



CHINA EVERBRIGHT INTERNATIONAL LIMITED

中國光大國際有限公司

(Stock Code 股份編號: 257)

The most
RELIABLE BRAND in the
GREEN WORLD
金色的品牌 綠色的事業



ANNUAL REPORT 2007 年報

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Corporate Profile

China Everbright International Limited (the "Company", and together with its subsidiaries, collectively "the Group") is a fast growing business conglomerate focusing on environmental protection infrastructure investments including the construction and operation of solid waste treatment projects and waste water treatment projects, toll bridge operation and property investment. The Group's environmental protection business is divided into four major sectors, namely waste-to-energy in Jiangsu Province, waste water treatment in Shandong Province, Suzhou Everbright National Demonstrative Veinous Industrial Park and restoration of water quality for Taihu Lake. In the last four 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 constructed and operates the Qingzhou Bridge in Fuzhou. It has invested in properties including Zhongshan Garden and Central Business Building in China. With its competent management 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.

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固體廢物處理及污水處理項目、收費橋樑運營及物業投資的綜合企業。本集團的環保業務分為四大業務板塊—江蘇垃圾焚燒發電板塊、山東污水處理板塊、蘇州光大國家靜脈產業示範園板塊及環太湖流域水環境治理板塊。過去四年，環保業務遍佈中國多個城市包括蘇州、宜興、江陰、常州、青島、淄博、周村、博興及濟南。本集團亦建設及運營福州青洲大橋；並投資物業於中國的中山花園及中心商務大廈。在能幹的管理層帶領下，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
 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
 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

		2007 二零零七年	2006 二零零六年 (restated) (重報)	Percentage Change 百分比 變動
		HK\$'000 港幣千元	HK\$'000 港幣千元	
RESULTS	業績			
Turnover	營業額	1,347,852	884,043	52%
EBITDA on recurring basis**	除利息、稅項、折舊及 攤銷前經常性盈利**	425,557	210,776	102%
Profit attributable to equity shareholders	股東應佔盈利	337,932	460,478	-27%
Return on shareholders' equity (%)	股東資金回報(%)	15.20	28.98	-14%
Basic earnings per share (HK cents)	每股基本盈利(港仙)	10.89	15.92	-32%
Profit attributable to equity shareholders on recurring basis*	股東應佔盈利(經常性)*	299,847	86,060	248%
Basic earnings per share on recurring basis (HK cents)	每股基本盈利(經常性) (港仙)	9.67	2.98	224%
FINANCIAL POSITION	財務狀況			
Total assets	資產總額	4,525,683	3,385,872	34%
Total liabilities	負債總額	1,922,257	1,272,676	51%
Shareholders' equity	股東權益	2,451,091	1,996,123	23%
Net asset value per share attributable to equity shareholders (HK\$)	股東應佔每股 資產淨值(港幣元)	0.782	0.649	20%
Gearing (%)	資產負債比率(%)	42	38	4%
Current ratio (%)	流動比率(%)	221	321	-100%
MARKET INFORMATION	市場資料			
Share price at year end (HK\$)	年終時之股價(港幣元)	3.89	1.34	190%
Price earnings ratio at year end (times)	年終時之市盈率(倍)	35.72	8.42	324%
Market capitalisation at year end	年終時之資本市值	12,194,064	4,121,856	196%

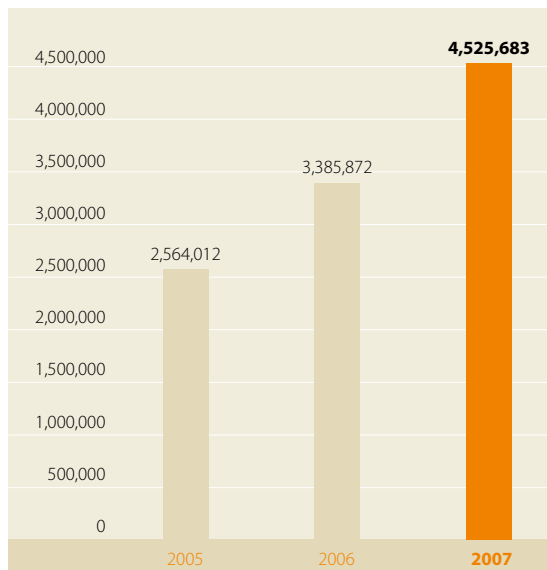
EBITDA is the profit for the year before deduction of interest, taxation, depreciation and amortisation.

* Excluding the gains from sale of interest in Mawan Power, investment properties and available-for-sale securities, valuation gains on investment properties and the share of profits in Mawan Power with a total amount of HK\$42,885,000 (2006: HK\$376,294,000).

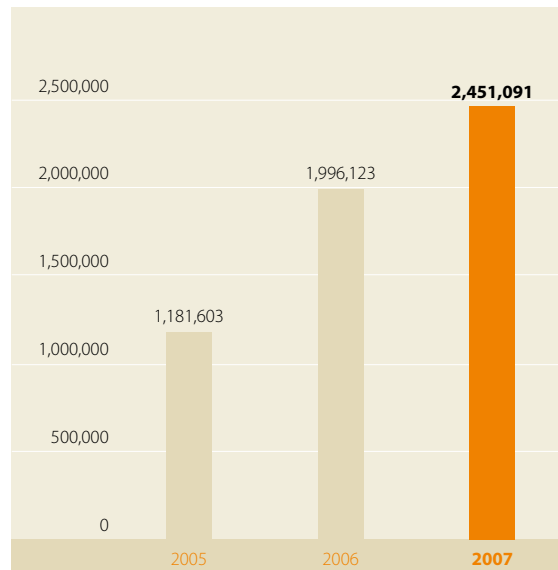
除利息、稅項、折舊及攤銷前盈利為扣除利息、稅項、折舊及攤銷前之本年度盈利。

* 不包括出售媽灣電力權益盈利、出售投資物業盈利、出售待售證券盈利、投資物業估值盈餘及所佔媽灣電力盈利合共港幣42,885,000元(二零零六年：港幣376,294,000元)。

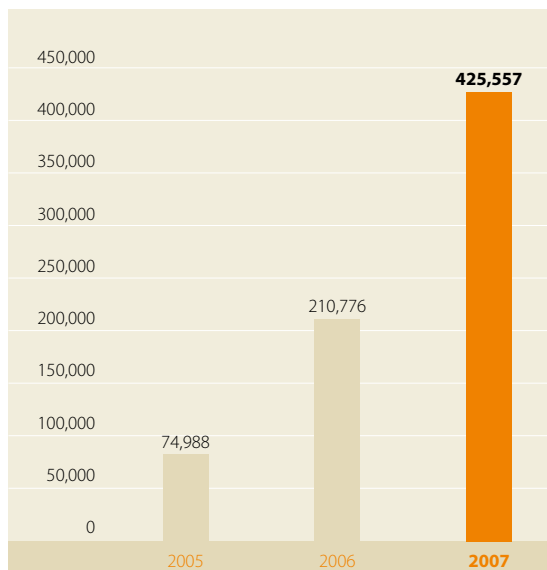
TOTAL ASSETS HK\$'000
資產總額 港幣千元



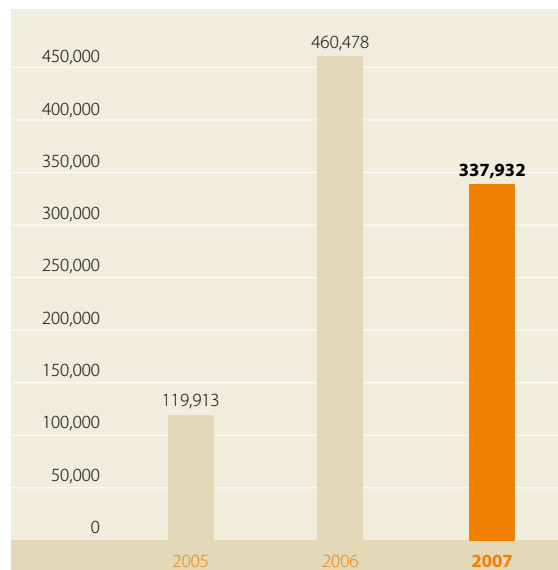
NET ASSETS ATTRIBUTABLE TO EQUITY SHAREHOLDERS HK\$'000
股東應佔淨資產 港幣千元



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



01/2007



02/2007



03/2007

01 / 2007

The "Senior Management Training Course" jointly organized with Guanghua School of Management, Peking University began

與北京大學光華管理學院聯合舉辦的「高級管理培訓班」開學

02

All civil engineering work of Waste Water Treatment Project at Zibo High-tech Industrial Development Zone completed

Entered into a strategic co-operative agreement with Tongji University, under which both parties will fully co-operate in the research and development of technology

淄博高新區污水處理項目完成全部土建工程

與同濟大學簽署戰略合作協議雙方將在技術研發領域展開全面的交流與合作

03

Upon completion of equipment upgrade two months ahead of schedule, Jinan No.1 Waste Water Treatment Plant achieved its objective of operating in full capacity

Final results announcement for 2006, with profit attributable to equity shareholders amounted to HK\$409,347,000, representing an increase of 2.83 times as compared to 2005

濟南淨化一廠提前兩個月完成設備更新改造，成功實現滿負荷運行

公佈二零零六年度全年業績，錄得股東應佔盈利港幣409,347,000元，較二零零五年度增長2.83倍



04

Held Annual General Meeting of 2006

Purchased an office building in Beijing Zhongguancun Environmental Technology Demonstrative Zone as the office of Everbright Environmental Protection Technology Development (Beijing) Limited

Entered into a letter of intent with Jiangyin Municipal Government for the co-operation of waste water treatment project in Jiangyin City

Construction of Yixing Waste-to-energy Project completed and test running for the same commenced

舉行二零零六年度股東周年大會

購買北京中關村環保園物業，作為光大環保科技發展(北京)有限公司辦公樓

與江陰市政府簽署城區污水處理合作意向書

宜興垃圾焚燒發電項目竣工進入調試

05

Upon completion of piling work, construction of Changzhou Waste-to-energy Project commenced

常州垃圾焚燒發電項目完成樁基工程並開工建設

06

Commercial operation of Yixing Waste-to-energy Project commenced

宜興垃圾焚燒發電項目開始商業運營



07/2007



07/2007



07/2007

07

Entered into the "Supplementary Agreement II" to the "Concession Right Agreement for Providing Waste Treatment Service in Suzhou" with Suzhou Municipal Government. The designed waste processing capacity of Suzhou Waste-to-energy Project Phase II is increased from 500 tonnes to 1,000 tonnes

Entered into the "Supplementary Agreement I" to "Concession Right Agreement" with Suzhou Municipal Government for the addition of a third generator for Suzhou Methane-to-energy Project

Commercial operation of the Extension Facilities of Qingdao Maidaow Waste Water Treatment Project commenced

Commercial operation of Suzhou Industrial Solid Waste Landfill Project commenced

Entered into a letter of intent in relation to the co-operation in municipal and environmental infrastructure projects with Jining Municipal Government

Foundation stone of Suzhou Waste-to-energy Project Phase II was laid

Appointment of Mr Tang Shuangning as Chairman of the Board

Main plant of Suzhou Waste-to-energy Plant was awarded with "Gusu Cup" of Suzhou City for quality construction in 2007

與蘇州市政府簽署《蘇州市垃圾處理服務特許權協議》之補充協議二，將蘇州垃圾焚燒發電項目二期規模由日處理垃圾500噸增加至1,000噸

與蘇州市政府就增加蘇州沼氣發電項目第三台發電機組簽署「特許經營協議」之「補充協議一」

青島麥島擴建工程項目開始商業運營

蘇州工業固體廢物安全填埋場項目開始商業運營

與濟寧市政府就市政、環保設施基礎建設的合作事宜簽署合作意向書

蘇州垃圾焚燒發電項目二期奠基

唐雙寧先生出任董事會主席

蘇州垃圾焚燒發電廠主廠房榮獲二零零七年蘇州市「姑蘇杯」



08/2007



09/2007



09/2007

08

Leachate treatment of Yixing Waste-to-energy Project reached national Grade 1A discharge standard

Everbright Environmental Protection Engineering (Shenzhen) Company Limited has been awarded with the "Enterprise with the Most Growth Potential of Shenzhen Technology and Innovation Award" by Shenzhen Municipal Government

宜興垃圾焚燒發電項目之滲濾液處理達到國家一級A排放標準

光大環保工程技術(深圳)有限公司榮獲深圳市政府頒發「深圳市科技創新獎-最具成長性企業類」

09

Interim results announcement for 2007, with profit attributable to equity shareholders amounted to HK\$167,551,000, representing an increase of 95% as compared to the restated profit for the same period of 2006

Commercial operation of Zibo High-tech Industrial Development Zone Waste Water Treatment Project commenced

公佈二零零七年度中期業績，錄得股東應佔盈利港幣167,551,000元，較二零零六年同期重報的盈利增加百分之九十五

淄博高新區污水處理項目開始商業運營

Corporate Milestones 企業大事紀要



10/2007



11/2007



11/2007

10

Entered into the "Concession Right Agreement" and the "Waste Water Treatment Service Agreement" in respect of the construction of a new waste water treatment plant with Zibo Zhoucun Municipal Government

Water quality of Zibo High-tech Industrial Development Zone Waste Water Treatment Project reached national Grade 1A discharge standard

與淄博周村政府簽署新建污水處理廠「特許經營權協議」及「污水處理協議」

淄博高新區污水處理項目達到國家一級A排放標準

11

Entered into the "Concession Right Agreement" and the "Asset Transfer Agreement" in respect of the waste water treatment project with Boxing Municipal Government

The project companies of Suzhou Waste-to-energy Project and Yixing Waste-to-energy Project have linked up their online gas emission monitoring system with the network of the relevant environmental protection departments

Everbright Water (Ji'nan) Limited has been awarded with the "First Batch of Ten Best Enterprises Fully Supported and Trusted by Clients and Government" by Eco-Fortune (China) Forum

