技迅猛發展，學科交叉融合加快，人類社會的發展已經進入了一個全新的資訊時代。能源技術與低碳經濟的發展已形成全球的共識，綠色環保、綠色GDP逐漸形成一種時代的理念。現代管理理念的核心：一是圍繞「以人為本」，充分發揮人的作用；二是圍繞綠色環保和綠色GDP的發展，未來的經濟增長模式將由此取締。在能源技術與低碳經濟的發展方面，風能、太陽能、生物能源的推廣應用、垃圾發電、水環境治理、廢棄物的回收利用、變廢為寶的開發、節能減排等等，這些將成為人類社會發展的主旋律，也將為未來環保產業的發展帶來巨大空間。要使光大環保真正發展成為一家高科技、高技術的環保公司，是符合當今時代發展的主題，是必要的，也是可行的。本集團將繼續推進拓展核心環保業務，增加對環保研發的投入和加強相關技術骨幹的培訓，鼓勵創新，不斷提昇核心競爭力。本集團將充分利用自身的品牌優勢，繼續本著「成熟一個，推進一個」的原則，堅持誠信、高效、創新、務實的作風，鞏固在江蘇、山東等地建立的市場領導地位，同時尋求開拓新市場的機會。

Recognizing its responsibility to create a healthy living environment and a harmonious society and determined to grow its business in scale and strength, the Group will keep pursuing environment protection projects with strong potential to grow and bring greater returns to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Position

As at 31 December 2008, the Group had total assets worth approximately HK\$6,300,678,000 and net asset value at HK\$2,819,615,000. Net asset per share attributable to equity shareholders of the Company was HK\$0.897, representing an increase of 15% from HK\$0.782 as at the end of last year. As at 31 December 2008, gearing ratio (calculated by dividing total liabilities by total assets) of the Group was 50%, 8 percentage points more than the 42% at the end of last year.

The Group generally finances its operations with internally generated cash flow and loan facilities from banks and its ultimate holding company. As at 31 December 2008, the Group had a cash balance of approximately HK\$699,055,000, representing an increase of HK\$67,590,000 as compared to HK\$631,465,000 at the end of last year. As at 31 December 2008, the Group had outstanding borrowings of approximately HK\$2,610,615,000, representing an increase of HK\$1,068,790,000 against HK\$1,541,825,000 at the end of last year. The borrowings comprised bank loans of HK\$2,329,593,000 and loans of HK\$212,958,000 from the ultimate holding company and other loans of HK\$68,064,000 from an unrelated party.

Foreign Exchange Risk

As most of the Group's assets, borrowings and major transactions are denominated in Renminbi and the Group mainly settles expenses of its business in the PRC with Hong Kong dollar remittance and Renminbi income, it has not used any financial instrument to hedge against bank borrowings in Renminbi, which are used mainly to meet capital requirements of its business in the PRC. The Group will closely manage and monitor its foreign currency risks in view of the increase in the loan balance in Hong Kong dollars and US dollars.

本集團本著營造健康生活環境的責任心，建立和諧社會的使命感，以及將公司做大做強的堅定決心，在未來不斷發掘有發展潛力的環保項目，為股東謀求更豐盛的回報。

管理層討論與分析

財務狀況

於二零零八年十二月三十一日，本集團之總資產約為港幣6,300,678,000元。淨資產則為港幣2,819,615,000元，而本公司股東應佔每股資產淨值則為港幣0.897元，較二零零七年之每股資產淨值港幣0.782元增加15%。於二零零八年十二月三十一日，資產負債比率(以總負債除以總資產計算所得)為50%，較二零零七年年底之42%上升八個百分點。

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。於二零零八年十二月三十一日，本集團持有現金結餘額約港幣699,055,000元，較二零零七年年末之港幣631,465,000元增加港幣67,590,000元。於二零零八年十二月三十一日，本集團尚未償還借款總額約港幣2,610,615,000元，較二零零七年年末之港幣1,541,825,000元增加港幣1,068,790,000元。借款包括銀行貸款港幣2,329,593,000元、最終控股公司貸款港幣212,958,000元及其他非關連人士的貸款港幣68,064,000元。

外匯風險

由於本集團的大部分資產、借款及主要交易均以人民幣為單位。本集團基本以港元匯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。由於港元及美元的貸款比重增加，本集團亦將密切監控其外匯風險。

CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告**Pledge of Assets**

As at 31 December 2008, the Group had certain banking facilities secured with toll bridge revenue, revenue from waste water treatment plants and waste-to-energy power plants operation services, gross amounts due from customers for contract work, certain receivables and deposits relating to considerations paid for the acquisition of waste water treatment plants under TOT (Transfer-Operate-Transfer) arrangements, bank deposits, mortgages on fixed assets and shares of a subsidiary of the Company as pledges. Such banking facilities, amounting to HK\$1,793,850,000 (2007: HK\$1,661,544,000), were used to the extent of HK\$1,549,067,000 (2007: HK\$1,253,168,000). The aggregate net book value of assets pledged amounted to approximately HK\$2,820,606,000 (2007: HK\$2,287,009,000).

Commitments

As at 31 December 2008, the Group had outstanding commitments in connection with TOT arrangements entered into which amounted to HK\$515,725,000 (2007: HK\$754,929,000). In addition, purchase commitments outstanding in connection with the Group's construction contracts at 31 December 2008 not provided for in the financial statements amounted to HK\$175,932,000 (2007: HK\$168,903,000).

Contingent Liabilities

As at 31 December 2008, the Company had issued financial guarantees to two wholly-owned subsidiaries and a non-wholly owned subsidiary. The guarantees will expire on 2 August 2015, 30 November 2015 and 30 December 2016 respectively. The directors do not consider it probable that a claim will be made against the Company under the guarantees. The maximum liabilities of the Company as at year end under the guarantees were HK\$530,786,000 (2007: HK\$182,280,000) which were the facilities drawn down by the subsidiaries.

資產抵押

於二零零八年十二月三十一日，本集團若干銀行融資以收費橋樑收益、污水處理廠與垃圾焚燒發電廠之運營服務收益、應收客戶合約工程款項總額、關於在移交－運營－移交(TOT)安排下收購污水處理廠之已付代價之若干應收款項及按金、銀行存款、固定資產按揭及本公司旗下附屬公司之股份作擔保。上述港幣1,793,850,000元(二零零七年：港幣1,661,544,000元)之銀行融資已動用港幣1,549,067,000元(二零零七年：港幣1,253,168,000元)。已抵押資產之賬面淨值總額約為港幣2,820,606,000元(二零零七年：港幣2,287,009,000元)。

承擔

於二零零八年十二月三十一日，本集團關於在TOT安排下之承擔為港幣515,725,000元(二零零七年：港幣754,929,000元)。此外，本集團於二零零八年十二月三十一日為建造合約而訂約之採購承擔為港幣175,932,000元(二零零七年：港幣168,903,000元)。

或有負債

於二零零八年十二月三十一日，本公司曾為二家全資附屬公司及一家非全資附屬公司作出財務擔保，有關財務擔保分別於二零一五年八月二日、二零一五年十一月三十日及二零一六年十二月三十日到期。董事會認為，有關擔保持有人不大可能根據上述擔保向本公司作出申索。於結算日，本公司在上述財務擔保下之最高負債為有關附屬公司已提取之融資為港幣530,786,000元(二零零七年：港幣182,280,000元)。

Human Resources

The Group places much emphasis on human resources management. It believes in helping each employee develop and apply his full potential and is committed to building a high quality team that can contribute to long-term development of the Group.

Employee training was a main focus of the Group in 2008 and “broadening horizons, enhancing knowledge” was the theme guiding the programs. With its Beijing training center responsible for coordination, the Group arranged 10 sessions of training for employees. Supported by a remote video system, the courses were accessible by all staff of the Group. The attendance of the courses reached over 1,600 man-days and covered a wide range of topics including environmental protection policies, professional knowledge and corporate culture, etc. The manuals give practical reference to employees working on waste-to-energy and waste water treatment projects. Furthermore, 10 issues of “Everbright Environment”, the Group’s in-house magazine, were published during the year. The publication is an instrument of the Group to nurture corporate culture, encourage internal and external communication and relay information of latest national environmental protection policies and industry development to its employees.

As at 31 December 2008, the Group had more than 1,100 employees in Hong Kong and the PRC. Employees of the Group 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 such as medical insurance and provident fund scheme to employees in Hong Kong. A share option scheme was approved by the Company’s extraordinary general meeting on 26 May 2003 and it gives the Board the discretion to award share options to any employees (including directors) of the Company as a performance incentive. The Board did not grant any option during the year under review.

Corporate Governance

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”) has been duly adopted by the Board as the code on corporate governance practices of the Company.

For the year ended 31 December 2008, the Company had complied with the provisions of the Code and some of the recommended best practices as set out in the Code.

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。

全員培訓是本集團二零零八年重點工作之一。「開闊眼界、增長知識」為二零零八年培訓工作目標。本集團於北京設立培訓中心負責統籌內部培訓工作，全年已安排了十次培訓，通過遠端視頻系統，受訓範圍覆蓋本集團全體員工。參加員工超過1,600人次。培訓內容涵蓋了環保政策、專業知識、企業文化等方面。此外，為打造企業文化，建立內外溝通的紐帶和橋梁，傳遞國家環保政策和行業資訊，本集團於年內出版內部刊物《光大環保》共十期，有效建立員工溝通的橋樑。

於二零零八年十二月三十一日，本集團在香港及中國合共僱用約1,100名員工。僱員之薪酬乃根據資歷、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。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，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。於回顧年度內，沒有任何僱員（包括董事）獲授予購股權。

企業管治

本公司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》作為本公司的企業管治常規守則（「該守則」）。

截至二零零八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。

CHIEF EXECUTIVE OFFICER'S REPORT 行政總裁報告

Audit Committee

The three independent non-executive directors of the Company, namely Sir David Akers-Jones (Chairman), Mr. Aubrey Li Kwok Sing and Mr. Selwyn Mar, all sat on the Audit Committee, which is primarily responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing 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 had 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 reviewing the annual results of the Group, for the year ended 31 December 2008.

Remuneration Committee

The Remuneration Committee currently comprises Mr. Zang Qiutao (Chairman), 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 matters pertaining to 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.

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. Specific enquiry was made with all the directors, who confirmed they had complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2008.

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二零零八年十二月三十一日止全年報告)進行討論。

薪酬委員會

現時薪酬委員會由董事會副主席臧秋濤先生(擔任主席)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。

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，截至二零零八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所載之規定。

OTHER INFORMATION

Final Dividend

The Board has proposed to pay a final dividend of HK1.0 cent per share (2007: HK1.0 cent per share) to shareholders whose names appear on the register of members of the Company on Thursday, 7 May 2009. Dividend warrants will be dispatched to shareholders on or about Tuesday, 19 May 2009.

Closure of Register of Members

The register of members of the Company will be closed from Thursday, 7 May 2009 to Tuesday, 12 May 2009 (both days inclusive), during which no transfer of shares will be effected. In order to qualify for the proposed final dividend for the year, all completed transfer forms accompanied with the relevant share certificates must be lodged with the Company's share registrars, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 6 May 2009.

Purchase, Sale or Redemption of the Company's Listed Securities

There was no purchase, sale or redemption of the listed securities of the Company by the Company or any of its subsidiaries during the year.

Chen Xiaoping

Chief Executive Officer

Hong Kong, 20 March 2009

其他資料

末期股息

董事會宣佈建議派發末期股息每股1.0港仙(二零零七年：每股1.0港仙)，給予於二零零九年五月七日(星期四)名列在本公司股東名冊之股東。股息單將於二零零九年五月十九日(星期二)左右寄出。

截止過戶日期

本公司將於二零零九年五月七日(星期四)至二零零九年五月十二日(星期二)(包括首尾兩天在內)，暫停辦理股份過戶登記手續。為確保享有建議之末期股息，所有過戶文件連同有關股票，最遲須於二零零九年五月六日(星期三)下午四時三十分前送達本公司股份過戶處卓佳登捷時有限公司，地址為香港灣仔皇后大道東二十八號金鐘匯中心二十六樓，以便辦理有關手續。

買賣或贖回本公司之上市證券

年度內，本公司或其任何附屬公司概無購回、出售或贖回任何本公司之上市證券。

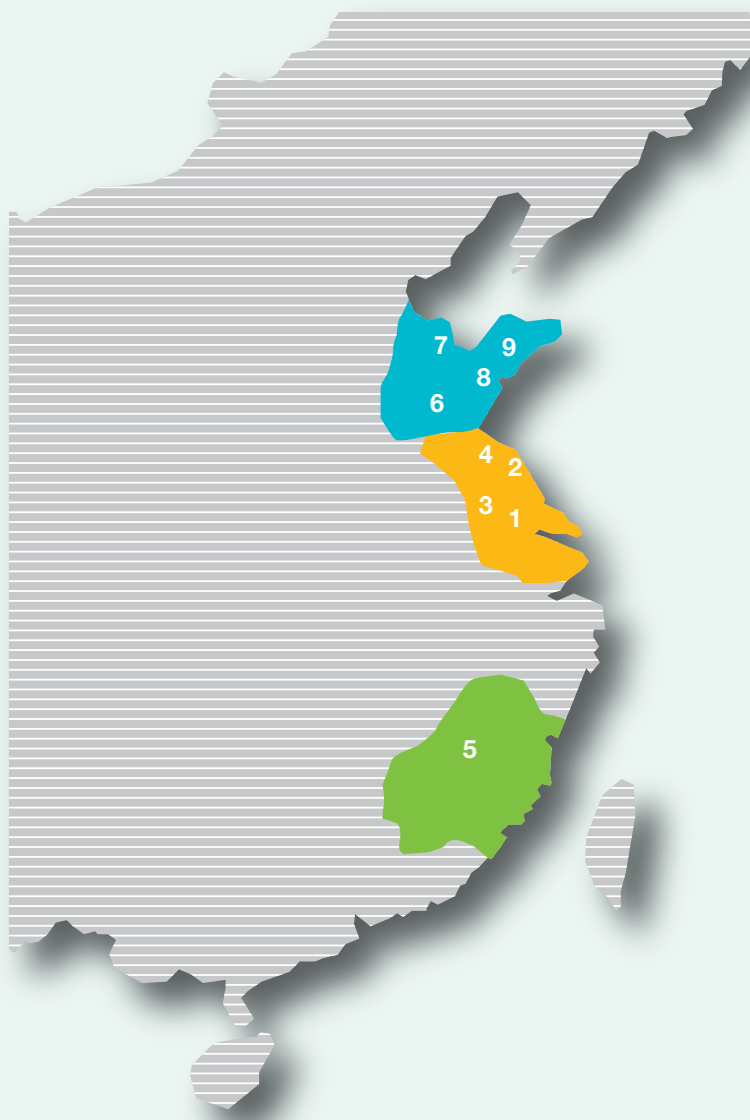
陳小平

行政總裁

香港，二零零九年三月二十日

PROJECT HIGHLIGHTS

項目摘要



- 1 SUZHOU 蘇州
- 2 JIANGYIN 江陰
- 3 YIXING 宜興
- 4 CHANGZHOU 常州
- 5 FUZHOU 福州
- 6 JINAN 濟南
- 7 BINZHOU 濱州
- 8 ZIBO 淄博
- 9 QINGDAO 青島

ANNUAL SOLID WASTE
PROCESSING CAPACITY
年處理固體垃圾量

1.5 million
tonnes
百萬噸

DAILY WASTE WATER
TREATMENT CAPACITY
日處理污水量

1.5 million
tonnes
百萬噸

ENVIRONMENTAL PROTECTION BUSINESS

ENVIRONMENTAL ENERGY PROJECTS

Suzhou Waste-to-energy Project Phase I

“Constructing high quality projects and creating outstanding works”

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 RMB489,443,000. 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 of the project duly commenced in October 2004 and commercial operation duly commenced on 18 July 2006. With its designed average waste processing capacity of 1,000 tonnes per day, the power plant is designed to supply no less than 100,000,000 kilowatt-hour of electricity to the power grid per year during the term of exclusive right of operation. The plant has been operating smoothly with emission levels meeting required standards. Its operating performance has reached the designed parameters. Supported by favorable environmental protection policy, the project was approved an increase of on-grid electricity tariff from RMB0.5 per kilowatt-hour as stipulated in the concession right agreement to RMB0.575 per kilowatt-hour, which significantly increased its operation service revenue. Besides, gas emission of the power plant met the Euro I emission standard, and particularly the emission of dioxin met the Euro II emission standard and is better than the PRC regulatory requirement. In order to raise operational standards, the project company has applied to Suzhou Environmental Protection Department to link up its online gas emission monitoring system with the network of Suzhou Environmental Monitoring Team’s monitoring centre. The project is the first waste-to-energy project in Jiangsu Province which is under online monitoring by environmental protection department.

環保業務

環保能源項目

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。項目總投資約人民幣489,443,000元，特許經營期二十五年，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。該項目設計規模日平均處理垃圾1,000噸，預計在特許經營期內年上網電量平均不低於100,000,000千瓦時。目前項目運作穩定，達標排放，經營規模已達到設計水準。該項目並得到環保產業政策支持，於投入運營時獲批准上網電價由特許權協議規定的每千瓦時人民幣0.5元調高至每千瓦時人民幣0.575元，大大提升項目的運營服務收益。該項目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。為進一步提高運營水平，該項目主動向蘇州市環保部門申請，已將煙氣在線檢測系統與蘇州市環境監察支隊檢測中心進行聯網，該項目成為江蘇省首家接受環保部門即時在線監控的垃圾焚燒發電項目。



Suzhou Waste-to-energy Project Phase I
蘇州垃圾焚燒發電項目一期

PROJECT HIGHLIGHTS

項目摘要

Suzhou Methane-to-energy Project Phase I and Phase II

“Cleaning up the environment and sharing the resources”

Suzhou Methane-to-energy Project Phase I 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. The project is equipped with two 1,250 kilo-watt generators. The Suzhou Methane-to-energy Project and the Suzhou Waste-to-energy Project are on the same power grid. Commercial operation of the Suzhou Methane-to-energy Project Phase I commenced on 31 August 2006. The 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. Supported by favorable national environmental protection policy, the project was approved in April 2007 to increase the on-grid electricity tariff from RMB0.527 per kilowatt-hour to RMB0.636 per kilowatt-hour and the on-grid electricity tariff was further increased to RMB0.646 per kilowatt-hour in 2008, which significantly increased its operation service revenue. In July 2007, the Group and Suzhou Municipal Public Utilities Authority entered into an agreement in respect of the investment and construction of Suzhou Methane-to-energy Project Phase II. The investment cost of Phase II is approximately RMB12,750,000, including the addition of one 1,250 kilo-watt generator. Commercial operation of Phase II duly commenced at the end of September 2008 and it is now operating at full capacity. It is expected to further supply no less than 8,000,000 kilowatt-hour of electricity to the power grid per year.

蘇州沼氣發電項目一期及二期

「淨化環境、資源分享」

蘇州沼氣發電項目一期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，特許經營期二十五年，按「BOO」(建造－經營－擁有)模式建造。該項目第一期配置兩台1,250千瓦的發電機，並與蘇州垃圾焚燒發電項目共用同一電網。該項目第一期於二零零六年八月三十一日進入商業運營，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。該項目亦受惠國家環保產業政策支持，上網電價於二零零七年四月獲批准由每千瓦時人民幣0.527元調高至人民幣0.636元，二零零八年再調升至每千瓦時人民幣0.646元，大大提升項目的運營服務收益。二零零七年七月，本集團與蘇州市市政公用局簽署協議投資建設沼氣項目二期，項目二期投資約人民幣12,750,000元，增加一台1,250千瓦的發電機已於二零零八年九月底進入運營，目前項目已達到滿負荷運行，預計每年將增加上網電量不少於8,000,000千瓦時。



Suzhou Methane-to-energy Project
蘇州沼氣發電項目

Suzhou Waste-to-energy Project Phase II

“Establishing the country’s biggest waste-to-energy plant with the best quality construction and highest efficiency”

Given the remarkable social and economic benefits from Suzhou Waste-to-energy Project Phase I, the Group, in July 2007, entered into an agreement with Suzhou Municipal Public Utilities Authority in relation to the construction work of Suzhou Waste-to-energy Project Phase II. Pursuant to which the designed waste processing capacity of Phase II was adjusted from 500 tonnes of household waste daily to 1,000 tonnes of household waste daily. The total investment cost of Phase II is approximately RMB450,000,000. Its term of exclusive right of operation is the same as Suzhou Waste-to-energy Project Phase I. Construction work of the project duly commenced in February 2008 and its core structure completed at the end of 2008. Upon completion of the construction of Phase II by the second quarter of 2009, the total processing capacity of Phase I and Phase II will reach 2,000 tonnes of waste daily, and will supply 200,000,000 kilowatt-hour of electricity to the power grid per year. By then, Suzhou Waste-to-energy Project will become one of the biggest waste-to-energy power plant in the PRC.

蘇州垃圾焚燒發電項目二期

「打造國內規模最大、質量最佳、效益最好的垃圾焚燒發電項目」

鑒於蘇州垃圾焚燒發電項目一期所產生的良好社會效益和經濟效益，本集團於二零零七年七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協議，確定項目二期的規模由日處理500噸生活垃圾提高至日處理生活垃圾1,000噸。總投資約人民幣450,000,000元，特許經營期與蘇州垃圾焚燒項目一期相同。該項目於二零零八年二月開工，二零零八年年底已完成主體工程。預計項目二期於二零零九年第二季度建成後，項目一期與二期合計將達到日處理垃圾2,000噸規模，年上網電量將達到200,000,000千瓦時，並將會是國內最大垃圾焚燒發電廠之一。



Construction design picture of Suzhou Waste-to-energy Project Phase II
蘇州垃圾焚燒發電項目二期效果圖

PROJECT HIGHLIGHTS

項目摘要

Suzhou Industrial Solid Waste Landfill Project

“Establishing the country’s first industrial solid waste landfill operated on commercial basis”

Suzhou Industrial Solid Waste Landfill Project is a wholly-owned project constructed and operated by the Group. The total investment cost of the project 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. For Phase I of Suzhou Industrial Solid Waste Landfill Project, the investment cost is approximately RMB78,100,000 and the storage capacity is 200,000 cubic metre. The construction of Phase I duly commenced in November 2006 and commercial operation of the project commenced in July 2007. This project is the first industrial solid waste landfill project operated on commercial basis in the PRC and is the only project of this kind in Suzhou.

蘇州工業固體廢物填埋場項目

「建成國內首個以市場化模式運作的工業固廢填埋場」

蘇州工業固體廢物填埋場項目由本集團獨資建設與運營，總投資約人民幣377,484,000元，特許經營期三十年，項目總規模600,000立方米。第一期投資約人民幣78,100,000元，建成規模200,000立方米。該項目第一期於二零零六年十一月開工，並於二零零七年七月進入商業運營。該項目為國內首個以市場化模式運作，並且是蘇州市唯一一個工業固體廢物填埋場。



Suzhou Industrial Solid Waste Landfill
蘇州工業固體廢物填埋場

Suzhou Everbright National Demonstrative Veinous Industrial Park Projects

“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. In 2007, the State Environmental Science Institute has completed the new “Construction Plan Guidelines” of Suzhou Everbright Environmental Protection Industrial Zone and the project has been formally renamed “Suzhou Everbright National Demonstrative Veinous Industrial Park” (“Suzhou Veinous Park”). The project is the country’s first integrated park for environmental protection to centralize the disposal of municipal solid waste. According to the new construction plan, Suzhou Veinous Park will occupy an area of approximately 2.5 square kilometers and due to a large increase in the number of development projects, the original estimated total investment cost of approximately HK\$1,500,000,000 is expected to increase substantially. Through comprehensive planning and centralization of management, the whole project will be implemented in phases over 3 to 5 years.

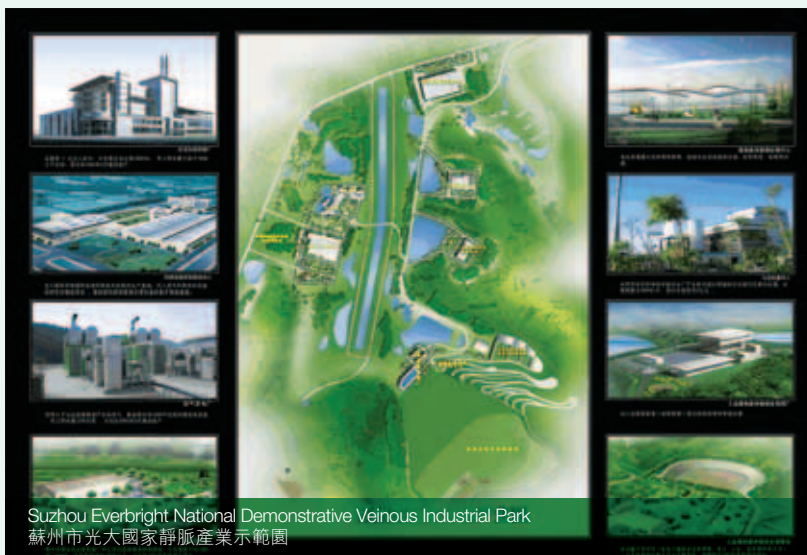
A number of projects inside Suzhou Veinous Park have already been completed, including the Waste-to-energy Project Phase I, the Methane-to-energy Project Phase I and Phase II and the Industrial Solid Waste Landfill Project Phase I. As for projects under construction, they include the Waste-to-energy Project

蘇州市光大國家靜脈產業示範園項目

「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。二零零七年，原蘇州市光大環保靜脈產業園新的《建設規劃大綱》由中國環境科學研究院編制完成，並正式更名為「蘇州市光大國家靜脈產業示範園」（「蘇州靜脈園」）。該項目是全國首個集中處理城市固體廢棄物的環保綜合產業示範園。根據新的建設大綱，蘇州靜脈園佔地約2.5平方公里，規劃建設的項目數量大大增加，預計總投資將由原預算約港幣1,500,000,000元大幅增加，整個示範園將採取統一規劃、集中管理、分步實施、成熟一個推進一個的策略，分三至五年建設。

蘇州靜脈園現已建成項目包括垃圾焚燒發電項目一期、沼氣發電項目一期、二期及固體廢物填埋場項目一期。在建項目包括垃圾焚燒發電項目二期及垃圾滲濾液處理。新增規劃建設的項目包括市政污泥無害化處置、固體廢物技術研發中心、



PROJECT HIGHLIGHTS

項目摘要

Phase II and a leachate treatment plant. The projects to be developed include a sludge treatment centre, a solid waste technology development and research centre, the Waste-to-energy Project Phase III and an electronic waste recycling centre, etc.

