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

(Incorporated in Hong Kong with limited liability)

(Stock Code : 257)

ANNOUNCEMENT
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

HIGHLIGHTS

Benefiting from supportive environmental policies and strong commitment to social responsibility
Enhancement of business strengths and consolidation of the leading industry position

- Revenue increased by 28% to HK$3,771,802,000 (2014: HK$2,943,765,000)
- EBITDA increased by 37% to HK$1,778,791,000 (2014: HK$1,298,725,000)
- Profit before taxation increased by 36% to HK$1,469,600,000 (2014: HK$1,079,836,000)
- Profit attributable to equity shareholders increased by 25% to HK$1,000,155,000 (2014: HK$801,866,000)
- Interim dividend increased by 30% to HK6.5 cents per share (2014: HK5.0 cents)

INTERIM RESULTS

The board of directors (the "Board") of China Everbright International Limited (the "Company") announces the unaudited results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2015. The interim financial results are unaudited, but have been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), whose independent review report is included in the interim report to be sent to shareholders. The interim financial results have also been reviewed by the Company's Audit Committee.

Consolidated income statement
For the six months ended 30 June 2015 – unaudited

		Six months ended 30 June	
		2015	2014
	Note	***HK$'000***	*HK$'000*
Revenue	*3(a)*	**3,771,802**	2,943,765
Direct costs and operating expenses		**(1,971,592)**	(1,592,231)
		1,800,210	1,351,534
Other revenue		**108,139**	107,129
Other income/(loss)		**92,754**	(234)
Administrative expenses		**(307,238)**	(208,060)
Profit from operations		**1,693,865**	1,250,369
Finance costs	*4(a)*	**(224,163)**	(170,533)
Share of profit of an associate		**175**	-
Share of loss of a joint venture		**(277)**	-
Profit before taxation	*4*	**1,469,600**	1,079,836
Income tax	*5*	**(366,675)**	(242,617)
Profit for the period		**1,102,925**	837,219
Attributable to:			
Equity shareholders of the Company		**1,000,155**	801,866
Non-controlling interests		**102,770**	35,353
Profit for the period		**1,102,925**	837,219
Earnings per share			
Basic and diluted	*6*	**HK22.31 cents**	HK17.88 cents

Consolidated statement of comprehensive income
For the six months ended 30 June 2015 – unaudited

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Profit for the period	**1,102,925**	837,219
Other comprehensive income for the period:		
Items that may be reclassified subsequently to profit or loss:		
- Exchange differences on translation of financial statements of subsidiaries, net of nil tax	**12,580**	(290,054)
- Changes in fair value of available-for-sale securities	**29,051**	(8,070)
- Tax effect relating to changes in fair value of available-for-sale securities	**(4,098)**	1,098
- Reclassification adjustment for amounts transferred to profit or loss:		
- Upon disposal of available-for-sale securities	**(92,904)**	-
- Tax effect relating to the disposal of available-for-sale securities	**13,936**	-
	(41,435)	(297,026)
Total comprehensive income for the period	**1,061,490**	540,193
Attributable to:		
Equity shareholders of the Company	**954,866**	514,732
Non-controlling interests	**106,624**	25,461
Total comprehensive income for the period	**1,061,490**	540,193

Consolidated statement of financial position
At 30 June 2015 – unaudited

		At 30 June 2015		At 31 December 2014	
	Note	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*
Non-current assets					
Fixed assets					
- Investment properties			**173,225**		172,938
- Other property, plant and equipment			**2,209,974**		1,510,878
- Interest in leasehold land held for own use under operating leases			**38,274**		35,717
			2,421,473		1,719,533
Intangible assets			**2,532,047**		2,571,006
Goodwill			**836,616**		834,845
Interest in an associate			**254,514**		254,339
Interest in joint ventures			**147,726**		27,289
Other financial assets			**35,528**		229,012
Other receivables, deposits and prepayments	*7*		**4,607,247**		4,376,789
Gross amounts due from customers for contract work	*8*		**14,117,201**		12,630,020
Finance lease receivables			**20,172**		20,411
Deferred tax assets			**41,238**		49,455
			25,013,762		22,712,699
Current assets					
Inventories		**226,699**		117,450	
Debtors, other receivables, deposits and prepayments	*7*	**2,866,650**		1,973,567	
Gross amounts due from customers for contract work	*8*	**1,297,855**		1,210,723	
Tax recoverable		**29,568**		34,684	
Finance lease receivables		**539**		522	
Pledged bank deposits		**110,682**		231,943	
Deposits with bank		**22,509**		824,110	
Cash and cash equivalents	*9*	**4,734,624**		4,094,096	
		9,289,126		8,487,095	

Consolidated statement of financial position
At 30 June 2015 – unaudited (continued)

		At 30 June 2015		At 31 December 2014	
	Note	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*
Current liabilities					
Interest-bearing borrowings					
- Secured		**1,113,044**		1,348,783	
- Unsecured		**841,551**		1,262,586	
		1,954,595		2,611,369	
Creditors, other payables and accrued expenses	*10*	**2,500,893**		2,302,381	
Current taxation		**83,070**		67,660	
		4,538,558		4,981,410	
Net current assets			**4,750,568**		3,505,685
Total assets less current liabilities			**29,764,330**		26,218,384
Non-current liabilities					
Interest-bearing borrowings					
- Secured		**5,511,845**		4,612,439	
- Unsecured		**2,766,654**		1,912,703	
		8,278,499		6,525,142	
Other payables	*10*	**7,940**		15,850	
Deferred tax liabilities		**2,058,841**		1,834,422	
			10,345,280		8,375,414
NET ASSETS			**19,419,050**		17,842,970

Consolidated statement of financial position
At 30 June 2015 – unaudited (continued)

		At 30 June 2015		At 31 December 2014	
	Note	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*
CAPITAL AND RESERVES					
Share capital	*11(b)*		**7,405,414**		7,405,414
Other reserves			**9,837,659**		8,857,842
Total equity attributable to equity shareholders of the Company			**17,243,073**		16,263,256
Non-controlling interests			**2,175,977**		1,579,714
TOTAL EQUITY			**19,419,050**		17,842,970

Notes :

1. Basis of preparation

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the HKICPA.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The financial information relating to the financial year ended 31 December 2014 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2014 are available at the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 31 March 2015.

2. Changes in accounting policies

The HKICPA has issued the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of the Group and the Company:

- *Annual Improvements to HKFRSs 2010-2012 Cycle*

- *Annual Improvements to HKFRSs 2011-2013 Cycle*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Revenue and segment reporting

(a) Revenue

The principal activities of the Group are construction, environmental energy project operation (waste-to-energy power plants, methane-to-energy power plants, sludge treatment and disposal project and food waste treatment project), environmental water project operation (waste-water treatment plants, reusable water treatment plants and waste-water source heat pump projects), greentech project operation (biomass integrated utilisation projects, industrial solid waste and hazardous waste treatment projects, photovoltaic energy projects and wind power projects), environmental technology, construction management, manufacturing and sales of equipment, property investments and investment holding.

Revenue represents the revenue from construction services, revenue from environmental energy projects, environmental water projects and greentech projects operation services, finance income, rental income, construction management fee income and revenue from sales of equipment. The amount of each significant category of revenue recognised during the period is as follows:

3. Revenue and segment reporting (continued)

(a) Revenue (continued)

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
		(restated - see note 3(b))
Revenue from environmental energy project construction services	**1,683,300**	1,457,352
Revenue from environmental water project construction services	**338,910**	80,999
Revenue from greentech project construction services	**40,338**	233,523
Revenue from environmental energy project operation services	**433,895**	286,687
Revenue from environmental water project operation services	**383,520**	284,887
Revenue from greentech project operation services	**275,596**	157,808
Finance income	**607,941**	439,800
Gross rentals from investment properties	**2,723**	2,177
Construction management fee income	**-**	532
Revenue from sales of equipment	**5,579**	-
	3,771,802	2,943,765

For the six months ended 30 June 2015, the Group has transactions with a People's Republic of China ("PRC") local government authority which individually exceeded 10% of the Group's revenues. The revenue from this PRC local government authority during the six months ended 30 June 2015 amounted to HK$438,492,000 (six months ended 30 June 2014: HK$569,218,000).