Construction of Suzhou Methane-to-energy Project Phase II duly commenced

與博興縣政府就污水處理項目簽署「特許經營權協議」及「資產轉讓協議」

蘇州、宜興垃圾焚燒發電項目烟氣排放數據與當地環保部門在綫聯網

光大水務(濟南)有限公司獲綠色財富(中國)論壇授予「首批政府放心、用戶滿意十佳示範企業」榮譽

蘇州沼氣發電項目二期開工建設



12/2007



12/2007



01/2008

12

Entered into the "Letter of Intent" with Jiangyin Municipal Government and Jiangyin Xin Guo Lian Investment and Development Company Limited in respect of the waste water treatment plants in the rural areas in Jiangyin City

Completion of the new "Construction Plan Guidelines" of Suzhou Everbright Environmental Protection Industrial Zone by the State Environmental Science Institute, and the Zone was renamed "Suzhou Everbright National Demonstrative Veinous Industrial Park"

The "Research on the technology to produce direct drinking water from urban waste water" by Jinan No.2 Waste Water Treatment Plant was appraised as reaching the international advanced level by Jinan Science and Technology Bureau

與江陰市政府及江陰新國聯投資發展有限公司就江陰鄉鎮污水處理廠項目簽署意向書

原蘇州市光大環保靜脈產業園新的《建設規劃大綱》已由國家環境科學研究院完成，並更名為「蘇州光大國家靜脈產業示範園」

濟南水質淨化二廠「城市污水製備直飲水技術的研究」獲濟南市科技局鑒定達到國際先進水平

01 / 2008

Upon completion of the hand-over of Jiangyin Waste Water Treatment Project, commercial operation of the same started and the equipment upgrade commenced

江陰污水處理項目完成交接並開始商業運營，項目升級改造工程全面啟動

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”

Environmental protection is not only the key to maintaining a good ecological environment, but is also essential for laying the foundation for sustainable development of the country. As the PRC economy grows rapidly and urbanization in the country accelerates, the Chinese Government has been placing greater and greater emphasis on environmental and ecological protection. Building an energy efficient and environmentally friendly society is today the consensus between the government and public. Thus, the government has stepped up efforts and introduced more stringent measures to enhance environmental and ecological protection and combat pollution. Among the different initiatives are the recommendation to “build a community with ecological balance in mind and an industrial structure and growth and consumption models that facilitate conservation of energy and resources and are friendly to the environment” and “step up investment in energy conservation and environmental protection, preventing pollution of water, air and soil, so as to improve urban and rural living environment”. Such advocacy brings out and agrees with the characteristics and strength of the environmental protection industry as a “rising industry” and the Group’s environmental protection business was presented with room and ample opportunities for growth.

During the year under review, profit attributable to shareholders of the Group was HK\$337,932,000. EBITDA on recurring basis amounted to HK\$425,557,000, representing an increase of 102% from last year’s HK\$210,776,000 (restated). The rise in revenue from core businesses of the Group was attributable mainly to the thriving environmental protection business.

環境保護是建設良好生態的關鍵，也是國家可持續發展的基礎。在中國經濟快速發展和城市化進程不斷加快的過程中，中國政府越來越重視資源節約和環境保護工作，建設資源節約型和環境友好型社會已成為政府和國民的廣泛共識，國家對環境和生態保護的力度越來越大，治理環境污染措施越來越嚴厲。中國政府明確提出要「建設生態文明，基本形成節約能源資源和保護生態環境的產業結構、增長方式、消費模式」和「加大節能環保投入，重點加強水、大氣、土壤等污染防治，改善城鄉人居環境」的總體要求，使環保產業更加符合「朝陽產業」的發展趨勢和特徵，同時也為本集團致力推進環境保護工作創造了有利的增長空間和諸多發展機遇。

回顧年度內，本集團的股東應佔盈利為港幣337,932,000元，其中除利息、稅項、折舊及攤銷前經常性盈利為港幣425,557,000元，較去年重報之港幣210,776,000元增加102%，主要由於本集團環保業務持續增長，提升了本集團之核心業務收益。

In view of the Group's satisfactory results and healthy financial position, the Board has proposed to pay to shareholders a final dividend of HK1 cent per share, bringing the total dividend per share for 2007 to HK1.6 cents (including interim dividend for 2007 of HK0.6 cent per share) (2006: HK1.6 cents per share, including the special dividend of HK0.4 cent per share).

Since the Group made environmental protection business a core business in 2003, it has actively and carefully expanded the business by investing in new projects continually. After four years of hard work in "laying foundation, exploration and deployment", the Group's environmental protection business consists of four major sectors now, namely the Jiangsu waste-to-energy sector, the Shandong waste water treatment sector, the Suzhou Everbright National Demonstrative Veinous Industrial Park and the Taihu Lake water quality restoration operation, entailing in all 20 projects commanding a total investment of around HK\$4,900,000,000. In 2007, all of the environmental protection projects made steady progress, contributing higher revenues to the Group. Environmental protection business accounts to date for 78% of the total recurring EBITDA from the Group's core businesses.

With strong support from its parent company China Everbright Holdings Company Limited and by its own efforts in the past four years, the Group is today an outstanding enterprise in the environmental protection industry. Its "Everbright Environment" brand is well recognized and influenced to the society as a whole, making the Group a preferred partner in government environmental protection projects. In 2008, backed by the government's preferential policies on environmental protection business, the Group will continue to apply its first-mover brand advantage and adhere to the principle of "a mature project at a time" in pursuing suitable development opportunities and consolidating its market leadership. Thus, the Group will increase investment in research and development of environmental protection technologies, encourage innovation, with the aim of strengthening its environmental protection business and achieving notable growth and satisfactory results, and ultimately contributing to sustainable development of the country.

We have a united workforce made up of loyal and hard-working employees, who are our most valuable strategic asset. I would like to take this opportunity to express my gratitude to all staff members for their dedicated efforts and outstanding performance in the past year. My thanks also go to our shareholders and the Board for their understanding, trust and support. We will continue to work hard so as to deliver higher investment value and ever better returns to our shareholders.

Tang Shuangning
Chairman

Hong Kong, 12 March 2008

因本集團業績理想，財務狀況穩健，董事會建議向股東派發末期股息每股1港仙，連同二零零七年度中期股息每股0.6港仙，全年股息每股1.6港仙(二零零六年度：每股1.6港仙(包括特別股息每股0.4港仙))。

本集團自二零零三年把環保業務確定為核心業務之一，積極審慎地擴展新的環保項目，不斷增大環保項目的投入。經過四年來的「創業、探索、佈局」，本集團的環保業務現已發展成為四大業務板塊：江蘇垃圾焚燒發電板塊、山東污水處理板塊、蘇州市光大國家靜脈產業示範園板塊及環太湖流域水環境治理板塊，涉及項目二十個，總投資約港幣4,900,000,000元。二零零七年度，各環保項目穩步推進，盈利貢獻大幅增長。環保業務之盈利已佔本集團除利息、稅項、折舊及攤銷前經常性核心業務盈利之78%。

在母公司中國光大集團有限公司的強力支持下，經過四年多的健康努力，本集團已發展成為中國環保行業的傑出企業，「光大環保」優質的品牌形象具有廣泛的社會影響，成為政府環保項目的優先合作夥伴之一。二零零八年，在國家環保優惠政策的支持下，本集團將繼續充分利用品牌效應的先發優勢，本著「成熟一個，推進一步」的原則，積極尋求合適的發展機遇，鞏固在市場上的領先地位，繼續增加對環保研發的投入，鼓勵創新，將環保事業做強做大，取得更加長足的發展和良好業績，為國家的可持續健康發展，為生態文明建設貢獻我們應有的力量。

我們擁有一批團結努力、忠誠奉獻的員工，他們是本集團最寶貴的戰略資源。在此，本人謹向全體員工致以衷心謝意，感謝他們在過去一年為本集團發展所作出的巨大努力和卓越貢獻。同時，本人還衷心感謝全體股東及董事會成員對本集團的理解、信任和支持，我們將一如既往，更加努力，勤勉敬業，為股東謀求更大的投資價值和更豐盈的投資回報。

唐雙寧
主席

香港，二零零八年三月十二日

Chief Executive Officer's Report

行政總裁報告

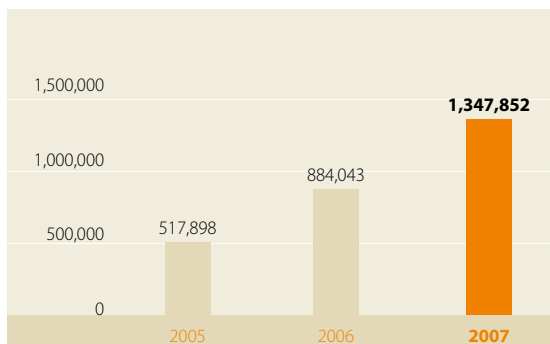
“Integrity, pragmatism,
high efficiency and innovation
誠信、務實、高效及創新”

OPERATING RESULTS

In 2007, reducing pollution, energy conservation and environmental protection came formally into the spotlight of economic development in the People's Republic of China ("PRC"). The 17th Chinese Communist Party Congress and China Central Economic Works Conference urged the country to pursue scientific development and included for the first time in their reports aims, such as building a society conscious of the importance of environmental protection and conservation of energy etc. All these have presented the environmental protection industry in the PRC with unprecedented opportunities for growth. In November 2007, 18 government bureaus including the Ministry of Health and State Environmental Protection Administration of China jointly published the "Action Plan for Environmental Protection and Good Health in China (2007-2015)", stating the government's stance and determination to implement people-oriented environmental protection policies. Furthermore, under the Implementation Rules for the Enterprise Income Tax Law of the People's Republic of China promulgated in December 2007, environmental protection enterprises are given "three-year exemption and three-year 50% reduction" on income tax, reflecting government support to the industry and giving the Group's environmental protection business a favorable operating environment.

TURNOVER HKS'000

營業額 港幣千元

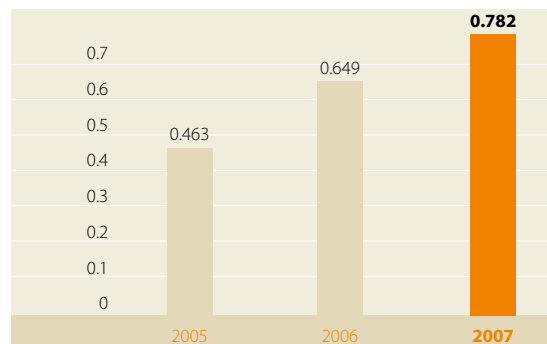


經營業績

二零零七年，中華人民共和國(「中國」)將節能減排、環境保護放在與經濟發展同等重要的位置。在「十七大」及全國經濟工作會議提出落實科學發展觀，首次將環境保護型、資源節約型社會的建設和加強環境保護、建設生態文明寫進國家的正式報告。這些為中國環保事業發展帶來了空前的歷史機遇。二零零七年十一月，衛生部、國家環保總局等十八個部委局辦聯合發佈了《國家環境與健康行動計劃(2007—2015)》，充分表明了中國政府堅持以人為本、落實環境保護基本國策的態度與決心。二零零七年十二月公佈的《中華人民共和國企業所得稅法實施條例》規定對環保行業給予所得稅「三免三減半」的優惠，體現了政府對環保行業發展的支持，亦為本集團的環保業務建立了更有利的經營環境。

NET ASSET VALUE PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS HKS

股東應佔每股資產淨值 港幣



During the year under review, the Group's environmental protection business continued to develop rapidly, with certain projects advancing at full steam in construction, hence translated into increased revenue for the Group's environmental protection project construction services. Turnover and recurring profit rose significantly as a result of growth in processing volume of operating environmental protection projects. In 2007, consolidated turnover of the Group was HK\$1,347,852,000, representing an increase of 52% as compared to the restated turnover of HK\$884,043,000 for the previous year. EBITDA on recurring basis for the year amounted to HK\$425,557,000, a significant increase of 102% as compared to the restated HK\$210,776,000 for the previous year. During the year under review, the Group recorded non-recurring profits of HK\$42,885,000, comprising gains from the sale of available-for-sale securities and valuation gains on investment properties. In 2006, the Group recognized non-recurring profits of HK\$376,294,000 due to the sale of interest in Mawan Power and other assets as well as the re-valuation of investment properties. For the year 2007, profit attributable to equity shareholders of the Company was HK\$337,932,000, representing a decrease of 27% against the restated HK\$460,478,000 for last year. Basic earnings per share were HK10.89 cents, a decrease of HK5.03 cents as compared to the restated HK15.92 cents for last year. Excluding the aforesaid non-recurring profits, profit attributable to equity shareholders on recurring basis of the Company was HK\$299,847,000, representing a significant increase of 248% against the restated HK\$86,060,000 for last year. Basic earnings per share on recurring basis were HK9.67 cents, an increase of HK6.69 cents as compared to the restated HK2.98 cents for last year.

回顧年度內，本集團之環保業務繼續快速發展，多個環保項目進入建設高峰期，增加了環保項目建造服務收益。至於運營期環保項目的處理量亦逐步增長，帶動營業額與經常性盈利大幅上升。二零零七年度，本集團綜合營業額為港幣1,347,852,000元，較去年重報的營業額港幣884,043,000元上升52%。年內之除利息、稅項、折舊及攤銷前經常性盈利為港幣425,557,000元，較去年重報之港幣210,776,000元大幅增長102%。回顧年度內，本集團錄得非經常性盈利港幣42,885,000元（包括出售待售證券盈利及投資物業估值盈餘）。二零零六年因出售媽灣電力權益及其他資產和投資物業重估而錄得非經常性盈利港幣376,294,000元。二零零七年度，本公司股東應佔盈利為港幣337,932,000元，較去年重報之港幣460,478,000元下降27%。年內，每股基本盈利為10.89港仙，較去年重報之15.92港仙下降5.03港仙。剔除前述之非經常性盈利，二零零七年度本公司之股東應佔經常性盈利為港幣299,847,000元，較去年重報之港幣86,060,000元大幅上升248%。至於每股經常性基本盈利則為9.67港仙，較去年重報之2.98港仙上升6.69港仙。



Looking to the future, the Company will seize development opportunities and continue to increase investment in environmental protection business so as to enhance returns to shareholders. The board of directors of the Company (“the Board”) has proposed to pay to shareholders of the Company a final dividend of HK1 cent per share. Together with the interim dividend of HK0.6 cent per share for 2007, the total dividends for the year amounted to HK1.6 cents per share (2006: HK1.6 cents per share, including the special dividend of HK0.4 cent per share).