Yixing Waste-to-energy Project

“Establishing a waste-to-energy pioneer project with domestic equipment based on 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 RMB238,300,000. The term of exclusive right of operation is 25 years and the power plant will be constructed on “BOT” basis. The plant is equipped with two waste incinerators, each with a respective processing capacity of 250 tonnes per day and a 9,000 kilo-watt generator. The construction of Yixing Waste-to-energy Project duly commenced in September 2005 and

垃圾焚燒發電項目三期及電子廢物回收利用等項目。

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。該項目於二零零五年九月正式開工，並於二零零七年六月進入商業運營。上網電價為每千瓦時人民幣0.646元。按照項目設計規模，該項目日處理垃圾量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。該項目



Yixing Waste-to-energy Project
宜興垃圾焚燒發電項目

the plant started commercial operation in June 2007. The on-grid electricity tariff is RMB0.646 per kilowatt-hour. According to its development plan, the project's designed waste processing capacity is 500 tonnes per day and 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. The project is the Group's first waste-to-energy pioneer project with domestic equipment based on imported technology. After one and a half years of operation, it proved that waste-to-energy plant constructed with domestic equipment developed from imported technology could also operate smoothly and successfully, with dioxin emission complying with Euro II standard. It offers the Company an alternate choice of construction when constructing other waste-to-energy plants in the future. Like Suzhou Waste-to-energy Project Phase I, the project company has applied to the local environmental protection department to link up its online gas emission monitoring system with the network of the environmental protection department for the purpose of online emission monitoring by the government.

For the waste-to-energy industry, the processing of leachate is a difficult problem. The Group has chosen Yixing Waste-to-energy Project to be the country's first waste-to-energy plant to treat leachate according to Grade 1A standard and the treated water can be used as recycled water and for plantation. The said project has demonstrated a technological breakthrough in the environmental protection industry of the PRC. The related experience will be applied to the other waste-to-energy projects of the Group. In order to fully utilize the methane produced by leachate treatment, a 120-kilowatt methane-gas power generator was installed. In December 2008, the generator commenced generation of power. At present, its average daily generation output is more than 1,000 kilowatt-hour of electricity. The electricity output has been for our own use, resulting in the decrease of electricity cost. Yixing Project Company was also approved to increase waste processing fee to RMB74.13 per tonne from 1 January 2008.

作為本集團首個「引進技術國產化」示範項目，經過一年半時間的運營，證明以國產化設備建設的項目是可以滿足垃圾焚燒發電廠正常運行、二噁英排放達到歐盟二號標準的，為公司日後的垃圾焚燒發電項目建設提供了新的選擇。該項目與蘇州垃圾焚燒發電項目一期一樣，主動向當地環保部門申請，已將煙氣在線檢測系統與環保部門進行聯網，接受政府在線監督，嚴格達標排放。

此外，垃圾焚燒發電項目的滲濾液處理是該行業中的難題，本集團在宜興垃圾焚燒發電項目進行國內首次採用一級A標準處理垃圾滲濾液並用於廠區循環和綠化用水，實現了行業內的突破。有關經驗將應用於本集團其他垃圾焚燒發電項目上。為充份利用滲濾液處理中所產生的沼氣資源，新增一台120千瓦沼氣發電機，二零零八年十二月發電機一次性並網成功，目前日均發電1,000千瓦時以上作為自用，降低電費成本。宜興項目公司並成功爭取從二零零八年一月一日起調增垃圾處理費至每噸人民幣74.13元。

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. The total investment cost of the project is approximately RMB388,740,000. The term of exclusive right of operation is 30 years. The designed processing capacity of the power plant is 800 tonnes of waste per day. The construction of the power plant has been 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 is 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 commenced on 28 June 2006 and its commercial operation commenced in May 2008. On-grid electricity tariff was fixed at RMB0.646 per kilowatt-hour. With its designed waste processing capacity of 800 tonnes per day, Phase I of the project 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. The leachate treatment project of the power plant is also designed and constructed according to Grade 1A standard, with the view of achieving “nil discharge”, and test running has already started.

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。項目總投資約人民幣388,740,000元，特許經營期三十年，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開工，二零零八年五月進入商業運營，上網電價為每千瓦時人民幣0.646元。按照第一期項目設計規模日處理垃圾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。此外，該項目的滲濾液處理項目同樣按一級A標準進行設計、施工，並已進行通水試驗，最終實現「零排放」。



Jiangyin Waste-to-energy Project
江陰垃圾焚燒發電項目

Changzhou Waste-to-energy Project

“Creating an outstanding model of the industry by assimilating new ideas and raising standards”

Changzhou Waste-to-energy 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 designed processing capacity of the power plant is 800 tonnes of waste per day. It has been constructed on “BOT” basis. The plant is equipped with two waste incinerators with a respective processing capacity of 400 tonnes per day and a 12,000 kilowatt generator. Construction work of the project commenced in March 2007. In November 2008, the plant was able to supply electricity to the power grid when carrying out (the “72+ 24” hours) test running. According to its development plan, the power plant’s designed waste processing capacity is 800 tonnes per day and 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. Besides, based on the experience from Yixing Project and Jiangyin Project, the leachate treatment centre of the power plant is designed and constructed according to Grade 1A standard, with the view of achieving “nil discharge”.

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」

常州垃圾焚燒發電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，特許經營期二十五年半，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。該項目於二零零七年三月開工，二零零八年十一月發電機組開始並網發電及進入「72+24」小時調試。按照項目設計規模日處理垃圾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。此外，該項目已參照宜興項目及江陰項目的經驗，滲濾液處理正在按一級A標準進行設計、施工，最終實現「零排放」。



Changzhou Waste-to-energy Project
常州垃圾焚燒發電項目

PROJECT HIGHLIGHTS

項目摘要

ENVIRONMENTAL WATER PROJECTS 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 Maidaowaste 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. Commercial operation of the plants commenced on 1 January 2005. Waste water treatment service charges were charged based on the daily treatment capacity of 150,000 tonnes. 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 Maidaowaste Water Treatment Plant (the “Extension Facilities”) under a turnkey contract. The Extension Facilities, being ancillary facilities for the water sports events of 2008 Olympic Games, has been constructed according to Grade 1B standard. Construction of the Extension Facilities commenced at the end of June 2005. The Extension Facilities started to receive waste water in June 2006 and commercial operation duly commenced in July 2007. Qingdao Maidaowaste Water Treatment Plant has an area of 4.54 hectares, which is 67.4% smaller than waste water treatment plants of similar scale in the PRC, achieving the utmost economy in land resources. At present, the average treatment volume of the two plants in aggregate is 190,000 tonnes per day and will gradually increase to 220,000 tonnes. Besides, in order to fully utilize the methane produced from sludge digestion, four 500-kilowatt methane-gas power generators were installed. The project is the first methane-to-energy project in Shandong Province . In June 2008, the generators commenced generation of power. At present, the generators’ average daily generation output is more than 20,000 kilowatt-hour of electricity. The electricity output has been for our own use, resulting in the decrease of electricity cost.

環保水務項目 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）。項目總投資額約美元42,808,150。本集團間接持有該項目60%權益。項目自二零零五年一月一日起開始商業運營，即按照日處理150,000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（「擴建工程」），該工程按一級B標準建設，也是二零零八年奧運會水上項目的配套。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，並於二零零七年七月進入商業運營。麥島污水處理廠佔地4.54公頃，較國內同類污水處理廠節約用地67.4%，大大節省了用地資源。目前兩廠日均污水處理量已達約190,000噸，並將逐步增加至220,000噸。此外，為充份利用污泥發酵過程中產生的沼氣資源，新增四台500千瓦沼氣發電機，此項目是山東省第一個沼氣發電項目，二零零八年六月發電機正式運行，目前日均發電20,000千瓦時以上作為自用，降低電費成本。



Digester and methane storage tank of Maidaowaste Water Treatment Plant 麥島污水處理廠消化池和沼氣罐

Zibo Southern and Northern Plants 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 agreements 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 for the acquisition of the Southern Plant and the Northern Plant in Zibo City. The investment cost is approximately RMB224,055,000. The project is operated on “TOT” basis and the term of exclusive right of operation is 25 years. The designed waste water treatment capacity of the plants is 250,000 tonnes per day. As regards the equipment upgrade for the plants, it was completed in April 2006. At present, the total daily waste water treatment volume of the plants is more than 220,000 tonnes. On 28 August 2006, Zibo Project Company and Zibo Municipal Government signed a supplemental agreement in respect of the overall upgrade of the Southern Plant and the Northern Plant. The cost for the overall upgrade is approximately RMB130,221,000. The upgrading work has already completed and the discharge quality reached Grade 1A of the national waste water discharge standard in May 2008. Waste water treatment fee increased from RMB0.75 per tonne to RMB0.98 per tonne. Zibo Project Company is the first Chinese enterprise whose waste water quality reaches Grade 1A of the national waste water discharge standard whereas Zibo is the first Chinese city whose urban waste water quality reaches the same standard.

淄博南郊廠及北廠污水處理項目

「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協議，收購淄博南郊廠和北廠，項目總投資約人民幣224,055,000元，特許經營期二十五年，按「TOT」模式運作，設計規模為日處理污水250,000噸。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。二零零六年八月二十八日，淄博項目公司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。改造工程已完成，出水水質於二零零八年五月達到目前國家污水處理排放的最高標準——一級A標準，污水處理費亦由每噸人民幣0.75元增加至每噸人民幣0.98元。淄博項目公司成為國內首家實現出水達到一級A標準的企業，而淄博市亦成為國內第一個全部城市污水達到一級A排放標準的城市。



Zibo Southern Plant Waste Water Treatment Project
淄博南郊廠污水處理項目

PROJECT HIGHLIGHTS

項目摘要

Zibo High-tech Industrial Development Zone Waste Water Treatment Project

“Producing an excellent project, setting an example for the industry”

Zibo High-tech Industrial Development Zone Waste Water Treatment Project is the Group's first waste water treatment project constructed according to Grade 1A standard and operated 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 designed waste water treatment capacity of the plant is 100,000 tonnes per day. Construction of the Project commenced in October 2006 and the plant received waste water in March 2007. Commercial operation of the project commenced in September 2007 and the waste water treatment fee is RMB0.98 per tonne. In November 2008, the project was awarded a silver medal in the “State Outstanding Construction Projects 2008”.

淄博高新區污水處理項目

「建全優項目，創行業標竿」

淄博高新區污水處理項目是本集團第一個按「BOT」模式採用一級A標準建設的污水處理項目。項目總投資約人民幣150,000,000元，特許經營期為二十五年，設計規模日處理污水100,000噸。該項目於二零零六年十月開工，二零零七年三月實現通水，二零零七年九月份進入商業運營，污水處理費為每噸人民幣0.98元。該項目於二零零八年十一月榮獲「二零零八年度國家優質工程銀獎」。



Zibo High-tech Industrial Development Zone Waste Water Treatment Project
淄博高新區污水處理項目

Jinan Waste Water Treatment Project

“Creating outstanding environmental protection works under excellent management”

In June 2006, the Group entered into an 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, Jinan Project Company duly executed various agreements 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 project commenced thereafter. 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 total designed waste water treatment capacity of the plants is 420,000 tonnes per day. After the said handover of the plants, the Group invested RMB20,000,000 to upgrade the equipment and the upgrading work was completed in April 2007, two months earlier than the expected completion date. The plants are now operating at full capacity. In July 2008, Jinan Project Company and Jinan Municipal Government signed a supplemental agreement in respect of the overall upgrading of Jinan No.1 and No.2 plants and the extension of Jinan No.1 Plant for a daily waste water treatment of 80,000 tonnes. The cost for the overall upgrade and extension work is approximately RMB287,000,000. The upgrading work and the extension work were carried out at the same time. The upgrading work was completed and the plants were ready to receive waste water in December 2008. The extension of Jinan No.1 Plant is expected to receive waste water in mid 2009. Upon completion of the said upgrading work and extension work, the total designed capacity of Jinan No.1 and No.2 plants will be increased from 420,000 tonnes per day to 500,000 tonnes per day. Discharge quality will improve to the highest Grade 1A of the national waste water discharge standard. The waste water treatment fee will be increased from RMB0.75 per tonne to RMB1.012 per tonne.

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與濟南市政府有關部門就收購濟南市水質淨化一廠、二廠項目簽署協議。濟南項目公司並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署一系列協議。二零零六年十一月十八日舉行濟南市水質淨化一廠、二廠項目正式交接並開始商業運營。該項目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，特許經營期三十年，兩廠設計規模日處理污水420,000噸。項目接收運營後，投入人民幣20,000,000元進行設備更新改造，並於二零零七年四月提前兩個月完成了兩廠設備改造及實現滿負荷運行。二零零八年七月，濟南項目公司再與市政府就淨化一廠及二廠的全面升級改造及淨化一廠的擴建80,000噸工程項目簽署補充協議。改擴建工程總投資約人民幣287,000,000元。改造及擴建工程同步進行，其中改造工程於二零零八年十二月達到通水條件。淨化一廠擴建工程將於二零零九年中達到通水條件。改擴建項目完成後，兩廠日處理規模由原來的420,000噸提升至500,000噸，出水水質將達到目前國家污水處理排放的最高一級A標準，污水處理費亦將由每噸人民幣0.75元增加至每噸人民幣1.012元。



Jinan Waste Water Treatment Plant
濟南污水處理廠

PROJECT HIGHLIGHTS

項目摘要

Jinan Licheng Waste Water Treatment Project

In August 2008, the Group and Jinan Municipal Public Utilities Authority entered into agreements in respect of Jinan No. 3 Waste Water Treatment Project on BOT basis. The designed waste water treatment capacity of the project is 100,000 tonnes per day. The investment cost of the project is approximately RMB138,000,000. The project will be constructed and operated according to national Grade 1A discharge standard. The waste water treatment fee will be RMB0.81 per tonne. Construction work of the project commenced in September 2008 and has been progressing satisfactorily. It is expected the plant will be ready to receive waste water by the end of March 2009.

Zibo Zhoucun Waste Water Treatment Project “Establishing excellent projects and setting example of brilliant works”

In July 2007, the Group entered into a cooperative framework agreement with Zibo Zhoucun Municipal Government. In October 2007, the Group entered into the formal agreements in respect of the waste water treatment plant at Zhoucun with Zibo Zhoucun Municipal Government. The project is the second waste water treatment project invested, constructed and operated on “BOT” basis by the Group. The designed waste water treatment capacity of the project is 80,000 tonnes per day. The total investment cost of the project is approximately RMB120,000,000. For Phase I of the project, the waste water treatment capacity will be 40,000 tonnes per day and the investment cost is approximately RMB70,000,000. The project will be constructed and operated according to national Grade 1A discharge standard. The waste water treatment fee will be RMB0.95 per tonne. Construction work of the project commenced in August 2008. The plant was ready to receive waste water at the end of 2008 and the test running duly carried out in January 2009.

濟南歷城污水處理項目

本集團於二零零八年八月與濟南市市政公用事業局就濟南市水質淨化三廠BOT項目簽署協議。該項目總規模日處理污水100,000噸，投資約人民幣138,000,000元。項目按國家一級A標準建設、運營，每噸污水處理費人民幣0.81元。項目於二零零八年九月開工，目前工程進展良好，預計於二零零九年三月底達到通水條件。

淄博周村污水處理項目 「建全優項目，創行業標竿」

本集團於二零零七年七月與淄博周村市政府簽署合作框架協議。於二零零七年十月與淄博周村市政府簽署正式協議。該項目為本集團第二個以「BOT」模式投資、建設、運行管理的水務項目。項目總規模日處理污水80,000噸，總投資人民幣120,000,000元，第一期日處理污水規模40,000噸，投資約人民幣70,000,000元。項目按國家一級A標準建設、運營，每噸污水處理費人民幣0.95元。該項目於二零零八年八月開工，二零零八年年底達到通水條件，二零零九年一月通水並進入調試階段。

Binzhou Boxing Waste Water Treatment Project **“Producing quality projects and creating outstanding works”**

In November 2007, the Group entered into various agreements with Boxing Municipal Government for the acquisition of Boxing waste water treatment plant on “TOT” basis. The total waste water treatment capacity of the project is 60,000 tonnes per day. The acquisition cost of Phase I with waste water treatment capacity of 30,000 tonnes and the investment cost for upgrading work will be RMB40,000,000. Upon completion of the upgrading work, the project will be operated according to national Grade1B discharge standard. Boxing Project Company took over the plant in April 2008 and commercial operation of the project commenced thereafter. At the same time, Boxing Project Company and Boxing Municipal Government entered into a supplemental agreement in respect of Phase II of the project with waste water treatment capacity of 30,000 tonnes. The upgrading work of Phase I and the construction of Phase II commenced in August 2008 and the plants were ready to receive waste water in December 2008 and January 2009 respectively.

濱州博興污水處理項目 **「創優質工程、建精品項目」**

本集團於二零零七年十一月與博興市政府就以「TOT」模式收購博興污水處理廠簽署正式協議。該項目總規模日處理污水60,000噸，收購第一期30,000噸及改造工程投資約人民幣40,000,000元。改造工程完成後項目將按國家一級B標準運營。博興項目公司於二零零八年四月正式接收該項目及進入商業運營。同時，博興公司與市政府就二期30,000噸項目簽署補充協議。一期改造及二期項目於二零零八年八月開工，並分別於二零零八年十二月及二零零九年一月達到通水條件。



Boxing Waste Water Treatment Project
博興污水處理項目

PROJECT HIGHLIGHTS

項目摘要

Jiangyin Waste Water Treatment Project

“Establishing the country’s first waste water treatment pioneer project aiming at achieving “integration of plants and sewage piping network in one system in rural areas””

Jiangyin Waste Water Treatment Project is the Group’s first waste water treatment project in Jiangsu Province. In November 2007, the Group entered into the “Joint Venture Agreement” with Jiangyin City Xin Guo Lian Investment and Development Company Limited. Pursuant to which both parties will establish a project company in Jiangyin City and will invest RMB624,000,000 to acquire Binjiang waste water treatment plant, Chengxi waste water treatment plant, Shizhuang waste water treatment plant and Chengshi waste water treatment plant situated in Jiangyin City on “TOT + BOT” basis. The Group owns 70% interests in the project company. The designed waste water treatment capacity of the plants is 190,000 tonnes per day. The term of exclusive right of operation is 30 years. The Plants were formally handed over to the Group on 18 January 2008 and commercial operation of the project has commenced. Upgrading work of the project commenced to comply with Grade 1A discharge standard and the estimated construction cost is RMB201,000,000. In March 2008, the Group and Jiangyin Municipal Government entered into the “Asset Transfer Agreement in respect of All Sewage Piping Network in the Urban Area of Jiangyin City”. The purchase price was RMB267,000,000. The waste water treatment fee was adjusted from RMB2.1 per tonne to RMB2.52 per tonne. The Group intends to integrate the waste water treatment plants and sewage piping network in Jiangyin in phases in the next 2 to 3 years. The plan is to ultimately integrate the plants and sewage piping network of the urban and rural areas into one seamless system, which will make the Jiangyin Waste Water Treatment Project the first integrated urban and rural waste water treatment model project in the PRC.

江陰污水處理項目

「打造全國首個『廠網合一、城鄉統籌』的水環境治理示範工程」

江陰污水處理項目乃本集團在江蘇省第一個水務項目。本集團與江陰市新國聯投資發展公司於二零零七年十一月簽署《合資協議》，雙方並於江陰市合資成立項目公司，以「TOT+BOT」模式投資人民幣624,000,000元收購江陰城區之濱江、澄西、石莊及城市四家污水處理廠，本集團擁有該項目公司70%權益。該項目設計規模為日處理污水190,000噸，特許經營期三十年。本集團於二零零八年一月十八日接收該項目並進入商業運營，並以一級A污水排放標準進行全面升級改造，預算建造費用為人民幣201,000,000元。此外，本集團於二零零八年三月再與江陰市政府簽署《江陰市城區污水管網資產轉讓協議》，收購價款人民幣267,000,000元，水價亦從原協議每噸人民幣2.1元調升至每噸人民幣2.52元。本集團計劃用二至三年時間分階段將全市城鄉污水處理廠及管網項目進行整合，最終形成「廠網合一、城鄉統籌」的格局。籍此全力打造全國第一個城鄉一體化污水處理示範項目。



Jiangyin Chengxi Waste Water Treatment Plant
江陰澄西污水處理廠

INFRASTRUCTURE BUSINESS

Fuzhou Qingzhou Bridge Project

The Group has 80% interests 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, 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 continued to grow, providing steady cashflow to the Group.

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「瀋海線」(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樑之一。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，車流量持續增長，為本集團提供穩定的現金流。



Fuzhou Qingzhou Bridge
福州青洲大橋

DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員

Directors

TANG SHUANGNING – CHAIRMAN

aged 54, is the Chairman of the Company. Mr. Tang is a member of the 11th National Committee of the Chinese People's Political Consultative Conference. He is also the Chairman of China Everbright Group Limited, China Everbright Holdings Company Limited, China Everbright Bank Company Limited and Everbright Securities Company Limited. Mr. Tang is also the Director of Sun Life Everbright Life Insurance Company Limited and the Chairman of China Everbright Limited. He also serves as the Vice Chairman of China Society for Finance and Banking and the Consultant of China Society for Investment. Prior to joining the China Everbright Group, he was the Vice Chairman of the China Banking Regulatory Commission, the Director-General of the Banking Supervision Department I, the Director-General of the Currency, Gold and Silver Bureau and the Director-General of the Credit Management Division of the People's Bank of China. He holds a Master's Degree in Economics from China Northeast University of Finance & Economics. Mr. Tang has extensive knowledge and experience in banking and finance management. Mr. Tang joined the Board in July 2007.

ZANG QIUTAO – VICE-CHAIRMAN

aged 56, is the Vice-chairman of the Company. He is also the Vice-chairman of China Everbright Group Limited and China Everbright Holdings Company Limited. Mr. Zang is the Chairman of China Everbright Industry Group Limited and China Everbright Investment Management Corporation. He is also the Deputy Chairman of China Everbright Limited. 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

唐雙寧(主席)

現年54歲，本公司主席，唐先生為第十一屆中國人民政治協商會議全國委員會委員，彼亦為中國光大(集團)總公司、中國光大集團有限公司、中國光大銀行股份有限公司及光大證券股份有限公司董事長。此外，唐先生亦為光大永明人壽保險有限公司董事及中國光大控股有限公司主席。彼兼任中國金融學會副會長及中國投資學會顧問。彼在加入中國光大集團前，曾任中國銀行業監督管理委員會副主席、中國人民銀行銀行監管一司司長、貨幣金銀局局長及信貸管理司司長等職務。彼持有中國東北財經大學經濟學碩士學位。唐先生於銀行及金融管理方面擁有非常廣泛的知識及十分豐富的經驗。唐先生於二零零七年七月加入董事會。

臧秋濤(副主席)

現年56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。此外，臧先生為中國光大實業(集團)有限責任公司及中國光大投資管理公司的董事長。彼亦為中國光大控股有限公司副主席。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 (continued)**LI XUEMING – VICE-CHAIRMAN**

aged 61, 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 Industry Group Limited and 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 55, 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 Chinese Business 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.

FAN YAN HOK, PHILIP – GENERAL MANAGER

aged 59, is the General Manager of the Company and a non-executive 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.

董事(續)**李學明(副主席)**

現年61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，中國光大實業(集團)有限責任公司及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之前，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55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、四川聯合大學管理學研究所企業管理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。

范仁鶴(總經理)

現年59歲，本公司總經理及為香港建設(控股)有限公司之非執行董事。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為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。

DIRECTORS AND SENIOR MANAGEMENT 董事及高層管理人員**Directors (continued)****WONG KAM CHUNG, RAYMOND
– CHIEF FINANCIAL OFFICER**

aged 45, 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 member of the Institute of Chartered Accountants of England and Wales, 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.

ZHANG WEIYUN

aged 52, 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. She joined the China Everbright Group in 1991 and was formerly 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 81, is Chairman of GAM Hong Kong Limited. He is Deputy Chairman and Independent Non-executive Director of CNT Group Limited, Independent Non-executive Deputy Chairman of Hysan Development Company Limited and Independent Non-executive Director of K. Wah International Holdings Limited. He is also a chairman and member of various voluntary organizations. He received his Master of Arts Degree at Oxford University. He was formerly the chief secretary of Hong Kong. He joined the Board in March 1995.

董事(續)**黃錦驥
(財務總監)**

現年45歲，本公司財務總監，黃先生持有澳洲麥克理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。

張衛云

現年52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81歲，鍾爵士為GAM Hong Kong Limited的主席，亦為北海集團有限公司副主席及獨立非執行董事、希慎興業有限公司獨立非執行副主席及嘉華國際集團有限公司獨立非執行董事。此外，彼亦為多個志願團體之主席及成員。彼獲英國牛津大學文學碩士學位。鍾爵士曾任香港布政司。彼於一九九五年三月加入董事會。

Directors (continued)

LI KWOK SING, AUBREY

– INDEPENDENT NON-EXECUTIVE DIRECTOR

aged 59, is Chairman of MCL Partners Limited, a Hong Kong based financial advisory and investment firm, and has over 30 years' experience in merchant banking and commercial banking. He is also a non-executive director of The Bank of East Asia, Limited, Café de Coral Holdings Limited, CNPC (Hong Kong) Limited, Kowloon Development Company Limited and Pokfulam Development Company Limited. 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 73, 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 Minmetals Land Limited and Man Yue International Holdings Limited. He was formerly an Independent Non-Executive Director and Deputy Chairman of Mitsumar East Kit (Holdings) Limited until 7 July 2008. He was the President of Hong Kong Society of Accountants (now known as Hong Kong Institute of Certified Public Accountants) in 1991. Mr. Mar is an Honorary Fellow of the Lingnan University. He joined the Board in September 2004.