The aggregated revenues from environmental energy project construction and operation services, environmental water project construction and operation services, greentech project construction and operation services and finance income derived from the local government authorities in the PRC amounted to HK$3,649,321,000 (six months ended 30 June 2014: HK$2,868,182,000) for the six months ended 30 June 2015. The revenues are included in "Environmental energy project construction and operation", "Environmental water project construction and operation" and "Greentech project construction and operation" segments as disclosed in note 3(b).

(b) Segment reporting

The Group manages its business by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented five reportable segments. No operating segments have been aggregated to form the following reportable segments.

The Group redefined its business divisions during the current period to align with its organisational structure for the purpose of managing its strategic direction. Accordingly, for the presentation of segment information, industrial solid waste and hazardous waste treatment projects, previously included in "Environmental energy project construction and operation" segment, have been reclassified to "Greentech project construction and operation" segment. The comparative segment information has been reclassified to conform to the current period's presentation.

3. **Revenue and segment reporting** (continued)

***(b) Segment reporting** (continued)*

(i) Information about profit or loss, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Environmental energy project construction and operation		Environmental water project construction and operation		Greentech project construction and operation		Environmental technology and construction management		Property investment		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(restated)				(restated)						
For the six months ended 30 June												
Revenue from external customers	**2,494,742**	2,036,994	**946,144**	505,837	**322,614**	398,225	**5,579**	532	**2,723**	2,177	**3,771,802**	2,943,765
Inter-segment revenue	**-**	-	**-**	-	**-**	-	**166,995**	304,845	**-**	-	**166,995**	304,845
Reportable segment revenue	**2,494,742**	2,036,994	**946,144**	505,837	**322,614**	398,225	**172,574**	305,377	**2,723**	2,177	**3,938,797**	3,248,610
Reportable segment profit (EBITDA)	**1,219,829**	944,477	**411,143**	300,074	**151,336**	128,993	**81,344**	233,210	**2,443**	1,918	**1,866,095**	1,608,672
Additions to fixed assets, intangible assets and non-current portion of prepayments during the period	**6,940**	6,129	**2,765**	1,714	**716,659**	267,369	**21,154**	5,383	**-**	-	**747,518**	280,595
Additions to non-current portion of other receivables and deposits and gross amounts due from customers for contract work during the period	**2,060,847**	1,750,307	**562,624**	220,950	**47,018**	6,894	**-**	-	**-**	-	**2,670,489**	1,978,151
As at 30 June 2015/ 31 December 2014												
Reportable segment assets	**16,357,033**	14,230,753	**10,672,287**	9,863,862	**4,547,809**	3,263,283	**1,375,991**	1,207,206	**173,387**	173,140	**33,126,507**	28,738,244
Reportable segment liabilities	**5,284,586**	4,554,243	**3,100,987**	3,074,963	**1,472,160**	963,781	**744,252**	1,000,338	**8,103**	8,292	**10,610,088**	9,601,617

The measure used for reporting segment result is "EBITDA" i.e. "earnings before interest, taxation, depreciation and amortisation". To arrive at EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs.

3. **Revenue and segment reporting** (continued)

(b) Segment reporting *(continued)*

(ii) Reconciliations of reportable segment revenue, profit, assets and liabilities

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**3,938,797**	3,248,610
Elimination of inter-segment revenue	**(166,995)**	(304,845)
Consolidated revenue	**3,771,802**	2,943,765
Profit		
Reportable segment profit	**1,866,095**	1,608,672
Elimination of inter-segment profits	**(134,231)**	(274,177)
Reportable segment profit derived from the Group's external customers	**1,731,864**	1,334,495
Depreciation and amortisation	**(85,028)**	(48,356)
Finance costs	**(224,163)**	(170,533)
Unallocated head office and corporate income	**97,239**	20,328
Unallocated head office and corporate expenses	**(50,312)**	(56,098)
Consolidated profit before taxation	**1,469,600**	1,079,836

3. **Revenue and segment reporting** (continued)

(b) ***Segment reporting*** *(continued)*

(ii) Reconciliations of reportable segment revenue, profit, assets and liabilities *(continued)*

	At 30 June 2015 *HK$'000*	At 31 December 2014 *HK$'000*
Assets		
Reportable segment assets	**33,126,507**	28,738,244
Non-current other financial assets	**35,528**	229,012
Unallocated head office and corporate assets	**1,140,853**	2,232,538
Consolidated total assets	**34,302,888**	31,199,794
Liabilities		
Reportable segment liabilities	**10,610,088**	9,601,617
Unallocated head office and corporate liabilities	**4,273,750**	3,755,207
Consolidated total liabilities	**14,883,838**	13,356,824

4. Profit before taxation

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

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
(a) Finance costs:		
Interest on bank advances wholly repayable within five years	**123,161**	85,215
Interest on other bank advances and other loans	**101,002**	85,318
	224,163	170,533
(b) Other items:		
Amortisation		
- interest in leasehold land held for own use under operating leases	**618**	603
- intangible assets	**43,797**	10,789
Depreciation	**40,613**	36,964
Dividends and interest income	**(24,235)**	(31,139)
Government grant*	**(16,208)**	(2,830)
Value-added tax refund**	**(52,324)**	(54,858)
Gain on sale of listed securities	**(92,904)**	-

* Government grant of HK$16,208,000 (six months ended 30 June 2014: HK$2,830,000) was granted during the six months ended 30 June 2015 to subsidise certain environmental energy, environmental water and greentech projects of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grant in the future.

** Value-added tax refund of HK$52,324,000 (six months ended 30 June 2014: HK$54,858,000) was received during the six months ended 30 June 2015 in relation to environmental energy project operations and greentech project operations of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of such tax refund. There is no assurance that the Group will continue to receive such tax refund in the future.

5. Income tax

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the period	**-**	-
Current tax – PRC income tax		
Provision for the period	**126,302**	103,226
Under/(over)-provision in respect of prior periods	**2,186**	(20,952)
	128,488	82,274
Deferred tax		
Origination and reversal of temporary differences	**238,187**	160,343
	366,675	242,617

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group's operations in Hong Kong sustained a loss for Hong Kong Profits Tax purpose during the six months ended 30 June 2015 and 30 June 2014.

Taxation for the PRC operations is charged at the statutory rate of 25% of the assessable profits under taxation ruling in the PRC. During the period, certain PRC subsidiaries are subject to tax at 50% of the standard tax rates or fully exempted from income tax under the relevant tax rules and regulations.

6. 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 HK$1,000,155,000 (six months ended 30 June 2014: HK$801,866,000) and the weighted average number of 4,483,712,000 ordinary shares (six months ended 30 June 2014: 4,483,712,000 ordinary shares) in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is the same as the basic earnings per share for the six months ended 30 June 2015 and 30 June 2014 as the Company did not have any dilutive potential ordinary shares outstanding during the periods.

7. Debtors, other receivables, deposits and prepayments

	At 30 June 2015 *HK$'000*	At 31 December 2014 *HK$'000*
Debtors	**1,043,275**	617,112
Other receivables, deposits and prepayments	**6,430,622**	5,733,244
	7,473,897	6,350,356
Less: Non-current portion		
- other receivables, deposits and prepayments	**(4,607,247)**	(4,376,789)
Current portion	**2,866,650**	1,973,567

Included in "Debtors, other receivables, deposits and prepayments" are debtors with the following ageing analysis as of the end of the reporting period:

	At 30 June 2015 *HK$'000*	At 31 December 2014 *HK$'000*
Current	**541,342**	442,431
Within 1 month past due	**169,711**	55,687
More than 1 month but within 3 months past due	**154,925**	48,569
More than 3 months but within 6 months past due	**90,075**	9,004
More than 6 months but within 12 months past due	**52,628**	17,235
More than 12 months past due	**34,594**	44,186
Amounts past due	**501,933**	174,681
	1,043,275	617,112

7. **Debtors, other receivables, deposits and prepayments** (continued)

The ageing analysis of debtors based on the date of invoice (or date of revenue recognition, if earlier) as of the end of the reporting period is as follow:

	At 30 June 2015	At 31 December 2014
	HK$'000	*HK$'000*
Within 1 month	**346,312**	354,707
More than 1 month but within 2 months	**218,080**	90,407
More than 2 months but within 4 months	**208,353**	80,909
More than 4 months but within 7 months	**129,559**	29,057
More than 7 months but within 13 months	**80,921**	17,423
More than 13 months	**60,050**	44,609
	1,043,275	617,112

Debtors are due within 30 to 90 days from the date of billing.