ENVIRONMENTAL PROTECTION BUSINESS

Since the Group laid down the clear direction of developing environmental protection business in 2003, it has been carefully identifying suitable development opportunities. During the year under review, the Group captured market opportunities and continued to invest in the environmental protection business. It secured five new projects and extended its reach to areas on shore Taihu Lake. The four major sectors of the Group’s environmental protection business are the Jiangsu waste-to-

展望未來，本公司將把握機遇，繼續加大對環保業務的投入，為股東帶來更大的回報。為此，本公司董事會（「董事會」）建議向股東派發末期股息每股1港仙，連同二零零七年度中期股息每股0.6港仙，全年股息每股1.6港仙（二零零六年：每股1.6港仙（包括特別股息每股0.4港仙））。

環保業務

本集團自二零零三年明確發展方針，重點發展環保業務之後，一直積極審慎地尋找發展機遇。於回顧年度內，本集團把握市場機遇，繼續加強環保業務的投資，於年內成功取得五個新項目，發展板塊延伸至環太湖流域。本集團的環保業務現已形成四大業務板塊，分別為：江蘇垃圾焚燒發電板塊、山東污水處理板塊、蘇州市光大

ENVIRONMENTAL PROTECTION BUSINESS

環保業務

energy sector, the Shandong waste-water treatment sector, the Suzhou Everbright National Demonstrative Veinous Industrial Park and the Taihu Lake water quality restoration operation, entailing in all 20 projects commanding a total investment of approximately HK\$4,900,000,000. All the operations together boost an annual household waste processing capacity of approximately 1,500,000 tonnes, an annual on-grid power generation capacity of approximately 400,000,000 kilowatt-hour, a daily waste-water treatment capacity of approximately 1,300,000 tonnes and other waste treatment capacity of approximately 20,000 tonnes per annum. As at 31 December 2007, the Group had completed environmental protection projects of total investment cost of approximately HK\$2,300,000,000. Investment in projects still under construction totaled around HK\$900,000,000. For those yet to commence construction, the estimated investment cost is approximately HK\$1,700,000,000. During the year under review, construction of the waste-to-energy project in Jiangyin, the waste-to-energy project in Changzhou and the upgrading of Zibo Southern and Northern Plants etc proceeded in full force, bringing considerable revenues and profits to the Group's

國家靜脈產業示範園板塊及環太湖流域水環境治理板塊。四大業務板塊涉及項目共二十個，總投資約港幣4,900,000,000元；營運規模包括年處理生活垃圾約1,500,000噸；年上網電量約400,000,000千瓦時；日處理污水約1,300,000噸；年處理其他廢物約20,000噸。截至二零零七年十二月三十一日，本集團已完成建造工程的環保項目投資額約港幣2,300,000,000元；在建中的環保項目投資額約港幣900,000,000元；尚未開工建設的環保項目投資額則約港幣1,700,000,000元。回顧年度內，本集團之江陰垃圾焚燒發電項目、常州垃圾焚燒發電項目與淄博南北廠改造工程等項目亦已進入高峰期，增加本集團環保業務的建造服務收益與盈利。此外，位於蘇州市光大國家靜脈產業示範園的工業固體廢物安全填埋場（「工業固廢項目」）、麥島污水處理廠擴建工程（「麥島擴建工程」）、宜興垃圾焚燒發電項目及淄博高新區污水處理項目

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construction service business. In addition, the Industrial Solid Waste Landfill Project ("Industrial Solid Waste Landfill Project") in the Suzhou Everbright National Demonstrative Veinous Industrial Park, the extension facilities of Maidao waste-water treatment plant ("Extension Project of Maidao Plant"), the Yixing waste-to-energy Project and Zibo High-tech Industrial Development Zone Waste Water Treatment Project ("Zibo High-tech Zone Project") successively started operation in 2007, resulting in boosted operation service revenue for the Group. In 2007, the Group's environmental protection business processed 559,000 tonnes of solid waste (161,000 tonnes for the previous year), and 289,735,000 tonnes of waste water (140,569,000 tonnes for the previous year). The processing volume of environmental protection business had grown substantially, giving the Group's core business a consolidated revenue base. During the year under review, turnover from the environmental protection business was HK\$1,238,495,000 (of which construction service revenue 68%, operation service revenue 22% and finance income 10%), an increase of 56% when compared with last year and accounting for 92% of the Group's total turnover, 2 percentage points higher than that of last year. EBITDA from environmental protection businesses reached HK\$347,246,000, representing an increase of 133% against last year, accounting for 78% of EBITDA of the core businesses on recurring basis. Having quick and healthy growth and boosting tremendous development potential, the environmental protection business is expected to foster overall revenue growth of the Group.

Major operating and financial data of the environmental protection business in 2007:

(「淄博高新區項目」)於二零零七年相繼竣工並投入運營，擴大了環保業務的運營服務收益。二零零七年度本集團環保業務之垃圾處理量達559,000噸(去年為161,000噸)；污水處理量則為289,735,000噸(去年為140,569,000噸)。環保業務處理量的大幅增長，進一步鞏固本集團核心業務的收益基礎。回顧年度內，環保業務的營業額為港幣1,238,495,000元(其中建造服務收益佔68%；運營服務收益佔22%；財務收入佔10%)，比去年增長56%，佔總營業額的92%，比去年上升2個百分點。環保業務除利息、稅項、折舊及攤銷前盈利為港幣347,246,000元，比去年增長133%，佔總經常性除利息、稅項、折舊及攤銷前核心業務盈利的78%。環保業務的快速健康發展和巨大潛力，將進一步促進本集團的收益增長。

二零零七年度環保業務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)	
	2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
Solid waste treatment projects 固體廢物處理項目				
– Suzhou Project Phase ⁽¹⁾ – 蘇州項目一期 ⁽¹⁾	441,000	161,000	99,992,000	39,506,000
– Methane Project ⁽²⁾ – 沼氣項目 ⁽²⁾	–	–	18,712,000	5,170,000
– Yixing Project ⁽³⁾ – 宜興項目 ⁽³⁾	118,000	–	12,658,000	–
	559,000	161,000	131,362,000	44,676,000

(1) Commercial operation commenced in July 2006
(2) Commercial operation commenced in August 2006
(3) Commercial operation commenced in July 2007

(1) 於二零零六年七月開始商業運營
(2) 於二零零六年八月開始商業運營
(3) 於二零零七年七月開始商業運營

		Waste water processing volume (tonne) 污水處理量(噸)	
		2007	2006
		二零零七年	二零零六年
Waste water treatment projects	污水處理項目		
- Qingdao Project	- 青島項目	61,621,000	52,152,000
- Zibo Southern and Northern Plants Project	- 淄博南郊廠及北廠項目	88,924,000	77,374,000
- Zibo High-tech Zone Project ⁽⁴⁾	- 淄博高新區項目 ⁽⁴⁾	12,900,000	-
- Jinan Project ⁽⁵⁾	- 濟南項目 ⁽⁵⁾	126,290,000	11,043,000
		289,735,000	140,569,000

(4) Commercial operation commenced in September 2007

(5) Acquired in November 2006

(4) 於二零零七年九月開始商業運營

(5) 於二零零六年十一月購入

		2007			2006		
		二零零七年			二零零六年		
		Solid waste treatment projects	Waste water treatment projects	Total	Solid waste treatment projects	Waste water treatment projects	Total
		固體廢物 處理項目	污水處理 項目	合計	固體廢物 處理項目	污水處理 項目	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Turnover	營業額						
- Construction service	- 建造服務	546,478	297,402	843,880	447,654	186,094	633,748
- Operation service	- 運營服務	75,557	194,104	269,661	19,454	87,590	107,044
- Finance income	- 財務收入	66,008	58,946	124,954	28,514	24,489	53,003
		688,043	550,452	1,238,495	495,622	298,173	793,795
EBITDA	除利息、稅項、 折舊及攤銷前盈利	200,519	146,727	347,246	85,089	63,804	148,893

Jiangsu waste-to-energy sector

This sector includes four projects, namely Suzhou waste-to-energy project phase I ("Suzhou Project Phase I"), Yixing waste-to-energy project ("Yixing Project"), Jiangyin waste-to-energy project ("Jiangyin Project") and Changzhou waste-to-energy project ("Changzhou Project") at a total investment cost of approximately RMB1,529,043,000.

Suzhou Project Phase I

It is the Group's first wholly-owned environmental protection project. Since it started operation in July 2006, it has run smoothly meeting discharge standards. Apart from bringing stable income to the Group, the project is also highly commended by the industry as well as the municipal government. It has been included among the "First Batch of Experimental Enterprises in the Recycling Economy" and was named an "Outstanding Contributor to Environmental Protection in 2006" by Suzhou Municipal Government. Suzhou Project Phase I was also presented the "Yangzi Cup" certificate by the Jiangsu Provincial Department of Construction for the high quality of its construction works. The project has boosted the Group's brand in the waste-to-energy field. During the year under review, the project brought an EBITDA of HK\$86,418,000, an increase of 56% against last year. The increase in profit was mainly attributable to the higher than expected increase in processing volume of solid waste after operation commenced, accordingly operation service revenue also surged. The plant also registered a value-added tax rebate of HK\$8,410,000.

江蘇垃圾焚燒發電板塊

江蘇垃圾焚燒發電板塊共四個項目，包括蘇州垃圾焚燒發電項目一期（「蘇州項目一期」）、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」）及常州垃圾焚燒發電項目（「常州項目」），項目涉及總投資約人民幣1,529,043,000元。

蘇州項目一期

蘇州項目一期為本集團第一個全資投資建設的環保項目。自二零零六年七月投入營運以來，經營穩定，達標排放，為本集團帶來長期穩定收益的同時，更獲得市政府及行業的高度評價。此項目被蘇州市政府列入「首批循環經濟試點企業」，並獲「年度環境保護突出貢獻獎」。蘇州項目一期的工程建設更已通過江蘇省建設廳頒發的省優工程「揚子杯」證書。這些卓越的成果，為本集團在垃圾焚燒發電領域樹立了優質的品牌。回顧年度內，此項目為本集團貢獻除利息、稅項、折舊及攤銷前盈利港幣86,418,000元，較去年增加56%。盈利上升主要由於進入運營期後垃圾處理量較預期上升，帶動運營服務收益增加，加上成功取得增值稅退稅港幣8,410,000元。



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

Yixing Project

After 20 months' work in construction and testing running, Yixing Project commenced commercial operation in June 2007. On-grid electricity tariff was fixed at RMB0.646 per kilowatt-hour. It is the Group's first waste-to-energy project using domestic equipment and the first project in the PRC to adopt Grade 1A standard for leachate treatment and water recycling within the plant. The project has had successes, some deemed as industry breakthroughs, in stages already rolled out. During the year under review, the waste processing volume of Yixing Project had gradually increased, on track to reaching the designed processing capacity in 2008. It is expected to bring in more income from waste treatment fee and power generation. The project contributed an EBITDA of HK\$11,411,000 to the Group, representing a decrease of 33% against last year. Construction service revenue from the Project dropped this year mainly because related works were mostly completed in 2006.

Jiangyin Project

Construction of Phase I of the Jiangyin Project has progressed efficiently since related works began in 2006. In January 2008, construction was completed two months ahead of schedule and supply of electricity to the power grid has begun. The project is expected to commence commercial operation in the second quarter of 2008. Works on Phase II of the project with designed daily waste processing capacity of 400 tonnes is being planned. The Group will duly sign agreements to begin construction after concrete terms are decided. During the year under review, Jiangyin Project brought HK\$55,683,000 in EBITDA to the Group, representing an increase of 543% against last year, attributable to the increase in construction service revenue during the year with the project construction in full swing.

Changzhou Project

It is the Group's fourth waste-to-energy project in Jiangsu Province. Construction of the project commenced in March 2007 and equipment is being installed currently. The project is expected to begin operation in the second half of 2008. During the year under review, it brought an EBITDA of HK\$29,382,000 to the Group.

宜興項目

經過二十個月的工程建設與調試，宜興項目於二零零七年六月開始商業運營，上網電價每千瓦時人民幣0.646元。此項目為本集團第一個採用國產設備的垃圾焚燒發電項目。對於此項目本集團在國內首次採用一級A標準處理垃圾滲濾液並用於廠區循環和綠化用水研發，已取得了階段性成果，實現了行業內的突破。回顧年度內，宜興項目之垃圾量在逐步增加中，預計二零零八年可以達到設計規模，增加垃圾處理費及發電收入。此項目於年內為本集團貢獻除利息、稅項、折舊及攤銷前盈利港幣11,411,000元，較去年減少33%，主要由於此項目之建設工程於二零零六年已大致完成，故本年度之建造服務收益相對下降。

江陰項目

江陰項目第一期工程建設自二零零六年開工以來，一直高效推進。二零零八年一月，此項目提前兩個月完成工程建設實現並網發電，預計二零零八年第二季度正式投入商業運行。第二期項目目前正規劃中，設計日處理垃圾為400噸。待與政府落實具體條款後會正式簽署協議推進項目建設。回顧年度內，江陰項目為本集團貢獻除利息、稅項、折舊及攤銷前盈利港幣55,683,000元，較去年增加543%，主要由於年內江陰項目進入建設高峰期，增加建造服務收益。

常州項目

常州項目為本集團於江蘇省投資之第四個垃圾焚燒發電項目。此項目於二零零七年三月正式動工，目前工程建設已順利進入設備安裝階段，將於二零零八年下半年交付運行。回顧年度內，常州項目為本集團貢獻除利息、稅項、折舊及攤銷前盈利港幣29,382,000元。

Shandong Waste Water Treatment Sector

The Shandong waste water treatment sector comprises nine waste water treatment plants in Jinan city, Qingdao city, Zibo city and Binzhou city in Shandong Province. They carry a total investment of approximately RMB1,678,276,000.