Senior Management

POON YUEN LING

aged 41, 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.

董事(續)

李國星

(獨立非執行董事)

現年59歲，李先生為偉業資本有限公司(一家從事財務顧問及投資以香港為基地之公司)之董事長，且在投資銀行及商業銀行界具有逾三十年經驗。彼亦為東亞銀行有限公司、大家樂集團有限公司、中國(香港)石油有限公司、九龍建業有限公司及博富臨置業有限公司之非執行董事。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73歲，馬先生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的獨立非執行董事及審核委員會主席。彼亦為五礦建設有限公司及萬裕國際集團有限公司的獨立非執行董事及審核委員會主席。彼曾任三九東傑(控股)有限公司的獨立非執行董事及副主席至二零零八年七月七日為止。彼曾於一九九一年出任香港會計師公會會長。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。

高層管理人員

潘婉玲

現年41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

The Group has been relentless in raising its corporate governance standard. The Group believes that it is the key for business development and safeguard shareholders' interest. The Group has been upholding the management principle of "people interest, pragmatism, creativity and systematic management", and through a set of rules and regulations, strengthen its internal control and risk management. At the same time, through public and full disclosure of information on a timely basis, the Group is eager to increase its transparency, accountability and thus corporate value. The Board meets regularly and it has in place an Audit Committee, a Remuneration Committee and a Management Committee under the Board. On the risk management front, the Group has set up a Risk Management Advisory Committee to monitor and assess risk on regular basis, raise risk management standard and evaluate investment projects. With regards to the technological risk management mechanism, the Group has set up an Engineering Technical Management Committee which is responsible for technology assessment of investment projects. For financial control, the Group insists on stringent budget management, and formed the Budget Approval Management Committee, focusing on monitoring construction and operation budgets. In January 2009, the Group set up an Operations Management Committee of Everbright Environment for its fast growing environmental protection business. The Operations Management of Everbright Environment will conduct regular meetings to discuss and resolve critical issues of the environmental protection business to ensure the business has a rapid yet healthy growth. At the same time, the Group has set up an Internal Audit Department to perform internal audits on the Group's investment projects regularly to raise the Group's management standard.

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

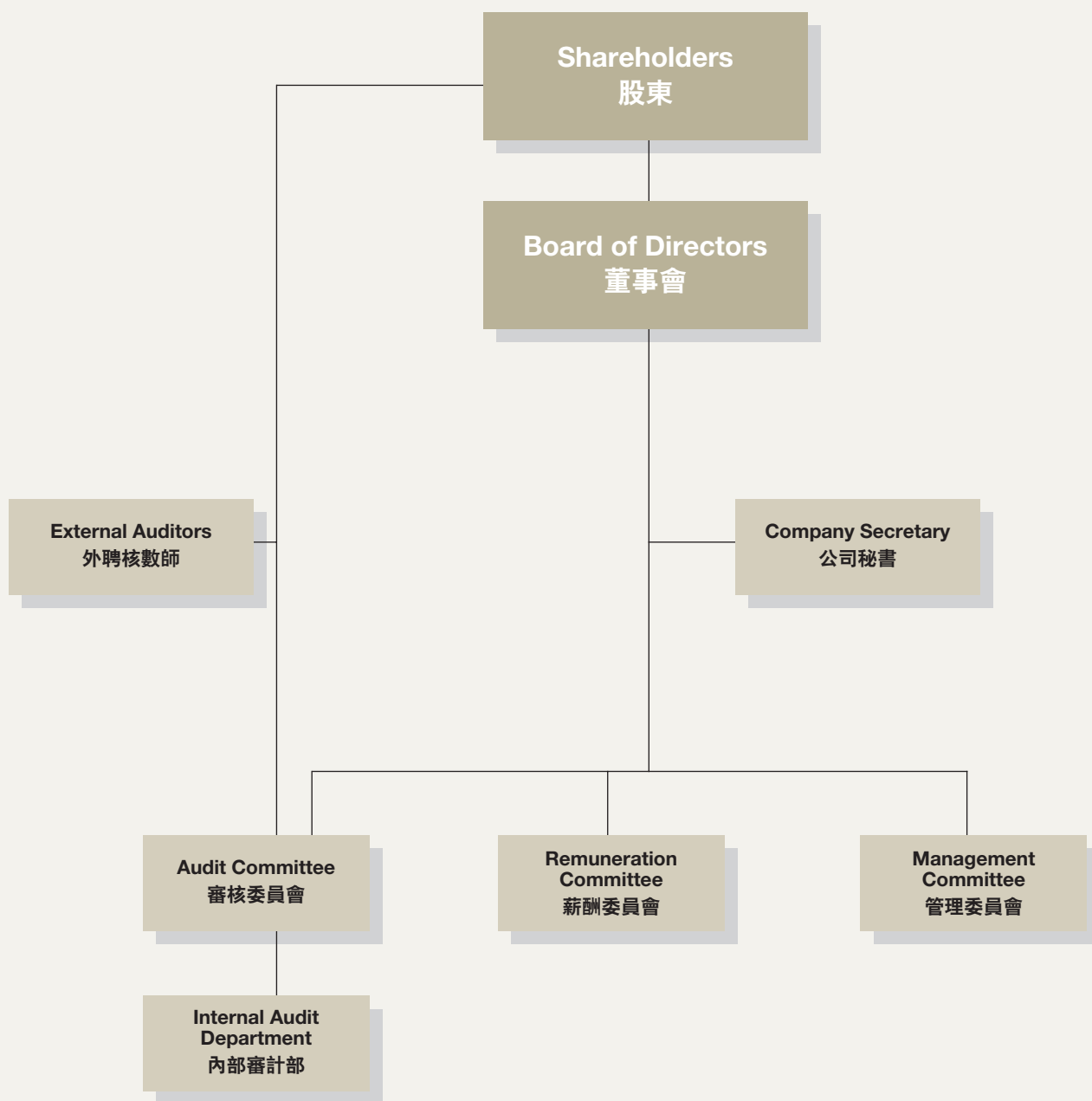
For the year ended 31 December 2008, the Company had complied with the provisions of the Code and some of the recommended best practices as set out in the Code.

本集團一直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。本集團奉行「以人為本、求真務實、開拓創新、規範管理」的管理理念，並透過制定規章制度、強化內部監控及風險防範與管理、以公開及全面的態度適時披露資料等，提升公司價值、透明度及負責性，以維持高水平之企業管治。董事會定期召開會議，並設立三個委員會包括審核委員會、薪酬委員會及管理委員會。在管理風險機制上，本集團設立風險管理評審委員會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。在技術風險管理機制上，本集團設立工程技術管理委員會負責在投資項目的技術方面作出評審。在財務監控上，本集團堅持嚴格的預算管理，並特別成立預算審核管理委員會專職監控項目的工程和經營預算。於二零零九年一月，本集團更就發展迅速的環保業務設立了光大環保經營管理委員會。光大環保經營管理委員會會定期召開會議研究推動環保業務的重點工作，確保環保業務快速健康的發展。此外，本集團亦設立內部審計部定期就本集團的投資項目進行內部審核以提升管理水平。

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

截至二零零八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。

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



CORPORATE GOVERNANCE REPORT 企業管治報告書

THE BOARD OF DIRECTORS

Composition and function

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

董事會

組成及職責

董事會由十位董事組成，包括七位執行董事及三位獨立非執行董事組成。

As at 31 December 2008, the directors were:

於二零零八年十二月三十一日，董事會成員為：

Name of Director	Title	董事姓名	職位
<i>Executive Directors</i>		<i>執行董事</i>	
Mr. Tang Shuangning	Chairman	唐雙寧先生	主席
Mr. Zang Qiutao	Vice-chairman	臧秋濤先生	副主席
Mr. Li Xueming	Vice-chairman	李學明先生	副主席
Mr. Chen Xiaoping	Chief Executive Officer	陳小平先生	行政總裁
Mr. Philip Fan Yan Hok	General Manager	范仁鶴先生	總經理
Mr. Raymond Wong Kam Chung	Chief Financial Officer	黃錦聰先生	財務總監
Ms. Zhang Weiyun	Executive Director	張衛云女士	執行董事
<i>Non-executive Directors</i>		<i>非執行董事</i>	
Sir David Akers-Jones	Independent Non-executive Director	鍾逸傑爵士	獨立非執行董事
Mr. Aubrey Li Kwok Sing	Independent Non-executive Director	李國星先生	獨立非執行董事
Mr. Selwyn Mar	Independent Non-executive Director	馬紹援先生	獨立非執行董事

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.

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）必須至少每三年退任一次。

THE BOARD OF DIRECTORS (continued)

Composition and function (continued)

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

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.

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. REMUNERATION COMMITTEE

The Remuneration Committee currently comprises Mr. Zang Qiutao (Chairman), 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.

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.

董事會(續)

組成及職責(續)

主席及行政總裁之職務由不同人仕擔任，使董事會運作及集團業務及運營之日常管理得以有效區分。

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。

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. 薪酬委員會

現時薪酬委員會由董事會副主席臧秋濤先生(擔任主席)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。

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。

CORPORATE GOVERNANCE REPORT 企業管治報告書**THE BOARD OF DIRECTORS (continued)****Composition and function (continued)****1. REMUNERATION COMMITTEE (continued)**

The remuneration of all the directors and their respective interest in share options are set out in note 8 to the financial statements and under the "Share option scheme" paragraph in the report of the directors of this Annual Report.

2. 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 2007 and the interim results for the six months ended 30 June 2008.

3. 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. Raymond Wong Kam Chung, the Chief Financial Officer of the Company, Mr. Hu Yanguo, the Assistant to General Manager of the Company and Mr. Yang Zhiqiang, the Manager of the Legal Department 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 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)****1. 薪酬委員會(續)**

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八及董事會報告「購股權計劃」一段內。

2. 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二零零七年十二月三十一日止之年度業績及截至二零零八年六月三十日止六個月之中期業績)進行討論。

3. 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、財務總監黃錦聰先生、總經理助理胡延國先生及法律部經理楊志強先生。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 ATTENDANCE RATE OF DIRECTORS

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.

董事會及委員會會議次數及各董事的出席次數

下表顯示本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. Tang Shuangning (Note 1)	唐雙寧先生 (附註1)	2/4	0/1	N/A 不適用	N/A 不適用
Mr. Zang Qiutao (Note 2)	臧秋濤先生 (附註2)	4/4	1/1	N/A 不適用	N/A 不適用
Mr. Li Xueming	李學明先生	2/4	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	10/10
Mr. Philip Fan Yan Hok	范仁鶴先生	4/4	N/A 不適用	N/A 不適用	09/10
Mr. Raymond Wong Kam Chung	黃錦聰先生	4/4	N/A 不適用	N/A 不適用	10/10
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	1/1	2/3	N/A 不適用
Mr. Aubrey Li Kwok Sing	李國星先生	4/4	1/1	3/3	N/A 不適用
Mr. Selwyn Mar	馬紹援先生	4/4	1/1	3/3	N/A 不適用

Notes:

1. Mr. Tang Shuangning resigned as a member and the Chairman of the Remuneration Committee of the Company with effect from 20 January 2009.
2. Mr. Zang Qiutao was appointed as the Chairman of the Remuneration Committee of the Company with effect from 20 January 2009.

附註：

1. 唐雙寧先生於二零零九年一月二十日辭任為本公司薪酬委員會會員兼主席。
2. 臧秋濤先生於二零零九年一月二十日被委任為本公司薪酬委員會之主席。

CORPORATE GOVERNANCE REPORT 企業管治報告書

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 duties 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.

The duties 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.

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式；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到整個董事會；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。

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。

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 hold office for a term of two years until 31 December 2009, 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.

SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted 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 had complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2008.

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.

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任期為兩年，直至二零零九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

根據本公司的公司細則，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。

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，截至二零零八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。

CORPORATE GOVERNANCE REPORT 企業管治報告書**SHAREHOLDERS' RIGHTS (continued)**

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.

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 independent auditor's report.

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 2008, 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)

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。

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，核數師概不就獨立核數師報告的內容，對任何其他人士負責或承擔責任。

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。

截至二零零八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：

		2008 二零零八年 HK\$'000 港幣千元
Annual audit services	年度審核服務	2,900
Interim review services	審閱中期業績服務	448
Other services	其他服務	325
		3,673

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.

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.

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成業務目標、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式：

- **組織架構**
本集團已制訂合適的組織架構，清楚訂明相關的運營政策及程式、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式以評估、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。

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。

CORPORATE GOVERNANCE REPORT 企業管治報告書

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

A statement by KPMG, the auditors of the Company, about their reporting responsibilities on the financial statements of the Group is included in the Independent Auditor's Report on pages 92 to 93.

INVESTOR RELATIONSHIP AND COMMUNICATION

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.

At the 2008 annual general meeting of the Company, a separate resolution was proposed by the Chairman in respect of each separate issue, including re-election of directors. The Chairman of the Board and all members of the Audit Committee and Remuneration Committee attended the meeting to answer questions of shareholders.

On 18 December 2008, an extraordinary general meeting of the Company was held to consider and pass an ordinary resolution to approve a discloseable and connected transaction, details of which was set out in a circular to shareholders of the Company dated 1 December 2008. All members of the independent board committee attended the meeting to answer questions of shareholders. The ordinary resolution was duly passed by independent shareholders by way of poll at the meeting.

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。

本公司由財務總監負責管理財務管理部，在財務管理部的協助下，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。

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九十二頁至第九十三頁之獨立核數師報告內。

與投資者的關係及溝通

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。

於二零零八年度的股東周年大會上，主席就每項獨立的事項個別提呈獨立決議案，其中包括重選董事、董事會主席、以及審核委員會和薪酬委員會的委員出席會議回答股東的提問。

於二零零八年十二月十八日，本公司舉行股東特別大會，藉以考慮及通過有關一項須予披露及關連交易的普通決議案，有關詳情載列於二零零八年十二月一日本公司發予股東的通函內。所有獨立董事委員會的委員出席會議回答股東的提問。該普通決議案獲獨立股東以投票表決方式正式通過。

REPORT OF THE DIRECTORS

董事會報告

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2008.

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

The information in respect of the major customers and suppliers of the Group respectively during the financial year is as follows:

		Percentage of the Group's total 佔本集團下列總額之百分比	
		Turnover 營業額	Purchases 採購額
The largest customer	最大客戶	23%	
Five largest customers in aggregate	五大客戶合計	77%	
The largest supplier	最大供應商		7%
Five largest suppliers in aggregate	五大供應商合計		21%

At no time during the year have the directors, their associates or any shareholder of the Company had any interest in these major customers and suppliers.

董事欣然提呈截至二零零八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

本集團於本財政年度之主要客戶及供應商資料如下：

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擁有上述主要客戶及供應商任何權益。

REPORT OF THE DIRECTORS 董事會報告**CONTINUING CONNECTED TRANSACTIONS**

- (a) 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 2008, service fee for the operation and maintenance of the Plants paid/payable to Qingdao Veolia amounted to HK\$39,237,000 (2007: HK\$27,742,000).
- (b) 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 2008, waste-water treatment revenue received/receivable from Qingdao Drainage amounted to HK\$75,388,000 (2007: HK\$69,944,000).
- (c) 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 2008, technical assistance fee paid/payable to Veolia Asia amounted to HK\$2,209,000 (2007: HK\$2,223,000).
- (d) In November 2007, Everbright Water (Jiangyin) Limited ("EB Water Jiangyin", a subsidiary of the Company) and Jiangyin City Xin Guo Lian Investment and Development Co., Ltd. ("Xin Guo Lian") entered into a waste-water treatment service agreement with Jiangyin Construction Bureau and Jiangyin Finance Bureau to provide waste-water treatment services and other related services. During the year ended 31 December 2008, waste-water treatment revenue received/receivable from Jiangyin Finance Bureau amounted to HK\$65,830,000 (2007: HK\$Nil).

持續關連交易

- (a) 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)，訂立運營及維修保養合同。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」)之運營及維修保養服務外判予青島威立雅。截至二零零八年十二月三十一日止年度，就運營及維修保養污水處理廠而已支付／應付予青島威立雅之服務費為港幣39,237,000元(二零零七年：港幣27,742,000元)。
- (b) 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。截至二零零八年十二月三十一日止年度，從青島排水收取／應收所得之污水處理收入為港幣75,388,000元(二零零七年：港幣69,944,000元)。
- (c) 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運營及維修保養中國青島市污水處理廠之技術支援服務。截至二零零八年十二月三十一日止年度，已支付／應付予威立雅亞洲之技術支援費用為港幣2,209,000元(二零零七年：港幣2,223,000元)。
- (d) 於二零零七年十一月，光大水務(江陰)有限公司(「光大水務江陰」，本公司之附屬公司)及江陰市新國聯投資發展有限公司(「新國聯」)與江陰市建設局及江陰市財政局就提供污水處理服務及其他相關服務等事宜訂立污水處理服務協議。截至二零零八年十二月三十一日止年度，從江陰市財政局收取／應收所得之污水處理收入為港幣65,830,000元(二零零七年：無)。

CONTINUING CONNECTED TRANSACTIONS

(continued)

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;
- 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").

DISCLOSEABLE AND CONNECTED TRANSACTIONS

- (a) Further to the transactions included in the circular to shareholders dated 10 December 2007, on 19 March 2008, the Company announced that:
- (i) On 18 March 2008, Everbright Water (Wuxi) Holdings Limited, the holding company of EB Water Jiangyin, entered into a joint venture supplemental agreement with Xin Guo Lian in relation to the change in total investment and business scope of EB Water Jiangyin.
 - (ii) On 18 March 2008, EB Water Jiangyin entered into a sewage piping network asset transfer agreement with The State-owned Assets Supervision and Administration Commission of Jiangyin People's Government ("Jiangyin State-owned Assets Commission"), pursuant to which, EB Water Jiangyin agreed to acquire and Jiangyin State-owned Assets Commission agreed to transfer the sewage piping network built in the urban area of Jiangyin city, the PRC at a total consideration of RMB267,441,000 (equivalent to approximately HK\$285,974,000).

持續關連交易(續)

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；
- 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。

須予披露及關連交易

- (a) 除了日期為二零零七年十二月十日之股東通函所載之交易外，於二零零八年三月十九日，本公司公佈：
- (i) 於二零零八年三月十八日，光大水務(無錫)控股有限公司(光大水務江陰之控股公司)與新國聯就變更光大水務江陰之總投資與其業務範圍等事宜訂立補充合資合同。
 - (ii) 於二零零八年三月十八日，光大水務江陰與江陰市政府轄下國有資產管理辦公室(「江陰市國有資產管理辦公室」)訂立污水管網轉讓協議。據此，光大水務江陰同意收購，而江陰市國有資產管理辦公室同意轉讓建於中國江陰市城區之污水管網，總代價為人民幣267,441,000元(相當於約港幣285,974,000元)。

REPORT OF THE DIRECTORS 董事會報告

DISCLOSEABLE AND CONNECTED TRANSACTIONS

(continued)

- (a) Further to the transactions included in the circular to shareholders dated 10 December 2007, on 19 March 2008, the Company announced that: *(continued)*
- (iii) On 18 March 2008, EB Water Jiangyin entered into a concession right supplemental agreement with Jiangyin Construction Bureau, pursuant to which, Jiangyin Construction Bureau granted a right to EB Water Jiangyin to operate and maintain the sewage pipeline network as referred to (ii) above for a period of 30 years.
- (iv) On 18 March 2008, EB Water Jiangyin entered into a waste-water treatment service supplemental agreement with Jiangyin Construction Bureau and Jiangyin Finance Bureau in respect of the adjusted fee for the waste-water treatment services and other related services provided by EB Water Jiangyin.

The transactions constituted discloseable and connected transactions as defined by the Listing Rules and were announced by way of an announcement by the Company on 19 March 2008. Details of the transactions have been included in the circular to shareholders dated 9 April 2008.

- (b) On 10 November 2008, the Company entered into a sale and purchase agreement with Everbright Real Estate Limited ("Everbright Real Estate", a wholly-owned subsidiary of the controlling shareholder of the Company, China Everbright Holdings Company Limited), pursuant to which, the Company agreed to sell and Everbright Real Estate agreed to acquire the entire issued share capital of, and shareholder's loan to, Sino Villa Holdings Limited at a consideration of HK\$193,273,000.

On the same date, the Company entered into a sale and purchase agreement with Everbright Real Estate, pursuant to which, the Company agreed to sell and Everbright Real Estate agreed to acquire the entire share capital of Riseland Limited at a consideration of HK\$2,634,000.

The transactions constituted discloseable and connected transactions as defined by the Listing Rules and were announced by way of an announcement by the Company on 11 November 2008. Details of the transactions have been included in the circular to shareholders dated 1 December 2008.

須予披露及關連交易(續)

- (a) 除了日期為二零零七年十二月十日之股東通函所載之交易外，於二零零八年三月十九日，本公司公佈：(續)
- (iii) 於二零零八年三月十八日，光大水務江陰與江陰市建設局訂立了特許經營補充協議。據此，江陰市建設局授予光大水務江陰有關運營及護養污水管網之權利(參見上文第(ii)段)，為期三十年。
- (iv) 於二零零八年三月十八日，光大水務江陰與江陰市建設局及江陰市財政局就調整污水處理服務費及光大水務江陰提供其他相關服務等事宜訂立污水處理服務補充協議。

上述交易構成須予披露及關連交易(定義見上市規則)及本公司已於二零零八年三月十九日透過公告形式予以公佈。有關交易之詳情載於二零零八年四月九日致予股東之通函內。

- (b) 於二零零八年十一月十日，本公司與光大置業有限公司(「光大置業」，本公司控股股東中國光大集團有限公司之全資附屬公司)訂立買賣協議。據此，本公司同意出售，而光大置業同意收購Sino Villa Holdings Limited全部已發行股本及其股東貸款，代價為港幣193,273,000元。

同日，本公司與光大置業訂立買賣協議。據此，本公司同意出售，而光大置業同意收購置升有限公司全部股本，代價為港幣2,634,000元。

上述交易構成須予披露及關連交易(定義見上市規則)及本公司已於二零零八年十一月十一日透過公告形式予以公佈。有關交易之詳情載於二零零八年十二月一日致予股東之通函內。

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2008 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 94 to 203.

TRANSFER TO RESERVES

Profits attributable to shareholders, before dividends, of HK\$365,391,000 (2007: HK\$360,079,000) 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 (2007: HK0.6 cent per share) was paid on 29 October 2008. The directors now recommend the payment of a final dividend of HK1 cent per share (2007: HK1 cent per share) in respect of the year ended 31 December 2008.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$1,273,000 (2007: HK\$Nil).

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 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.

財務報表

本集團截至二零零八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九十四頁至第二百零三頁之財務報表內。

轉撥至儲備

股東應佔盈利(未派付股息前)港幣365,391,000元(二零零七年：港幣360,079,000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。

本公司已於二零零八年十月二十九日派付中期股息每股0.6港仙(二零零七年：每股0.6港仙)。董事現建議派付截至二零零八年十二月三十一日止年度末期股息每股1港仙(二零零七年：每股1港仙)。

慈善捐款

於本年度內本集團共捐款港幣1,273,000元(二零零七年：無)作慈善用途。

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

Tang Shuangning, *Chairman*
 Zang Qiutao, *Vice-chairman*
 Li Xueming, *Vice-chairman*
 Chen Xiaoping, *Chief Executive Officer*
 Fan Yan Hok, Philip, *General Manager*
 Wong Kam Chung, Raymond, *Chief Financial Officer*
 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 Li Xueming, Mr Chen Xiaoping, Mr Wong Kam Chung, Raymond and Ms Zhang Weiyun 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 of two years until 31 December 2009 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

於本財政年度內董事如下：

執行董事

唐雙寧(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)
 黃錦驄(財務總監)
 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，李學明先生、陳小平先生、黃錦驄先生及張衛云女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為兩年直至二零零九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。

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

The directors and chief executive of the Company who held office at 31 December 2008 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:

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

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，於二零零八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 股份數目 (ordinary shares) (普通股)	Percentage 百分比
Fan Yan Hok, Philip	范仁鶴	Personal 個人	8,000,000	0.25%
Wong Kam Chung, Raymond	黃錦聰	Personal 個人	1,500,000	0.05%
Li Kwok Sing, Aubrey	李國星	Personal 個人	1,000,000	0.03%

(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 持有股本 衍生工具數目 (share options) (購股權)	Number of underlying shares 相關股份數目 (ordinary shares) (普通股)	Percentage 百分比
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	0.70%
Chen Xiaoping	陳小平	Personal 個人	23,000,000	23,000,000	0.73%
Fan Yan Hok, Philip	范仁鶴	Personal 個人	2,000,000	2,000,000	0.06%
Wong Kam Chung, Raymond	黃錦聰	Personal 個人	3,000,000	3,000,000	0.10%
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%

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)

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

All the above shares and 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 number of issued shares of the Company as at 31 December 2008.

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.

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.

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.

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)

(ii) 於本公司相關股份股本衍生工具之好倉(續)

上述股份及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於二零零八年十二月三十一日已發行股份數目計算。

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。

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。

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。

SHARE OPTION SCHEME (continued)

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 2008 was 254,831,170 shares (including options for 79,934,000 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 2008. 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(續)

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)。

於二零零八年十二月三十一日，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79,934,000股股份之購股權)，佔本公司於二零零八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 2008, 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 2008 was HK\$1.43) 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\$0.10 each of the Company.