Included in "Debtors, other receivables, deposits and prepayments" of the Group are debtors of HK$1,043,275,000 (31 December 2014: HK$617,112,000) of which HK$31,974,000 (31 December 2014: HK$35,134,000) and HK$20,799,000 (31 December 2014: HK$10,734,000) are due from a non-controlling shareholder and a related company respectively. Debtors represent revenue from environmental energy project, environmental water project and greentech project operation services. There was no recent history of default in respect of the Group's debtors. Since most of the debtors are local government authorities in the PRC and 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 30 June 2015 (31 December 2014: Nil).

"Debtors, other receivables, deposits and prepayments" include balances totalling HK$4,919,869,000 (31 December 2014: HK$4,531,875,000) which bear interest at rates ranging from 5.94% to 7.83% (31 December 2014: 5.94% to 7.83%) per annum and represent the considerations paid for the acquisition of waste-water treatment plants under Transfer-Operate-Transfer ("TOT") arrangements, among which HK$210,164,000 (31 December 2014: HK$208,021,000) and HK$509,000,000 (31 December 2014: HK$505,981,000) are due from a non-controlling 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 30 June 2015 (31 December 2014: Nil).

Included in other receivables, deposits and prepayments at 30 June 2015 is an advance made to a local government authority in relation to a service concession arrangement amounting to HK$37,443,000 (31 December 2014: HK$31,150,000), which is unsecured, interest-bearing at rates announced by the People's Bank of China and will be settled by instalment until 2017.

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

8. Gross amounts due from customers for contract work

	At 30 June 2015	At 31 December 2014
	HK$'000	*HK$'000*
Contract costs incurred plus recognised profits less anticipated losses	**20,102,973**	18,009,803
Less: Progress billings	**(4,687,917)**	(4,169,060)
Net contract work	**15,415,056**	13,840,743
Representing:		
Gross amounts due from customers for contract work		
- Non-current	**14,117,201**	12,630,020
- Current	**1,297,855**	1,210,723
	15,415,056	13,840,743

Included in "Gross amounts due from customers for contract work" are amounts of HK$177,476,000 (31 December 2014: HK$186,945,000) and HK$171,929,000 (31 December 2014: HK$179,561,000) which are due from a non-controlling shareholder and a related company respectively.

"Gross amounts due from customers for contract work" represent revenue from construction under Build-Operate-Transfer ("BOT") and Build-Transfer ("BT") arrangements or upgrade services under TOT arrangements and bear interest at rates ranging from 5.94% to 7.83% (31 December 2014: 5.94% to 7.83%) per annum. Among the total of HK$15,415,056,000 (31 December 2014: HK$13,840,743,000), HK$12,288,505,000 (31 December 2014: HK$11,121,800,000) relates to BOT and TOT arrangements with operation commenced. The amounts for BOT and TOT arrangements are not yet due for payment and will be settled by revenue to be generated during the operating periods of the arrangements. The amount for BT arrangements will be settled according to respective repayment schedules as stated in the agreements.

9. Cash and cash equivalents

	At 30 June 2015	At 31 December 2014
	HK$'000	*HK$'000*
Deposits with banks	**577,281**	1,033,938
Cash at bank and in hand	**4,157,343**	3,060,158
	4,734,624	4,094,096

Included in "Cash and cash equivalents" are deposits of HK$240,997,000 (31 December 2014: HK$226,083,000) which are placed with a related party bank.

10. Creditors, other payables and accrued expenses

	At 30 June 2015	At 31 December 2014
	HK$'000	*HK$'000*
Creditors	**1,416,052**	1,349,777
Other payables and accrued expenses	**1,070,504**	945,224
	2,486,556	2,295,001
Derivative financial instruments		
- cross-currency swap	**22,277**	22,239
- warrants	**-**	991
	22,277	23,230
	2,508,833	2,318,231
Less: Non-current portion		
- other payables	**(7,940)**	(15,850)
Current portion	**2,500,893**	2,302,381

Included in "Creditors, other payables and accrued expenses" are creditors with the following ageing analysis as of the end of the reporting period:

	At 30 June 2015	At 31 December 2014
	HK$'000	*HK$'000*
Due within 1 month or on demand	**213,046**	141,499
Due after 1 month but within 3 months	**44,384**	87,548
Due after 3 months but within 6 months	**91,932**	41,471
Due after 6 months	**1,066,690**	1,079,259
	1,416,052	1,349,777

Creditors totalling HK$1,326,813,000 (31 December 2014: HK$1,279,360,000) represent construction payables for the Group's BT, BOT and certain Build-Operate-Own ("BOO") arrangements, among which HK$624,000 (31 December 2014: HK$1,246,000) is due to a non-controlling shareholder. The construction payables are not yet due for payment.

The cross-currency swap will be settled in August 2015, where the Group will pay SGD50,000,000 and received an agreed amount of USD40,176,778.

11. Capital, reserves and dividends

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim period

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Interim dividend declared after the interim period of HK6.5 cents per ordinary share (six months ended 30 June 2014: HK5.0 cents per ordinary share)	**291,441**	224,186

The interim dividend has not been recognised as a liability at the end of the reporting period.

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

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK6.0 cents per ordinary share (six months ended 30 June 2014: HK5.0 cents per ordinary share)	**269,023**	224,186

(b) Share capital

	At 30 June 2015		*At 31 December 2014*	
	No. of shares '000	***Amount HK$'000***	*No. of shares '000*	*Amount HK$'000*
Ordinary shares, issued and fully paid:				
At 1 January	**4,483,712**	**7,405,414**	4,483,712	448,371
Transition to no-par value regime on 3 March 2014 (note)	**-**	**-**	-	6,957,043
At 30 June/31 December	**4,483,712**	**7,405,414**	4,483,712	7,405,414

Note: The transition to the no-par value regime under the Hong Kong Companies Ordinance (Cap. 622) ("Ordinance") occurred automatically on 3 March 2014. On that date, the share premium account and any capital redemption reserve were subsumed into share capital in accordance with section 37 of Schedule 11 to the Ordinance. These changes did not impact on the number of shares in issue or the relative entitlement of any of the members. Since that date, all changes in share capital have been made in accordance with the requirements of Parts 4 and 5 of the Ordinance.

Business Review and Prospects

Operating Results

In the first half of 2015, China continued to strengthen its efforts in environmental restoration with the 'New Normal' economy in mind, and released various policies to support the environmental protection industry. The newly amended *Environmental Protection Law of the People's Republic of China* took effect on 1 January this year. The General Office of the State Council subsequently released the *Opinions on Promoting the Third-party Treatment of Environmental Pollution*, stating the government's intention to encourage and increase the participation of social capital and take a market-oriented, professional and industrialized approach to facilitate the development of environmental services and improve the country's pollution treatment standards. In addition, the *Implementation Opinions on Promoting Public-Private Partnership in the Water Pollution Prevention and Control Area* jointly released by the Ministry of Finance and the Ministry of Environmental Protection in April 2015 and the *Action Plan for Prevention and Treatment of Water Pollution* released by the State Council brought about tremendous potential for the investment and development of the integrated water restoration market. The 13th Five-year Plan once again emphasized the importance of a green economy and the protection of the ecological environment. The introduction of the new laws and policies has been a significant driving force for the development of the environmental protection industry.