Qingdao Project

Qingdao Waste Water Treatment Project ("Qingdao Project") is the Group's first environmental protection project in Shandong Province. With the Extension Project of Maidao Plant was completed and commenced commercial operation in July 2007, ancillary facility for the sailing event of the 2008 Beijing Olympics is ready for use. The expanded project is capable of processing 220,000 tonnes of waste water per day versus 150,000 tonnes before. The Maidao Plant boosts discharge level meeting national Grade 1B standard. Furthermore, the Group is negotiating with the Qingdao Municipal Government about upgrading the equipment of the Haibohe Waste Water Treatment Plant, aiming to improve waste water treatment standard of the plant to Grade 1A. During the year under review, the project brought an EBITDA of HK\$41,929,000 to the Group, representing an increase of 5% as compared with last year, attributable to the increase in processing capacity after the completion of extension project of Maidao Plant and hence more operating service revenue recognized during the year.

山東污水處理板塊

山東污水處理板塊由位於山東省濟南市、青島市、淄博市及濱州市的九個污水處理廠組成，總投資約人民幣1,678,276,000元。

青島項目

青島污水處理項目(「青島項目」)為本集團於山東省的第一個環保項目。二零零七年七月，青島麥島擴建工程竣工投產並正式開始商業運營，為二零零八年奧運帆船賽事配套準備妥當。擴建後，日污水處理規模亦由150,000噸提升至220,000噸，麥島污水處理廠之出水達到國家一級B排放標準。本集團現正與青島市政府磋商對海泊河污水處理廠進行升級改造，提升污水處理標準至一級A標準。回顧年度內，此項目為本集團貢獻除利息、稅項、折舊及攤銷前盈利港幣41,929,000元，比去年增加5%。盈利增加主要由於麥島擴建工程竣工後，污水處理量增加令本年度之運營服務收益增加。



Maidao Waste Water Treatment Plant
麥島污水處理廠

Zibo Southern and Northern Plants Project

The waste water treatment project in Zibo city (Southern and Northern Plants inclusive) ("Zibo Southern and Northern Plants Project") has been in stable operation since it was taken over by the Group in 2005. Overall upgrading of the project was completed in December 2007. Currently, trial runs are being conducted and expected to be completed in the first quarter of 2008. It will be able to process waste water at Grade 1A standard and raise waste water treatment fee to RMB0.98 per tonne from RMB0.75 per tonne. The project contributed an EBITDA of HK\$57,002,000 to the Group during the year under review, 152% more than that of last year. The increase was the result of doing upgrade works during the year, and accordingly recognition of higher construction service revenue.

Zibo High-tech Zone Project

Phase I of the Zibo High-tech Zone Project commenced operation in September 2007. It is the Group's first waste water treatment project operated in Build-Operate-Transfer (BOT) mode, and the first Grade 1A commercial waste water treatment project in the PRC, thus a milestone in water works business of the Group. It also laid a solid foundation for the Group to build the project into a "benchmark enterprise in Shandong and an environmental education base in Zibo". By sharing resources with other operations in Zibo, the project can help to enhance the overall cost-effectiveness of management and operation of the Zibo Project, as well as allow the Group to save costs and increase income, hence enjoy strategic advantage in expanding in the region. During the year under review, the project contributed an EBITDA of HK\$19,946,000 to the Group.

Zibo Zhoucun Project

The Zibo Zhoucun waste water treatment project ("Zhoucun Project") is a newly constructed project and the second wholly-owned waste water treatment project of the Group. Operated in BOT mode, the project boosts a designed total daily waste water treatment capacity of 80,000 tonnes. The total investment cost is approximately RMB120,000,000. Phase I of the project, which carries an investment cost of around RMB70,000,000 and an exclusive term of operation of 25 years, will have a daily waste water processing capacity of 40,000 tonnes. It will charge a waste water treatment fee of RMB0.95 per tonne. Construction of the project will commence in the first half of 2008 and commercial operation is expected to start in early 2009.

淄博南郊廠及北廠項目

淄博污水處理項目(包括南郊廠和北廠)(「淄博南北廠項目」)自二零零五年接管以來經營穩定,出水達標。此項目之全面升級改造工程已於二零零七年十二月完成,目前正進行調試,預計二零零八年第一季度完成,屆時出水水質達到一級A標準,污水處理費將由原來的每噸人民幣0.75元提高到每噸人民幣0.98元。於回顧年度內,此項目為本集團貢獻除利息、稅項、折舊及攤銷前盈利港幣57,002,000元,較去年上升152%,主要由於年內進行更新改造工程,增加建造服務收益。

淄博高新區項目

淄博高新區項目第一期工程於二零零七年九月正式交付運行。此項目是本集團首個以建設—運營—轉移(BOT)模式建造的污水處理項目,亦是全國第一個以商業模式採用一級A標準建設的污水處理項目,是本集團在水務項目領域發展的重大里程碑。為實現本集團將淄博項目打造成「山東省行業標竿企業和淄博市環保教育示範基地」的目標打下堅實的基礎。此項目的實施可實現資源共用,有利於進一步提升淄博項目整體的管理及營運效益,增收節支,並促進本集團於片區內的戰略發展。回顧年度內,此項目為本集團貢獻除利息、稅項、折舊及攤銷前盈利港幣19,946,000元。

淄博周村項目

淄博周村污水處理項目(「周村項目」)乃本集團第二個獨資新建的污水處理項目,項目以BOT模式投資,設計總規模為日處理污水80,000噸,總投資約人民幣120,000,000元。其中:一期建設規模為日處理污水40,000噸,投資約人民幣70,000,000元。特許經營期25年。周村項目污水處理費為每噸人民幣0.95元。此項目於二零零八年上半年動工建設,預計於二零零九年初開始商業運營。

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Jinan Project

The Jinan waste water treatment project ("Jinan Project") includes the Jinan No. 1 and No. 2 waste water treatment plants with total designed daily waste water treatment capacity of 420,000 tonnes. Since the Group took over the project in November 2006, both plants in the project have delivered stable performance meeting required discharge standards. In April 2007, the Group upgraded the two plants doubling their actual daily waste water treatment volume and related works were completed two months ahead of schedule. With operational standard and management highly commended by the local government, it lays a good foundation for the Group's investment in other environmental protection projects and public utility projects in Jinan in the future. During the year under review, the Jinan project company was named one of the "Ten Best Foreign-invested Enterprises in Jinan" by the Jinan Municipal Government in recognition of its efforts to uphold the principles of "integrity, pragmatism and efficiency" in its take over of the two waste water treatment plants. Recently, the Jinan Municipal Government has informed the Group that the investment and construction of upgrade project of Jinan No. 1 and No. 2 waste water treatment plants will be fully responsible by the Group. The total investment will be approximately RMB280,000,000. In addition, the "Research on the technology to produce direct drinking water from urban waste water" by Jinan No. 2 waste water treatment plant was appraised as reaching the international advanced level by Jinan Science and Technology Bureau. The project reported an EBITDA of HK\$27,850,000 for the year under review.

濟南項目

濟南污水處理項目(「濟南項目」)包括濟南市水質淨化一廠、二廠，設計規模日處理污水420,000噸。自二零零六年十一月接管以來，兩個污水處理廠經營穩定，達標排放。二零零七年四月，本集團提前兩個月完成對兩個污水處理廠設備更新改造，改造後實際日處理水量增加了近一倍，項目的規範管理亦得到政府的高度評價，相信可為本集團日後進一步投資濟南市其他環保項目及市政公用項目打下良好的基礎。濟南項目公司於回顧年度內更獲得濟南市政府評選的「市十佳外商投資企業」殊榮，證明本集團在收購濟南市淨化一廠及二廠項目的「誠信、務實、高效」作風獲得政府的認同。最近，接到濟南市政府通知，由本集團作為濟南市水質淨化一廠、二廠工藝改造實施主體，全面負責項目投資(約人民幣280,000,000元)、建設等事宜。此外，濟南水質淨化二廠「城市污水製備直飲水技術的研究」獲濟南市科局鑒定達到國際先進水平。回顧年度內，此項目為本集團貢獻除利息、稅項、折舊及攤銷前盈利港幣27,850,000元。



Jinan Waste Water Treatment Plant
濟南污水處理廠

Binzhou Boxing Project

In November 2007, the Group acquired by way of Transfer-Operate-Transfer (TOT) mode a waste water treatment plant in Boxing County, Binzhou ("Boxing Project"). This is another waste water treatment project secured by the Group in Shandong Province after the Qingdao, Zibo, Jinan and Zhoucun projects. The project has a designed daily waste water treatment capacity of 60,000 tonnes. As to Phase I of the project, the treatment capacity will be 30,000 tonnes and the investment cost for asset acquisition and upgrade work will be RMB40,000,000. Legal procedures regarding assets transfer are currently underway and the formal handover and commercial operation are expected to take place in the first half of 2008. As for the project upgrade, works will also begin in the first half of 2008 and is expected to be completed by the end of the year. By then, it will be able to meet national Grade 1B discharge standard for emission and the waste water treatment fee will be increased from RMB0.75 per tonne to RMB0.90 per tonne.

Suzhou Everbright National Demonstrative Veinous Industrial Park

Suzhou Everbright National Demonstrative Veinous Industrial Park is another key development focus of the Group in Jiangsu Province. The State Environmental Science Institute completed the new "Construction Plan Guidelines" for the Suzhou Environmental Protection Industrial Zone. Given a new name "Suzhou Everbright National Demonstrative Veinous Industrial Park" ("Suzhou Veinous Industrial Park"), the project is the first integrated urban solid waste treatment environmental protection park in the PRC. According to the new construction guidelines, new projects will be added on the original site and total investment will increase significantly relative to the original HK\$1,500,000,000. Planning and management of construction will be centralized and implemented in phases over 3 to 5 years.

濱州博興項目

本集團於二零零七年十一月以轉移－運營－轉移(TOT)形式收購濱州博興污水處理項目(「博興項目」)。此項目是本集團繼青島、淄博、濟南及周村污水處理項目後，於山東省取得的又一污水處理項目。項目設計日處理污水60,000噸，第一期30,000噸，項目收購價及改造工程總投資約人民幣40,000,000元。目前政府正在辦理資產移交的法律程序，預期二零零八年上半年可接管進入商業運營。博興項目改造工程將於二零零八年上半年啟動，預計年底完成，完成後出水排放達國家一級B標準，污水處理費將由每噸人民幣0.75元增加至每噸人民幣0.90元。

蘇州市光大國家靜脈產業示範園板塊

蘇州市光大國家靜脈產業示範園為本集團於江蘇省另一重點發展領域。原蘇州市光大環保產業園新的《建設規劃大綱》已由中國環境科學研究院完成。新方案更名為「蘇州市光大國家靜脈產業示範園」(「蘇州靜脈園」)，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，示範園在原有佔地基礎上增加多個項目，總投資也將由原規劃之港幣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。

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Projects already completed in the Park include Suzhou Project Phase I, Phase I of the methane-to-energy project ("Methane Project") and Phase I of the Industrial Solid Waste Landfill Project. The Methane Project has been in commercial operation since August 2006. During the year under review, it supplied over 18,712,000 kilowatt-hour of electricity to the power grid. Benefiting from supportive government policies, it was able to raise on-grid electricity tariff from RMB0.527 per kilowatt-hour to RMB0.636 per kilowatt-hour during the year. The project contributed an EBITDA of HK\$7,821,000 to the Group, representing an increase of 124% when compared with last year, mainly because of the increase in methane processing volume. Phase I of the Industrial Solid Waste Landfill Project is the only hazardous waste treatment landfill center in Suzhou city. Costing a total investment of RMB78,260,000, it started commercial operation in August 2007 boosting a capacity of 200,000 tonnes. For the year under review, the project reported an EBITDA of HK\$9,364,000.

蘇州靜脈園現已建成項目包括蘇州項目一期、沼氣發電項目(「沼氣項目」)一期及工業固廢填埋項目一期。其中沼氣項目一期已於二零零六年八月進入商業運營。回顧年度內，此項目售電18,712,000千瓦時，且受惠於國家環保支援政策，上網電價由每千瓦時人民幣0.527元調高至人民幣0.636元。此項目為本集團貢獻除利息、稅項、折舊及攤銷前盈利港幣7,821,000元。盈利較去年上升124%，主要由於沼氣處理量較預期增多。工業固廢填埋項目一期為蘇州市唯一的危險廢物安全填埋服務場所，一期投資人民幣78,260,000元，建成規模200,000噸，於二零零七年八月進入商業運營。回顧年度內，此項目為本集團貢獻除利息、稅項、折舊及攤銷前盈利港幣9,364,000元。



Suzhou Everbright National Demonstrative Veinous Industrial Park
蘇州市光大國家靜脈產業示範園

Projects under construction included Phase II of the Suzhou waste-to-energy project with daily waste processing capacity increased from the original 500 tonnes to 1,000 tonnes, core structure to be completed in 2008 and, by then, the Suzhou waste-to-energy plant will become one of the biggest waste-to-energy plants in the PRC, Phase II of the Methane Project to be equipped with an additional 1,250-kilowatt power generator, a slag brick making project that uses residue of incinerated waste as material and a centralized leachate treatment project serving the need of the Park itself.

New projects to be implemented included environmentally sound treatment of sludge, a solid waste technology development and research center formed in alliance with overseas and PRC universities to study technologies in relation to centralized solid waste treatment and recycling, Phase III of the waste-to-energy project that can ultimately incinerate all municipal household wastes in Suzhou and an electronic waste recycling project.

During the construction of the Suzhou Veinous Park, the Group has put great emphasis on ecological restoration and greening of the environment, as well as the economization on land resources, which will definitely bring about ecological improvement. The projects will achieve complementary and synergistic effects. And it will be easier for the Group to manage and monitor the projects.