購股權計劃(續)

於二零零八年十二月三十一日，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（於二零零八年十二月三十一日之每股市值為港幣1.43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0.10元的普通股之權利。

Directors	董事	No. of options outstanding at the beginning of the year 尚未行使之購股權數目	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	-

SHARE OPTION SCHEME (continued)

購股權計劃(續)

Directors	董事	No. of options outstanding at the beginning of the year 尚未行使之購股權數目	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
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 尚未行使之購股權數目	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
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	-

SHARE OPTION SCHEME (continued)

購股權計劃(續)

Directors	董事	No. of options outstanding at the beginning of the year 尚未行使之購股權數目	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	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	-
Wong Kam Chung, Raymond	黃錦聰	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 尚未行使之購股權數目	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	-

SHARE OPTION SCHEME (continued)

購股權計劃(續)

Directors	董事	No. of options outstanding at the beginning of the year 尚未行使之購股權數目	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
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二零零三年五月二十五日	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二零零三年五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
Employees	僱員	11,491,000	(4,797,000)	6,694,000	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二零零三年五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	HK\$2.74 港幣2.74元
		17,500,000	(4,260,000)	13,240,000	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二零零三年五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	HK\$1.68 港幣1.68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, as 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(r)(ii) and note 30 to the financial statements respectively.

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 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 2008 amounting to 5% or more of the ordinary shares in issue:

China Everbright Holdings Company Limited ("CEH") (Note)	中國光大集團有限公司 (「光大集團」)(附註)
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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
--	--

1,758,595,910	approximately 55.94% 約55.94%
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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.

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股股份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。

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(r)(ii)及附註三十。

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。

主要股東及其他人士在股份及相關股份中擁有之權益及淡倉

本公司獲悉於二零零八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：

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.

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.

COMPETING INTEREST

As at the date of this annual report, as far as the directors are aware, Mr Li Xueming and Mr Fan Yan Hok, Philip are both non-executive directors of HKC (Holdings) Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange and its business activities include property development and investments, alternative energy investment and management, and infrastructure and construction, of which, property investment, infrastructure, and alternative energy investment, in particular, waste-to-energy, are considered to compete or likely to compete with the business of the Group. Although, both Mr Li Xueming and Mr Fan Yan Hok, Philip are non-executive directors of HKC (Holdings) Limited, they do not engage in the daily operation of HKC (Holdings) Limited and thus the Group is capable of carrying on its business independently from HKC (Holdings) Limited.

Save as disclosed above, as at the date of this annual report and as far as the director are aware, none of the directors or their respective associates had any interests in a business which competes or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2008 are set out in notes 25, 27 and 28 to the financial statements.

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。

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。

於競爭性業務之權益

於本年報刊發日期，就董事所知，李學明先生及范仁鶴先生均為香港建設(控股)有限公司之非執行董事。該公司乃於百慕達註冊成立之有限公司，其股份於聯交所上市，業務包括物業發展與投資、替代能源投資與管理、基建及承建工程。當中物業投資、基建及替代能源投資(特別是垃圾焚燒發電)等業務被視為與本集團業務構成競爭或可能構成競爭。雖然李學明先生及范仁鶴先生均為香港建設(控股)有限公司之非執行董事，惟彼等並無參與香港建設(控股)有限公司之日常運作，故本集團可獨立於香港建設(控股)有限公司運作。

除上文所披露者外，於本年報刊發日期，就董事所知，各董事或彼等各自之聯繫人仕概無從事與本集團業務構成競爭或可能構成競爭(不論直接或間接)之業務，亦無與本集團有任何其他利益衝突。

銀行貸款及其他借貸

本公司及本集團於二零零八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、二十七及二十八。

REPORT OF THE DIRECTORS 董事會報告

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 204 and 205 of the annual report.

PROPERTIES

Particulars of the major properties of the Group are shown on page 206 of the annual report.

RETIREMENT SCHEMES

The Company provides retirement benefits to all local eligible employees in Hong Kong 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.

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 2008 amounted to HK\$6,446,000.

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二百零四頁及第二百零五頁。

物業

本集團之主要物業詳情載於年報第二百零六頁。

退休計劃

本公司已為所有香港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。

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。

本集團於截至二零零八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6,446,000元，並已入賬損益表內。

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

Tang Shuangning

Chairman

Hong Kong, 20 March 2009

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

唐雙寧

主席

香港，二零零九年三月二十日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 94 to 203, which comprise the consolidated and company balance sheets as at 31 December 2008, 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.

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.

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」)已審核刊於第九十四頁至第二百零三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二零零八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。我們概不會就本報告書的內容，對任何其他人士負責或承擔法律責任。

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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITY (continued)

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 2008 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
20 March 2009

核數師的責任(續)

審核涉及執行程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 貴集團於二零零八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
二零零九年三月二十日

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2008 (Expressed in Hong Kong dollars) 截至二零零八年十二月三十一日止年度(以港幣計算)

		Note	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
		附註		
Turnover	營業額	3 & 13	1,862,509	1,347,852
Direct costs and operating expenses	直接成本及經營費用		(1,208,838)	(887,897)
			653,671	459,955
Other revenue	其他收益	4	28,819	35,726
Other income	其他收入	4	52,378	24,543
Administrative expenses	行政費用		(127,128)	(99,555)
Valuation gains on investment properties	投資物業估值盈餘	14	-	19,202
Profit from operations	經營盈利		607,740	439,871
Finance costs	財務費用	5(a)	(147,188)	(72,507)
			460,552	367,364
Share of loss of associate	所佔聯營公司虧損	6	-	(478)
Profit before taxation	除稅前盈利	5	460,552	366,886
Income tax	所得稅	7(a)	(95,161)	(6,807)
Profit for the year	本年度盈利		365,391	360,079
Attributable to:	應佔部份：			
Equity shareholders of the Company	本公司股東	10 & 31	339,018	337,932
Minority interests	少數股東權益	31	26,373	22,147
Profit for the year	本年度盈利	31	365,391	360,079

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2008 (Expressed in Hong Kong dollars) 截至二零零八年十二月三十一日止年度(以港幣計算)

		Note	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
		附註		
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		18,843	18,753
Final dividend proposed after the balance sheet date	結算日後建議分派末期股息		31,438	31,367
			50,281	50,120
Earnings per share	每股盈利	12		
Basic	基本		10.80 cents 仙	10.89 cents仙
Diluted (2007: restated)	攤薄 (二零零七年：重報)		10.59 cents 仙	10.55 cents仙

The notes on pages 104 to 203 form part of these financial statements.

載於第一百零四頁至第二百零三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 2008 (Expressed in Hong Kong dollars) 於二零零八年十二月三十一日(以港幣計算)

	Note 附註	2008 二零零八年		2007 二零零七年	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Non-current assets					
非流動資產					
Fixed assets	14(a)				
– Investment properties			19,574		200,922
– Other property, plant and equipment			144,999		103,604
			164,573		304,526
Intangible asset	15		577,754		568,882
Goodwill	16		46,133		46,133
Interest in associate	18		–		–
Other financial assets	19		22,336		59,577
Other receivables and deposits	20		1,386,280		690,019
Gross amounts due from customers for contract work	21		2,686,012		1,752,995
Deferred tax assets	29(b)		26,538		35,561
			4,909,626		3,457,693
Current assets					
流動資產					
Inventories	22		11,501		5,923
Debtors, other receivables, deposits and prepayments	20		421,444		307,985
Gross amounts due from customers for contract work	21		259,052		122,617
Pledged bank deposits	23		109,349		60,518
Deposits with bank			27,574		16,084
Cash and cash equivalents	24		562,132		554,863
			1,391,052		1,067,990
Current liabilities					
流動負債					
Bank loans	25				
– Secured			370,377		121,286
– Unsecured			175,664		21,446
			546,041		142,732
Creditors, other payables and accrued expenses	26		471,031		334,426
Current taxation	29(a)		9,165		6,400
			1,026,237		483,558
Net current assets			364,815		584,432
Total assets less current liabilities carried forward			5,274,441		4,042,125

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 31 December 2008 (Expressed in Hong Kong dollars) 於二零零八年十二月三十一日(以港幣計算)

	Note 附註	2008 二零零八年		2007 二零零七年	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Total assets less current liabilities brought forward			5,274,441		4,042,125
Non-current liabilities					
Bank loans	25				
– Secured			1,178,690		1,131,882
– Unsecured			604,862		160,834
			1,783,552		1,292,716
Other loans	27		68,064		–
Loans from ultimate holding company	28		212,958		106,377
Deferred tax liabilities	29(b)		78,826		39,606
			2,143,400		1,438,699
NET ASSETS			3,131,041		2,603,426
CAPITAL AND RESERVES	31(a)				
Share capital			314,378		313,472
Reserves			2,505,237		2,137,619
Total equity attributable to equity shareholders of the Company			2,819,615		2,451,091
Minority interests			311,426		152,335
TOTAL EQUITY			3,131,041		2,603,426

Approved and authorised for issue by the board of directors on 20 March 2009.

董事會於二零零九年三月二十日核准及許可發行。

Chen Xiaoping
陳小平
Director
董事

Philip Fan Yan Hok
范仁鶴
Director
董事

The notes on pages 104 to 203 form part of these financial statements.

載於第一百零四頁至第二百零三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 2008 (Expressed in Hong Kong dollars) 於二零零八年十二月三十一日(以港幣計算)

		2008 二零零八年		2007 二零零七年		
		Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Non-current assets	非流動資產					
Property, plant and equipment	物業、廠房及設備	14(b)		3,971		4,022
Interest in subsidiaries	附屬公司權益	17		2,109,235		1,638,640
Other financial assets	其他財務資產	19		6,573		6,639
				<u>2,119,779</u>		<u>1,649,301</u>
Current assets	流動資產					
Other receivables, deposits and prepayments	其他應收款項、 按金及預付款項			15,456		29,881
Cash and cash equivalents	現金及現金等價物	24		190,110		240,213
				<u>205,566</u>		<u>270,094</u>
Current liabilities	流動負債					
Bank loans	銀行貸款	25				
– Secured	– 有抵押			30,000		11,428
– Unsecured	– 無抵押			100,000		–
				<u>130,000</u>		<u>11,428</u>
Other payables and accrued expenses	其他應付款項及 應計費用			38,933		34,434
				<u>168,933</u>		<u>45,862</u>
Net current assets	流動資產淨額			<u>36,633</u>		<u>224,232</u>
Total assets less current liabilities	總資產減 流動負債			<u>2,156,412</u>		<u>1,873,533</u>
Non-current liabilities	非流動負債					
Secured bank loans	有抵押銀行貸款	25		107,500		17,678
Loans from ultimate holding company	最終控股公司貸款	28		100,420		–
				<u>207,920</u>		<u>17,678</u>
NET ASSETS	資產淨額			<u>1,948,492</u>		<u>1,855,855</u>

BALANCE SHEET

資產負債表

At 31 December 2008 (Expressed in Hong Kong dollars) 於二零零八年十二月三十一日(以港幣計算)

	Note 附註	2008 二零零八年		2007 二零零七年	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
CAPITAL AND RESERVES	股本及儲備	31(b)			
Share capital	股本		314,378		313,472
Reserves	儲備		1,634,114		1,542,383
TOTAL EQUITY	權益總額		1,948,492		1,855,855

Approved and authorised for issue by the board of directors on 20 March 2009.

董事會於二零零九年三月二十日核准及許可發行。

Chen Xiaoping

陳小平

Director

董事

Philip Fan Yan Hok

范仁鶴

Director

董事

The notes on pages 104 to 203 form part of these financial statements.

載於第一百零四頁至第二百零三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 2008 (Expressed in Hong Kong dollars) 截至二零零八年十二月三十一日止年度(以港幣計算)

	Note 附註	2008 二零零八年		2007 二零零七年	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Total equity at 1 January			2,603,426		2,113,196
Net income recognised directly in equity:					
Share of exchange reserve of associate	31		-		36
Exchange differences on translation of financial statements of subsidiaries and associate	31		155,926		143,322
Changes in fair value of available-for-sale securities	31		(37,484)		18,565
Net income for the year recognised directly in equity			118,442		161,923
Net profit for the year	31		365,391		360,079
Reserves realised on disposal of subsidiaries	31		(30,718)		-
Transfer from fair value reserve to profit or loss on disposal of available-for-sale securities	31		-		(11,792)
Total recognised income and expense for the year			453,115		510,210
Attributable to:					
- equity shareholders of the Company			408,659		474,328
- minority interests			44,456		35,882
			453,115		510,210
Dividends declared:					
- by the Company to equity shareholders			(50,210)		(49,523)
- by non-wholly owned subsidiary to minority shareholder			(1,685)		(620)
			(51,895)		(50,143)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2008 (Expressed in Hong Kong dollars) 截至二零零八年十二月三十一日止年度(以港幣計算)

	Note 附註	2008 二零零八年		2007 二零零七年	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Movements in equity arising from capital transactions with equity shareholders of the Company:					
– shares issued under share option scheme	31		7,690		22,077
– equity-settled share-based transactions	31		2,385		8,086
			<u>10,075</u>		<u>30,163</u>
Movements in equity arising from transactions between non-wholly owned subsidiary and its minority shareholder:					
– capital contribution received by non-wholly owned subsidiary from minority shareholder	31		116,320		–
			<u>3,131,041</u>		<u>2,603,426</u>
Total equity at 31 December					

The notes on pages 104 to 203 form part of these financial statements.

載於第一百零四頁至第二百零三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 2008 (Expressed in Hong Kong dollars) 截至二零零八年十二月三十一日止年度(以港幣計算)

	Note	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Operating activities			
Profit before taxation		460,552	366,886
Adjustments for:			
– Valuation gains on investment properties	14	–	(19,202)
– Depreciation	5(c)	12,922	7,132
– Amortisation of intangible asset	5(c)	23,843	21,917
– Finance costs	5(a)	147,188	72,507
– Dividend income from listed securities	4	(1,186)	(4,417)
– Bank interest income	4	(7,515)	(17,693)
– Share of loss of associate	6	–	478
– Profit on disposal of subsidiaries	4	(51,778)	–
– Net gain on sale of other property, plant and equipment	4	(600)	(860)
– Profit on sale of other financial assets	4	–	(23,683)
– Equity-settled share-based payment expenses	5(b)	2,385	8,086
– Effect of foreign exchange rates changes		12,457	38,268
Operating profit before changes in working capital		598,268	449,419
Increase in inventories		(5,235)	(2,215)
Increase in debtors, other receivables, deposits and prepayments		(832,953)	(318,655)
Increase in gross amounts due from customers for contract work		(960,830)	(792,862)
Increase in creditors, other payables and accrued expenses		127,357	69,170
Cash used in operations		(1,073,393)	(595,143)
Interest received		7,515	17,537
People's Republic of China ("PRC") income tax paid		(20,889)	(9,324)
Net cash used in operating activities		(1,086,767)	(586,930)

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2008 (Expressed in Hong Kong dollars) 截至二零零八年十二月三十一日止年度(以港幣計算)

	Note 附註	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Investing activities			
投資活動			
Payment for the purchase of fixed assets		(54,208)	(15,335)
Proceeds from sale of fixed assets		1,627	2,751
(Increase)/decrease in pledged bank deposits		(45,326)	38,796
Increase in deposits with bank		(10,559)	(5,175)
Proceeds from disposal of subsidiaries, net of cash disposed	33	187,088	-
Dividend received from listed securities		878	497
Return of investment from unlisted securities		65	7,010
Decrease/(increase) in loan receivable		79,755	(75,061)
Proceeds from sale of other financial assets		-	30,765
Net cash generated from/(used in) investing activities		159,320	(15,752)
Financing activities			
融資活動			
Proceeds from new bank loans		1,158,742	611,200
Repayment of bank loans		(340,372)	(131,372)
Proceeds from new loans from ultimate holding company		200,000	-
Repayment of loans from ultimate holding company		(100,000)	-
Proceeds from other loans		67,416	-
Contributions received by non-wholly owned subsidiary from minority shareholder		116,320	-
Proceeds from shares issued under share option scheme		7,690	22,077
Interest paid		(146,768)	(72,507)
Dividend paid to equity shareholders of the Company		(50,210)	(49,523)
Dividend paid to minority shareholder		(1,685)	(620)
Net cash generated from financing activities		911,133	379,255
Net decrease in cash and cash equivalents		(16,314)	(223,427)
Cash and cash equivalents at 1 January		554,863	756,763
Effect of foreign exchange rates changes		23,583	21,527
Cash and cash equivalents at 31 December	24	562,132	554,863

The notes on pages 104 to 203 form part of these financial statements.

載於第一百零四頁至第二百零三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 any 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.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2008 comprise the Company and its subsidiaries and the Group’s interest in associate.

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)).

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。

(b) 財務報表編製基準

截至二零零八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))。

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 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.

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 and estimates with a significant risk of material adjustment in next year 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)

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。

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，以及作出極可能在下年度構成重大調整風險之估計，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餘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.

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(o) or (p) 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.

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。

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(o)或(p)(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。

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

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 associate for the year, including any impairment loss on goodwill relating to the investment in associate recognised for the year (see notes 1(e) and (k)).

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 associate 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.

一. 主要會計政策(續)

(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))。

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。

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.

(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:

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)也不會再在損益表中確認。

(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：

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 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 resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in notes 1(u)(v) and (viii).

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)).

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. Dividend income from these investments is recognised in profit or loss in accordance with the policy set out in note 1(u)(viii). 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(u)(vi).

一. 主要會計政策(續)

(f) 其他股本證券投資(續)

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。在損益表中確認之盈虧淨額並不包括從此等投資賺取所得之任何股息或利息，因為有關股息或利息會按附註一(u)(v)及(viii)所載政策確認。

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))。

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。從此等投資所得之股息收入會按附註一(u)(viii)所載政策確認。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而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(u)(vi)所載者入賬。

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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)).

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, using the straight-line method over their estimated useful lives as follows:

- buildings situated on leasehold land are depreciated 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.
- 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

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.

(i) Intangible asset (other than goodwill)

The Group recognises an intangible asset for its toll bridge operating right arising from a service concession arrangement as it has a right to charge for usage of the concession infrastructure. Intangible asset received as consideration for providing construction services in a service concession arrangement is measured at fair value upon initial recognition. Subsequent to initial recognition, the intangible asset is stated at cost less accumulated amortisation and impairment losses (see note 1(k)).

Amortisation of intangible asset is charged to profit or loss on a straight-line basis over its estimated useful life of 30 years. Both the period and method of amortisation are reviewed annually.

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))。

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、廠房及設備項目乃使用直線法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：

- 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)折舊。
- 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

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。

(i) 無形資產(商譽除外)

本集團就其於服務特許經營權安排下所得之收費橋樑經營權，確認無形資產，因為本集團有權就使用特許經營基建收取費用。無形資產(即在服務特許經營權安排下就提供建造服務而收取所得之代價)於最初確認時按公允值計量。在初步確認後，無形資產按成本值減累計攤銷及耗損虧損列賬(見附註一(k))。

無形資產之攤銷按直線法於估計可使用年期三十年內計入損益表。攤銷期及方法均會每年檢討。

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1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(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 the 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, except that 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 that the Group will obtain ownership of the asset, the life of the asset, 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

如本集團能確定某項安排賦予有關人仕權利，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。

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1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Leased assets (continued)

(iii) Operating lease charges

Where the Group has the use of assets held 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)).

(k) Impairment of assets

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

Investments in equity securities (other than investments in subsidiaries and associate: see note 1(k)(ii)) 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. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

一. 主要會計政策(續)

(j) 租賃資產(續)

(iii) 經營租賃支出

如屬本集團根據經營租賃使用所持資產之情況，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)）。

(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（於附屬公司及聯營公司之投資除外：見附註一(k)(ii)）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。耗損之客觀證據包括本集團注意到以下一項或多項虧損事項之顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；及

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1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Impairment of assets (continued)

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

- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

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. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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.

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)

- 股本工具投資之公允值大幅或長期下跌至低於其成本值。

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。如按攤銷成本列賬之財務資產具備類似之風險特徵，例如類似的逾期情況及並未單獨被評估為出現耗損，則有關的評估會同時進行。財務資產之未來現金流量會根據與該組被評估資產具有類似信貸風險特徵資產之過往虧損情況一同減值。

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往年度沒有確認任何耗損虧損而應已釐定之數額。

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1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Impairment of assets (continued)

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

- 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.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of debtors included within debtors, other receivables, deposits and prepayments, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

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)

- 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。

如包含在應收賬款、其他應收款項、按金及預付款項中之應收賬款，其是否可以收回屬難以預料，而並非微乎其微，則就其確認之耗損虧損不會從相應的資產中直接撇銷。在此情況下，呆壞賬之耗損虧損以撥備賬記錄。倘本集團確認能收回應收賬款之機會微乎其微，則被視為不可收回之金額會直接從應收賬款中撇銷，而在撥備賬中就有關債務保留之任何金額會被撥回。倘之前計入撥備賬之款項在其後收回，則有關款項於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於損益表確認。

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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);
- intangible asset;
- investments in subsidiaries and associate (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.

- 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).

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)；
- 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)。

- 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。

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1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

- 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.
- 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)).

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.

一. 主要會計政策(續)

(k) 資產耗損(續)

(ii) 其他資產之耗損(續)

- 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)。
- 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))。

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。

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(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)

(l) Inventories

Inventories, mainly comprise spare parts and consumables used in the repairs and maintenance of the waste-water treatment plants, waste-to-energy power plants and solid waste landfill, 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) Construction contracts

The accounting policy for contract revenue is set out in note 1(u)(i). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the balance sheet date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the balance sheet date are recorded in the balance sheet at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the balance sheet as the "Gross amounts due from customers for contract work" (as an asset) or the "Gross amounts due to customers for contract work" (as a liability), as applicable. Progress billings not yet paid by the customer are included in the balance sheet under "Debtors, other receivables, deposits and prepayments".

(n) 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 allowance for impairment of 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 allowance for impairment of doubtful debts.

一. 主要會計政策(續)

(l) 存貨

存貨主要包括用於維修及保養污水處理廠、垃圾焚燒發電廠及工業固體廢物填埋場之零件及消耗品，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) 建造合約

合約收入之會計政策載列於附註一(u)(i)。倘能夠可靠地估計建造合約之成果，則合約成本會參照結算日之合約完成程度確認為支出。如合約總成本有可能超過合約總收入，便會即時將預期虧損確認為支出。倘不能可靠地估計工程合約之成果，則合約成本於產生期間確認為支出。

於結算日尚在進行之工程合約，按已產生之成本加上已確認之盈利，再減去已確認之虧損及按進度開列之款項入賬資產負債表，並於資產負債表中呈列為「應收客戶合約工程款項總額」(作為資產)或「應付客戶合約工程款項總額」(作為負債)(視何者適用)。客戶尚未支付之進度款項在資產負債表中「應收賬款、其他應收款項、按金及預付款項」入賬。

(n) 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撥備列賬(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撥備列賬。

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(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)

(o) 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.

(p) Creditors, other payables and accrued expenses

Creditors, other payables and accrued expenses are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 1(t)(i), creditors, other payables and accrued expenses are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) 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.

(r) 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.

一. 主要會計政策(續)

(o) 計息借貸

計息借貸初步按公允值減應佔交易成本確認。在初步確認後，計息借貸按攤銷成本列賬，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。

(p) 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；除了按照附註一(t)(i)計算之財務擔保負債外，應付賬款、其他應付款項及應計費用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。

(q) 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。

(r) 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。

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(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) Employee benefits (continued)

(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.

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)

(r) 僱員福利(續)

(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。

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。

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1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) 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.

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)

(s) 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。

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。

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1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) 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.

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

一. 主要會計政策(續)

(s) 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。

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

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1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Income tax (continued)

- 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.

(t) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee ("the holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within creditors, other payables and accrued expenses. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

一. 主要會計政策(續)

(s) 所得稅(續)

- 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。

(t) 已發出財務擔保、撥備及或有負債

(i) 已發出財務擔保

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債項工具之條款於到期時付款而蒙受之損失，而向持有人支付特定款項之合約。

倘本集團發出財務擔保，該擔保之公允值(即交易價格，除非該公允值能可靠地估計)最初確認為應付賬款、其他應付款項及應計費用下的遞延收入。倘在發行該擔保時已收取或可收取代價，該代價則根據本集團適用於該類資產之政策而予以確認。倘並無收取或不會收取有關代價，則於最初確認任何遞延收入時，即時於損益表內確認為開支。

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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) Financial guarantees issued, provisions and contingent liabilities (continued)

(i) Financial guarantees issued (continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 1(t)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in creditors, other payables and accrued expenses in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other 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.

一. 主要會計政策(續)

(t) 已發出財務擔保、撥備及或有負債(續)

(i) 已發出財務擔保(續)

最初確認為遞延收入之擔保款額按擔保年期於損益表內攤銷為已發出財務擔保收入。此外，倘(i)擔保持有人有可能根據擔保要求本集團還款；及(ii)向本集團索償之金額預期超過現時於有關擔保之應付賬款、其他應付款項及應計費用金額(即最初確認之金額)減累計攤銷，則撥備根據附註一(t)(ii)確認。

(ii) 其他撥備及或有負債

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其他負債作出撥備。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，則該等責任將披露為或有負債；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。

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(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) 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) Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

(ii) Service concession arrangement

Revenue relating to construction services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts (see (i) above). Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement the consideration received is allocated by reference to the relative fair values of the services delivered.