Benefiting from the government's policy support of the environmental protection industry, during the period under review, the Group continued to adhere to its business philosophy of "Development, Reform and Innovation" to implement the development strategy of "Leveraging Talent, Science and Technology to Expand from Coastal Areas to Inland Cities, from Cities to Rural Areas, from Domestic to Overseas Markets" with a strong sense of social responsibility and a commitment to environmental protection, advancing the growth of all of its business segments. Meanwhile, leveraging the advantage of integrated regional management, the Group not only made remarkable achievements in its talent strategy, internal management, technology strengths and industry chain extension, but also achieved outstanding results in its business expansion and in the capital market.

In the first half of 2015, the Group continued to achieve growth in both scale and efficiency. It recorded a steady growth in profit and outstanding performance in market expansion as well as the steady progress of its projects under construction or in the preparatory stage. The Group also explored opportunities in the capital market. Its subsidiary, China Everbright Water Limited ("Everbright Water"), which is listed on the Mainboard of the Singapore Exchange Securities Trading Limited, made a key step forward towards embracing market opportunities by introducing international renowned strategic investors.

During the period under review, the Group established a new greentech sector to replace the alternative energy sector, and moved the industrial waste and hazardous waste treatment projects, which were originally under the environmental energy sector, to the greentech sector. Through the environmental energy, environmental water and the newly established greentech sector, the Group will follow its strategic plan to advance the development of its various environmental protection businesses.

In order to enhance the synergy, effectiveness and collaborative strength of various projects, the Group explored a new model of regional centralized management, establishing a total of six regional management centres in Suzhou, Nanjing, Changzhou, Jinan, Central Anhui and Northern Anhui. The Group applied a centralized management strategy for market expansion and successfully expanded into new fields, bringing its development to a new height. During the period under review, the Group successfully secured 14 new projects and signed a supplementary agreement, commanding a total investment of RMB3.978 billion. This further strengthened the Group's leading position in the industry. The new projects include 6 environmental energy projects, 1 environmental water project and 7 greentech projects.

The newly added environmental energy projects include Shandong Pingdu Waste-to-energy Project ("Pingdu Project"), Hainan Sanya Waste-to-energy Project Phase II ("Sanya Project Phase II"), Sichuan Suining Waste-to-energy Project ("Suining Project"), Shandong Laiwu Waste-to-energy Project ("Laiwu Project"), Shandong Xintai Waste-to-energy Project ("Xintai Project") and Shandong Laiwu Food Waste Treatment Project ("Laiwu Food Waste Treatment Project").

Shandong Ju County Waste Water Treatment Project ("Ju County Project") is the newly acquired environmental water project.

The newly added greentech projects include Anhui Chuzhou Nanqiao Biomass Power Generation Project ("Nanqiao Project"), Jiangsu Rugao Biomass Power Generation Project ("Rugao Project"), Sichuan Mianzhu Waste-to-energy and Biomass Power Generation Urban-rural Integration Project ("Mianzhu Urban-rural Integration Project"), Anhui Xiao County Waste-to-energy and Biomass Power Generation Urban-rural Integration Project ("Xiao County Urban-rural Integration Project") and Jiangsu Guanyun MSW Fired Cogeneration and Biomass Power Generation Urban-rural Integration Project ("Guanyun Urban-rural Integration Project").

During the period under review, the Group's Changzhou Xinbei Waste-to-energy Project Phase I in Jiangsu Province obtained a RMB108 million subsidy under the "2015 Central Budgetary Investment Plan" scheme. In addition, the Group's Jiangsu Suqian Waste-to-energy Project, Zhenjiang Waste-to-energy Project ("Zhenjiang Project"), Jiangyin Waste Water Treatment Project, Shaanxi Xianyang Waste Water Treatment Project Phase I and Shandong Jinan Waste Water Treatment Project received the green light to increase waste processing fees and waste water treatment fees respectively, reflecting the national government and local governments' recognition on the Group's top-quality project construction, high-standard operations and management, and its efforts to be environmentally and socially responsible.

Adhering to the principle that an Enterprise is not only a Creator of Wealth, but also the Safeguard of Environmental and Social Responsibility, the Group has always strived to ensure all business segments are in compliance with discharge standards and has improved its operating transparency. During the period under review, the Group's various environmental protection projects received over 15,000 domestic and foreign visitors. The enthusiasm of the visitors reflected the importance of environmental protection to local governments and society in general. The visitors' appreciation and recognition of the Group's environmental protection projects have been a great source of confidence and determination for the Group's development.

The Group has been committed to maintaining safe production and stable operations in compliance with discharge standards in the production and operation of its waste-to-energy projects. The Group has set Everbright International's Corporate Standard for Pollution Control on the Municipal Solid Waste Incineration, which is at a level more stringent than the national standard, to ensure all emissions comply with the national and international standards. The Group has been a pioneer in promoting the application of the Euro II and Euro 2000 standards in the construction of waste-to-energy projects and was the first company to have its discharge information connected to the online systems of local environmental protection departments, taking the initiative to welcome the supervision of governments and the public. The Group is also the first company to disclose its discharge standards and environmental assessment indicators, and is devoted to the establishment of an informative platform for environmental protection.

R&D and innovation have been integral parts of the development of the Group's environmental protection business. During the period under review, the Group established the Everbright Environmental Protection Technology Institute (the "Institute"). The Institute will devote itself to developing technological innovation platforms and integrating advanced research and development, equipment development, technology consulting and engineering design for the market. It will not only support the Group with R&D and technology solutions, but also provide the Group with a sustained driving force through talent cultivation and technological innovation.

Over the years, while continuing to achieve remarkable operating results, the Group has also actively carried out its social responsibilities. The Group's environmental protection projects have all become the focus of local publicity and environmental protection education bases. The Group's Everbright International Environmental Protection Charitable Foundation has been the lead sponsor of Earth Hour Hong Kong organized by WWF Hong Kong for two consecutive years, in an effort to promote environmental protection and energy conservation and nurture public awareness of environmental protection. During the period under review, the Group's healthy value orientation and strong growth momentum won recognition from both the capital market and the public. The Group received two awards for Asia's Best CEO and Best Investor Relations Company from Corporate Governance Asia, a reputed corporate governance magazine in the region. The Group also received Best Social Responsibility Brand Award at the fourth China Charity Festival 2014, for its contribution to corporate social responsibility including public welfare activities and environmental protection.

In the first half of 2015, the Group's construction projects progressed smoothly, driving continuous growth in construction service revenue. As for operating projects, the Group is committed to reducing costs and exploring internal potential to optimize its revenue structure, driving the continued growth of its overall operating efficiency. During the period under review, the Group's consolidated revenue amounted to HK$3,771,802,000, an increase of 28% over HK$2,943,765,000 in the first half of 2014. The EBITDA amounted to HK$1,778,791,000, an increase of 37% over HK$1,298,725,000 in the first half of 2014. Profit attributable to equity shareholders of the Company for the first half of 2015 was HK$1,000,155,000, 25% more than HK$801,866,000 as compared to the corresponding period last year. Basic earnings per share for the first half of 2015 were HK22.31 cents, HK4.43 cents more than the HK17.88 cents in the corresponding period of last year.

The Group remains dedicated to enhancing value for its shareholders (the "Shareholders"). To reward the Shareholders for their support and considering the Group's need to achieve long-term sustainable development, the Board declared to pay an interim dividend of HK6.5 cents per share to the Shareholders (2014: HK5.0 cents per share).

Environmental Protection Business

To cope with the rapid development of the environmental protection industry, the Group actively explored business opportunities in all areas of the environmental protection business. As at 30 June 2015, the Group secured 134 environmental protection projects, with a total investment of approximately RMB32.895 billion. A total of 79 projects, which had completed construction and under operation accounted for a total investment of approximately RMB15.167 billion, while 19 projects currently under construction accounted for a total investment of approximately RMB7.249 billion. The total investment in projects in the preparatory stage is approximately RMB10.479 billion.