Taihu Lake Water Quality Restoration

The operation is championed by Everbright Water (Jiangyin) Limited ("EB Water Jiangyin"), a company set up by the Group's wholly-owned subsidiary and Xin Guo Lian Investment and Development Co., Ltd. held partly by the Jiangyin Municipal Government. The company took over four waste water treatment plants in Jiangyin city in January 2008 ("Jiangyin Waste Water Treatment Project") at a total investment of RMB624,000,000. The Group holds 70% equity interest in the project with designed daily waste water treatment capacity of 190,000 tonnes. The Group is upgrading the plants to meet Grade 1A standard at an estimated construction cost of RMB201,000,000. EB Water Jiangyin has also signed a letter of intent with the Jiangyin Municipal Government to invest in a sewage piping network and waste water treatment plants in the next 2 to 3 years. The plan is to ultimately integrate the plants and sewage piping network of the urban and rural area into one seamless system, which will make the Jiangyin Waste Water Treatment Project the first integrated urban and rural waste water

在建項目主要包括蘇州垃圾焚燒發電項目二期，規模由原定的日處理垃圾500噸增加至1,000噸，將於二零零八年完成主體工程建設，屆時蘇州垃圾焚燒發電廠將成為全國最大規模的垃圾焚燒發電廠之一。沼氣項目二期將增加一台1,250千瓦發電機組；蘇州靜脈園尚有生活垃圾焚燒之後的爐渣製作成為市政使用的地板磚的垃圾焚燒爐渣製磚項目及集中處理園區廢水的垃圾滲濾液處理項目正在進行建設之中。

新增規劃建設的項目包括市政污泥無害化處置、聯合國內外高校及大學集中對固體廢物的處置與回收利用技術進行研發和產業化實驗的固體廢物技術研發中心、最終使蘇州市區的生活垃圾全量焚燒的垃圾焚燒發電項目三期及電子廢物回收利用等項目。

蘇州靜脈園的建設，使生態修復和環境綠化有機結合，最大限度節約土地資源，有效整治環境，發揮項目間互補及協同效應，同時也便於本集團集中管理和監督。

環太湖流域水環境治理板塊

環太湖流域水環境治理板塊包括本集團透過其全資附屬公司與江陰市政府持股之新國聯投資發展有限公司成立之光大水務(江陰)有限公司(「光大水務江陰」)，於二零零八年一月正式接收江陰城區的四家污水處理廠(「江陰污水處理項目」)。收購江陰四家污水處理廠的總投資為人民幣624,000,000元，本集團佔70%股權。設計規模為日處理污水190,000噸。本集團正以一級A標準進行全面升級改造江陰污水處理項目，預算升級改造費用為人民幣201,000,000元。此外，光大水務江陰與江陰市政府已達成合作意向，在未來兩至三年投資建設城區污水管網、鄉鎮污水管網、鄉鎮污水處理廠，最終形成「廠網合一、城鄉統籌」的格局，使江陰污水處理項目成為全國第一個城鄉一體化污水處理

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treatment model project in the PRC. The Group will then also enjoy monopoly in waste water treatment in the region and accordingly assured related long-term and stable operating income

The Jiangyin Waste Water Treatment Project is the first step of the Group in expanding its water quality restoration operation in the Taihu Lake region. The success of the project will effectively boost the "Everbright Environment" brand in the region and give the Group impetus for embarking on other projects in the Taihu Lake areas and other environmental protection businesses.

ENHANCED ENVIRONMENTAL PROTECTION RESEARCH AND DEVELOPMENT CAPABILITIES

Strategic Partnership

Apart from seeking to secure different environmental protection projects, the Group has been keen in carrying out technological research and development. It regularly invites international and local experts on environmental protection to discuss latest development, approaches and trends in the field, and also sends its own engineers overseas to learn new skills. The Group also strived to strengthen its partnership with internationally renowned enterprises. During the year under review, it held many on-site discussion and exchange sessions for its staff with experts from tertiary institutes such as Tsinghua University and Tongji University and started different researches on necessary technologies with the aim of boosting its core competence and exploiting external expertise support.

Research and Development Facility

The Group has formed a technology research and development center that specializes in research of waste-to-energy operation and waste water and sludge treatment technologies. The aim of such endeavors is to boost the Group's core technology and thus its competitive strengths. Each of the Group's project company also has its own team to devise innovative technologies. It has also introduced policies and provisions such as an environmental protection expert data base, a research and development project fund and a set of research and development project management guidelines, etc. During the year under review, the Group acquired an office building in Zhongguancun, Beijing as the Beijing headquarters of Everbright Environmental Protection. The Group plans to set up an Everbright Environmental Protection

示範項目，同時亦可有效確保本集團於當地污水處理業務的獨家經營，並為本集團帶來長期穩定的營業收入。

江陰污水處理項目將成為本集團於環太湖流域開拓水環境治理的第一站，項目的成功落實，將有效擴大公司「光大環保」品牌於該區的認知度，對本集團開拓環太湖流域水環境治理及其他環保業務起到重要推動作用。

加強環保科研能力

戰略合作夥伴

除爭取及經營環保項目外，本集團一直高度重視技術研發，採取「請進來，走出去」的方式，系統地邀請國內外環保專家講解環保的動態、動向和發展趨勢，更分批派出工程技術人員到國外觀摩學習。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。回顧年度內，本集團安排了內部專家與清華大學、同濟大學的專家在項目現場召開多次技術問題專家論證會，並聯合開展多項為本集團業務發展所急需的技術研發，充分發揮內部和外部專家對本集團技術創新的支援作用。

技術研發設施

本集團已設立技術研發部門，專責就垃圾焚燒發電、污水處理技術、污泥處理技術等課題立項研究，以發展本集團核心技術，提升競爭優勢。本集團下屬各項目公司亦設立技術創新小組專責日常技術創新工作，並先後設立環保專家庫、研發項目發展基金、研發項目管理辦法的一系列規章制度，將技術研發規範化。回顧年度內，本集團於北京中關村購置新辦公樓作為光大環保北京總部，並計劃於北京設立光大環保技術研發中心，於淄博和蘇州分別提供設立國家級的污水處理技術和固體廢物處理技術實驗室。本集團亦聘請了國

Technology Research Institute in Beijing and provide national grade laboratories in Zibo and Suzhou respectively for experiments on waste water treatment and solid waste treatment. The Group's expert team has been fortified with eight well-known local environmental protection experts hired as visiting researchers and a 96-strong expert data base. The Group will continue to invest in technological research and development which is essential to ensuring its core competitiveness in the long run.

Research Project and Patent

During the year under review, the Group identified 18 research topics in relation to requirements of the major project items including development of technology of cement production from processed ashes of incinerated waste, intensive treatment technology of refuse filtrate, sludge resources development, slaging and ash deposit management technology, etc. During the year under review, the Group completed 11 research topics.

During the year under review, the Group filed 17 patent applications in relation to waste-to-energy operation and waste water treatment technologies and secured three patents. In addition, the Group has applied for 21 projects under the "863 Program", "State Torch project", "State Key New Product Project", "Key International Cooperative Project" and other under different Provincial Technology Plans. The sludge resources development and slaging, direct drinking water production, intensive treatment technology and equipment of refuse filtrate have successfully been identified or obtained awards, namely the "Outstanding Research Cooperative Project Award 2007 (Second Class)" from the Wuxi Municipal Government and the "Jinan City Technology Advancement Award (Second Class)".

In June 2007, the Group was named "The Enterprise with the Most Growth Potential" in the Shenzhen Technology Awards.

內知名環保專家8名為客座研究員，96名專家組成公司專家庫。本集團將繼續全力推進技術研發工作，進一步提升本集團的長遠核心競爭力。

研發課題及專利

回顧年度內，本集團結合項目實際生產需要在內部確立科研課題18項，包括垃圾焚燒飛灰預處理後燒制水泥技術開發、生活垃圾滲濾液深度處理技術與裝置、污泥資源開發、鍋爐結焦及積灰治理技術等課題。回顧年度內，本集團共完成研發課題11項。

回顧年度內，本集團共申報有關垃圾焚燒發電和污水處理技術的專利17項，已獲得批准3項。此外，本集團亦申報了國家863計劃項目、國家火炬計劃項目、國家重點新產品項目、國際合作重點項目及其他省市之科技計劃共21項，其中污泥資源開發、制備直飲水、生活垃圾滲濾液深度處理技術與裝置等項目已成功獲得立項或獲得獎項，當中包括「2007年無錫市優秀產學研合作項目二等獎」和「濟南市科技進步二等獎」。

二零零七年六月份，光大環保更獲得了深圳市科技獎中的「最具成長型企業」獎項。



INFRASTRUCTURE INVESTMENT

Toll Bridge

During the year under review, traffic on the Fuzhou Qingzhou Bridge ("Qingzhou Bridge") continued to grow and generated steady cash flow for the Group. For the year ended 31 December 2007, the average daily standard vehicles of the bridge increased to 31,509, 20% more than in 2006. The project recorded an EBITDA of HK\$85,659,000, an increase of 27% over the restated EBITDA in 2006. Taking into account the deferred tax and profit attributable to minority shareholders, the project generated HK\$42,067,000 in net profit attributable to the Group in 2007.

The highway to the Fuzhou airport, which opened in late 2006, has boosted economic growth of neighboring areas. The municipal government also made considerable investment in upgrading the east-to-west road system during the year. Looking ahead, when the traffic increases after maintenance work of the Wulong Longjiang Bridge and construction of phase II of the North Airport Highway are completed in 2009, Qingzhou Bridge is expected to bring stable growth in cash flow to the Group.

基建投資

收費橋樑

回顧年度內，福州青洲大橋（「青洲大橋」）的車流量持續增長，為本集團提供穩定的現金流。截至二零零七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31,509輛，較二零零六年增長20%。二零零七年度此項目之除利息、稅項、折舊及攤銷前盈利為港幣85,659,000元，較去年重報的盈利增長27%。計及遞延稅項與少數股東應佔盈利的因素，此項目於二零零七年度為本集團貢獻應佔淨盈利港幣42,067,000元。

福州市機場高速路於二零零六年底逐步開通以後，帶動周邊地區經濟快速發展，同時市政府於年度內已經投入較大資金對東西向主要交通通道進行改造。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，為本集團帶來穩定增長的現金流。

INFRASTRUCTURE INVESTMENT

基建投資

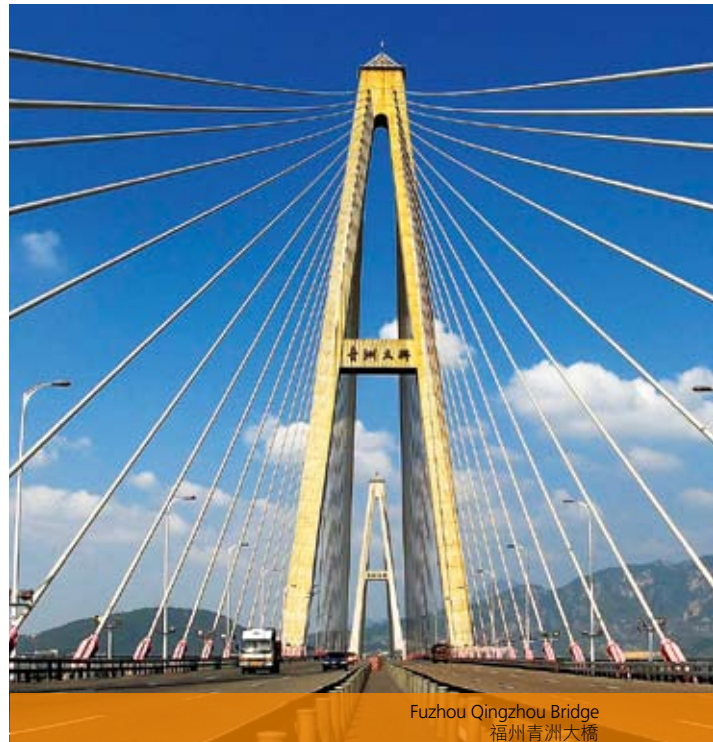
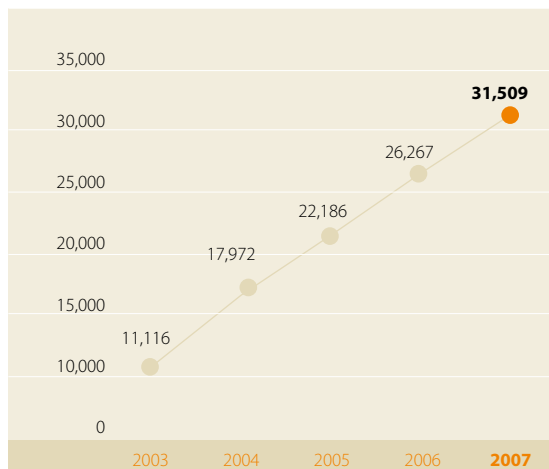
FUZHOU QINGZHOU BRIDGE

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



Fuzhou Qingzhou Bridge
福州青洲大橋



PROPERTY INVESTMENT

The Group owns a four-storey commercial complex with a shopping arcade in Shenzhen Zhongshan Garden for lease. The property has been a source of steady rental income and cash flow for the Group from major tenants including Walmart, Park'n Shop and McDonald's. During the year under review, the property was 99% occupied and brought in profit before taxation of HK\$10,537,000, representing a growth of 12% against last year. Taking into account the deferred tax, net profit for the year from the property amounted to HK\$14,741,000.

During the year, the Group recorded valuation gains on investment properties of HK\$19,202,000 (2006: HK\$5,831,000) in line with the rise in property value in the PRC.

The Group's 14%-owned Shanghai Trade Square and International Apartments continues to generate steady income. In 2007, this project distributed a cash dividend of approximately HK\$7,010,000 to the Group.