(iii) Toll bridge revenue

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

一. 主要會計政策(續)

(u) 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) 建造合約

如能可靠地估計建造工程合約之成果，則合約收益及開支於損益表中按合約完成程度以比率方式確認。

完成程度乃參考已進行之測量來評估。如不能可靠地估計建造工程合約之成果，則僅將所產生而有可能收回之合約成本確認為收益。有關合約之預期虧損即時在損益表中確認。

(ii) 服務特許經營權安排

根據服務特許經營權安排提供建造服務所得相關收益按工程完成程度確認，並須符合本集團有關確認建造合約收益之會計政策(見上文(i))。運營或服務收益於本集團提供有關服務之期間確認。如本集團在一項服務特許經營權安排下提供超過一種服務，則收取所得之代價按已提供服務之相關公允值分配。

(iii) 收費橋樑收益

收費橋樑收益(經扣除營業稅)按使用橋樑基準確認。

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(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) Revenue recognition (continued)

- (iv) Revenue from waste-water treatment plants, waste-to-energy power plants, methane-to-energy power plants and industrial solid waste landfill operation services

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

- (v) Finance income

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

- (vi) 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.

- (vii) Property management fee income

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

- (viii) Dividends

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(v) 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.

一. 主要會計政策(續)

(u) 收益確認(續)

- (iv) 來自污水處理廠、垃圾焚燒發電廠、沼氣發電廠及工業固體廢物填埋場之運營服務收益

來自污水處理廠、垃圾焚燒發電廠、沼氣發電廠及工業固體廢物填埋場之運營服務收益於提供相關服務時確認。

- (v) 財務收入

財務收入按實際利息法以應計基準確認。

- (vi) 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。

- (vii) 物業管理費收入

物業管理費收入於提供相關服務時確認。

- (viii) 股息

上市投資之股息收入於投資之股價除息後確認。

(v) 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。

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) Translation of foreign currencies (continued)

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.

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 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.

(w) 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.

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.

一. 主要會計政策(續)

(v) 外幣換算(續)

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。

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。

(w) 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。

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。

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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) 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;
- (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.

一. 主要會計政策(續)

(x) 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、或受該等個人仕控制、或共同控制或重大影響之實體；
- (v) 該人仕為(i)所指之近親家庭成員或受該等個人仕控制、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。

個人仕之近親家庭成員指可影響該個人仕與該實體交易之家庭成員，或受該個人仕與該實體交易影響之家庭成員。

NOTES TO THE FINANCIAL STATEMENTS

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(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)

(y) 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.

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, debtors 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)

(y) 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。

分部收益、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。分部收益、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。

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2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following new Interpretations and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company:

- HK(IFRIC) 11, *HKFRS 2 – Group and treasury share transactions*
- HK(IFRIC) 12, *Service concession arrangements**
- HK(IFRIC) 14, *HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction*
- Amendment to *HKAS 33, Earnings per share*
- Amendment to *HKAS 39, Financial instruments: Recognition and measurement, and HKFRS 7, Financial instruments: Disclosures – Reclassification of financial assets*

* The Group has early adopted HK(IFRIC) 12 during the accounting year ended 31 December 2007.

The following sets out further information on the adoption of amendment to HKAS 33 for the current and prior accounting periods reflected in their financial statements.

HKAS 33, Earnings per share

In order to comply with the amendments to HKAS 33, the Group has changed its accounting policy relating to the calculation of diluted earnings per share. Under the new policy, the fair value of any goods or services to be supplied to the Group in the future under the share option arrangement shall be included in the exercise price of the share options when calculating the diluted earnings per share. The new accounting policy has been applied retrospectively with comparatives restated as shown in note 12(b).

Except for amendment to HKAS 33, these HKFRS developments have had no material impact on the Group's financial statements as either they were consistent with accounting policies already adopted by the Group or they were not relevant to the Group's and the Company's operations.

二. 會計政策之變動

香港會計師公會頒佈了上述多項新訂詮釋及經修訂之香港財務報告準則，有關準則及詮釋自本集團及本公司之本會計期間開始生效：

- 《香港(國際財務報告詮釋委員會)詮釋》第11號，《香港財務報告準則》第2號—「集團及庫存股份交易」
- 《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」*
- 《香港(國際財務報告詮釋委員會)詮釋》第14號，《香港會計準則》第19號—「界定福利資產之限制、最低資金規定及其相互關係」
- 《香港會計準則》第33號之修訂—每股盈利
- 《香港會計準則》第39號之修訂—「金融工具：確認及計量」及《香港財務報告準則》第7號—「金融工具：披露—財務資產之重新分類」

* 於截至二零零七年十二月三十一日止會計年度，本集團提早採用《香港(國際財務報告詮釋委員會)詮釋》第12號。

下文載列與本會計期間及過往會計期間有關，並已在此等財務報表中反映有關採用《香港會計準則》第33號修訂條文之進一步詳情。

《香港會計準則》第33號—每股盈利

為了符合《香港會計準則》第33號修訂條文之規定，本集團變更了有關計算每股攤薄盈利之會計政策。根據新政策，在計算每股攤薄盈利時，日後基於購股權安排擬向本集團提供之任何產品或服務之公允值，須計入購股權之行使價中。是項新會計政策已經追溯應用，而比較數字亦已重報(見附註十二(b))。

除了《香港會計準則》第33號之修訂條文外，此等《香港財務報告準則》之變動並無對本集團之財務報表構成任何重大影響，因為其與本集團所採用之會計政策符合一致，或與本集團及本公司之業務無關。

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2. CHANGES IN ACCOUNTING POLICIES

(continued)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 41).

3. TURNOVER

The principal activities of the Group are construction, environmental protection project operation (waste-water treatment plants, waste-to-energy power plants, methane-to-energy power plants and industrial solid waste landfill), environmental technology and construction management, toll bridge operation, property investments and management and investment holding.

Turnover represents the revenue from construction contracts, revenue from waste-water treatment plants, waste-to-energy power plants, methane-to-energy power plants and industrial solid waste landfill operation services, finance income, toll bridge revenue, rental income and property management fee income. The amount of each significant category of revenue recognised in turnover during the year is as follows:

二. 會計政策之變動(續)

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)。

三. 營業額

本集團之主要業務為建造、環保項目運營(污水處理廠、垃圾焚燒發電廠、沼氣發電廠及工業固體廢物填埋場)、環保科技及工程管理、收費橋樑運營、物業投資及管理以及投資控股。

營業額包括建造合約收益、來自污水處理廠、垃圾焚燒發電廠、沼氣發電廠及工業固體廢物填埋場之運營服務收益、財務收入、收費橋樑收益、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益類別的數額如下：

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Revenue from environmental water projects construction services	環保水務項目建造服務收益	505,460	297,402
Revenue from environmental energy projects construction services	環保能源項目建造服務收益	595,006	546,478
Revenue from environmental water projects operation services	環保水務項目運營服務收益	241,642	194,104
Revenue from environmental energy projects operation services	環保能源項目運營服務收益	138,362	75,557
Finance income	財務收入	254,206	124,954
Toll bridge revenue	收費橋樑收益	107,589	92,477
Gross rentals from investment properties	投資物業租金總額	15,825	13,127
Property management fee income	物業管理費收入	4,419	3,753
		1,862,509	1,347,852

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4. OTHER REVENUE AND OTHER INCOME

四. 其他收益及其他收入

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Other revenue	其他收益		
Bank interest income	銀行利息收入	7,515	17,693
Dividend income from listed securities	上市證券之股息收入	1,186	4,417
Others	其他	20,118	13,616
		28,819	35,726
Other income	其他收入		
Profit on disposal of subsidiaries (note 33)	出售附屬公司之盈利(附註三十三)	51,778	-
Profit on sale of other financial assets	出售其他財務資產之盈利	-	23,683
Net gain on sale of other property, plant and equipment	出售其他物業、廠房及設備之淨收益	600	860
		52,378	24,543

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)：

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'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	28,502	11,413
Interest on other bank advances and other loans	其他銀行貸款及其他貸款之利息	116,192	61,094
Interest on loans from ultimate holding company	最終控股公司貸款之利息	2,494	-
		147,188	72,507
(b) Staff costs:	(b) 員工成本：		
Contributions to defined contribution retirement plan	定額供款退休計劃供款	6,446	5,467
Equity-settled share-based payment expenses (note 30)	以股份支付之股本交易開支(附註三十)	2,385	8,086
Salaries, wages and other benefits	薪金、工資及其他福利	95,339	78,925
		104,170	92,478

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5. PROFIT BEFORE TAXATION (continued)

Profit before taxation is arrived at after charging/(crediting):
(continued)

五. 除稅前盈利(續)

除稅前盈利已扣除/(計入)：(續)

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
(c) Other items:	(c) 其他項目：		
Amortisation of intangible asset	無形資產攤銷	23,843	21,917
Depreciation	折舊	12,922	7,132
Net foreign exchange gain	匯兌收益淨額	(20,853)	(13,541)
Auditors' remuneration	核數師酬金		
– audit services	– 審核服務	3,348	2,795
– other services	– 其他服務	325	410
Operating lease charges: minimum lease payments	經營租賃費用： 最少租賃費用		
– hire of premises	– 物業租賃	1,579	2,059
Rentals receivable from properties less direct outgoings of \$1,087,000 (2007: \$925,000)	應收物業租金減直接支出1,087,000元 (二零零七年：925,000元)	(14,738)	(12,202)

6. SHARE OF LOSS OF ASSOCIATE

六. 所佔聯營公司虧損

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Share of loss of associate before taxation	所佔聯營公司除稅前虧損	–	(478)
Share of associate's taxation	所佔聯營公司稅項	–	–
		–	(478)

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7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Income tax in the consolidated income statement represents:

七. 綜合損益表之所得稅

(a) 綜合損益表所示的所得稅為：

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'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	23,460	15,018
Under/(over)-provision in prior years	過往年度撥備不足/(過剩)	194	(809)
		23,654	14,209
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差異之產生及轉回	71,507	8,274
Effect of change in tax rate on opening balances of deferred tax	稅率改變對遞延稅項期初結餘之影響	-	(15,676)
		71,507	(7,402)
		95,161	6,807

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 purpose during the year. No provision for Hong Kong Profits Tax was made in 2007 financial statements as the tax losses brought forward from the previous years exceeded the estimated assessable profit for 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.

由於本年度內本集團之香港業務並沒有稅前盈利，故此本集團並無在二零零八年度財務報表就香港利得稅作出撥備。由於在二零零七年度本集團之香港業務的估計稅項利潤少於以往年度的稅項虧損，故此本集團並無在該年度之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。

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7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

(a) Income tax in the consolidated income statement represents: (continued)

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC ("new tax law") which became effective on 1 January 2008. According to the new tax law, the standard PRC Enterprise Income Tax rate is 25%. Furthermore, the State Council of the PRC passed the implementation guidance ("Implementation Guidance") on 26 December 2007, which sets out the details of how the existing preferential income tax rate will be adjusted to the standard rate of 25%. According to the Implementation Guidance, income tax rate for the PRC subsidiaries of the Group, which are eligible to a 100% or 50% relief from PRC Enterprise Income Tax, will be gradually changed to the standard rate of 25% over a five-year transition period.

In addition, under the new tax law, with effect from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. Pursuant to the double tax arrangement between the PRC and Hong Kong effective on 8 December 2006, the withholding income tax rate will be reduced to 5% if the investment by the Hong Kong investor in the invested entities in the PRC is not less than 25%. On 22 February 2008, the Minister of Finance and State Administration of Tax approved Caishui (2008) No.1, pursuant to which dividend distribution out of pre-2008 retained earnings of foreign investment enterprises will be exempted from withholding income tax. Withholding income tax of \$20,236,000 has been recognised in respect of profits derived in the PRC during the year ended 31 December 2008.

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)

於二零零七年三月十六日，中國第十屆全國人民代表大會第五次會議通過《中國企業所得稅法》(「新稅法」)，並於二零零八年一月一日起生效，根據新稅法，中國企業所得稅之標準稅率為25%。此外，中國國務院於二零零七年十二月二十六日通過實施指引(「實施指引」)，當中載列現行優惠所得稅率將如何調整至標準稅率25%之詳情。根據實施指引，本集團旗下中國附屬公司(合資格享有全數或減半豁免繳納中國企業所得稅者)之所得稅率將於五年減免過渡期內逐步變為標準稅率25%。

此外，根據新稅法，由二零零八年一月一日起，並非在中國成立或在中國設有經營地點之非居民企業，或在中國成立或在中國設有經營地點，惟有關收入實際上並非與在中國成立或中國經營地點有關之非居民企業，將須就多項被動收入(如源於中國之股息)按10%稅率繳付預提所得稅。根據中國與香港之間訂立並於二零零六年十二月八日生效之雙重徵稅安排，倘香港投資者於中國之接受投資實體之投資不少於25%，預提所得稅將減少至5%。於二零零八年二月二十二日，財政部及國家稅務總局批准財稅(2008)第1號，據此，外資企業來自二零零八年前保留盈利之股息分派將獲豁免繳付預提所得稅。於截至二零零八年十二月三十一日止年度，關於國內產生之盈利，本公司就股息確認預提所得稅20,236,000元。

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7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

七. 綜合損益表之所得稅(續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 按適用稅率計算之稅項支出與會計盈利之對賬

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Profit before taxation	除稅前盈利	460,552	366,886
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	110,412	67,589
Tax effect of non-deductible expenses	不可扣減支出之稅項影響	5,033	3,999
Tax effect of non-taxable income	非課稅收入之稅項影響	(16,819)	(9,784)
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	(26,316)	(21,717)
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	-	(8,972)
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	2,421	216
Tax effect of withholding tax on undistributed profits of PRC subsidiaries	預提所得稅對中國附屬公司未分派盈利之稅務影響	20,236	-
Effect on deferred tax balances resulting from change in tax rate	稅率變動對遞延稅項結餘之影響	-	(23,715)
Under/(over)-provision in prior years	過往年度撥備不足/(過剩)	194	(809)
Actual tax expense	實際稅項支出	95,161	6,807

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8. DIRECTORS' REMUNERATION (continued)

八. 董事酬金(續)

		Salaries, allowances and benefits in kind		Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	2007 Total
		Directors' fees	薪金、津貼及實物利益					
		\$'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							
Tang Shuangning	唐雙寧	-	10	-	-	10	-	10
Zang Qiutao	臧秋濤	-	1,699	-	-	1,699	511	2,210
Li Xueming	李學明	-	1,689	-	-	1,689	511	2,200
Chen Xiaoping	陳小平	-	2,165	2,800	-	4,965	639	5,604
Fan Yan Hok, Philip	范仁鶴	-	1,808	1,100	144	3,052	511	3,563
Wong Kam Chung, Raymond	黃錦聰	-	1,190	850	101	2,141	384	2,525
Zhang Weiyun	張衛云	-	873	-	-	873	128	1,001
Huang Chaozhua (resigned on 18 May 2007)	黃朝華 (於二零零七年五月十八日辭任)	-	425	-	-	425	(274)	151
Wang Mingquan (resigned on 16 July 2007)	王明權 (於二零零七年七月十六日辭任)	-	20	-	-	20	(457)	(437)
Chen Shuang (resigned on 23 November 2007)	陳爽 (於二零零七年十一月二十三日辭任)	-	20	-	-	20	55	75
Independent non-executive directors	獨立非執行董事							
Sir David Akers-Jones	鍾逸傑爵士	110	45	-	-	155	-	155
Li Kwok Sing, Aubrey	李國星	100	45	-	-	145	-	145
Mar Selwyn	馬紹援	100	45	-	-	145	-	145
		310	10,034	4,750	245	15,339	2,008	17,347

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(r)(ii) and, in accordance with the policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are lapsed prior to vesting.

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(r)(ii))計算，而根據有關政策，其包括在股本工具於歸屬前告失效之情況下，調整上一年度之累計撥回金額。

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。

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9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, all are directors whose emoluments are disclosed in note 8.

九. 最高薪酬個別人仕

五名最高薪酬個別人仕均為董事，有關的酬金詳情載於附註八。

10. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of \$93,532,000 (2007: \$119,452,000) which has been dealt with in the financial statements of the Company.

十. 本公司股東應佔盈利

本公司股東應佔綜合盈利包括盈利93,532,000元(二零零七年：119,452,000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：

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'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	93,532	119,452
Final dividends from subsidiary 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附屬公司盈利而於年內批准並支付之股息	39,240	-
Company's profit for the year (note 31(b))	年內本公司盈利 (附註三十一(b))	132,772	119,452

11. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

十一. 股息

(a) 應派付予本公司股東之本年度股息

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Interim dividend declared and paid of 0.6 cent per ordinary share (2007: 0.6 cent per ordinary share)	已宣派及支付中期股息 每股普通股0.6仙(二零零七年： 每股普通股0.6仙)	18,843	18,753
Final dividend proposed after the balance sheet date of 1 cent per ordinary share (2007: 1 cent per ordinary share)	於結算日後建議分派末期股息 每股普通股1仙 (二零零七年：每股普通股1仙)	31,438	31,367
		50,281	50,120

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

於結算日後建議分派的末期股息尚未在結算日確認為負債。

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11. DIVIDENDS (continued)

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Final dividend in respect of the previous financial year, approved and paid during the year, of 1 cent per ordinary share (2007: 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1仙(二零零七年： 每股普通股0.6仙)	31,367	18,462
Special dividend in respect of the financial year ended 31 December 2006, approved and paid during the year ended 31 December 2007, of 0.4 cent per ordinary share	屬於截至二零零六年十二月三十一日止財政年度，並於截至二零零七年十二月三十一日止年度批准並支付之特別股息每股普通股0.4港仙	-	12,308
		31,367	30,770

12. EARNINGS PER SHARE

(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 \$339,018,000 (2007: \$337,932,000) and the weighted average number of 3,138,338,000 ordinary shares (2007: 3,101,829,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

十二. 每股盈利

(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339,018,000元(二零零七年：337,932,000元)及年內已發行普通股的加權平均數3,138,338,000股普通股(二零零七年：3,101,829,000股普通股)計算。其計算方式如下：

普通股加權平均數

		2008 二零零八年 '000 千股	2007 二零零七年 '000 千股
Issued ordinary shares at 1 January	於一月一日已發行普通股	3,134,721	3,076,012
Effect of share options exercised (note 31(c)(ii))	已行使購股權之影響(附註三十一(c)(ii))	3,617	25,817
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	3,138,338	3,101,829

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12. EARNINGS PER SHARE (continued)

(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 \$339,018,000 (2007: \$337,932,000) and the weighted average number of 3,202,232,000 ordinary shares (2007 (restated): 3,204,354,000 ordinary shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

十二. 每股盈利(續)

(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339,018,000元(二零零七年：337,932,000元)及普通股加權平均數3,202,232,000股普通股(二零零七年(重報)：3,204,354,000股普通股)計算。其計算方式如下：

普通股加權平均數(攤薄)

		2008 二零零八年	2007 二零零七年 (restated) (重報)
		'000 千股	'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	3,138,338	3,101,829
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)	63,894	102,525
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)	3,202,232	3,204,354

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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:

Environmental energy project construction and operation	The construction and operation of waste-to-energy power plants, methane-to-energy power plants and industrial solid waste landfill to generate revenue from construction services, revenue from operation services as well as finance income.
Environmental water project construction and operation	The construction, upgrade and operation of waste-water treatment plants to generate revenue from construction and upgrading services, revenue from operation services as well as finance income.
Environmental technology and construction management	The conduct of environmental protection technology research projects and the provision of construction management services to generate management and consultancy fee income.
Infrastructure construction and operation	The construction and operation of a toll bridge to generate revenue from construction service and toll fee revenue.
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.

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：

環保能源項目 建造及運營	透過建造及運營垃圾焚燒發電廠、沼氣發電廠及工業固體廢物填埋場，賺取建造服務收益、運營服務收益及財務收入。
環保水務項目 建造及運營	透過建造、改造及運營污水處理廠，賺取建造與改造服務收益、運營服務收益及財務收入。
環保科技及工程 管理	透過進行環保科技研發項目及提供工程管理服務，以賺取管理及顧問費用收入。
基建建造及運營	透過建造及運營收費橋樑，以賺取建造服務收益及收費橋樑收益。
物業投資及管理	透過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。

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13. SEGMENT REPORTING (continued)

Business segments (continued)

十三. 分部報告(續)

業務分部(續)

		Environmental energy project construction and operation 環保能源項目建造及運營		Environmental water project construction and operation 環保水務項目建造及運營	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Revenue from external customers	來自外界客戶收益	844,616	688,043	890,060	550,452
Inter-segment revenue	分部間收益	-	-	-	-
Other revenue and other income from external customers	來自外界客戶其他收益及其他收入	16,281	14,323	4,688	5,342
Unallocated other revenue and other income	未分配其他收益及其他收入	-	-	-	-
Total	合計	860,897	702,366	894,748	555,794
Segment results	分部業績	288,161	205,778	225,534	150,637
Unallocated operating income and expenses	未分配經營收入及開支	-	-	-	-
Profit from operations	經營盈利	-	-	-	(478)
Finance costs	財務費用	-	-	-	-
Share of loss of associate	所佔聯營公司虧損	-	-	-	(478)
Income tax	所得稅	-	-	-	-
Profit after taxation	除稅後盈利	-	-	-	-
Depreciation and amortisation for the year	本年度折舊及攤銷	1,969	1,217	4,084	1,306
Valuation gains on investment properties	投資物業估值盈餘	-	-	-	-
Segment assets	分部資產	2,371,782	1,573,873	2,763,470	1,552,013
Interest in associate	聯營公司權益	-	-	-	-
Unallocated assets	未分配資產	-	-	-	-
Total assets	資產總值	-	-	-	-
Segment liabilities	分部負債	151,087	120,152	274,075	162,257
Unallocated liabilities	未分配負債	-	-	-	-
Total liabilities	負債總值	-	-	-	-
Capital expenditure incurred during the year	本年度內產生的資本開支	2,171	4,848	16,663	3,731

Environmental technology and construction management 環保科技及工程 管理		Infrastructure construction and operation 基建建造及運營		Property investment and management 物業投資及管理		Inter-segment elimination 分部間抵銷		Consolidated 綜合	
2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
-	-	107,589	92,477	20,244	16,880	-	-	1,862,509	1,347,852
105,773	236,279	-	-	-	-	(105,773)	(236,279)	-	-
445	943	1,713	1,230	51,864	1,826	-	-	74,991	23,664
-	-	-	-	-	-	-	-	6,206	36,605
106,218	237,222	109,302	93,707	72,108	18,706	(105,773)	(236,279)	1,943,706	1,408,121
47,076	99,707	74,901	63,594	63,318	30,302	(58,308)	(111,491)	640,682	438,527
-	-	-	-	-	-	-	-	(32,942)	1,344
-	-	-	-	-	-	-	-	607,740 (147,188)	439,871 (72,507)
-	-	-	-	-	-	-	-	-	(478)
-	-	-	-	-	-	-	-	(95,161)	(6,807)
-	-	-	-	-	-	-	-	365,391	360,079
2,292	570	24,026	22,065	334	841	-	-	-	-
-	-	-	-	-	19,202	-	-	-	-
84,768	24,106	722,580	673,504	35,132	264,805	-	-	5,977,732	4,088,301
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	322,946	437,382
-	-	-	-	-	-	-	-	6,300,678	4,525,683
26,941	33,422	3,825	2,013	435	6,531	-	-	456,363	324,375
-	-	-	-	-	-	-	-	2,713,274	1,597,882
-	-	-	-	-	-	-	-	3,169,637	1,922,257
32,659	1,055	117	70	1,354	479	-	-	-	-

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13. SEGMENT REPORTING (continued)

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.