During the period under review, the revenue from the environmental protection business sector amounted to HK$3,763,500,000, in which construction service revenue increased by 16% to HK$2,062,548,000, and operation service revenue was HK$1,093,011,000, an increase of 50% compared with the corresponding period of 2014. The proportions of the revenue are as follows: construction service revenue 55%, operation service revenue 29% and finance income 16%.

Major financial data from the environmental protection business in the first half of 2015 is summarized in the table below:

	For the six months ended 30 June 2015				For the six months ended 30 June 2014 (restated)			
	Environmental Energy Projects	**Environmental Water Projects**	**Greentech Projects**	**Total**	Environmental Energy Projects	Environmental Water Projects	Greentech Projects	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue								
- Construction services	**1,683,300**	**338,910**	**40,338**	**2,062,548**	1,457,352	80,999	233,523	1,771,874
- Operation services	**433,895**	**383,520**	**275,596**	**1,093,011**	286,687	284,887	157,808	729,382
- Finance income	**377,547**	**223,714**	**6,680**	**607,941**	292,955	139,951	6,894	439,800
	2,494,742	**946,144**	**322,614**	**3,763,500**	2,036,994	505,837	398,225	2,941,056
EBITDA	**1,219,829**	**411,143**	**151,336**	**1,782,308**	944,477	300,074	128,993	1,373,544

In terms of energy conservation and emission reduction, during the period under review, the Group processed 3,260,000 tonnes of household waste and 30,000 tonnes of hazardous waste, 280,000 tonnes of agricultural waste and generated 1,301,706,000 kWh of green electricity. This output can support the annual electricity consumption for 1,085,000 households and is equivalent to saving 521,000 tonnes of standard coal and reducing carbon dioxide (CO_2) emissions by 1,362,000 tonnes. In addition, the Group treated 406,455,000 m^3 of waste water, 605,000 m^3 of leachate from waste-to-energy plants and reduced COD emissions by 136,000 tonnes. Since the Group's first environmental protection project commenced operation in 2005, it has processed an accumulated 24,493,000 tonnes of household waste and 331,000 tonnes of hazardous waste, 1,482,000 tonnes of agricultural waste and generated 8,462,495,000 kWh of green electricity, which can fulfill annual electricity consumption for 7,052,000 households and save the equivalent of 3,385,000 tonnes of standard coal, reducing CO_2 emissions by 10,035,000 tonnes and preventing 1,100,124,000 trees from being cut down. The Group has treated 4,170,841,000 m^3 of waste water, 4,417,000 m^3 of leachate from waste-to-energy plants and reduced COD emissions by 1,571,000 tonnes.

I. Environmental Energy

A. Environmental Energy

As at 30 June 2015, the Group had 39 waste-to-energy projects, 2 methane-to-energy projects, 1 sludge treatment and disposal project and 1 food waste treatment project, commanding a total investment of around RMB18.325 billion. These facilities are designed with an annual household waste processing capacity of approximately 12,556,000 tonnes, which is able to generate an annual on-grid electricity of 3,741,350,000 kWh. The annual sludge treatment capacity is approximately 18,000 tonnes, while the annual food waste treatment capacity is approximately 37,000 tonnes.

In the first half of 2015, the Group secured 5 household waste-to-energy projects, with an increased designed daily household waste processing capacity of 3,050 tonnes, boosting the total daily waste processing capacity to 34,400 tonnes. During the period under review, the Group won the bid for the Pingdu Project and Xintai Project with the leading score in the overall bidding process, reflecting the Group's comprehensive strengths and professional standards. Pingdu Project commands a total investment of approximately RMB360 million and has a designed daily household waste processing capacity of 600 tonnes, while Xintai Project has a designed daily household waste processing capacity of 600 tonnes, with a total investment of approximately RMB339 million. Together with Laiwu Project and Laiwu Food Waste Treatment Project, the Group has a total of 10 environmental energy projects in Shandong Province. With an investment of approximately RMB385 million, Laiwu Project is designed to have a daily household waste processing capacity of 700 tonnes. Laiwu Food Waste Treatment Project has a total investment of RMB50 million with a designed daily food waste processing capacity of 100 tonnes. The two projects form the Group's first household waste and food waste co-processing project, and represent a new industry approach, forming a comprehensive solution for urban solid waste problems.

In addition to further consolidating markets in Shandong Province, the Group expanded into the waste-to-energy market in Sichuan province, securing Suining Project through a Public-Private Partnership (PPP) model. Suining Project has a total investment of approximately RMB450 million and is designed to have a daily household waste processing capacity of 800 tonnes. In addition, Sanya Project Phase II also commenced construction, which has a total investment of approximately RMB166 million and a designed daily household waste processing capacity of 350 tonnes.

During the period under review, the Group had 9 waste-to-energy projects under construction, with a total daily household waste processing capacity of 9,300 tonnes. Among them, Zhenjiang Project Phase II completed construction and commenced operation during the period under review. It is also the Group's 16th waste-to-energy project in operation. Besides, Zhejiang Hangzhou Waste-to-energy Project Phase I, Jiangsu Wujiang Waste-to-energy Project and Hunan Yiyang Waste-to-energy Project commenced construction in the first half of this year. Other projects under construction also made steady progress. The Group is committed to improving operational efficiency by increasing the electricity generated by each tonne of waste and lowering the volume of electricity consumed by factories. It has achieved positive results with continuous growth in operation service revenue.

During the period under review, the Group's environmental energy projects processed a total household waste of 3,260,000 tonnes, and generated a total on-grid electricity of 881,561,000 kWh, an increase of 46% and 50% respectively as compared with the last corresponding period. The environmental energy projects contributed an EBITDA of HK$1,219,829,000, an increase of 29% over the same period in 2014. The increase in profit was mainly attributable to the recognition of construction service revenue and cost saving on construction projects, and also an increase in the operation service revenue due to continued growth in processing volumes of operating projects during the period under review.

Major operating and financial data of the environmental energy business in the first half of 2015 is summarized in the table below:

	2015	2014 (restated)
Waste processing volume (tonne)	**3,260,000**	2,227,000
On-grid electricity (MWh)	**881,561**	587,153
EBITDA (HK$'000)	**1,219,829**	944,477

B. Environmental Protection Industrial Parks

The Group actively encourages environmental protection. Under the principle of Implementing Projects with One Success Followed by Another, the Group works closely with relevant local government authorities to design and build environmental protection industrial parks, making full use of local resources within the park, sharing infrastructure and optimizing available land resources. The goal of this exercise is to achieve efficient recycling of solid waste and to enhance energy conservation and emission reduction efficiency, making it easier for the government and enterprises to implement a centralized management system and ultimately achieve Nil Discharge. The parks will be established as modern environmental protection industrial parks and educational hubs for environmental protection.

As at 30 June 2015, the Group had 9 environmental protection industrial parks in Suzhou, Changzhou, Suqian, Zhenjiang New District, Yixing, Lianyungang Xuwei New District, Nanjing of Jiangsu Province, Weifang of Shandong Province and Ganzhou of Jiangxi Province.

II. Environmental Water

As at 30 June 2015, Everbright Water, the Group's non wholly-owned subsidiary in which the Group holds a 74.4% stake, had 39 waste water treatment projects, 4 reusable water projects and 2 waste water source heat pump projects, commanding a total investment of RMB6.009 billion. These projects are designed to have an annual waste water treatment capacity of approximately 952,650,000 m^3, to provide an annual reusable water amount of 22,334,000 m^3 and to offer heating and cooling services to an area of 312,000 m^2 via waste water source heat pump projects.

During the period under review, the Group introduced two globally renowned investment institutions as the strategic investors, including International Finance Corporation and Dalvey Asset Holdings Ltd, a wholly-owned subsidiary of RRJ Capital Master Fund II, L.P., which was established by RRJ Capital. In addition to optimizing the shareholding structure of Everbright Water, the funds raised will also consolidate and advance the future development of Everbright Water.