物業投資

本集團持有位於深圳中山花園之四層商業裙樓作為收租物業，繼續為本集團帶來穩定的租務收益及現金流量。該物業主要租戶包括沃爾瑪、百佳及麥當勞等，年內出租率達99%。於回顧年度內，該物業為本集團帶來除稅前盈利港幣10,537,000元，較去年淨增長12%；計及遞延稅項收益後，錄得盈利港幣14,741,000元。

因應國內物業價格的增長，本集團於回顧年度錄得投資物業估值盈餘港幣19,202,000元(二零零六年：港幣5,831,000元)。

本集團持有約14%權益的上海商貿大廈與國際公寓繼續穩健經營。二零零七年度，此項目向本集團派發現金股息約港幣7,010,000元。

PROPERTY INVESTMENT

物業投資



Shenzhen Zhongshan Garden
深圳中山花園

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HONORS AND RECOGNITIONS

The Group's efforts in upholding the principles of "integrity, pragmatism, efficiency and innovation" in developing environmental protection business and achievements in the past four years have been widely recognized. The awards won by the Group during the year under review are listed as follows:

屢獲殊榮

經過四年的努力，本集團誠信、務實、高效和創新的作風及於環保業務取得的成就獲得了外界的認同。於回顧年度內，本集團榮獲多項殊榮，詳列如下：

Date 獲獎時間	Organizer 舉辦單位	Awards 獎項
May 2007 二零零七年五月	Capital Magazine 《資本雜誌》	"Outstanding Environmental Protection Corporation Award" of "The Second Capital Outstanding China Enterprise Award" 「第二屆資本中國傑出企業成就獎—環保企業」
June 2007 二零零七年六月	China INTL Famous Brand Association and Organizing Committee of China Integral Corporation Branding Building and Innovation Conference 中國國際名牌協會及中國誠信企業名牌發展創新大會組織委員會	"Top 100 renowned honesty enterprise in China" 「中國百家誠信名牌企業」獎
July 2007 二零零七年七月	Suzhou Construction Industry Association 蘇州市建築業協會	"Gusu cup" 「姑蘇杯」
August 2007 二零零七年八月	Shenzhen Municipal Government 深圳市政府	"Enterprise with the Most Growth Potential of Shenzhen Technology Innovation Award" 「深圳市科技創新獎—最具成長性企業類」
August 2007 二零零七年八月	China Marketing Association and China Enterprise Publisher 中國市場學會及中國企業報社	"The Most Pioneering Entrepreneur in China" 「中國最具創新力企業」榮譽稱號
November 2007 二零零七年十一月	Economic Digest 《經濟一週》	"2007 Hong Kong Outstanding Enterprise" 「二零零七年傑出企業」
November 2007 二零零七年十一月	Eco-Fortune (China) Forum 綠色財富(中國)論壇	"First Batch of Ten Best Enterprises Fully Supported and Trusted by Clients and Government" 「首批政府放心、用戶滿意十佳示範企業」



Gusu Cup
姑蘇杯



Enterprise with the Most Growth Potential of Shenzhen Technology and Innovation Award
深圳市科技創新獎-最具成長性企業類



The Most Pioneering Entrepreneur in China
中國最具創新力企業獎



First Batch of Ten Best Enterprises Fully Supported and Trusted by Clients and Government
首批政府放心、用戶滿意十佳示範企業

BUSINESS PROSPECTS

2008 will see even faster growth, in scope and coverage, for the environmental protection industry in the PRC. With environmental protection issues taking on national concern and included in the country's policies as stated in the "Eleventh Five-Year Plan" and the "The 17th Chinese Communist Party Congress", all levels of government set the outcome of the environmental protection as the most significant criteria in assessing the performance of the government officials which accelerates the demand for waste and waste water treatment and other environmental protection services in the PRC. Furthermore, a series of policies encouraging development of environmental protection industry will gradually take effect or finalized in 2008, including such as the three-year exemption and three-year 50% reduction of income tax for environmental protection enterprises and permission for waste-to-energy and methane-to-energy operations to charge on-grid power tariff at RMB0.25 per kilowatt-hour premium to coal-fired power tariff, etc.

With the support of its parent company China Everbright Holdings Company Limited, the Group will continue to invest more resources in the research and development of environmental protection technology, step up efforts to train and develop its technological team and strive to enhance its core competitive strengths through innovations. To reinforce its market leadership in the environmental protection sector and open new markets in the PRC, it will also continue to seize business opportunities leveraging its well-established "Everbright Environment" brand and adhering to the principle of implementing the projects one by one and operating with integrity, pragmatism, efficiency and innovation.

Environmental protection is critical to building a favorable ecological environment and the sustainable development of the country with direct bearing on the people's health and steady life. We believe, backed by supportive government policies, the Group will make more significant advancements yet with its environmental protection business in 2008. The Group will grow its business and at the same time strive to promote the environmental protection industries of the country. Furthermore, the Group will continue to consolidate its infrastructure and property investment businesses to ensure stable income. It will work hard for the betterment of the society and to deliver better returns to shareholders.

業務展望

二零零八年將會是中國環保行業發展更快、覆蓋面更廣的一年，繼「十一五」及「十七大」將環保提升為國策後，各級政府相繼將環保成效定為官員考核的首位條件，將使全國各地政府對垃圾及污水處理等環保服務的需求高速增長。同時，一系列對環保行業的鼓勵政策將於二零零八年陸續展開和落實，如環保企業所得稅「三免三減半」；垃圾焚燒發電及沼氣發電的上網電價在燃煤電價基礎上每千瓦時增加人民幣0.25元等。

在母公司中國光大集團有限公司的強力支持下，本集團將繼續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，不斷提升核心競爭力。本集團將繼續充分利用廣受行業認同的「光大環保」品牌，把握行業商機，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，積極尋求合適的發展機遇，開拓新市場，鞏固我們在市場上的領先地位。

環境保護是建設良好生態的關鍵，也是國家可持續發展的關鍵，直接關係到人民的身體健康和生活安定。我們相信在國家環保優惠政策的支持下，本集團在二零零八年必將取得更加長足的發展，將環保事業務做大做強，為促進本集團發展壯大的同時亦促進中國環保事業的發展。同時，本集團將繼續致力鞏固基建、物業投資業務的基礎，為集團提供穩定的收入。本公司將繼續造福社會，為股東謀求更豐盛的回報。

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGE IN ACCOUNTING POLICY

In early 2007, the Group started to evaluate the effects of adopting HK(IFRIC) 12 "Service Concession Arrangements" ("the Interpretation") issued by the Hong Kong Institute of Certified Public Accountants on the Group's operating results and financial position. The Interpretation will be effective for annual period beginning on 1 January 2008 with early adoption permitted. As the Group's major investment projects including waste-to-energy projects, waste water treatment projects, methane-to-energy project, industrial solid waste landfill project and toll bridge project all fall within the service concession arrangements under the Interpretation, and adopting the Interpretation will have material impact on the Group's financial statements, the Group decided to adopt it early and state in detail the related effects in the annual report.

During the year under review, as required by the Interpretation, the Group recognized income from construction or upgrade and operation services under BOT and TOT arrangements as revenues in the income statement. The Group is of the view that adopting the Interpretation has allowed it to better reflect the value of its construction or upgrade and operation service rendered under respective service concession arrangements. In 2007, revenue from the Group's construction service and operation service in relation to environmental protection business were HK\$843,880,000 and HK\$269,661,000 respectively, up 33% and 152% respectively as compared to HK\$633,748,000 (restated) and HK\$107,044,000 (restated) in 2006. EBITDA of the environmental protection business for the year was HK\$347,246,000, representing an increase of 133% as compared to HK\$148,893,000 (restated) in 2006.

FINANCIAL RESULTS

In 2007, consolidated turnover of the Group was HK\$1,347,852,000, representing an increase of 52% as compared to the restated turnover of HK\$884,043,000 for the previous year. The increase in turnover was mainly attributable to construction of several projects at full thrust during the year, bringing in higher construction service revenue, and also the enhanced processing volume of the operating environmental protection projects. EBITDA on recurring basis for the year amounted to HK\$425,557,000, a significant increase of 102% as compared to the restated amount of HK\$210,776,000 last year. The increased recurring profit was

管理層討論與分析

會計政策變動

本集團於二零零七年初已開始評估採納香港會計師公會發布的《香港〈國際財務報告詮釋委員會〉第12號 — 「服務特許經營權安排」(「該詮釋」)對本集團之經營業績及財務狀況之影響。該詮釋將自二零零八年一月一日開始之會計期間生效，並容許提前採納。鑒於本集團主要投資的垃圾焚燒發電項目、污水處理項目、沼氣發電項目、工業固廢項目與收費橋樑項目都屬於該詮釋下之服務特許經營權安排，而採納該詮釋對本集團之財務報表構成重大影響，故本集團提前採納該詮釋並於年報內詳細列出財務影響。

回顧年度內，本集團根據該詮釋之規定，將其在BOT及TOT安排下進行之建造或改造及運營服務之收益於損益表內確認為收益。本集團認為該詮釋更能反映本集團於各服務特許經營權安排分別提供建造或改造及運營服務的價值。二零零七年度，本集團於環保業務提供的建造服務收益和運營服務收益分別為港幣843,880,000元與港幣269,661,000元，較去年重報之港幣633,748,000元及港幣107,044,000元分別上升33%與152%。年內環保業務之除利息、稅項、折舊及攤銷前盈利為港幣347,246,000元，較去年重報之盈利港幣148,893,000元上升133%。

財務業績

二零零七年度，本集團錄得綜合營業額港幣1,347,852,000元，較去年重報之港幣884,043,000元上升52%。營業額上升，主要是因為年內本集團多個環保項目進入建設高峰期，增加建設服務收益，加上運營的環保項目處理量亦逐步增長。本年度之除利息、稅項、折舊及攤銷前經常性盈利為港幣425,557,000元，較去年重報之港幣210,776,000元大幅增長102%。經常性盈利增長主要由於環保業務收益增加。回顧年

mainly attributable to the rise in revenue from the environmental protection business. Profits on non-recurring basis for the year amounted to HK\$42,885,000, including gains from sale of available-for-sale securities of HK\$23,683,000 and valuation gains on investment properties of HK\$19,202,000. As to operating profits on non-recurring basis for 2006, it comprised valuation gains on investment properties, gains from sale of interest in Mawan Power and investment properties and available-for-sale securities, and the share of profits from Mawan Power with an aggregate amount of HK\$376,294,000. In 2007, profit attributable to equity shareholders of the Company was HK\$337,932,000, representing a decrease of 27% against the restated HK\$460,478,000 for last year. Basic earnings per share for the year were HK10.89 cents, a decrease of HK5.03 cents as compared to the restated HK15.92 cents for last year. Excluding the aforesaid non-recurring profits, profit attributable to equity shareholders on recurring basis of the Company was HK\$299,847,000, representing a significant increase of 248% against the restated HK\$86,060,000 for last year. Basic earnings per share on recurring basis were HK9.67 cents, an increase of HK6.69 cents as compared to the restated HK2.98 cents for last year.

FINANCIAL POSITION

As at 31 December 2007, the Group had total assets worth approximately HK\$4,525,683,000. Net assets attributable to equity shareholders of the Company were HK\$2,451,091,000 and net assets per share attributable to equity shareholders of the Company were HK\$0.782, representing an increase of 20% as compared to the restated HK\$0.649 as at the end of last year. As at 31 December 2007, gearing ratio (calculated by dividing total liabilities by total assets) of the Group was 42%, 4 percentage points more than the restated 38% 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 2007, the Group had an aggregate cash balance of approximately HK\$631,465,000, representing a decrease of HK\$235,521,000 as compared to HK\$866,986,000 at the end of last year. As at 31 December 2007, the Group had outstanding borrowings of approximately HK\$1,541,825,000, representing an increase of HK\$551,965,000 against HK\$989,860,000 at the end of last year. The borrowings comprised bank loans of HK\$1,435,448,000 and loans from ultimate holding company of HK\$106,377,000.

度內，本集團錄得非經常性盈利共港幣42,885,000元，包括出售待售證券盈利港幣23,683,000元及投資物業估值盈餘港幣19,202,000元。二零零六年之非經常性盈利則包括投資物業估值盈餘、出售媽灣電力權益、投資物業與待售證券錄得的出售盈利及應佔媽灣電力盈利共港幣376,294,000元。二零零七年度，本公司股東應佔盈利為港幣337,932,000元，較去年重報之港幣460,478,000元下降27%。年內，每股基本盈利為10.89港仙，較去年重報之15.92港仙下降5.03港仙。剔除前述之非經常性盈利，二零零七年度本公司之股東應佔經常性盈利為港幣299,847,000元，較去年重報之港幣86,060,000元大幅上升248%。至於每股經常性基本盈利則為9.67港仙，較去年重報之2.98港仙上升6.69港仙。

財務狀況

於二零零七年十二月三十一日，本集團之總資產約為港幣4,525,683,000元。淨資產則為港幣2,451,091,000元，而本公司股東應佔每股資產淨值為港幣0.782元，較去年年底重報之每股淨資產港幣0.649元增加20%。於二零零七年十二月三十一日，資產負債比率（以總負債除以總資產計算所得）為42%，較去年年底重報之38%上升4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。於二零零七年十二月三十一日，本集團持有現金結餘約港幣631,465,000元，較去年年底之港幣866,986,000元減少港幣235,521,000元。於二零零七年十二月三十一日，本集團尚未償還借款總額約為港幣1,541,825,000元，較去年年底之港幣989,860,000元增加港幣551,965,000元。借款包括銀行貸款港幣1,435,448,000元及最終控股公司貸款港幣106,377,000元。

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FOREIGN EXCHANGE RISK

As most of the Group's assets, borrowings and major transactions are denominated in Renminbi, the Group is not exposed to serious risks from exchange rate fluctuation. 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 the Group's business in the PRC.

PLEDGE OF ASSETS

As at 31 December 2007, certain banking facilities of the Group are secured by 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 arrangements, bank deposits, mortgages on fixed assets and shares of a subsidiary of the Company. Such banking facilities, amounting to HK\$1,661,544,000 (2006: HK\$1,185,329,000), were utilized to the extent of HK\$1,253,168,000 (2006: HK\$891,032,000). The aggregate net book value of assets pledged amounted to approximately HK\$2,287,009,000 as at 31 December 2007 (2006 (restated): HK\$1,528,711,000).

COMMITMENTS

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

CONTINGENT LIABILITIES

As at 31 December 2007, the Company has issued financial guarantees to two wholly-owned subsidiaries expiring on 2 August 2015 and 30 November 2015 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 as at 31 December 2007 under the guarantees issued is the facility drawn down by the subsidiaries of HK\$182,280,000 (2006: HK\$Nil).