十三. 分部報告(續)

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，分部收益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。

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Revenue from external customers:	來自外界客戶收益：		
Hong Kong	香港	345	311
Other parts of the PRC	中國其他地區	1,862,164	1,347,541
		1,862,509	1,347,852

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Segment assets:	分部資產：		
Hong Kong	香港	294,849	429,081
Other parts of the PRC	中國其他地區	6,005,829	4,096,602
		6,300,678	4,525,683

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Capital expenditure incurred during the year:	本年度內產生的資本開支：		
Hong Kong	香港	1,120	3,241
Other parts of the PRC	中國其他地區	53,088	12,094
		54,208	15,335

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14. FIXED ASSETS

(a) The Group

十四. 固定資產

(a) 本集團

		Land and buildings 土地及樓宇	Leasehold improvements, furniture and fixtures 租賃物業 裝修、傢俬 及裝置	Motor vehicles, electronic equipment and other fixed assets 汽車、電子 設備及其他 固定資產	Sub-total 小計	Investment properties 投資物業	Total fixed assets 固定資產 總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Cost or valuation:	成本值或估值：						
At 1 January 2008	於二零零八年一月一日	131,912	6,547	29,527	167,986	200,922	368,908
Exchange adjustments	匯兌調整	880	271	2,120	3,271	11,500	14,771
Additions	增置	31,815	5,515	16,878	54,208	-	54,208
Disposals	出售						
- through disposal of subsidiaries (note 33)	- 透過出售附屬公司 (附註三十三)	(1,359)	-	(731)	(2,090)	(192,848)	(194,938)
- others	- 其他	-	(508)	(1,436)	(1,944)	-	(1,944)
At 31 December 2008	於二零零八年 十二月三十一日	163,248	11,825	46,358	221,431	19,574	241,005
Representing:	代表：						
Cost	成本值	163,248	11,825	46,358	221,431	-	221,431
Valuation - 2008	估值 - 二零零八年	-	-	-	-	19,574	19,574
		163,248	11,825	46,358	221,431	19,574	241,005
Accumulated depreciation:	累計折舊：						
At 1 January 2008	於二零零八年一月一日	53,856	1,048	9,478	64,382	-	64,382
Exchange adjustments	匯兌調整	120	44	733	897	-	897
Charge for the year	本年度折舊	4,500	1,937	6,485	12,922	-	12,922
Written back on disposal	出售時撥回						
- through disposal of subsidiaries (note 33)	- 透過出售附屬公司 (附註三十三)	(423)	-	(429)	(852)	-	(852)
- others	- 其他	-	(64)	(853)	(917)	-	(917)
At 31 December 2008	於二零零八年十二月三十一日	58,053	2,965	15,414	76,432	-	76,432
Net book value:	賬面淨值：						
At 31 December 2008	於二零零八年十二月三十一日	105,195	8,860	30,944	144,999	19,574	164,573

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14. FIXED ASSETS (continued)

(a) The Group (continued)

十四. 固定資產(續)

(a) 本集團(續)

		Land and buildings 土地及樓宇 \$'000 千元	Leasehold improve- ments, furniture and fixtures 租賃物業 裝修、傢俬 及裝置 \$'000 千元	Motor vehicles, electronic equipment and other fixed assets 汽車、電子 設備及其他 固定資產 \$'000 千元	Sub-total 小計 \$'000 千元	Investment properties 投資物業 \$'000 千元	Total fixed assets 固定資產 總額 \$'000 千元
Cost or valuation:	成本值或估值：						
At 1 January 2007	於二零零七年一月一日	130,092	3,006	19,697	152,795	168,308	321,103
Exchange adjustments	匯兌調整	1,353	213	1,284	2,850	13,412	16,262
Additions	增置	2,349	3,533	9,453	15,335	-	15,335
Disposals	出售	(1,882)	(205)	(907)	(2,994)	-	(2,994)
Fair value adjustment	公允值調整	-	-	-	-	19,202	19,202
At 31 December 2007	於二零零七年 十二月三十一日	131,912	6,547	29,527	167,986	200,922	368,908
Representing:	代表：						
Cost	成本值	131,912	6,547	29,527	167,986	-	167,986
Valuation - 2007	估值 - 二零零七年	-	-	-	-	200,922	200,922
		131,912	6,547	29,527	167,986	200,922	368,908
Accumulated depreciation:	累計折舊：						
At 1 January 2007	於二零零七年一月一日	51,007	510	6,147	57,664	-	57,664
Exchange adjustments	匯兌調整	191	33	465	689	-	689
Charge for the year	本年度折舊	2,789	649	3,694	7,132	-	7,132
Written back on disposal	出售時撥回	(131)	(144)	(828)	(1,103)	-	(1,103)
At 31 December 2007	於二零零七年十二月三十一日	53,856	1,048	9,478	64,382	-	64,382
Net book value:	賬面淨值：						
At 31 December 2007	於二零零七年十二月三十一日	78,056	5,499	20,049	103,604	200,922	304,526

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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 2008	於二零零八年一月一日	949	2,278	381	2,320	5,928
Additions	增置	38	131	-	1,011	1,180
At 31 December 2008	於二零零八年十二月三十一日	987	2,409	381	3,331	7,108
Accumulated depreciation:	累計折舊：					
At 1 January 2008	於二零零八年一月一日	427	450	45	984	1,906
Charge for the year	本年度折舊	153	593	37	448	1,231
At 31 December 2008	於二零零八年十二月三十一日	580	1,043	82	1,432	3,137
Net book value:	賬面淨值：					
At 31 December 2008	於二零零八年十二月三十一日	407	1,366	299	1,899	3,971

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14. FIXED ASSETS (continued)

(b) The Company (continued)

十四. 固定資產(續)

(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 2007	於二零零七年一月一日	1,313	-	11	2,023	3,347
Additions	增置	334	2,278	370	297	3,279
Disposals	出售	(698)	-	-	-	(698)
At 31 December 2007	於二零零七年十二月三十一日	949	2,278	381	2,320	5,928
Accumulated depreciation:	累計折舊：					
At 1 January 2007	於二零零七年一月一日	982	-	8	630	1,620
Charge for the year	本年度折舊	143	450	37	354	984
Written back on disposal	出售時撥回	(698)	-	-	-	(698)
At 31 December 2007	於二零零七年十二月三十一日	427	450	45	984	1,906
Net book value:	賬面淨值：					
At 31 December 2007	於二零零七年十二月三十一日	522	1,828	336	1,336	4,022

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14. FIXED ASSETS (continued)

(c) Investment properties of the Group were revalued as at 31 December 2008 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 association members of Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

(d) The analysis of net book value of properties is as follows:

十四. 固定資產(續)

(c) 本集團之投資物業已於二零零八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) 物業賬面淨值之分析如下：

		The Group 本集團	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
In the PRC	中國		
Hong Kong:	香港：		
- medium-term leases	- 中期租賃	59,823	61,859
Other parts of the PRC:	中國其他地區：		
- medium-term leases	- 中期租賃	64,505	215,751
- long leases	- 長期租賃	441	1,368
		124,769	278,978
Representing:	代表：		
Land and buildings	土地及樓宇	105,195	78,056
Investment properties	投資物業	19,574	200,922
		124,769	278,978

NOTES TO THE FINANCIAL STATEMENTS

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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 two 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兩年，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	
		2008 二零零八年	2007 二零零七年
		\$'000 千元	\$'000 千元
Within 1 year	一年內	882	3,955
After 1 year but within 5 years	一年後但五年內	-	352
		882	4,307

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15. INTANGIBLE ASSET

十五. 無形資產

		The Group 本集團 \$'000 千元
Cost:	成本值：	
At 1 January 2008	於二零零八年一月一日	682,658
Exchange adjustments	匯兌調整	39,534
At 31 December 2008		722,192
Accumulated amortisation:	累計攤銷：	
At 1 January 2008	於二零零八年一月一日	113,776
Exchange adjustments	匯兌調整	6,819
Charge for the year	本年度攤銷	23,843
At 31 December 2008		144,438
Net book value:	賬面淨值：	
At 31 December 2008		577,754
Cost:	成本值：	
At 1 January 2007	於二零零七年一月一日	634,210
Exchange adjustments	匯兌調整	48,448
At 31 December 2007		682,658
Accumulated amortisation:	累計攤銷：	
At 1 January 2007	於二零零七年一月一日	84,561
Exchange adjustments	匯兌調整	7,298
Charge for the year	本年度攤銷	21,917
At 31 December 2007		113,776
Net book value:	賬面淨值：	
At 31 December 2007		568,882

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。

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(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 \$'000 千元
Cost:	成本值：	
At 1 January 2007, 31 December 2007 and 31 December 2008	於二零零七年一月一日、二零零七年十二月 三十一日及二零零八年十二月三十一日	46,133

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	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Environmental energy project construction and operation (waste-to-energy power plant project)	環保能源項目 建造及運營 (垃圾焚燒發電廠項目)	11,255	11,255
Environmental water project construction and operation	環保水務項目 建造及運營	9,538	9,538
Infrastructure construction and operation (toll bridge project)	基建建造及運營 (收費橋樑項目)	25,340	25,340
		46,133	46,133

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.

No impairment is considered necessary at 31 December 2008 and 2007.

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。

於二零零八年及二零零七年十二月三十一日，毋需確認任何耗損。

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17. INTEREST IN SUBSIDIARIES

十七. 附屬公司權益

		The Company 本公司	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Unlisted shares/capital contributions, at cost	非上市股份／出資額，按成本值	328,080	466,277
Amounts due from subsidiaries	應收附屬公司款項	3,257,016	2,683,867
		3,585,096	3,150,144
Less: impairment losses	減：耗損虧損	(1,440,357)	(1,404,051)
		2,144,739	1,746,093
Amounts due to subsidiaries	應付附屬公司款項	(35,504)	(107,453)
		2,109,235	1,638,640

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。

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立／註冊成立 及運營地點	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. * (note (d)) 光大環保能源(常州) 有限公司*(附註(d))	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、運營 及管理垃圾焚燒 發電廠

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(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 及運營地點	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 (Jiangyin) Co., Ltd. * (note (d)) 光大環保能源(江陰)有限公司*(附註(d))	PRC 中國	USD19,300,000 19,300,000美元	100%	–	100%	Design, construction, operation and management of waste-to-energy power plant 設計、建造、運營及管理垃圾焚燒發電廠
Everbright Environmental Energy (Suzhou) Limited ("EB Energy (Suzhou)") # (note (d)) 光大環保能源(蘇州)有限公司(「光大能源(蘇州)」)#(附註(d))	PRC 中國	RMB318,000,000 人民幣 318,000,000元	Note (a) 附註(a)	–	Note (a) 附註(a)	Design, construction, operation and management of waste-to-energy power plants 設計、建造、運營及管理垃圾焚燒發電廠
Everbright Environmental Energy (Suzhou) Methane-to-Energy Co., Ltd. * (note(d)) 光大環保能源(蘇州)沼氣發電有限公司*(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 plants 設計、建造、運營及管理沼氣發電廠
Everbright Environmental Energy (Yixing) Co., Ltd. * (note(d)) 光大環保能源(宜興)有限公司*(附註(d))	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、運營及管理垃圾焚燒發電廠

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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 及運營地點	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 Protection Engineering (Shenzhen) Co., Ltd.* 光大環保工程技術(深圳)有限公司*	PRC 中國	USD10,000,000 10,000,000美元	100%	100%	–	Provision of construction management services 提供工程管理服務
Everbright Environmental Protection Technology Development (Beijing) Limited* 光大環保科技發展(北京)有限公司*	PRC 中國	\$4,000,000 4,000,000元	100%	100%	–	Conduct of environmental protection technology research projects 進行環保科技研發項目
Everbright Environmental (Suzhou) Solid Waste Treatment Co., Ltd. * (note (d)) 光大環保(蘇州)固體廢物處理有限公司* (附註(d))	PRC 中國	USD4,865,000 4,865,000美元	100%	–	100%	Design, construction, operation and management of industrial solid waste landfill 設計、建造、運營及管理工業固體廢物填埋場
Everbright Water (Boxing) Limited * (note (e)) 光大水務(博興)有限公司*(附註(e))	PRC 中國	\$55,000,000 55,000,000元	100%	–	100%	Design, construction, operation and maintenance of waste-water treatment plant 設計、建造、運營及維修保養污水處理廠

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(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 及運營地點	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 (Jiangyin) Limited # (note (e)) 光大水務(江陰) 有限公司*(附註(e))	PRC 中國	RMB360,000,000 人民幣 360,000,000元	70%	–	70%	Design, construction, operation and maintenance of waste-water treatment plants 設計、建造、運營 及維修保養 污水處理廠
Everbright Water (Ji'nan) Limited * (note (e)) 光大水務(濟南) 有限公司*(附註(e))	PRC 中國	USD23,580,000 23,580,000美元	100%	–	100%	Operation and maintenance of waste-water treatment plants 運營及維修保養 污水處理廠
Everbright Water (Jinan Licheng) Limited * (note (e)) 光大水務(濟南歷城) 有限公司*(附註(e))	PRC 中國	RMB22,024,000 人民幣 22,024,000元	100%	–	100%	Design, construction, operation and maintenance of waste-water treatment plant 設計、建造、運營 及維修保養 污水處理廠
Everbright Water (Zibo) Limited * (note (e)) 光大水務(淄博)有限公司* (附註(e))	PRC 中國	USD27,058,000 27,058,000美元	100%	–	100%	Design, construction, operation and maintenance of waste-water treatment plants 設計、建造、運營 及維修保養 污水處理廠

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(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 及運營地點	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 Water (Zibo Zhoucun) Water Purification Co., Ltd. * (note (e)) 光大水務(淄博周村) 淨水有限公司* (附註(e))	PRC 中國	\$35,000,000 35,000,000元	100%	–	100%	Design, construction, operation and maintenance of waste-water treatment plant 設計、建造、運營 及維修保養 污水處理廠
Qingdao EB-VW Waste Water Treatment Co., Ltd. ("Qingdao EB-VW")# (note (e)) 青島光威污水處理 有限公司 (「青島光威」)# (附註(e))	PRC 中國	USD15,257,000 15,257,000美元	Note (b) 附註(b)	–	Note (b) 附註(b)	Construction, operation and maintenance of waste-water treatment plants 建造、運營 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 (c) 附註(c)	–	Note (c) 附註(c)	Development, construction, operation and maintenance of a toll bridge 開發、建造、運營 及維修保養 收費橋樑
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

* 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。

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17. INTEREST IN SUBSIDIARIES (continued)

Notes:

- (a) Everbright Environmental Energy (Suzhou) Holdings Ltd, 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 EB Energy (Suzhou)'s registered capital. Net profit, after payment of an agreed sum of RMB880,000 annually to the PRC joint venture partner of EB Energy (Suzhou), of EB Energy (Suzhou) is fully attributable to Everbright Environmental Energy (Suzhou) Holdings Ltd.
- (b) 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. 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.
- (c) 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. The remaining 20% in Greenway is owned by China Everbright Holdings Company Limited, the Company's ultimate holding company. 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.

The service concession agreement does not contain a renewal option. Both the grantor and FZGM have the rights to terminate the agreement in the event of a material breach of the terms of the agreement.

Operating right of the toll bridge is recognised as an intangible asset.

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(蘇州)外方合營夥伴光大環保能源(蘇州)控股有限公司，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(在每年支付協定款項人民幣880,000元予中方合營夥伴後)將全歸光大環保能源(蘇州)控股有限公司所有。
- (b) 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。
- (c) 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。Greenway餘下20%權益由本公司之最終控股公司中國光大集團有限公司擁有。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、運營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。於運營期內，光閩路橋有責任維持收費橋樑在良好狀況。

服務特許經營權協議並無續約選擇。授予人及光閩路橋均有權於協議條款遭重大違反之情況下終止有關協議。

收費橋樑之經營權確認為無形資產。

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17. INTEREST IN SUBSIDIARIES

Notes: (continued)

- (d) The subsidiaries of the Group entered into service concession arrangements with the local government authorities in the PRC ("the grantors"). Pursuant to the service concession arrangements, the Group has to design, construct, operate and manage waste-to-energy power plants, methane-to-energy power plants and industrial solid waste landfill in the PRC for a period of 25 to 30 years. The Group has the obligation to maintain the waste-to-energy power plants, methane-to-energy power plants and industrial solid waste landfill in good condition. The grantors guarantee the Group will receive minimum annual payments in connection with the arrangements. Upon expiry of the concession periods, the waste-to-energy power plants and related facilities will be transferred to the local government authorities.

The service concession arrangements do not contain renewal options. The standard rights of the grantors to terminate the agreements include failure of the Group to construct or operate the waste-to-energy power plants, methane-to-energy power plants and industrial solid waste landfill and in the event of a material breach of the terms of the agreements. The standard rights of the Group to terminate the agreements include failure to receive payments for solid waste treatment service from the grantors and in the event of a material breach of the terms of the agreements.

Revenue relates to the construction services provided in constructing the waste-to-energy power plants, methane-to-energy power plants and industrial solid waste landfill is recognised as "Gross amounts due from customers for contract work" in the financial statements.

- (e) The subsidiaries of the Group entered into service concession arrangements with the local government authorities in the PRC ("the grantors"). Pursuant to the service concession arrangements, the Group has to design, construct and/or upgrade, operate and manage waste-water treatment plants in the PRC for a period of 25 to 30 years. The Group has the obligation to maintain the waste-water treatment plants in good condition. The grantors guarantee the Group will receive minimum annual payments in connection with the arrangements. Upon expiry of the concession periods, the waste-water treatment plants and the related facilities will be transferred to the local government authorities.

The service concession arrangements do not contain renewal options. The standard rights of the grantors to terminate the agreements include failure of the Group to construct, upgrade or operate the waste-water treatment plants and in the event of a material breach of the terms of the agreements. The standard rights of the Group to terminate the agreements include failure to receive payments for waste-water treatment service from the grantors and in the event of a material breach of the terms of the agreements.

Revenue relates to the construction services provided in constructing or upgrading the waste-water treatment plants is recognised as "Gross amounts due from customers for contract work" in the financial statements.

十七. 附屬公司權益(續)

附註：(續)

- (d) 本集團附屬公司與中國當地政府機關(「授予人」)訂立服務特許經營權安排。根據服務特許經營權安排，本集團須於中國設計、建造、運營及管理垃圾焚燒發電廠、沼氣發電廠及工業固體廢物填埋場，為期二十五至三十年。本集團有責任維持垃圾焚燒發電廠、沼氣發電廠及工業固體廢物填埋場在良好狀況。授予人擔保，就有關安排而言，本集團將可每年收取最低保證款項。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。

服務特許經營權安排並無續約選擇。授予人可行使標準權利終止協議之情況包括：本集團未能建造或運營垃圾焚燒發電廠、沼氣發電廠及工業固體廢物填埋場，以及協議條款遭重大違反。本集團可行使標準權利終止協議之情況包括：未能從授予人取得固體廢物處理服務費，以及協議條款遭重大違反。

因建造垃圾焚燒發電廠、沼氣發電廠及工業固體廢物填埋場而提供建造服務所得之相關收益在財務報表中確認為「應收客戶合約工程款項總額」。

- (e) 本集團附屬公司與中國當地政府機關(「授予人」)訂立服務特許經營權安排。根據服務特許經營權安排，本集團須於中國設計、建造及/或改造、運營及管理污水處理廠，為期二十五至三十年。本集團有責任維持污水處理廠在良好狀況。授予人擔保，就有關安排而言，本集團將可每年收取最低保證款項。待特許經營期屆滿後，污水處理廠及相關設施將轉歸當地政府機關所有。

服務特許經營權安排並無續約選擇。授予人可行使標準權利終止協議之情況包括：本集團未能建造、改造或運營污水處理廠，以及協議條款遭重大違反。本集團可行使標準權利終止協議之情況包括：未能從授予人取得污水處理服務費，以及協議條款遭重大違反。

因建造或改造污水處理廠而提供建造服務所得之相關收益在財務報表中確認為「應收客戶合約工程款項總額」。

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)

18. INTEREST IN ASSOCIATE

十八、聯營公司權益

		The Group 本集團	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Share of net assets	所佔資產淨額	-	-

Details of the associate are as follows:

聯營公司資料如下：

Name of associate 聯營公司名稱	Form of business structure 業務架構性質	Place of establishment and operation 成立及運營地點	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	
Qingdao Veolia Water Operating Company Limited ("Qingdao Veolia") 青島威立雅水務運營有限公司 (「青島威立雅」)	Established 成立	PRC 中國	21%	-	21%	Operation of waste-water treatment plants 運營污水處理廠

Summary financial information on associate

聯營公司財務摘要

		2008 二零零八年 \$'000 千元		2007 二零零七年 \$'000 千元	
(i) Operating results (Note)	(i) 經營業績(附註)				
Turnover	營業額	39,379		25,661	
Profit/(loss) before taxation	除稅前盈利/(虧損)	2,382		(5,520)	
Profit/(loss) after taxation	除稅後盈利/(虧損)	2,382		(5,520)	
Group's share of loss after taxation for the year attributable to the associate	本集團所佔聯營公司之本年度除稅後虧損	-		(478)	

Note: Operating results of Qingdao Veolia is shared up to the Group's interest in the associate.

附註：本集團應佔青島威立雅之經營業績以其所佔該聯營公司之權益為限。

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)

18. INTEREST IN ASSOCIATE (continued)

Summary financial information on associate (continued)

十八. 聯營公司權益(續)

聯營公司財務摘要(續)

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
(ii) Balance sheet	(ii) 資產負債表		
Non-current assets	非流動資產	676	410
Current assets	流動資產	12,379	11,137
Current liabilities	流動負債	(13,650)	(14,383)
Net liabilities	負債淨額	(595)	(2,836)
Group's share of net assets attributable to the associate	本集團所佔聯營公司資產淨額	-	-

19. OTHER FINANCIAL ASSETS

十九. 其他財務資產

		The Group 本集團		The Company 本公司	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Available-for-sale equity securities:	待售股本證券：				
- Listed in Hong Kong	- 香港上市	15,763	52,938	-	-
- Unlisted outside Hong Kong	- 香港以外地區非上市	6,573	6,639	6,573	6,639
		22,336	59,577	6,573	6,639
Market value of listed securities	上市證券之市值	15,763	52,938	-	-

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. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS 二十. 應收賬款、其他應收款項、按金及預付款項

		The Group 本集團	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Debtors	應收賬款	98,091	53,511
Loan receivable	貸款應收款項	-	75,061
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	1,709,633	869,432
		1,807,724	998,004
Less: Non-current portion	減：非即期部份		
- other receivables and deposits	- 其他應收款項及按金	(1,386,280)	(690,019)
Current portion	即期部份	421,444	307,985

Included in "Debtors, other receivables, deposits and prepayments" are debtors with the following ageing analysis as of the balance sheet date:

「應收賬款、其他應收款項、按金及預付款項」中包括應收賬款，其於結算日之賬齡分析如下：

		The Group 本集團	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Current	即期	73,248	47,515
Less than 1 month past due	逾期少於一個月	7,670	5,996
1 to 3 months past due	逾期一至三個月	3,732	-
More than 3 months but less than 12 months past due	逾期超過三個月但少於十二個月	13,441	-
		98,091	53,511

Debtors are due within 30 days from the date of billing. Further details on the Group's credit policy are set out in note 32(a).

應收賬款由發單日期起計三十日內到期。本集團信貸政策之進一步資料載於附註三十二(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)

20. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

Included in debtors, other receivables, deposits and prepayments of the Group are debtors of \$98,091,000 (2007: \$53,511,000) of which \$6,994,000 (2007: \$11,873,000) and \$23,923,000 (2007: \$Nil) are due from a minority shareholder and a related company respectively. Debtors represent toll bridge revenue and revenue from waste-water treatment plants, waste-to-energy power plants, methane-to-energy power plants and industrial solid waste landfill operation services. There was no recent history of default in respect of the Group's debtors. Based on past experience, management believes that no impairment allowance is necessary in respect of the past due balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances. No impairment loss was recognised by the Group at 31 December 2008 (2007: \$Nil).

Other receivables, deposits and prepayments include balances totalling \$1,544,037,000 (2007: \$750,991,000) which bear interest at rates ranging from 6.12% to 7.83% (2007: 6.12% to 7.02%) per annum and represent the considerations paid for the acquisition of waste-water treatment plants under TOT (transfer-operate-transfer) arrangements, among which \$123,097,000 (2007: \$98,099,000) and \$497,852,000 (2007: \$Nil) are due from a minority shareholder and a related company respectively. The amounts are not yet due for payment and will be settled by revenue to be generated during the operating periods of the TOT arrangements. No impairment loss was recognised by the Group at 31 December 2008 (2007: \$Nil).

The loan receivable at 31 December 2007 was unsecured, interest bearing at 7.12%, due from an unrelated party and repaid in full during the year.

All of the current portion of the above balances are expected to be recovered or recognised as expense within one year.

二. 應收賬款、其他應收款項、按金及預付款項(續)

本集團之應收賬款、其他應收款項、按金及預付款項中，包括應收賬款98,091,000元(二零零七年：53,511,000元)，其中6,994,000元(二零零七年：11,873,000元)及23,923,000元(二零零七年：無)分別為應收少數股東款項及應收關聯公司款項。應收賬款為收費橋樑收益及來自污水處理廠、垃圾焚燒發電廠、沼氣發電廠及工業固體廢物填埋場之運營服務收益。本集團之應收賬款最近並無違約紀錄。根據過往經驗，管理層認為毋須就逾期欠款結餘作出耗損撥備，因為信貸質素並無出現重大變動，而有關結餘仍被視為可全數收回。本集團並無就該等結餘持有任何抵押品。而於二零零八年十二月三十一日，本集團亦無確認任何耗損虧損(二零零七年：無)。

其他應收款項、按金及預付款項包括合共1,544,037,000元(二零零七年：750,991,000元)之結餘，其按年息率6.12%至7.83%(二零零七年：6.12%至7.02%)計算利息。其為TOT(轉移—運營—轉移)安排下收購污水處理廠之已付代價，其中123,097,000元(二零零七年：98,099,000元)及497,852,000元(二零零七年：無)分別為應收少數股東款項及應收關聯公司款項。有關款項屬未到期還款，並將以TOT安排下之污水處理的經營期收益支付。於二零零八年十二月三十一日，本集團亦無確認任何耗損虧損(二零零七年：無)。

於二零零七年十二月三十一日，貸款應收款項為無抵押，按息率7.12%計算利息，欠款人為無關聯人仕並已於年內全部償還。

上述結餘之所有即期部份預期可於一年內收回或確認為開支。

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)

21. GROSS AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK 二十一. 應收客戶合約工程款項總額

		The Group 本集團	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Contract cost incurred plus recognised profits less anticipated losses	已產生合約成本加上已確認 盈利，減預期虧損	3,215,255	1,989,022
Less: Progress billings	減：進度款項	(270,191)	(113,410)
Net contract work	合約工程淨額	2,945,064	1,875,612
Representing:	代表：		
Gross amounts due from customers for contract work	應收客戶合約工程款項 總額		
– Non-current	– 非即期	2,686,012	1,752,995
– Current	– 即期	259,052	122,617
		2,945,064	1,875,612

Included in gross amount due from customers for contract work are amounts of \$290,055,000 (2007: \$293,083,000) and \$161,290,000 (2007: \$Nil) which are due from a minority shareholder and a related company respectively.

Gross amounts due from customers for contract work represent revenue from construction under BOT (build-operate-transfer) arrangements or upgrade services under TOT arrangements and bear interest at rates ranging from 6.12% to 7.83% (2007: 6.12% to 7.02%) per annum. The amounts are not yet due for payment and will be settled by revenue to be generated during the operating periods of the BOT and TOT arrangements.

應收客戶合約工程款項總額中，分別包括應收少數股東款項290,055,000元(二零零七年：293,083,000元)及應收關聯公司款項161,290,000元(二零零七年：無)。

應收客戶合約工程款項總額乃於BOT(建造－運營－轉移)安排下之建造收益或在TOT安排下之改造工程收益，其按年息率6.12%至7.83%(二零零七年：6.12%至7.02%)計算利息。有關款項屬未到期還款，並將以BOT及TOT安排下之經營期收益支付。

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)

22. INVENTORIES

Inventories in the balance sheet comprise:

二二. 存貨

資產負債表所示存貨包括：

		The Group 本集團	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Plant materials and operating supplies	廠房物資及營業用品	10,379	5,223
Other raw materials	其他原材料	1,122	700
		11,501	5,923

23. PLEDGED BANK DEPOSITS

The amounts are pledged to secure certain bank loans of the Group.