Since the completion of the reverse takeover at the end of last year, Everbright Water focused on internal integration in the first half of 2015 so the pace of market expansion slightly slowed down. During the period under review, Everbright Water invested in and undertook operation of Ju County Project on a TOT basis. Ju County Project has a total investment of approximately RMB103 million and a designed daily waste water treatment capacity of 40,000 m^3. The water discharge complies with the Grade 1A national standard.

As for projects under construction, the expansion of Shandong Binzhou Boxing Waste Water Treatment Project Phase II, construction of Jiangsu Yangzhou Jiangdu Development Zone Waste Water Treatment Project Phase II and Henan Sanmenxia Industry Cluster Area Waste Water Treatment Project Phase I were completed during the period under review. The construction and upgrade of Jiangsu Nanjing Pukou Waste Water Treatment Project Phase II and Suzhou Wuzhong Chengnan Waste Water Treatment Project Phase II and the construction of Shandong Zibo Reusable Water Project Phase II progressed steadily and are expected to complete construction in the second half of this year.

In addition to achieving stable operation and complying with discharge standards, Everbright Water lowered operating costs by saving electricity consumption, closely monitoring changes in water quality and making adjustments accordingly as well as adopting a centralized procurement system. During the period under review, environmental water projects treated 406,455,000 m^3 of waste water, an increase of 47% as compared with the last corresponding period. The environmental water projects contributed an EBITDA of HK$411,143,000, 37% more than the last corresponding period. The increase in profit was mainly due to increase in the operation service revenue due to continued growth in processing volumes of operating projects after the reverse takeover of HanKore projects.

Major operating and financial data of the environmental water business in the first half of 2015 is summarized in the table below:

	2015	2014
Waste water treatment volume (m^3)	**406,455,000**	276,518,000
EBITDA (HK$'000)	**411,143**	300,074

III. Greentech

The Group's greentech sector includes biomass integrated utilisation projects, industrial solid waste and hazardous waste treatment projects, photovoltaic energy projects and wind power projects. As at 30 June 2015, excluding the 4 projects postponed pending government approval, the Group had a total of 41 greentech projects, including 18 biomass integrated utilisation projects, 12 industrial solid waste and hazardous waste treatment projects, 9 photovoltaic energy projects and 2 wind power projects, with a total investment of approximately RMB8.152 billion. The total designed annual processing capacity of agricultural waste was approximately 3,448,000 tonnes, annual processing capacity of household waste was approximately 767,000 tonnes, annual processing capacity of industrial solid waste and hazardous waste was approximately 270,000 tonnes, annual on-grid electricity generation was approximately 2,579,226,000 kWh and the annual heating supply was approximately 1,030,000 tonnes.

As the Chinese government continues to make great efforts to deal with air pollution and the haze problem, the biomass integrated utilisation industry has seen policy-driven opportunities which have shed light on a new direction for the Group's biomass business. By building on the experience gained from current projects, the Group actively explored new development models and successfully established 4 biomass business models, including the urban-rural integration model, the biomass direct combustion power generation model, the biomass cogeneration/centralized heating model and the biomass molding fuel model. The systematic processing of agricultural waste and straw effectively solved the air pollution problem caused by the burning and littering of straw, while also converting waste to energy, generating mutual benefits for local farmers, boosting economic development and reducing environmental pollution.

During the period under review, the Group developed 7 greentech projects and signed a supplementary agreement with a total investment of approximately RMB2.125 billion, an increased annual agricultural waste and straw processing capacity of approximately 1,300,000 tonnes, and an annual household waste processing capacity of approximately 438,000 tonnes.

Nanqiao and Rugao biomass power generation projects each have a total investment of RMB320 million with an annual agricultural waste and straw processing capacity of approximately 280,000 tonnes. The Mianzhu Urban-rural Integration Project has a total investment of approximately RMB500 million and is designed to have a daily household waste processing capacity of 300 tonnes and an annual agricultural waste and straw processing capacity of approximately 300,000 tonnes. The Xiao County Urban-rural Integration Project has a total investment of approximately RMB570 million, a designed daily household waste processing capacity of 400 tonnes and an annual agricultural waste and straw processing capacity of 300,000 tonnes. In addition, the Group signed a supplementary agreement for the Jiangsu Guanyun Biomass Cogeneration Project, increasing its investment by RMB150 million to RMB320 million. The designed annual agricultural waste and straw processing capacity increased by approximately 140,000 tonnes to 290,000 tonnes; together with the newly signed Guanyun MSW Fired Cogeneration Project, named Guanyun Urban-rural Integration Project. Guanyun MSW Fired Cogeneration Project has a total investment of approximately RMB270 million and is designed to have a daily household waste processing capacity of 500 tonnes.

During the period under review, the Group had 6 greentech projects under construction, Jiangsu Xuyi Biomass Integrated Utilisation Project, Sucheng Biomass Integrated Utilisation Project ("Sucheng Project"), Anhui Dangshan Waste-to-energy Project Phase I，Jingsu Rudong Biomass Integrated Utilisation Project, Shanxi Ningwu Wind Power Project (Zhaojiashan) and Ningwu Wind Power Project (Changfangshan). Construction of the projects is expected to be completed by the second half of this year and next year.

During the period under review, the Group's greentech projects provided a total on-grid electricity of 229,236,000 kWh and processed agricultural waste and straw of 280,000 tonnes, an increase of 87% and 115%, respectively, as compared to the same period last year. The greentech business contributed an EBITDA of HK$151,336,000, an increase of 17% as compared with the same period last year. The increase in profit was mainly due to the increase in the operation service revenue due to continued growth in the processing volumes of the operating projects which offset the decrease in construction service revenue during the period under review.

Major operating and financial data of the greentech business in the first half of 2015 is summarized in the table below:

	2015	2014 (restated)
On-grid electricity (MWh)	**229,236**	122,784
Agricultural waste and straw processing volume (tonne)	**280,000**	130,000
Industrial and hazardous waste processing volume (tonne)	**30,000**	30,000
EBITDA (HK$'000)	**151,336**	128,993

Environmental Protection Engineering

By establishing a standardized engineering management system and process, making the most of its management experience and enhancing its core competencies, the Group was able to provide high quality construction engineering services and enhance the comprehensive efficiency of the construction and operation of various projects. A total of 63 projects completed construction and commenced operation with total investment exceeding RMB13.372 billion; 50 projects were under construction or in the preparatory stages, commanding a total investment of over RMB17.036 billion. The number of projects and contracts both reached record highs for the same period (excluding the environmental water projects).

There were 3 waste-to-energy projects that commenced construction during the period, bringing the total number of projects under construction to 9 with the designed daily processing capability reaching 9,300 tonnes, of which, Zhenjiang Project Phase II completed construction and commenced operation during the period under review. In addition, Sanya Sludge Treatment and Disposal Project in Hainan Province and Sucheng Project also commenced construction during the period under review. With more new projects commencing construction, it is expected that the construction service revenue will continue to be the main revenue driver for the Group.

During the period under review, the Group had a total of 16 environmental energy and green energy projects under construction (excluding the 3 environmental water projects), with a total investment of RMB6.860 billion. In addition, the Changzhou Equipment Manufacturing Project Phase II in Jiangsu Province is expected to complete construction in the second half of this year. The Group is committed to the principle of First Class Quality, High Standard, Advanced Technology, and Outstanding Efficiency with regard to project construction. It strives to create benchmark projects across the country.

Environmental Protection Technology

The Group, which has always adhered to an operating philosophy of planning based on scientific theory, meticulous organization, bold innovation and practice, has consistently enhanced its investment in research and development ("R&D"), enabling it to keep at the forefront of developments in technology trends. The Group has established a set of R&D systems to ensure robust development and has introduced advanced technology from home and abroad in order to constantly improve its capability in technology R&D and relevant standards.