外匯風險

由於本集團的大部份資產、借款及主要交易均以人民幣為單位，其與港幣之兌換率相對穩定，故面對之風險較微。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。

資產抵押

於二零零七年十二月三十一日，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1,661,544,000元(二零零六年：港幣1,185,329,000元)之銀行融資已動用港幣1,253,168,000元(二零零六年：港幣891,032,000元)。已質押資產之賬面淨值總額約為港幣2,287,009,000元(二零零六年(重報)：港幣1,528,711,000元)。

承擔

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

或有負債

於二零零七年十二月三十一日，本公司曾為兩家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及二零一五年十一月三十日到期。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為港幣182,280,000元(二零零六年：無)。

INTERNAL MANAGEMENT

The Group adheres diligently to a management principle that stresses “people-oriented, honesty, pragmatism, creativity and standardized management” and is committed to building a solid risk management culture. During the year under review, the Group adopted a series of measures to strengthen its risk management including raising awareness to potential risks and building a risk prevention system. It adjusted the structure of the Risk Management Advisory Committee, the Engineering Technical Management Committee and the Budget Approval and Management Committee entrusting them with more significant roles and responsibilities and affirming their authority. The Group also modified the appraisal system for all projects in operation or construction. Review taskforces were formed to conduct regular on-site evaluation of progress of different projects to ensure they are effectively managed and that the Group can rest assured of its long-term, stable and sustainable development. With its four major business sectors in shape, the Group also formed a management team for each of the business sectors to focus on project management and new project development of the sector concerned. The aim of the move is to realize overall operational integration, which will give the Group maximum regional competitive advantage and allow it to maximize returns from human and material resources application.

HUMAN RESOURCES

The Group places great emphasis on human resources management with the objective of developing and realizing the full potential of each member of its quality workforce to support long-term development of the Group. In 2007, the Group organized training for its management staff with the Guanghua School of Management of the Peking University. Managers of the Group were able to learn modern management concepts during training and in turn have helped to enhance the Group's management standard.

As at 31 December 2007, the Group had approximately 880 employees in Hong Kong and the PRC. The employees are remunerated according to their qualifications, experience, job nature and performance, and also 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. The average pay rise of employees in Hong Kong in 2008 is approximately

內部管理

本集團一直奉行「以人為本、求真務實、開拓創新、規範管理」的管理理念，並致力建立健全的風險管理文化。於回顧年度內，本集團採取一系列措施強化風險管理，提高風險意識，建立風險防護牆。本集團相應調整了風險管理評審委員會、工程技術管理委員會和預算審核管理委員會的成員，進一步強化該三個委員會的工作職責，樹立各職能委員會的權威。本集團並全面修訂各在建項目及經營項目的考核制度，定期組織考核小組對各項目進行現場考核與調查，進一步強化項目管理，保證公司長期穩定，可持續發展。隨著四大業務板塊的形成，本集團已組成各個業務板塊的領導小組，集中對板塊內的項目進行管理和新項目的拓展，將充分形成整體合力，發揮區域性優勢，將人力、物力資源使用率最大化。

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。二零零七年度，本集團更邀請了北京大學光華管理學院為本集團管理人員提供培訓課程，以培養管理人員現代企業管理理念，提升公司管理水平。

於二零零七年十二月三十一日，本集團在香港及中國合共僱用約880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釐定。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。於二零零八年度本公司向香港僱員增加工資平均幅度約為5%。此外，根據本公司於二零零三年

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5%. According to the share option scheme approved by the Company's extraordinary general meeting on 26 May 2003, the Board has the authority to grant share options as performance incentives to any employees, including directors. During the year under review, no share option was granted to any employees, including directors.

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 2007, the Company had complied with the provisions of the Code and some of the recommended best practices as set out in the Code.

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 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 a review of the annual results, for the year ended 31 December 2007.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Mr. Tang Shuangning (Chairman), Chairman of the Board, Mr. Zang Qiutao, 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 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.

五月二十六日舉行的股東特別大會上批准的購股權計劃，本公司董事會(「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

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

截至二零零七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。

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二零零七年十二月三十一日止年度報告)進行討論。

薪酬委員會

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

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 and Mr. Wang Jun, the Assistants 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 and/or the Executive Committee as well as exercising the authority and rights authorized by the same. The general mandate in relation to the Management Committee in written form has been established.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the model code (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of the directors, all directors had complied with the required standard of dealings as set out in the Model Code during the twelve months ended 31 December 2007.

OTHER INFORMATION

Final dividend

The Board has proposed to pay a final dividend of HK1 cent per ordinary share to shareholders whose names appear on the register of members of the Company on Tuesday, 22 April 2008. Dividend warrants will be dispatched to shareholders on or about Friday, 9 May 2008.

Closure of Register of Members

The register of members of the Company will be closed from Tuesday, 22 April 2008 to Friday, 25 April 2008 (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 Monday, 21 April 2008.

管理委員會

管理委員會的成員由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王君先生,以及法律部經理楊志強先生組成。管理委員會為本集團日常決策中心,其主要職責包括履行董事會及/或執行董事委員會指定的職能及行使其所授予的權利及權力。管理委員會已設有書面的一般性授權。

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,截至二零零七年十二月三十一日止十二個月,本公司所有董事一直遵守標準守則所載之規定。

其他資料

末期股息

董事會建議派發末期股息每股1港仙,給予於二零零八年四月二十二日(星期二)名列在本公司股東名冊之股東。股息單將於二零零八年五月九日(星期五)左右寄出。

截止過戶日期

本公司將於二零零八年四月二十二日(星期二)至二零零八年四月二十五日(星期五)(包括首尾兩天在內),暫停辦理股份過戶登記手續。為了確保享有本年度建議之末期股息,所有過戶文件連同有關股票,最遲須於二零零八年四月二十一日(星期一)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。

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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.

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。

Chen Xiaoping

Chief Executive Officer

Hong Kong, 12 March 2008

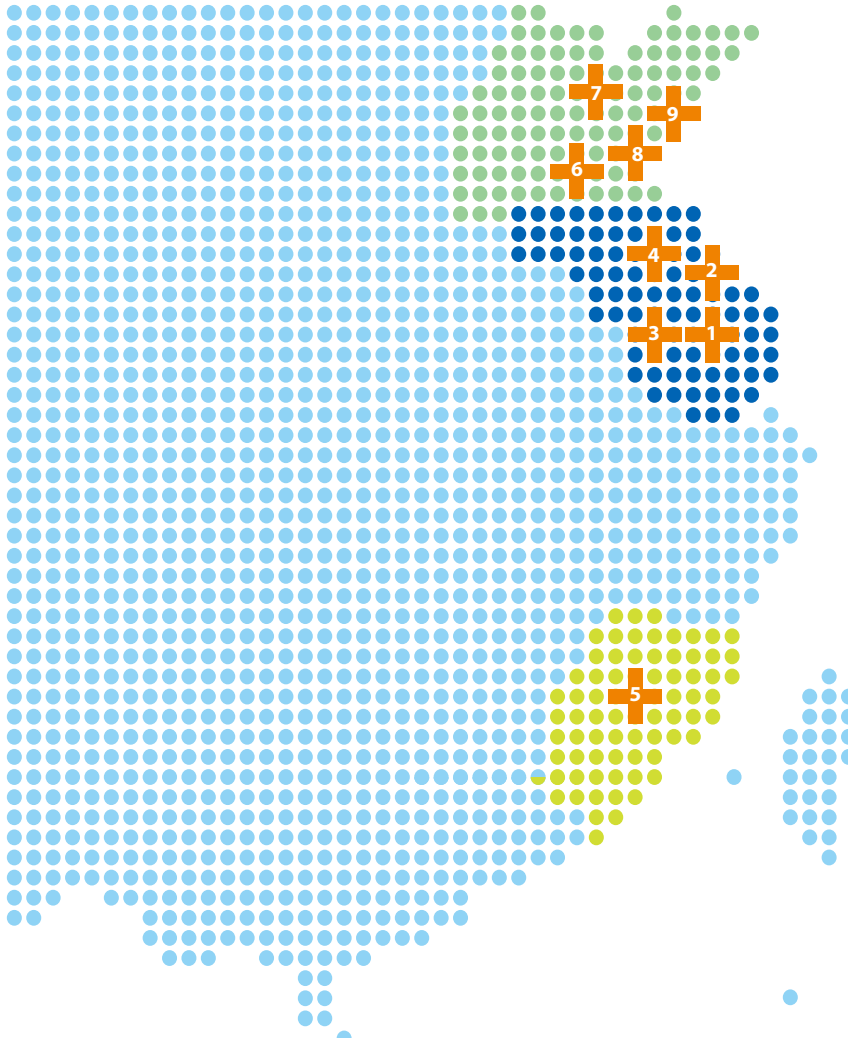
陳小平

行政總裁

香港，二零零八年三月十二日

Project Highlights

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ANNUAL SOLID WASTE
TREATMENT CAPACITY

1.5 million tonnes

DAILY WASTE WATER
TREATMENT CAPACITY

1.3 million tonnes

年處理固體垃圾量

一百五十萬噸

日處理污水量

一百三十萬噸

Project Highlights 項目摘要

ENVIRONMENTAL PROTECTION BUSINESS**SUZHOU WASTE-TO-ENERGY PROJECT PHASE I
“Constructing high quality projects and creating outstanding works”**

The Suzhou Waste-to-energy Project Phase I is the first wholly-owned environmental protection project constructed and operated by the Group. The total investment cost of the project is approximately 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 commenced on 18 July 2006. With its designed waste processing capacity of 1,000 tonnes per day, the power plant is designed to supply approximately 100,000,000 kilowatt-hour of electricity to the power grid per year. The plant has been operating smoothly with emission levels meeting standards. Its operating performance has reached the designed parameters. The project is highly commended by the industry as well as the municipal government. It has been visited for more than 150 times by various parties which included municipal governments, local and international professionals and schools. The project company

環保業務**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，特許經營期限二十五年，按BOT模式建造。該項目配置三台日處理350噸的焚燒爐和兩台9,000千瓦的發電機。項目於二零零四年十月開工建設，並於二零零六年七月十八日開始商業運營。該項目設計規模日處理垃圾1,000噸，年上網電量約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，受到蘇州市政府與行業各界一致的高度評價，並先後接待前往參觀、交流的各地政府、國內外同行、學校等團體組織150餘批次。該項目公司被蘇州市政府列入「首批循環經濟試點企業」，並獲「二零零六年度環境保護突出貢獻獎」，樹立了本集團在垃圾焚燒發電領域的品牌。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

has been granted the “First batch of experimental enterprises in the recycling economy” and “Outstanding Contributor to Environmental Protection in 2006” by Suzhou Municipal Government. The project has boosted the Group’s brand in the waste-to-energy field. 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. During the year under review, the power plant’s annual waste processing capacity reached 441,000 tonnes (or 1,208 tonnes per day) and it supplied 99,992,000 kilowatt-hour of electricity to the power grid. Besides, the exhaust gas of the power plant has passed the emission test carried out by SGS, an independent inspection company in Switzerland. The result of which showed that the gas emission 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 real-time monitoring by environmental protection department.

經營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。於回顧年度，該項目處理垃圾量達441,000噸，日均1,208噸，年上網電量99,992,000千瓦時。該項目並已通過獨立檢驗公司—瑞士SGS集團的檢測，證明煙氣排放標準完全符合「歐盟 I 號標準」，其中二噁英排放達到「歐盟 II 號標準」，優於中國控制排放標準。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實時在線監控的垃圾焚燒發電項目。

Project Highlights 項目摘要

**SUZHOU METHANE-TO-ENERGY PROJECT
PHASE I****“Cleaning up the environment and sharing the resources”**

The 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 Build-Operate-Own (BOO) basis. Its main equipment is advanced equipment imported from abroad. The Suzhou Methane-to-energy Project and the Suzhou Waste-to-energy Project are on the same power grid. The Suzhou Methane-to-energy Project commenced commercial operation 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. During the year under review, it supplied 18,712,000 kilowatt-hour of electricity to the power grid. Supported by favorable 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, which significantly increased its operation service revenue.

蘇州沼氣發電項目一期**「淨化環境、資源共享」**

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，特許經營期限二十五年，按建造—經營—擁有(BOO)模式建造。該項目主要設備採用成熟進口設備，並與蘇州垃圾焚燒發電項目共享同一電網。該項目已於二零零六年八月三十一日開始商業運營。預計項目在特許經營期內年上網電量平均不低於12,480,000千瓦時。回顧年度內，該項目全年上網電量達到18,712,000千瓦時。該項目並受到環保產業政策支持，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元調高至每千瓦時人民幣0.636元，大大提升項目的運營服務收益。



Electrical control panels for methane-to-energy generator
沼氣發電電氣控制設備

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 economic and social benefits from Suzhou Waste-to-energy Project Phase I, the Group, in July 2007, entered into the Supplementary Agreement II to the “Concession Right Agreement for Providing Waste Treatment Service in Suzhou” with Suzhou Municipal Public Utilities Authority in relation to the construction work of Suzhou Waste-to-energy Project Phase II. Pursuant to which the designed waste processing capacity of Phase II was adjusted from 500 tonnes of waste daily as stipulated in the Supplementary Agreement I executed in December 2006 to 1,000 tonnes of waste daily. Lying to the south of the existing plant, the Suzhou Waste-to-energy Project Phase II will comprise a main plant with processing capacity of 1,000 tonnes of 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 core structure is expected to complete by the end of 2008. Upon completion of the construction of Phase II, 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.

SUZHOU METHANE-TO-ENERGY PROJECT PHASE II

“Cleaning up the environment and sharing the resources”

Given the fact that Suzhou Methane-to-energy Project Phase I is already operating at full capacity, the Group, in July 2007, entered into a supplementary agreement to the “Concession Right Agreement for the Methane-to-energy Project in relation to a Waste Landfill in Qi Zi Hill, Suzhou” with Suzhou Municipal Public Utilities Authority in relation to the construction work of Suzhou Methane-to-energy Project Phase II. The investment cost of Suzhou Methane-to-energy Project Phase II is approximately RMB12,750,000. Commercial operation is expected to commence in 2008. It is expected to further supply no less than 8,000,000 kilowatt-hour of electricity to the power grid per year.