二二. 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

二四. 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Deposits with banks	銀行存款	153,989	250,692	137,181	207,800
Cash at bank and in hand	銀行結餘及現金	408,143	304,171	52,929	32,413
		562,132	554,863	190,110	240,213

Included in cash and cash equivalents in the balance sheet date are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

於結算日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	
		2008 二零零八年 '000 千	2007 二零零七年 '000 千	2008 二零零八年 '000 千	2007 二零零七年 '000 千
United States Dollars	美元	USD4,363 4,363美元	USD17,361 17,361美元	USD1,001 1,001美元	USD16,745 16,745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)

24. CASH AND CASH EQUIVALENTS (continued)

Included in cash and cash equivalents are the following deposits placed with related party bank:

二十四. 現金及現金等價物(續)

現金及現金等價物包括下列存放於關聯人仕銀行之存款：

	The Group 本集團		The Company 本公司	
	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Deposits with related party bank 存放於關聯人仕銀行之存款	3,562	16,542	798	4,269

25. BANK LOANS

At 31 December 2008, the bank loans were repayable as follows:

二十五. 銀行貸款

於二零零八年十二月三十一日，銀行貸款之還款期如下：

	The Group 本集團		The Company 本公司	
	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Within 1 year or on demand 一年內或按要求	546,041	142,732	130,000	11,428
After 1 year but within 2 years 一年後但兩年內	330,525	188,773	30,000	6,429
After 2 years but within 5 years 兩年後但五年內	948,559	680,783	77,500	11,249
After 5 years 五年後	504,468	423,160	-	-
	1,783,552	1,292,716	107,500	17,678
	2,329,593	1,435,448	237,500	29,106

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. BANK LOANS (continued)

At 31 December 2008, the bank loans were secured as follows:

二五. 銀行貸款(續)

於二零零八年十二月三十一日，銀行貸款之抵押情況如下：

		The Group 本集團		The Company 本公司	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Bank loans	銀行貸款				
- secured	- 有抵押	1,549,067	1,253,168	137,500	29,106
- unsecured	- 無抵押	780,526	182,280	100,000	-
		2,329,593	1,435,448	237,500	29,106

Certain banking facilities of the Group are secured by certain revenue and receivables in connection with the Group's service concession arrangements, bank deposits, mortgages on fixed assets and shares of a subsidiary of the Company. Such banking facilities, amounting to \$1,793,850,000 (2007: \$1,661,544,000), were utilised to the extent of \$1,549,067,000 (2007: \$1,253,168,000) at 31 December 2008.

At 31 December 2008, the unsecured banking facilities, amounting to \$1,743,131,000 (2007: \$539,624,000), were utilised to the extent of \$780,526,000 (2007: \$182,280,000). Among the unsecured banking facilities of the Group, \$1,066,511,000 (2007: \$539,624,000) are guaranteed by the Company and were utilised to the extent of \$530,786,000 (2007: \$182,280,000). All of the non-current interest-bearing borrowings are carried at amortised costs. None of the non-current interest-bearing borrowings is expected to be settled within one year.

Included in bank loans are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

本集團若干銀行融資以本集團服務特許經營權安排下之若干收益及應收款項、銀行存款、固定資產按揭及本公司旗下附屬公司之股份作擔保。於二零零八年十二月三十一日，上述1,793,850,000元(二零零七年：1,661,544,000元)之銀行融資已動用1,549,067,000元(二零零七年：1,253,168,000元)。

於二零零八年十二月三十一日，無抵押銀行融資之金額為1,743,131,000元(二零零七年：539,624,000元)，已動用780,526,000元(二零零七年：182,280,000元)。上述本集團無抵押銀行融資，其中1,066,511,000元(二零零七年：539,624,000元)由本公司作擔保，並已動用530,786,000元(二零零七年：182,280,000元)。所有非即期計息借貸乃按攤銷成本入賬。預期所有非即期計息借貸均不會於一年內償還。

銀行貸款包括下列款項，其以相關實體之功能貨幣以外之貨幣為單位：

		The Group 本集團		The Company 本公司	
		2008 二零零八年 '000 千	2007 二零零七年 '000 千	2008 二零零八年 '000 千	2007 二零零七年 '000 千
United States Dollars	美元	USD30,000 30,000美元	USD23,400 23,400美元	-	-

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

26. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

二十六. 應付賬款、其他應付款項及應計費用

		The Group 本集團	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Bills payable	應付票據	-	25,735
Creditors, other payables and accrued expenses	應付賬款、其他應付款項及應計費用	471,031	308,691
		471,031	334,426

Included in "Creditors, other payables and accrued expenses" are creditors and bills payable with the following ageing analysis as of the balance sheet date:

「應付賬款、其他應付款項及應計費用」中包括應付賬款及應付票據，其於結算日之賬齡分析如下：

		The Group 本集團	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Due within 1 month or on demand	一個月內到期或按要求	55,682	11,261
Due after 1 month but within 3 months	一至三個月內到期	22,629	23,986
Due after 3 months but within 6 months	三至六個月內到期	7,246	31,976
Due after 6 months	六個月後到期	272,356	168,549
		357,913	235,772

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

26. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES (continued)

Included in "Creditors, other payables and accrued expenses" of the Group is an amount of \$6,982,000 (2007: \$9,506,000) 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 balances totalling \$343,329,000 (2007: \$224,977,000) which represent construction payables for the Group's BOT arrangements, among which \$6,295,000 (2007: \$15,651,000) and \$28,684,000 (2007: \$25,062,000) are due to related companies and minority shareholder respectively. The construction payables are current and not yet due for payment. The amounts due to related companies and minority shareholder 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:

		The Group 本集團		The Company 本公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		'000 千	'000 千	'000 千	'000 千
Euro	歐羅	EUR311 311歐羅	EUR155 155歐羅	EUR311 311歐羅	EUR155 155歐羅
United States dollars	美元	USD2,629 2,629美元	USD1,193 1,193美元	USD2,542 2,542美元	USD533 533美元

27. OTHER LOANS

The Group

The loans are unsecured, interest-bearing at rates announced by the People's Bank of China, due to a local government body and repayable in 2023.

28. LOANS FROM ULTIMATE HOLDING COMPANY

The loans from ultimate holding company are unsecured, interest free, except for loans of \$100,000,000 which bear interest at rates based on HIBOR+0.6% per annum (2007: interest free), and not repayable within one year.

二六. 應付賬款、其他應付款項及應計費用 (續)

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6,982,000元(二零零七年：9,506,000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，還有合共343,329,000元(二零零七年：224,977,000元)之結餘，其為在本集團BOT安排下之建造工程應付款項，其中6,295,000元(二零零七年：15,651,000元)及28,684,000元(二零零七年：25,062,000元)分別為應付予關聯公司及應付予少數股東之款項。建造工程應付款項屬即期及未到期還款。應付予關聯公司及應付予少數股東之款項為無抵押、免息，並預期須於一年內償還。

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：

二七. 其他貸款

本集團

有關貸款為無抵押、按中國人民銀行公佈之息率計息，其為欠付當地政府機關之款項，並須於二零二三年償還。

二八. 最終控股公司貸款

除了100,000,000元之貸款須按香港銀行同業拆息年息加0.6%計息外(二零零七年：免息)，最終控股公司貸款為無抵押、免息及毋須於一年內償還。

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(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

(a) Current taxation in the balance sheet represents:

		The Group 本集團	
		2008 二零零八年	2007 二零零七年
		\$'000 千元	\$'000 千元
Provision for PRC income tax for the year	本年度中國所得稅撥備	23,460	15,018
Provisional Tax paid	已付暫繳稅	(14,295)	(8,618)
		9,165	6,400

(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：

		Temporary differences on assets recognised under HK(IFRIC) 12 根據《香港(國際財務報告詮釋委員會)詮釋》第12號確認之資產之暫時差異	Revaluation of properties 物業重估	Undistributed profits of subsidiaries 附屬公司未分派盈利	Total 總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2007	於二零零七年一月一日	(13,358)	22,558	-	9,200
Exchange adjustments	匯兌調整	2,061	186	-	2,247
Credited to profit or loss	計入損益表	(6,664)	(738)	-	(7,402)
At 31 December 2007	於二零零七年十二月三十一日	(17,961)	22,006	-	4,045

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

(continued)

(b) Deferred tax assets and liabilities recognised:

(continued)

The Group (continued)

二十九. 資產負債表所示的所得稅 (續)

(b) 已確認遞延稅項資產及負債：(續)

本集團(續)

		Temporary differences on assets recognised under HK(IFRIC) 12 根據《香港(國際財務報告詮釋委員會)詮釋》第12號確認之資產之暫時差異 \$'000 千元	Revaluation of properties 物業重估 \$'000 千元	Undistributed profits of subsidiaries 附屬公司未分派盈利 \$'000 千元	Total 總額 \$'000 千元
At 1 January 2008	於二零零八年一月一日	(17,961)	22,006	-	4,045
Exchange adjustments	匯兌調整	(3,109)	1,274	194	(1,641)
Charged to profit or loss	在損益表中扣除	51,271	-	20,236	71,507
Disposal through sale of subsidiaries (note 33)	透過出售附屬公司出售(附註三十三)	-	(21,623)	-	(21,623)
At 31 December 2008	於二零零八年十二月三十一日	30,201	1,657	20,430	52,288

		The Group 本集團	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Net deferred tax assets recognised on the consolidated balance sheet	於綜合資產負債表確認之遞延稅項資產淨額	(26,538)	(35,561)
Net deferred tax liabilities recognised on the consolidated balance sheet	於綜合資產負債表確認之遞延稅項負債淨額	78,826	39,606
		52,288	4,045

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(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

(continued)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses of \$24,241,000 (2007: \$21,820,000) 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.

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.

二十九. 資產負債表所示的所得稅(續)

(c) 未確認遞延稅項資產

根據附註一(s)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24,241,000元(二零零七年：21,820,000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。

三十. 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)

(a) The terms and conditions of the grants that existed during the years are as follows, whereby all options are settled by physical delivery of shares:

三十一. 以股份支付之股本交易(續)

(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 - 二零零三年九月二十九日	40,200,000	Six months from the date of grant 由授出日期起計六個月	9.7 years 9.7年
- on 29 September 2003 - 二零零三年九月二十九日	49,700,000	One year from the date of grant 由授出日期起計一年	9.7 years 9.7年
- on 3 August 2006 - 二零零六年八月三日	15,000,000	One year from the date of grant 由授出日期起計一年	6.8 years 6.8年
- on 3 August 2006 - 二零零六年八月三日	15,000,000	Two years from the date of grant 由授出日期起計兩年	6.8 years 6.8年
Options granted to employees: 授予僱員之購股權：			
- on 29 September 2003 - 二零零三年九月二十九日	1,300,000	One year from the date of grant 由授出日期起計一年	9.7 years 9.7年
- on 3 August 2006 - 二零零六年八月三日	18,000,000	One year from the date of grant 由授出日期起計一年	6.8 years 6.8年
- on 3 August 2006 - 二零零六年八月三日	18,000,000	Two years from the date of grant 由授出日期起計兩年	6.8 years 6.8年
Total share options 購股權總數	157,200,000		

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30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

三十一. 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：

		2008 二零零八年		2007 二零零七年	
		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	\$0.595元	88,991,000	\$0.529元	157,200,000
Exercised during the period	期內已行使	\$0.85元	(9,057,000)	\$0.376元	(58,709,000)
Lapsed during the period	期內失效	-	-	\$0.85元	(9,500,000)
Outstanding at the end of the period	期終尚未行使	\$0.566元	79,934,000	\$0.595元	88,991,000
Exercisable at the end of the period	期終可予行使	\$0.566元	79,934,000	\$0.478元	60,991,000

The weighted average share price at the date of exercise for shares options exercised during the year was \$2.2 (2007: \$3.2).

年內已行使購股權於行使日期之加權平均股價為2.2元(二零零七年：3.2元)。

The options outstanding at 31 December 2008 had an exercise price of \$0.296 or \$0.85 (2007: \$0.296 or \$0.85) and a weighted average remaining contractual life of 4.4 years (2007: 5.4 years).

於二零零八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(二零零七年：0.296元或0.85元)，而加權平均餘下合約年期則為4.4年(二零零七年：5.4年)。

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30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

(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.

三十一. 以股份支付之股本交易(續)

(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。

		2008 二零零八年	2007 二零零七年
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元	\$0.29元
Share price	股價	\$0.85元	\$0.85元
Exercise price	行使價	\$0.85元	\$0.85元
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%	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年	3 years年
Expected dividends	預期股息	2.28%	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%	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.

There were no service conditions or market conditions associated with the share options granted.

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。

已授出之購股權並無附帶任何服務條件或市場條件。

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31. CAPITAL AND RESERVES

(a) The Group

三十一. 股本及儲備

(a) 本集團

		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
At 1 January 2008	於二零零八年一月一日	313,472	737,989	-	70
Dividends approved in respect of the previous year (note 11)	於二零零八年一月一日 去年度已批准股息 (附註十一)	-	-	-	-
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))	906	9,429	-	-
Exchange differences on translation of financial statements of subsidiaries and associate	換算附屬公司及聯營公司 財務報表產生之匯兌差額	-	-	-	-
Reserves realised on disposal of subsidiaries (note 33)	出售附屬公司時變現之儲備 (附註三十三)	-	-	-	-
Equity-settled share-based transactions	以股份支付之股本交易	-	-	-	-
Changes in fair value of available-for-sale securities	待售證券公允值變動	-	-	-	-
Profit for the year	本年度盈利	-	-	-	-
Capital contributions received by non-wholly owned subsidiary from minority shareholder	非全資附屬公司從少數股東收取 所得之出資額	-	-	-	-
Transfer to reserve fund	轉撥至儲備金	-	-	-	-
Dividend paid to minority shareholder	已支付予少數股東之股息	-	-	-	-
Dividend declared in respect of the current year (note 11)	本年度已宣派股息(附註十一)	-	-	-	-
At 31 December 2008	於二零零八年十二月三十一日	314,378	747,418	-	70

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	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
11,628	(12,614)	180,990	37,591	20,007	1,161,958	2,451,091	152,335	2,603,426
-	-	-	-	-	(31,367)	(31,367)	-	(31,367)
(2,645)	-	-	-	-	-	7,690	-	7,690
-	-	137,690	-	-	-	137,690	18,236	155,926
-	10,808	(30,565)	-	-	(10,808)	(30,565)	(153)	(30,718)
2,385	-	-	-	-	-	2,385	-	2,385
-	-	-	(37,484)	-	-	(37,484)	-	(37,484)
-	-	-	-	-	339,018	339,018	26,373	365,391
-	-	-	-	-	-	-	116,320	116,320
-	-	-	-	10,530	(10,530)	-	-	-
-	-	-	-	-	-	-	(1,685)	(1,685)
-	-	-	-	-	(18,843)	(18,843)	-	(18,843)
11,368	(1,806)	288,115	107	30,537	1,429,428	2,819,615	311,426	3,131,041

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31. CAPITAL AND RESERVES (continued)

(a) The Group (continued)

三十一. 股本及儲備(續)

(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
At 1 January 2007	於二零零七年一月一日	307,601	719,298	-	70
Dividends approved in respect of the previous year (note 11)	去年度已批准股息 (附註十一)	-	-	-	-
Shares issued under share option scheme (note 31(c)(ii))	根據購股權計劃發行 股份 (附註三十一(c)(ii))	5,871	18,691	-	-
Share of exchange reserve of associate	所佔聯營公司匯兌儲備	-	-	-	-
Exchange differences on translation of financial statements of subsidiaries and associate	換算附屬公司及聯營公司 財務報表產生之匯兌差額	-	-	-	-
Equity-settled share-based transactions	以股份支付之股本交易	-	-	-	-
Available-for-sale securities:	待售證券：				
- changes in fair value	- 公允值變動	-	-	-	-
- transfer to profit or loss on disposal	- 出售時轉撥至損益表	-	-	-	-
Profit for the year	本年度盈利	-	-	-	-
Transfer to reserve fund	轉撥至儲備金	-	-	-	-
Dividend paid to minority shareholder	已支付予少數股東之股息	-	-	-	-
Dividend declared in respect of the current year (note 11)	本年度已宣派股息 (附註十一)	-	-	-	-
At 31 December 2007	於二零零七年十二月三十一日	313,472	737,989	-	70

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	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
6,027	(12,614)	51,367	30,818	8,639	884,917	1,996,123	117,073	2,113,196
-	-	-	-	-	(30,770)	(30,770)	-	(30,770)
(2,485)	-	-	-	-	-	22,077	-	22,077
-	-	36	-	-	-	36	-	36
-	-	129,587	-	-	-	129,587	13,735	143,322
8,086	-	-	-	-	-	8,086	-	8,086
-	-	-	18,565	-	-	18,565	-	18,565
-	-	-	(11,792)	-	-	(11,792)	-	(11,792)
-	-	-	-	-	337,932	337,932	22,147	360,079
-	-	-	-	11,368	(11,368)	-	-	-
-	-	-	-	-	-	-	(620)	(620)
-	-	-	-	-	(18,753)	(18,753)	-	(18,753)
11,628	(12,614)	180,990	37,591	20,007	1,161,958	2,451,091	152,335	2,603,426

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(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)

(b) The Company

三十一. 股本及儲備(續)

(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 2007	於二零零七年 一月一日	307,601	719,298	-	70	6,027	722,767	1,755,763
Dividends approved in respect of the previous year (note 11)	上年度已批准 股息 (附註十一)	-	-	-	-	-	(30,770)	(30,770)
Shares issued under share option scheme (note 31(c)(ii))	根據購股權計劃 發行股份 (附註 三十一(c)(ii))	5,871	18,691	-	-	(2,485)	-	22,077
Equity-settled share- based transactions	以股份支付之 股本交易	-	-	-	-	8,086	-	8,086
Profit for the year	本年度盈利	-	-	-	-	-	119,452	119,452
Dividend declared in respect of the current year (note 11)	本年度已宣派股息 (附註十一)	-	-	-	-	-	(18,753)	(18,753)
At 31 December 2007	於二零零七年 十二月三十一日	313,472	737,989	-	70	11,628	792,696	1,855,855
At 1 January 2008	於二零零八年 一月一日	313,472	737,989	-	70	11,628	792,696	1,855,855
Dividends approved in respect of the previous year (note 11)	上年度已批准股息 (附註十一)	-	-	-	-	-	(31,367)	(31,367)
Shares issued under share option scheme (note 31(c)(ii))	根據購股權計劃 發行股份 (附註 三十一(c)(ii))	906	9,429	-	-	(2,645)	-	7,690
Equity-settled share- based transactions	以股份支付之 股本交易	-	-	-	-	2,385	-	2,385
Profit for the year	本年度盈利	-	-	-	-	-	132,772	132,772
Dividend declared in respect of the current year (note 11)	本年度已宣派股息 (附註十一)	-	-	-	-	-	(18,843)	(18,843)
At 31 December 2008	於二零零八年 十二月三十一日	314,378	747,418	-	70	11,368	875,258	1,948,492

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(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

(c) 股本

(i) Authorised and issued share capital

(i) 法定及已發行股本

		2008 二零零八年		2007 二零零七年	
		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	3,134,721	313,472	3,076,012	307,601
Shares issued under share option scheme	根據購股權計劃 發行股份	9,057	906	58,709	5,871
At 31 December	於十二月三十一日	3,143,778	314,378	3,134,721	313,472

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。

(ii) Shares issued under share option scheme

During the year ended 31 December 2008, options were exercised to subscribe for 9,057,000 ordinary shares (2007: \$58,709,000 ordinary shares) in the Company at a consideration of \$7,690,000 (2007: \$22,077,000) of which \$906,000 (2007: \$5,871,000) was credited to share capital and the balance of \$6,784,000 (2007: \$16,206,000) was credited to the share premium account. \$2,645,000 (2007: \$2,485,000) has been transferred from the capital reserve to the share premium account in accordance with policy set out in note 1(r)(ii).

(ii) 根據購股權計劃發行股份

於截至二零零八年十二月三十一日止年度，購股權持有人行使購股權，認購9,057,000股本公司普通股(二零零七年：58,709,000股普通股)，代價為7,690,000元(二零零七年：22,077,000元)。其中906,000元(二零零七年：5,871,000元)已記入股本，餘下6,784,000元(二零零七年：16,206,000元)則記入股份溢價賬。2,645,000元(二零零七年：2,485,000元)已按照附註一(r)(ii)所載政策之規定，從資本儲備轉撥至股份溢價賬。

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(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)

- (iii) Terms of unexpired and unexercised share options at balance sheet date

三十一. 股本及儲備(續)

(c) 股本(續)

- (iii) 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	2008 二零零八年 Number 數目	2007 二零零七年 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元	20,500,000	20,500,000
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元	20,500,000	20,500,000
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元	15,194,000	19,991,000
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元	23,740,000	28,000,000
			79,934,000	88,991,000

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。

(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(r)(ii).

(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48B條及第49H條規管。
- (ii) *資本儲備*
資本儲備包括根據附註一(r)(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。

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

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.

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

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。

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

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(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.

Provided always that:

- (1) the Special Reserve may be applied for the same purposes as a share premium account may lawfully be applied;

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三十二章）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。

惟：

- (1) 特別儲備可用作適用於股份溢價賬之合法用途；

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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)

- (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;
- (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

三十一. 股本及儲備(續)

(d) 儲備性質及目的(續)

(iii) 特別儲備(續)

- (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；
- (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

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(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)

- (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.

The Special Reserve of \$112,016,000 credited in 2004 was reduced to \$Nil during the year ended 31 December 2006 due to an increase in the share premium account of the Company which resulted from an issue of shares during that year.

(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(v).

(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)

(iii) 特別儲備(續)

- (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。

於截至二零零六年十二月三十一日止年度，於二零零四年入賬之特別儲備112,016,000元減至零元，原因為本公司於該年度發行股份以致股份溢價賬增加所致。

(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(v)所載會計政策處理儲備。

(vi) 公允價值儲備

公允價值儲備包括於結算日持有之待售證券公允價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

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(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 2008, the aggregate amount of reserves available for distribution to equity shareholders of the Company was \$875,258,000 (2007: \$792,696,000). After the balance sheet date the directors proposed a final dividend of 1 cent per ordinary share (2007: 1 cent per ordinary share) amounting to \$31,438,000 (2007: \$31,367,000). 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

於二零零八年十二月三十一日，可供分派予本公司股東之儲備總額為875,258,000元(二零零七年：792,696,000元)。於結算日後，董事建議派發末期股息每股普通股1仙(二零零七年：每股普通股1仙)合共31,438,000元(二零零七年：31,367,000元)。於結算日，此等股息並無確認為負債。

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31. CAPITAL AND RESERVES (continued)

(f) Capital management

The Group's primary objectives when managing capital are to maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. The Group reviews the capital structure on a regular basis and considers the cost of capital and the associated risks. Based on recommendations of the board of directors, the Group will balance its overall capital structure through adjusting the amount of dividends paid to shareholders, new shares issues or new debt financing. No changes were made in the objectives, policies or processes during the years ended 31 December 2008 and 31 December 2007.

The Group monitors capital with reference to its debt position. The Group's strategy was to maintain the equity and debt in a balanced position and ensure there were adequate working capital to service its debt obligation. The Group's gearing ratio, being the Group's total liabilities over its total assets, as at 31 December 2008 was 50% (2007: 42%).

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

32. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities. 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 credit risks are monitored on an ongoing basis. Debts are usually due within 30 days from the date of billing.

三十一. 股本及儲備(續)

(f) 資本管理

本集團管理資本之主要目的是要維持優越的信貸評級及穩健的資本比率，以支援業務運作，並為股東帶來最大利益。

本集團管理其資本架構，並因應經濟狀況之變動對資本架構作出調整。本集團會定期檢討資本架構，並加以考慮資本成本及相關風險。根據董事會之建議，本集團會透過調節支付予股東之股息數目、發行新股份或籌集新的債務融資，致力平衡整體資本架構。於截至二零零八年十二月三十一日及截至二零零七年十二月三十一日止兩個年度內，有關目標、政策或程序維持不變。

本集團參照其負債情況來監察資本情況。本集團之策略，是保持權益與負債的適當平衡，確保有足夠營運資金支付債務。於二零零八年十二月三十一日，本集團之資產負債比率(即本集團之總負債除以總資產所得之數)為50%(二零零七年：42%)。

本公司及其任何附屬公司均無受外界施加之股本規定所限制。

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、利率風險及貨幣風險。本集團亦由於其 在其他實體作出之股本投資而承受股本價格風險。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。債項通常由發單日期起計三十日內到期。

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(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)

(a) Credit risk (continued)

Debtors of the Group represent receivables in respect of toll bridge revenue, revenue from waste-water treatment plants, waste-to-energy power plants and methane-to-energy power plants and industrial solid waste landfill operation services which are settled on a monthly basis. In addition, the Group has gross amounts due from customers for contract work and other receivables in respect of the BOT and TOT arrangements.

At the balance sheet date, the debtors, other receivables, deposits and prepayments and gross amounts due from customers for contract work of the Group amounted to \$1,807,724,000 (2007: \$998,004,000) and \$2,945,064,000 (2007: \$1,875,612,000) respectively, of which \$1,113,657,000 (2007: \$560,197,000) and \$3,753,734,000 (2007: \$2,084,625,000) were due from the largest customer and five largest customers in aggregate of the Group. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Since the parties to BOT and TOT arrangement are local government authorities in the PRC, the Group considers the credit risk is low.

Except for the financial guarantees given by the Company to its subsidiaries, the Group does not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of the financial guarantees at the balance sheet date is disclosed in note 37.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from "Debtors, other receivables, deposits and prepayments" as well as "Gross amounts due from customers for contract work" are set out in notes 20 and 21 respectively.