During the period under review, the Everbright Environmental Protection Technology Institute was officially unveiled in Shenzhen. The Institute is a scientific research institution invested in and established by the Group. It consists of three major research divisions; incineration technology, water environment technology and engineering design, as well as two research teams specializing in integrated environmental services and information and control technology. The Institute will conduct extensive and in-depth research on the solid waste treatment technology of household waste, industrial hazardous waste, sludge and food waste, control software technology, biomass utilisation technology, synergetic treatment of urban and rural waste in small- and medium-sized cities, waste water treatment in urban cities and environmental restoration technology. This adheres to the Group's development strategy of moving "from Coastal Areas to Inland Areas, from Cities to Rural Areas, from Domestic to Overseas Markets" in order to provide different users with tailor-made unit processing technology, a full portfolio of engineering technology and integrated solutions.

During the period under review, the Group was granted 16 patents, of which 3 were invention patents and 13 were utility invention patents. The Group will continue to strengthen its efforts in advancing R&D to develop its business, and to fuel the expansion of the Group's business scope and sustainable development.

Environmental Protection Equipment Manufacturing

In the first half of 2015, the Group's environmental protection equipment manufacturing business developed steadily. Currently, the Group's production base for environmental protection equipment located in Changzhou City of Jiangsu Province ("Changzhou Environmental Protection Equipment Manufacturing Project") mainly manufactures incinerators, leachate treatment systems, gas emission purification equipment and other major equipment for use at the Group's waste-to-energy projects. Changzhou Environmental Protection Equipment Manufacturing Project is now expanding Phase II, which is expected to complete construction in the second half of 2015.

During the period under review, in order to keep up the pace with the construction progress of the projects, the Group completed the unit assembly and commissioning of 7 sets of incinerators, 4 sets of gas purification systems and 5 sets of leachate treatment systems. This enabled the Group to build high-quality projects and also helped it to further improve efficiency and lower operational costs.

Business Prospects

In 2015, China's environmental protection and greentech sectors are embracing a number of new government policies that encourage the development of the environmental protection industry. The Ministry of Environmental Protection of the People's Republic of China is also accelerating the drafting of the 13th Five-Year Plan, which will focus on improving the quality of the environment by taking comprehensive measures to reduce air, water and soil pollution. The country's determined policy support and action plan on environmental restoration will undoubtedly bring unprecedented market opportunities and create the driving force for the environmental protection industry.

In the first half of 2015, the Group's projects progressed smoothly as scheduled and there was steady growth in the number of new projects. As the market size and number of projects keep growing, the Group will continue to map out its future development plan with a highly-strategic approach. By constantly improving strategic layout, boosting technology innovation and management standards, accurately interpreting policy trends, and adapting to changes in the environmental protection market, the Group will be able to tap into the industry's development potential and capture various opportunities for the Group's growth.

As one of the leading companies in China's environmental protection sector, the Group will continue to leverage its comprehensive strength and ride on favorable government policies to conduct project construction, operation and daily management at a higher standard. The Group will also continue to devote major efforts to develop the three core business sectors, environmental energy, environmental water and greentech, and further advance the development of the environmental protection equipment manufacturing and environmental protection technology businesses. With innovation as its core competitive edge, complemented with an advanced business model and high quality management, the Group will continue to optimize the industry chain layout to ensure the steady development of all business segments and achieve rapid growth in alignment with China's environmental protection industry. In addition, it will continue to make relevant contributions accordingly throughout its development growth.

The Group will adhere to the core value that an Enterprise is not only a Creator of Wealth, but also the Safeguard of Environmental and Social Responsibility, and proactively implement the development strategy of "Expanding from Coastal Areas to Inland Cities, from Cities to Rural Areas, from Domestic to Overseas Markets". Backed by national policies and the Group's own strengths, the Group will further explore market demands and potential in different regions for all its business segments, and will gradually expand its environmental protection business footprint by seeking cooperation and project opportunities that will strengthen its links to the international market. The Group will make every effort to improve its corporate governance, enhance synergy among its projects and business segments, and strengthen its core competitiveness and brand image to further improve its leadership position in the environmental protection industry.

Looking forward, the Group is well positioned to benefit from the government's supportive policies and the positive development prospects for the environmental protection sector under favorable national policies. With strong support from its parent company, China Everbright Group, and with its own comprehensive strength and resources, the Group has full confidence in its future development. As an industry leader, the Group will continue to uphold its core values, management model and development strategies and commit to being a socially responsible corporate citizen, while continuing to explore projects of "First-class Quality, High Standards, Advanced Technology and Outstanding Efficiency" in the environmental energy, environmental water and greentech sectors. By adopting entrepreneurial and marketized models for management and operation, and while providing returns to its shareholders, the Group also creates a greener, more environmentally friendly and sustainable living environment to its stakeholders, including its employees, the communities in which its projects are located and society at large, making positive contributions to environmental restoration.

Management Discussion and Analysis

Financial Position

As at 30 June 2015, the Group's total assets amounted to HK$34,302,888,000 with net assets amounting to HK$19,419,050,000. Net asset value per share attributable to equity shareholders of the Company was HK$3.846 per share, representing an increase of 6% as compared to HK$3.627 per share as at the end of 2014. As at 30 June 2015, gearing ratio (total liabilities over total assets) of the Group was 43%, same as that at the end of last year.

Financial Resources
The Group adopts a prudent approach to cash and financial management to ensure proper risk control and low cost funds. It finances its operations primarily with internally generated cash flow and loan facilities from banks and the holding company. As at 30 June 2015, the Group had cash and bank balances of HK$4,867,815,000, representing a decrease of HK$282,334,000 as compared to HK$5,150,149,000 at the end of 2014. Currently, most of the Group's cash, representing 97%, is denominated in Hong Kong dollars and Renminbi.

Borrowing
The Group is dedicated to improving banking facilities to reserve capital to support its environmental protection business development. As at 30 June 2015, the Group had outstanding borrowings of HK$10,233,094,000, representing an increase of HK$1,096,583,000 as compared to HK$9,136,511,000 at the end of 2014. The borrowings included secured interest-bearing borrowings of HK$6,624,889,000 and unsecured interest-bearing borrowings of HK$3,608,205,000. The borrowings are mainly denominated in Renminbi, representing about 54% of the total, and the remainder is denominated in US dollars and Hong Kong dollars. Most of the borrowings are at floating rates. As at 30 June 2015, the Group had banking facilities of HK$16,785,786,000, of which HK$6,714,876,000 have not been utilized. The banking facilities are of 1 year to 10 years terms.

Foreign Exchange Risks
The Group's assets, borrowings and major transactions are mainly denominated in Renminbi. The Group mainly settles business expenses in mainland China with Hong Kong dollar remittance and income in Renminbi. It has not used any financial instruments to hedge against bank borrowings in Renminbi, which are used mainly to meet capital requirements of its business in China. The Group manages foreign currency risk by closely monitoring the proportion of its non-Renminbi borrowings.

Pledge of Assets
Certain banking facilities at the Group were secured by revenue and receivables in connection with the Group's service concession arrangements, bank deposits, mortgages on fixed assets and equity interests of certain subsidiaries of the Company. As at 30 June 2015, the aggregate net book value of assets and equity interests in subsidiaries pledged amounted to approximately HK$16,620,216,000.

Commitments
As at 30 June 2015, the Group had purchase commitments of HK$1,896,607,000 outstanding in connection to construction contracts.

Contingent Liabilities
As at 30 June 2015, the Company issued financial guarantees to 8 wholly-owned subsidiaries. The Board does not consider it probable that a claim will be made against the Company under the guarantees. The maximum liability of the Company as at 30 June 2015 for the provision of the guarantees related to the facilities drawn down by the subsidiaries was HK$1,549,127,000.

Internal Management

Strengthening management and risk control have always been important duties during the business development of a corporation. The Group adheres diligently to the management principle of People-oriented, Pragmatism, Creativity and Systematic Management and is committed to building a comprehensive risk management culture. With the efforts of the Risk Management Advisory Committee, the Engineering Technical Management Committee and the Budget Approval Management Committee, the Group has formulated strict regulations on investment in, and the construction and operation of environmental protection projects.