三二. 金融工具(續)

(a) 信貸風險(續)

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、沼氣發電廠及工業固體廢物填埋場之運營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安排之應收客戶合約工程款項總額及其他應收款項。

於結算日，本集團之應收賬款、其他應收款項、按金及預付款項及應收客戶合約工程款項總額分別為1,807,724,000元(二零零七年：998,004,000元)及2,945,064,000元(二零零七年：1,875,612,000元)，其中1,113,657,000元(二零零七年：560,197,000元)及3,753,734,000元(二零零七年：2,084,625,000元)分別為本集團最大客戶欠款及五大客戶合計欠款。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。由於BOT及TOT安排下之訂約方為中國當地政府機關，故本集團認為信貸風險屬低。

除了本公司向旗下附屬公司作出之財務擔保外，本集團並無提供任何會令本集團或本公司承受信貸風險之擔保。有關此等財務擔保於結算日之最大信貸風險於附註三十七披露。

有關本集團「應收賬款、其他應收款項、按金及預付款項」及「應收客戶合約工程款項總額」信貸風險之進一步數據披露，分別載於附註二十及二十一。

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(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 when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its 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.

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay.

The Group

	2008 二零零八年							2007 二零零七年					
	Total contractual undiscounted cash flow		More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flow		More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years			
	Carrying amount	on demand	2 years	5 years	Carrying amount	on demand	2 years	5 years	More than 5 years				
	賬面值	現金流總額	按要求	兩年內	五年內	賬面值	現金流總額	按要求	兩年內	五年內	五年後		
\$'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		
Bank loans	2,329,593	(2,873,206)	(693,973)	(448,374)	(1,168,047)	(562,812)	1,435,448	(1,759,991)	(144,189)	(203,498)	(722,402)	(689,902)	
Other loans	68,064	(127,361)	(4,043)	(4,043)	(12,129)	(107,146)	-	-	-	-	-	-	
Loans from ultimate holding company	212,958	(215,810)	(2,852)	(212,958)	-	-	106,377	(106,377)	-	(106,377)	-	-	
Creditors, other payables and accrued expenses	471,031	(471,031)	(471,031)	-	-	-	334,426	(334,426)	(334,426)	-	-	-	
	3,081,646	(3,687,408)	(1,171,899)	(665,375)	(1,180,176)	(669,958)	1,876,251	(2,200,794)	(478,615)	(309,875)	(722,402)	(689,902)	

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；惟如借貸超出預定授權金額則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。

下表列示本集團及本公司於結算日未經貼現及受合約規管需在限期內清償之非衍生工具財務負債(包括按合約利率或(如屬浮息)根據結算日通行之利率計算之利息)，以及本集團及本公司須償還有關款項之最早日期詳情：

本集團

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32 FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

The Company

	2008 二零零八年					2007 二零零七年					
	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years		Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years		
Carrying amount	訂約未貼現	一年內或按要求	一年後但兩年內	兩年後但五年內		Carrying amount	訂約未貼現	一年內或按要求	一年後但兩年內	兩年後但五年內	
賬面值	現金流總額	按要求	兩年內	五年內		賬面值	現金流總額	按要求	兩年內	五年內	
\$'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	
Bank loans	銀行貸款	237,500	(246,081)	(134,206)	(31,881)	(79,994)	29,106	(30,548)	(11,428)	(6,703)	(12,417)
Loans from ultimate holding company	最終控股公司貸款	100,420	(103,272)	(2,852)	(100,420)	-	-	-	-	-	-
Creditors, other payables and accrued expenses	應付賬款、其他應付款項及應計費用	38,933	(38,933)	(38,933)	-	-	34,434	(34,434)	(34,434)	-	-
		376,853	(388,286)	(175,991)	(132,301)	(79,994)	63,540	(64,982)	(45,862)	(6,703)	(12,417)

(c) Interest rate risk

The Group's interest rate risk arises primarily from the Group's cash and cash equivalents, bank deposits, bank loans, other loans and loans from ultimate holding company. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group does not use financial derivatives to hedge against the interest rate risk. The Group's interest rate profile as monitored by management is set out in (i) below.

三二. 金融工具 (續)

(b) 流動資金風險 (續)

本公司

(c) 利率風險

本集團面對之利率風險，主要關乎集團之現金及現金等價物、銀行存款、銀行貸款、其他貸款及最終控股公司貸款。按浮動利率及固定利率批出之貸款令本集團分別承受現金流量利率風險及公允價值利率風險。本集團並無利用金融衍生工具來對沖利率風險。本集團之利率概況由管理層管理，並載於下文(i)。

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32. FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's and the Company's net borrowings (being interest-bearing financial liabilities less bank deposits and cash and cash equivalents) at the balance sheet date.

三十二. 金融工具 (續)

(c) 利率風險 (續)

(i) 利率概況

下表載列本集團及本公司於結算日之借貸淨額(即計息財務負債減去銀行存款及現金及現金等價物)之利率概況。

The Group		本集團			
		2008 二零零八年		2007 二零零七年	
		Effective interest rate 實際利率	\$'000 千元	Effective interest rate 實際利率	\$'000 千元
<i>Net fixed rate deposits:</i> 定息存款淨額：					
Deposits with bank	銀行存款	2% – 4.1%	(12,316)	–	–
Cash and cash equivalents	現金及現金等價物	0.2% – 2%	(147,631)	1.7% – 4.9%	(250,692)
			(159,947)		(250,692)
<i>Net variable rate borrowings:</i> 浮息借貸淨額：					
Bank loans	銀行貸款	1.8% – 8.6%	2,329,593	4.3% – 7.8%	1,435,448
Other loans	其他貸款	5.9%	68,064	–	–
Loans from ultimate holding company	最終控股公司貸款	2.8%	100,420	–	–
Less: Pledged bank deposits	減：已抵押銀行存款	1.4%	(109,349)	1.4% – 2.3%	(60,518)
Cash and cash equivalents	現金及現金等價物	0.01% – 2%	(408,143)	0.7% – 1.4%	(304,171)
			1,980,585		1,070,759
Total net borrowings 總借貸淨額			1,820,638		820,067

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32. FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

(i) Interest rate profile (continued)

The Company

		2008 二零零八年		2007 二零零七年	
		Effective interest rate	\$'000	Effective interest rate	\$'000
		實際利率	千元	實際利率	千元
<i>Net fixed rate deposits:</i>					
Cash and cash equivalents	現金及現金等價物	0.2% – 1.3%	(137,181)	2.6% – 4.9%	(207,800)
			(137,181)		(207,800)
<i>Net variable rate borrowings/ (deposits):</i>					
Bank loans	銀行貸款	1.8%	237,500	4.3% – 4.4%	29,106
Loans from ultimate holding company	最終控股公司貸款	2.8%	100,420	–	–
Less: Cash and cash equivalents	減：現金及現金等價物	0.01% – 0.4%	(52,929)	0.7%	(32,413)
			284,991		(3,307)
Total net borrowings/ (deposits)			147,810		(211,107)

(ii) Sensitivity analysis

At 31 December 2008, it is estimated that a general increase/decrease of one percentage point in interest rates, with all other variables held constant, would decrease/increase the Group's profit before tax by approximately \$19,806,000 (2007: \$10,708,000).

三二. 金融工具 (續)

(c) 利率風險 (續)

(i) 利率概況 (續)

本公司

(ii) 敏感度分析

於二零零八年十二月三十一日，據本集團估計，如利率整體上調/下調一個百分點，而所有其他不定因素維持不變，本集團之除稅前盈利將會減少/增加約19,806,000元（二零零七年：10,708,000元）。

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32. FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis (continued)

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for the non-derivative financial instruments in existence at that date. The one percentage point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2007.

(d) Currency risk

Forecast transactions

Majority of the Group's transactions are dominated in functional currency of the entity to which they relate. Presently, the Group has 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 and creditors denominated in United States dollars (USD), the impact of foreign exchange rate fluctuations is insignificant as HKD is pegged to USD.

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as available-for-sale equity securities (see note 19). The Group's listed investments are listed on The Stock Exchange of Hong Kong. The Group's unquoted investments are held for long term strategic purposes. The management maintain regularly the performance of the investments against expectation, together with an assessment of their relevance to the Group's long term strategic plans.

三十二. 金融工具 (續)

(c) 利率風險 (續)

(ii) 敏感度分析 (續)

上述敏感度分析乃假設利率變動已於結算日發生及已計入該日存在之非衍生金融工具之利率風險。增加／減少一個百分點代表管理層對利率於期內直至下一個結算日合理可能變動之估計。二零零七年之分析乃根據相同基準進行。

(d) 外匯風險

預計交易

集團大部份交易均以相關實體之功能貨幣計值。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。

就以美元為單位之借貸及應付賬款而言，由於港元與美元掛鈎，故匯率波動之影響甚微。

(e) 股本價格風險

本集團承受股本投資(被歸類為待售股本證券，詳見附註十九)之價格變動風險。本集團之上市投資均在香港聯交所上市。本集團之非上市投資均為長期策略目的而持有。管理層定期監察各項投資之實際與預期表現，並評估有關投資是否配合本集團之長期策略計劃。

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32. FINANCIAL INSTRUMENTS (continued)

(f) Fair values

The fair values of cash and cash equivalents, debtors, bank deposits, current portion of 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, non-current portion of other receivables and deposits, gross amounts due from customers for contract work, bank loans, other loans and interest-bearing loans from ultimate holding company approximate their fair values.

As set out in notes 17 and 28, the Company had amounts due from/to subsidiaries and non-interest bearing loans from ultimate holding company which are interest-free, 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) Listed securities

Fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

(ii) Unlisted securities

The Group's investment in unlisted securities represents investment in a property investment company, with its investment properties (being significant part of the total assets) stated at fair value. Fair value of the Group's investment in unlisted securities is based on net asset value of the investee which is approximate the fair value.

(iii) Interest-bearing loans and borrowings and receivables

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

三二. 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、按金及預付款項即期部份，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、其他應收款項及按金非即期部份、應收客戶合約工程款項總額、銀行貸款、其他貸款及最終控股公司之計息貸款之公允值與彼等之賬面值相若。

誠如附註十七及二十八所載，本公司具有應收／應付附屬公司款項及最終控股公司不計息貸款。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) 上市證券

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) 非上市證券

本集團之非上市證券投資指於一家物業投資公司之投資，其投資物業(佔總資產的重大部份)按公允值列賬。本集團非上市證券投資之公允值按接受投資公司之資產淨值(與公允值相若)計算。

(iii) 計息貸款及借貸及應收款項

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。

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33. DISPOSAL OF SUBSIDIARIES

On 10 November 2008, the Company entered into sale and purchase agreements with Everbright Real Estate Limited, a fellow subsidiary, to sell the entire issued share capital of, and shareholder's loan to, Sino Villa Holdings Limited and Riseland Limited at a total consideration of \$195,907,000, satisfied in cash.

三三. 出售附屬公司

於二零零八年十一月十日，本公司與同系附屬公司光大置業有限公司訂立買賣協議，出售Sino Villa Holdings Limited全部已發行股本及其股東貸款，以及置升有限公司全部已發行股本，總代價為195,907,000元，有關款項以現金支付。

		2008 二零零八年 \$'000 千元
Net assets disposed of:	出售資產淨額：	
Fixed assets	固定資產	194,086
Debtors, other receivables, deposits and prepayments	應收賬款、其他應收款項、按金及預付款項	451
Cash and cash equivalents	現金及現金等價物	8,819
Creditors, other payables and accrued expenses	應付賬款、其他應付款項及應計費用	(6,886)
Deferred tax liabilities	遞延稅項負債	(21,623)
Minority interests	少數股東權益	(153)
Exchange reserve realised on disposal	出售時變現之匯兌儲備	(30,565)
Net identifiable assets and liabilities	可辨別資產及負債淨額	144,129
Profit on disposal of subsidiaries (note 4)	出售附屬公司之盈利(附註四)	51,778
Total sale consideration received, satisfied by cash	已收出售代價總額(以現金支付)	195,907
Less: Cash of the subsidiaries disposed of	減：附屬公司出售之現金	(8,819)
Net cash inflow in respect of the disposal of subsidiaries	出售附屬公司之現金流入淨額	187,088

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34. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

- (a) The Group entered into the following related party transactions with its ultimate holding company, China Everbright Holdings Company Limited:

	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Interest expense 利息支出	2,494	-

- (b) The Group entered into the following related party transactions with an associate:

	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Service expense for operation of waste-water treatment plants (note 34(f)) 有關運營污水處理廠之服務開支 (附註三十四(f))	39,237	27,742

- (c) The Group entered into the following related party transactions with a minority shareholder of the Group:

	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Revenue from environmental water project operation services 環保水務項目運營服務收益	45,385	57,190
Revenue from environmental water project construction services 環保水務項目建造服務收益	1,253	22,225
Finance income 財務收入	26,949	23,668

三十四. 與關聯人仕之重大交易

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) 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：

- (b) 本集團與一家聯營公司訂立了下列關聯人仕交易：

- (c) 本集團與其少數股東訂立了下列關聯人仕交易：

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34. MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(d) The Group entered into the following related party transactions with a related company and subsidiaries of minority shareholders of the Group:

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Revenue from environmental water project operation services	環保水務項目運營服務收益	17,657	-
Revenue from environmental water project construction services	環保水務項目建造服務收益	171,542	-
Finance income	財務收入	43,596	-
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	-	2,408
Technical service expense (note 34(f))	技術服務費 (附註三十四(f))	2,209	2,223
Purchase of equipment	購買設備	5,109	8,756

(e) The Group paid key management personnel compensation as follows:

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	23,067	20,742
Retirement scheme contributions	退休計劃供款	591	447
Equity compensation benefits	股本償付福利	1,839	5,083
		25,497	26,272

Total remuneration is included in "Staff costs" (see note 5(b)).

三十四. 與關聯人仕之重大交易(續)

(d) 本集團與其關聯公司及其少數股東之附屬公司訂立了下列關聯人仕交易：

(e) 本集團已支付予主要管理人員之個人報酬如下：

酬金總額計入「員工成本」內(見附註五(b))。

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34. MATERIAL RELATED PARTY TRANSACTIONS

(continued)

- (f) During the year ended 31 December 2008, 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) During the year ended 31 December 2008, the Company entered into sale and purchase agreements with a fellow subsidiary to sell the entire issued share capital of, and shareholder's loan to, Sino Villa Holdings Limited and Riseland Limited at a total consideration of \$195,907,000 (see note 33).

三十四. 與關聯人士之重大交易(續)

- (f) 截至二零零八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。
- (g) 於截至二零零八年十二月三十一日止年度，本公司與同系附屬公司訂立買賣協議，出售Sino Villa Holdings Limited全部已發行股本及其股東貸款，以及置升有限公司全部已發行股本，總代價為195,907,000元(詳見附註三十三)。

35. COMMITMENTS

- (a) Purchase commitments outstanding in connection with the Group's construction contracts at 31 December 2008 not provided for in the financial statements were as follows:

三十五. 承擔

- (a) 於二零零八年十二月三十一日，並無在財務報表中撥備有關本集團建造合約之採購承擔如下：

	The Group 本集團		The Company 本公司	
	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Contracted for 已訂約	175,932	168,903	-	76,807

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35. COMMITMENTS (continued)

- (b) At 31 December 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 本集團	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Within 1 year	一年內	740	124
After 1 year but within 5 years	一年後但五年內	967	-
		1,707	124

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to five years. None of the leases includes contingent rentals.

- (c) At 31 December 2008, the Group had outstanding commitments in connection with TOT arrangement entered into which amounted to \$515,725,000 (2007: \$754,929,000).

36. PLEDGE OF ASSETS

Details of assets pledged are set out in note 25. The aggregate net book value of assets pledged amounted to \$2,820,606,000 as at 31 December 2008 (2007: \$2,287,009,000).

37. CONTINGENT LIABILITIES

Financial guarantees issued

As at the balance sheet date, the Company has issued financial guarantees to two wholly-owned subsidiaries and a non-wholly owned subsidiary which expire on 2 August 2015, 30 November 2015 and 30 December 2016 respectively. The directors do not consider it probable that a claim will be made against the Company under the guarantees. The maximum liability of the Company at the balance sheet date under the guarantees issued is the facility drawn down by the subsidiaries of \$530,786,000 (2007: \$182,280,000).

三十五. 承擔(續)

- (b) 於二零零八年十二月三十一日，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：

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五年，且並不包括或有租金。

- (c) 於二零零八年十二月三十一日，本集團在TOT安排下之承擔為515,725,000元(二零零七年：754,929,000元)。

三十六. 資產抵押

已抵押資產詳情載於附註二十五。於二零零八年十二月三十一日，已抵押資產之賬面淨值總額為2,820,606,000元(二零零七年：2,287,009,000元)。

三十七. 或有負債

已發出財務擔保

截至結算日，本公司為兩家全資附屬公司及一家非全資附屬公司作出財務擔保，有關財務擔保分別於二零一五年八月二日、二零一五年十一月三十日及二零一六年十二月三十日到期。董事認為，有關擔保持有人不大可能根據上述擔保向本公司作出申索。於結算日，本公司在上述財務擔保下之最高負債為有關附屬公司已提取之融資530,786,000元(二零零七年：182,280,000元)。

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37. CONTINGENT LIABILITIES (continued)

Financial guarantees issued (continued)

Due to the related party nature of the instruments, the directors considered it is not meaningful and practicable to estimate the fair values of the financial guarantees and therefore they have not been recognised in the Company's financial statements.

38. NON-ADJUSTING POST BALANCE SHEET EVENTS

- (a) Subsequent to the balance sheet date, on 10 January 2009, the Group entered into a co-operative agreement with the Bureau of City Appearance, Environment and Sanitation of Jinan city in relation to the construction, operation and management of a waste-to-energy power plant in Jinan city, the PRC for a period of 25 years. Total investment cost is estimated to be RMB900,853,000 (equivalent to approximately \$1,021,928,000).
- (b) Subsequent to the balance sheet date, on 20 January 2009, the directors authorised an investment in relation to the construction, operation and management of a waste-water treatment plant in Jinan city, the PRC for a period of 26 years. Total investment cost is estimated to be RMB72,682,000 (equivalent to approximately \$82,450,000).
- (c) After the balance sheet date the directors proposed a final dividend. Further details are disclosed in note 11.

39. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2008, the directors consider the immediate 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. 或有負債(續)

已發出財務擔保(續)

由於屬關聯人仕性質，故董事認為估計有關財務擔保之公允值並無意義亦不切實際，故並無於本公司之財務報表中確認有關擔保。

三十八. 毋須作出調整之結算日後事項

- (a) 於結算日後，於二零零九年一月十日，本集團與濟南市市容環境衛生管理局訂立合作協議，關於在中國濟南市建造、運營及管理一家垃圾焚燒發電廠，為期二十五年。估計總投資成本約為人民幣900,853,000元(相當於約1,021,928,000元)。
- (b) 於結算日後，於二零零九年一月二十日，董事授權進行一項投資，有關投資關於在中國濟南市建造、運營及管理一家污水處理廠，為期二十六年。估計總投資成本為人民幣72,682,000元(相當於約82,450,000元)。
- (c) 於結算日後，董事建議派發末期股息。進一步詳情於附註十一披露。

三十九. 直接及最終控股公司

於二零零八年十二月三十一日，董事認為本集團之直接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。

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40. ACCOUNTING ESTIMATES AND JUDGMENTS

Notes 14(c), 16, 30 and 32 contain information about the assumption and their risk factors relating to valuation of investment properties, goodwill, fair value of share option granted and financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Key sources of estimation uncertainty

Construction contracts

As explained in policy notes 1(m) and 1(u)(i), revenue and profit recognition on an incompleting project is dependent on estimating the total outcome of the construction contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activity undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete and revenue can be reliably estimated. As a result, until this point is reached, the "Gross amounts due from customers for contract work" as disclosed in note 21 will not include profit which the Group may eventually realise from the work to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the balance sheet date, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

(b) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

Service concession arrangements

In prior years, the Group entered into BOT and TOT arrangements in respect of its waste-water treatment, waste-to-energy, methane-to-energy, industrial solid waste landfill and toll bridge projects.

The Group concluded that the BOT and TOT arrangements are service concession arrangements under HK(IFRIC) 12, because the local government controls and regulates the services that the Group must provide with the infrastructure at a pre-determined service charge. In addition, upon expiry of concession right agreement, the infrastructure will be transferred to the local government at nil consideration.

四. 會計估算及判斷

附註十四(c)、十六、三十及三十二載有與投資物業、商譽、已授出購股權公允值及金融工具之估值有關之假設及風險因素資料。導致估算產生不確定性之其他主要根源如下：

(a) 導致估算產生不確定性之主要根據

建造合約

誠如會計政策附註一(m)及一(u)(i)所述，就未完成項目之收益及盈利確認方式而言，其取決於估計建造合約成果總額，以及已完成工程。根據本集團之近期經驗及本集團承辦之建造活動性質，本集團作出估計時，乃基於工作進度已達充份程度，致使完成服務之成本及收益能可靠預計。因此，在達至有關階段前，於附註二十一內披露之「應收客戶合約工程款項總額」不會包括本集團就已完成工程而最終可能取得之盈利。此外，成本總額或收益總額之實際結果可能會高於或低於結算日之估計，並透過與記錄當日之金額的調整而影響於未來數年確認之收益及盈利。

(b) 在應用本集團會計政策時所作之關鍵會計判斷

本集團在應用會計政策時所作之若干關鍵會計判斷如下：

服務特許經營權安排

於過往年度，本集團就其污水處理項目、垃圾焚燒發電項目、沼氣發電項目、工業固體廢物填埋場項目及收費橋樑項目，訂立BOT及TOT安排。

本集團認為有關BOT及TOT安排均屬《香港(國際財務報告詮釋委員會)詮釋》第12號下的服務特許經營權安排，因為當地政府控制並監管有關服務，而本集團必須按預定服務費提供基礎建設。此外，在特許經營權協議到期後，有關基礎建設將無償轉歸當地政府。

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41. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2008

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 2008 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 but is not yet in a position to state whether these amendments, new standards and interpretations would have a significant impact on the Group's or the Company's results of operations and financial position.

In addition, the following developments are expected to result in amended disclosures in the financial statements, including restatement of comparative amounts in the first period of adoption:

41- 已公佈但於截至二零零八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二零零八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，惟目前未能確定有關修訂、新準則及詮釋會否對本集團或本公司之營運業績及財政狀況構成任何重大影響。

此外，預計下列新準則或會導致本公司須修訂財務報表之披露事項，包括重報於首個採用期間之比較數字：

		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 8 香港財務報告準則第8號	Operating segments 業務分部	1 January 2009 二零零九年一月一日
HKAS 1 (revised 2007) 香港會計準則第1號 (二零零七年修訂)	Presentation of Financial Statements 財務報告之呈報	1 January 2009 二零零九年一月一日

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				
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Assets and liabilities	資產及負債					
Fixed assets	固定資產	164,573	304,526	263,439	352,098	314,358
Intangible asset	無形資產	577,754	568,882	549,649	549,533	560,022
Goodwill	商譽	46,133	46,133	46,133	46,133	45,453
Interest in associates	聯營公司權益	–	–	442	413,304	435,479
Other financial assets	其他財務資產	22,336	59,577	62,976	51,931	46,462
Other receivables and deposits	其他應收款項及按金	1,386,280	690,019	408,559	122,184	–
Gross amounts due from customers for contract work	應收客戶合約工程款額總額	2,686,012	1,752,995	944,161	353,981	2,640
Deferred tax assets	遞延稅項資產	26,538	35,561	22,922	19,055	–
Net current assets	流動資產淨值	364,815	584,432	748,449	497,958	546,402
		5,274,441 (2,143,400)	4,042,125 (1,438,699)	3,046,730 (933,534)	2,406,177 (1,132,871)	1,950,816 (878,346)
Non-current liabilities	非流動負債					
NET ASSETS	淨資產	3,131,041	2,603,426	2,113,196	1,273,306	1,072,470
Share capital	股本	314,378	313,472	307,601	255,181	254,881
Reserves	儲備	2,505,237	2,137,619	1,688,522	926,422	814,395
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益總額	2,819,615	2,451,091	1,996,123	1,181,603	1,069,276
Minority interests	少數股東權益	311,426	152,335	117,073	91,703	3,194
TOTAL EQUITY	權益總額	3,131,041	2,603,426	2,113,196	1,273,306	1,072,470

In order to comply with HK(IFRIC) 12 “Service concession arrangements”, the Group adopted a new accounting policy for service concession arrangements in 2007. Figures for the years from 2004 to 2006 have been adjusted for comparison purposes.

為了符合《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」之規定，本集團於二零零七年就服務特許經營權安排採用了新的會計政策。二零零四年至二零零六年之數字亦已作調整以供比較之用。

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				
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Results	業績					
Turnover	營業額	1,862,509	1,347,852	884,043	517,898	67,885
Profit from operations	經營盈利	607,740	439,871	528,276	100,207	20,260
Finance costs	財務費用	(147,188)	(72,507)	(70,445)	(41,667)	(27,614)
Share of (losses)/profits of associates	所佔聯營公司 (虧損)/盈利	-	(478)	32,658	68,045	85,182
Profit before taxation	除稅前盈利	460,552	366,886	490,489	126,585	77,828
Income tax	所得稅	(95,161)	(6,807)	(9,949)	8,217	1,537
Profit for the year	本年度盈利	365,391	360,079	480,540	134,802	79,365
Attributable to:	應佔部份：					
Equity shareholders of the Company	本公司股東	339,018	337,932	460,478	119,913	79,923
Minority interests	少數股東權益	26,373	22,147	20,062	14,889	(558)
Profit for the year	本年度盈利	365,391	360,079	480,540	134,802	79,365
Basic earnings per share	每股基本盈利	10.80 cents 仙	10.89 cents 仙	15.92 cents 仙	4.70 cents 仙	3.14 cents 仙

MAJOR PROPERTIES HELD BY THE GROUP

本集團所持有之主要物業

	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	100%
2.	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	100%
3.	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	100%
4.	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	100%
5.	Block J07, Zhongguancun Science Park No 156 Wenquan Town Haidian District Beijing, the PRC 中國北京海淀區 溫泉鎮156號 中關村環保科技園J07號	Commercial 商業	Long 長期	100%