During the period under review, the Group held management committee meetings on a monthly basis to review all projects under construction and operation. The Group also strictly enforced the compliance of various systems to improve internal management. The Group continued to refine its rules and regulations. In addition, the Group joined the edition of emission standard, including gas emission standards, leachate treatment standards, ash treatment standards and incineration residue treatment standards of environmental protection industry in China. By following relevant standards, newly commenced projects would be able to enhance management standards in the fastest possible way. Given the expansion of new businesses over the first half of the year, the Group is currently formulating and optimizing relevant operation procedures and business management measures in order to cope with the forthcoming commissioning of completed projects in a timely manner. With the aim of improving the synergy among multiple environmental projects in the same region, the Group also launched district management to integrate various resources to boost its management efficiency.

Committed to maintaining safe and stable operations in compliance with discharge standards, and with the goal of ensuring no major safety and environmental accidents, the Group organised inter-company competition on 4 areas, namely to save expenses, increase income sources and efficiency, reduce energy consumption, and lower costs. The comprehensive auxiliary power consumption rate of waste-to-energy projects continued to decline, contributing to an improvement in project efficiency.

Human Resources

The Group highly values its human resources and puts great emphasis on staff training. It believes that realizing the full potential of its employees is crucial to its long term growth. The Group continued to improve its human resources through internal training as well as local, overseas, and on-campus recruitment. During the period under review, the Group held training sessions on safety and financial management to enhance the overall quality of its staff. To facilitate the integration of newly recruited staff, the Group held the 12th round of execution training for more than 230 participants. It also sent managers and senior technical staff to participate in a CEO Course (the 5th session). To ensure that employees' development is in line with the Group's sustainable development, the Group completed a competitive selection of middle management and supportive managerial personnel for the mainland China headquarters, which motivates staff and helps them achieve greater success in their careers.

As at 30 June 2015, the Group had approximately 3,400 employees in Hong Kong and mainland China. Employees within the Group are remunerated according to their qualifications, experience, job nature, performance and with reference to market conditions. Apart from a discretionary performance bonus, the Group also provides other benefits such as medical insurance and a provident fund scheme to employees in Hong Kong.

Corporate Governance

The Group strives to maintain a high standard of corporate governance as it believes good corporate governance practices are increasingly important for maintaining and promoting the confidence of shareholders. They are crucial for the development of the Group's business and protection of the Shareholders' interests. The Group upholds the management principle of People-oriented, Pragmatism, Creativity and Systematic Management, and through a set of rules and regulations, has continuously strengthened internal control, as well as risk prevention and management. Furthermore, by full and timely public disclosure of information, the Group has maintained transparency and accountability which also improved its corporate values. The Board meets regularly and has set up several Board committees, namely the Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee, Disclosure Committee and Management Committee. For risk management, the Group has set up a Risk Management Advisory Committee to monitor and assess risks regularly, boost related management standards and evaluate investment projects. Regarding technological risk management, the Group has in place an Engineering and Technology Management Committee which is responsible for assessing the technologies used in different investment projects. For financial control, the Group insists on stringent budget management, and has set up a Budget Approval Management Committee that focuses on monitoring construction budgets. In addition, the Group has also set up an Internal Audit Department to perform internal audits to bolster the Group's management standards.

The Company has complied with the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2015, except that the Chairman of the Board was unable to attend the annual general meeting of the Company on 27 May 2015 due to other business engagements. This constitutes a deviation from the code provision E.1.2 of the CG Code which requires the Chairman of the Board to attend the annual general meeting.

Executive Committee

The Executive Committee comprises Mr. Tang Shuangning (Chairman), the Chairman of the Board, and 5 other executive directors, namely Mr. Liu Jun, Mr. Chen Xiaoping, Mr. Wang Tianyi, Mr. Wong Kam Chung, Raymond and Mr. Cai Shuguang. Its main duties include performing the duties assigned by the Board as well as exercising the authority and rights authorized by the Board. The general mandate in relation to the Executive Committee in written form has been established.

Audit Committee

The Audit Committee, currently comprising all 4 independent non-executive directors, namely Mr. Mar Selwyn (Chairman), Mr. Fan Yan Hok, Philip, Mr. Li Kwok Sing, Aubrey and Mr. Zhai Haitao, 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, etc. The terms of reference of the Audit Committee are disclosed on the website of the Company.

During the period under review, the Audit Committee 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 Company's interim results for the six months ended 30 June 2015.

Nomination Committee

The Nomination Committee currently comprises Mr. Zhai Haitao (Chairman), an independent non-executive director, Mr. Chen Xiaoping, the Chief Executive Officer, and 3 other independent non-executive directors, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn and Mr. Li Kwok Sing, Aubrey. Its primary responsibilities include making recommendations to the Board on appointment of directors regarding the qualifications and competencies of the candidates, so as to ensure that all nominations are fair and transparent. The terms of reference for the Nomination Committee are disclosed on the website of the Company.

Remuneration Committee

The Remuneration Committee currently comprises Mr. Li Kwok Sing, Aubrey (Chairman), an independent non-executive director, Mr. Liu Jun, the Vice-chairman of the Board, and 3 other independent non-executive directors, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn and Mr. Zhai Haitao. The terms of reference of the Remuneration Committee, which are disclosed on the website of the Company, set out the duties of the Remuneration Committee, including determining, with delegated responsibilities, the remuneration packages of the individual executive directors and senior management.

Disclosure Committee

The Disclosure Committee currently comprises Mr. Chen Xiaoping (Chairman), the Chief Executive Officer, Mr. Wang Tianyi, the General Manager, Mr. Wong Kam Chung, Raymond, the Chief Financial Officer, the Chief Legal Officer and the Company Secretary. The Board has delegated the day-to-day execution of its continuous disclosure obligations to the Disclosure Committee to ensure the compliance of the Company with its disclosure obligations. The terms of reference for the Disclosure Committee have been established in writing.

Management Committee

The Management Committee comprises Mr. Chen Xiaoping (Chairman), the Chief Executive Officer, Mr. Wang Tianyi, the General Manager, Mr. Wong Kam Chung, Raymond, the Chief Financial Officer, Mr. Cai Shuguang, Mr. Hu Yanguo, Mr. Chen Tao, Mr. Qian Xiaodong and Mr. An Xuesong, 5 Deputy General Managers, as well as the person-in-charge of the Legal Compliance Department. The Management Committee is responsible for the management of daily business operations, formulating and implementing annual work tasks and medium-term development plans for the Group. The Management Committee is the decision-making body for day-to-day business activities and makes collective decisions on major matters relating to the Group's daily business operations, management and personnel matters. The general mandate in relation to the Management Committee has been established in writing.

Model Code for Securities Transactions by Directors

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions by directors of the Company. Having made specific enquiries to the directors of the Company, all directors confirmed that they had complied with the required standard of dealings as set out in the Model Code during the six months ended 30 June 2015.

Interim Dividend

The Board declared payment of an interim dividend of HK6.5 cents per share (2014: HK5.0 cents per share) to the Shareholders whose names appear on the register of members of the Company on Wednesday, 9 September 2015. The interim dividend warrants will be dispatched to the Shareholders on or about Wednesday, 30 September 2015.

Closure of Register of Members

The register of members will be closed from Wednesday, 9 September 2015 to Friday, 11 September 2015, both days inclusive, during which no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Tuesday, 8 September 2015.

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 six months ended 30 June 2015.

By Order of the Board
China Everbright International Limited
Chen Xiaoping
Chief Executive Officer

Hong Kong, 12 August 2015

As at the date of this announcement, the Board comprises: (i) six executive directors, namely Mr. Tang Shuangning (Chairman), Mr. Liu Jun (Vice-chairman), Mr. Chen Xiaoping (Chief Executive Officer), Mr. Wang Tianyi, Mr. Wong Kam Chung, Raymond and Mr. Cai Shuguang; and (ii) four independent non-executive directors, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn, Mr. Li Kwok Sing, Aubrey and Mr. Zhai Haitao.