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《蘇州市垃圾處理服務特許權協議》之補充協議二，將二期項目的規模由二零零六年十二月雙方簽署補充協議一規定的日處理500噸生活垃圾提高至日處理生活垃圾1,000噸。蘇州垃圾焚燒發電項目二期位於現有垃圾焚燒發電廠的南側，新建日處理1,000噸生活垃圾的綜合主廠房。二期項目總投資約人民幣450,000,000元，特許經營期限與蘇州垃圾焚燒發電項目一期相同，該項目預計於二零零八年年底完成主體工程。二期項目建成後，一期與二期項目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。

蘇州沼氣發電項目二期

「淨化環境、資源共享」

鑒於蘇州沼氣發電項目一期已經達到滿負荷生產，本集團於二零零七年七月與蘇州市市政公用局就沼氣發電項目二期工程簽署《蘇州市七子山垃圾填埋場沼氣發電項目特許經營協議》補充協議，沼氣發電項目二期投資約人民幣12,750,000元，將在二零零八年投入運行，預計每年將增加上網電量不少於8,000,000千瓦時。

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”**

The Group entered into the “Concession Right Agreement for Operating a Solid Waste Landfill in Suzhou” with Suzhou Environmental Protection Bureau. The industrial solid waste landfill is a wholly-owned project to be 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 the industrial solid waste landfill project, the investment cost is approximately RMB78,100,000 and the storage capacity has increased from 100,000 cubic metre to 200,000 cubic metre. The construction of Phase I of the project duly commenced on 31 August 2006 and is completed already. Commercial operation commenced on 4 July 2007. This project is the first project operated on commercial basis in the PRC and is the only industrial solid waste landfill in Suzhou. In the second half of 2007, the Group has signed industrial solid waste disposal agreements with more than 30 enterprises and has handled 11,130 tonnes of hazardous waste in aggregate.

蘇州工業固體廢物安全填埋場項目**「建成國內首個以市場化模式運作的工業固廢安全填埋場」**

本集團與蘇州市環保局簽署了《蘇州市固體廢物填埋場特許經營協議》，該項目由本集團獨資建設與運營，總投資約人民幣377,484,000元，特許經營期限三十年，項目總規模600,000立方米。第一期投資人民幣78,100,000元，建成規模由預計的100,000立方米增至200,000立方米。該項目第一期於二零零六年八月三十一日開工建設，已於二零零七年七月四日投入商業運營。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安全填埋場。本項目在二零零七年下半年已與三十多家蘇州企業簽訂工業固體廢物處置協議，累計處理各類工業危險廢物11,130噸。



Industrial Solid waste landfill
工業固體廢物安全填埋場

SUZHOU EVERBRIGHT NATIONAL DEMONSTRATIVE VEINOUS INDUSTRIAL PARK PROJECTS

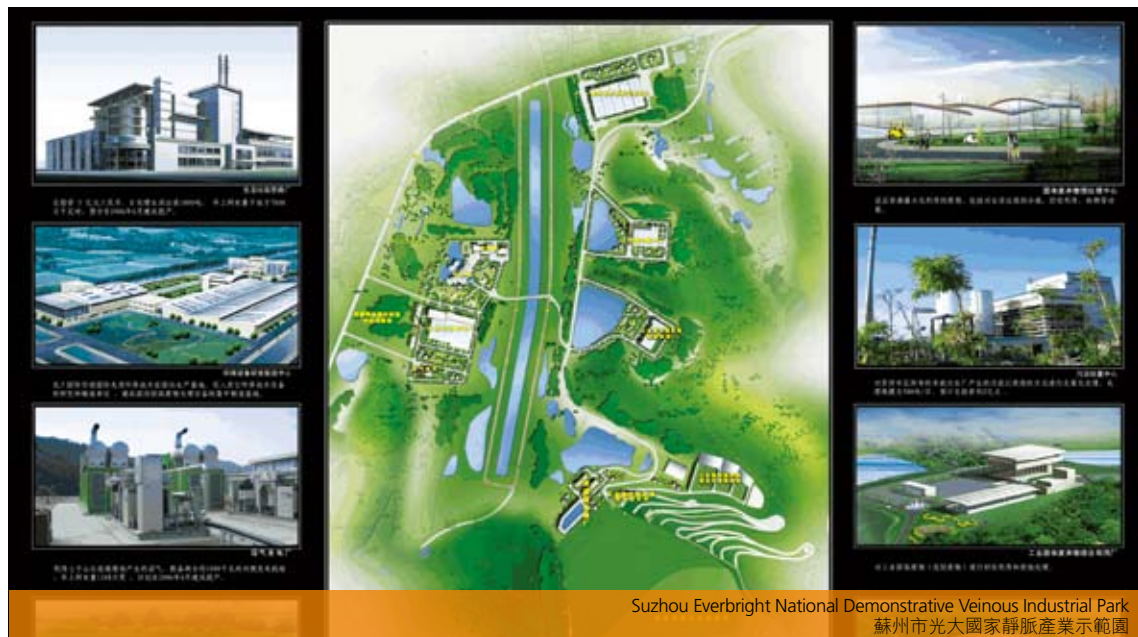
“Making the area a base for environmental education and promotion in Suzhou, establishing it as a beautiful industrial zone”

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. During the year under review, the State Environmental Science Institute has completed the new “Construction Plan Guidelines” of Suzhou Everbright Environmental Protection Industrial Zone and application will be made within the year to make it a national level industrial zone. The project has been 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, the 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.

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。回顧年度內，原蘇州市光大環保靜脈產業園新的《建設規劃大綱》已由中國環境科學研究院編製完成，並將在年內申報國家級的靜脈產業示範園。新方案更名為「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。



Suzhou Everbright National Demonstrative Veinous Industrial Park
蘇州市光大國家靜脈產業示範園

Project Highlights 項目摘要

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

During the construction of the Suzhou Veinous Park, the Group has put great emphasis on ecological restoration and greening of the environment, as well as the economization on land resources, which will definitely bring about ecological improvement. The projects will achieve complementary and synergistic effects. And it will be easier for the Group to manage and monitor the projects.

YIXING WASTE-TO-ENERGY PROJECT

“Establishing it as 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

蘇州靜脈園現已建成項目包括垃圾焚燒發電項目一期、沼氣發電項目一期及工業固體廢物安全填埋場項目一期。在建項目包括垃圾焚燒發電項目二期、沼氣發電項目二期、垃圾焚燒爐渣制磚及垃圾滲濾液處理。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、垃圾焚燒發電項目三期及電子廢物回收利用等項目。

蘇州靜脈園在建設過程中，將生態修復和環境綠化有機結合，最大限度節約土地資源，將有效整治環境，發揮項目間互補及協同效應，同時也便於公司集中管理和監督。

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



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

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 kilowatt generator. The construction of the Yixing Waste-to-energy Project commenced in September 2005 and 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 six months 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 EU II standard. It offers the Group an alternate choice of construction when developing 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 already yielded some positive results, which demonstrated a technological breakthrough in the industry. The related experience will be applied to the other waste-to-energy projects of the Group.

幣238,300,000元，特許經營期限為二十五年，按BOT模式建造。該項目配置兩台日處理250噸的焚燒爐和一台9,000千瓦的發電機。該項目於二零零五年九月開工建設，並於二零零七年六月進入商業運營。上網電價每千瓦時人民幣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。該項目作為本集團首個「引進技術國產化」示範項目，經過半年時間的運營，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，為本集團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研發，已取得了階段性成果，實現了行業內的突破。有關經驗將應用於本集團其它垃圾焚燒發電項目上。

Project Highlights 項目摘要

JIANGYIN WASTE-TO-ENERGY PROJECT**“Constructing high quality projects, enhancing techniques and technologies and creating new focus”**

In January 2006, the Group secured a waste-to-energy project in Jiangyin City of Jiangsu Province, which is a key project in Jiangsu Province for the years 2006 and 2007. The total investment cost of the project is approximately RMB388,740,000. The term of exclusive right of operation is 30 years. The designed processing capacity of the power plant is 800 tonnes of waste per day. The construction of the power plant will be conducted in two phases on BOT basis. Its ultimate processing capacity is expected to be no less than 1,200 tonnes of waste per day. Phase I of the power plant will be equipped with two waste incinerators with a respective processing capacity of 400 tonnes per day and a 12,000 kilowatt generator. Construction work of the project commenced on 28 June 2006 and has been progressing satisfactorily. Upon approval by relevant authority in January 2008, the plant was able to supply electricity to the power grid when carrying out (the “72 + 24” hours) test running. It is expected to commence commercial operation in the second quarter of 2008. With its designed waste processing capacity of 800 tonnes per day, Phase I of the power plant is expected to supply no less than 77,000,000 kilowatt-hour of electricity to the power grid per year during the term of

江陰垃圾焚燒發電項目**「建成全優工程，提升技術工藝，打造新的『亮點』」**

本集團於二零零六年一月取得江蘇省江陰垃圾焚燒發電項目。該項目為江蘇省二零零六年至二零零七年重點項目。項目總投資約人民幣388,740,000元，特許經營期限三十年，設計規模日處理垃圾800噸，按BOT模式建造。該項目分兩期建設，最終規模日處理垃圾量不低於1,200噸。項目第一期配置兩台日處理量400噸的焚燒爐和一台12,000千瓦的發電機。工程建設於二零零六年六月二十八日開工，目前工程進展良好，並於二零零八年一月獲得啟動委員會同意，發電機組開始並網發電及進入「72+24」小時調試，預計於二零零八年第二季度開始商業運營。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

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.

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。

CHANGZHOU WASTE-TO-ENERGY PROJECT **“Creating an outstanding model of the industry by assimilating new ideas and raising standards”**

In June 2006, the Group entered into a framework agreement in respect of the exclusive right to operate a waste-to-energy plant in Changzhou with Changzhou Municipal Administration Bureau. The project is the fourth waste-to-energy project of the Group in Jiangsu province. The total investment cost of the project is approximately RMB412,560,000. The term of exclusive right of operation is 25.5 years. The designed processing capacity of the power plant is 800 tonnes of waste per day. It will be constructed on BOT basis. The plant will be equipped with two waste incinerators with a respective processing capacity of 400 tonnes per day and a 12,000 kilo-watt generator. Commenced in May 2007, construction work of the project has been progressing satisfactorily and has already advanced to the installation stage. Commercial operation is expected to commence in the second

常州垃圾焚燒發電項目 **「吸收創新、優化提高、打造行業精品示範工程」**

本集團於二零零六年六月與常州市城市管理局簽署常州生活垃圾焚燒發電項目特許經營權框架協議，該項目是本集團在江蘇省的第四個垃圾焚燒發電項目，項目總投資約人民幣412,560,000元，特許經營期限25.5年，設計規模日處理垃圾800噸，按BOT模式建造。該項目配置兩台日處理400噸的焚燒爐和一台12,000千瓦發電機。該項目於二零零七年五月開工建設，目前工程進展良好，正在進行設備安裝，預計於二零零八年下半年開始商業運營。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



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

Project Highlights 項目摘要

half of 2008. 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".

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. Upon execution of the supplementary agreements dated 1 June 2004 by the Group, Veolia Water and Qingdao Municipal Drainage Company, the project duly commenced. Commercial operation of the plants duly

興、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。

青島污水處理項目

「創優質工程，建精品項目，打造優美環境」

本集團於二零零三年十一月與法國威立雅水務及青島市政府達成協議，進入青島污水處理項目(包括海泊河污水處理廠及麥島污水處理廠)。項目總投資額約42,808,150美元。本集團間接持有該項目60%權益。二零零四年六月一日本集團、威立雅水務及青島市排水公司簽署補充協議，該項目全面啟動。項目自二零零五年一月一日起正式開始商業運營，即按照日處理污水150,000噸收取污水處理費。二零



digester and methane storage tank of Maidaowaste Water Treatment Plant
麥島污水處理廠消化池與沼氣罐



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

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 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 duly commenced at the end of June 2005. The 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. During the year under review, Qingdao Haibohe Waste Water Treatment Plant has carried out 62 upgrade projects to ensure the stability of operation and to enhance water quality. At present, the average treatment volume of the two plants in aggregate is 170,000 tonnes per day and will gradually increase to 220,000 tonnes.

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，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。回顧年度內，海泊河污水處理廠進行更新改造項目62項，以確保穩定運營及提高出水水質。目前兩廠日污水處理量合共已達170,000噸，並將逐步增加至220,000噸。

Project Highlights 項目摘要

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 the “Zibo Waste Water Treatment Project Agreement”, the “Concession Right Agreement”, the “Asset Transfer Agreement” and the “Waste Water Treatment Service Agreement” in respect of the Zibo Waste Water Treatment Project with Zibo Municipal Government, Zibo Finance Bureau and Zibo City Environmental Protection Bureau and Zibo City Fisheries Bureau. Under which, the Southern Plant and the Northern Plant held by the Zibo Environmental Waste Water Treatment Company was acquired by the Group. The term of exclusive right of operation is 25 years. The designed waste water treatment capacity of the plants is 250,000 tonnes per day. The project is operated on TOT basis and the total investment cost is approximately RMB224,055,000. Since the Group formally took charge of the plants in December 2005, the plants have been operating smoothly and have been making steady contribution to the Group. As regards the 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

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「淄博污水處理項目協議書」、「特許經營協議」、「資產轉讓協議」及「污水處理服務協議」。收購原淄博環保污水處理公司持有的南郊廠和北廠，項目特許經營期限二十五年，設計規模日處理污水250,000噸。按TOT模式運作，總投資約人民幣224,055,000元。自二零零五年十二月接收以來，項目運作正常，為本集團帶來穩定收益。在工程方面，二零零六年四月完成設備改造工程，目前每日污水處理量達到220,000噸以上。二零零六年八月二十八日，本集團再與政府就現有南郊廠和北廠的全面升級改造工程項目簽署補充協議。全面升級改造工程總投資約人民幣130,221,000元。目前全面升級改造工程已進入調試階段，改造完成



Refurbishment work for Zibo Waste Water Treatment Plant
淄博污水處理廠改造工程



Zibo Waste Water Treatment Plant
淄博污水處理廠

28 August 2006, the Group signed a supplementary agreement in respect of the overall upgrade of the Southern Plant and the Northern Plant with Zibo Municipal Government. The cost for the overall upgrade is approximately RMB130,221,000. The upgrade has already reached test running stage. Upon completion of the said upgrading work, discharge quality will improve to Grade 1A of the national waste water discharge standard. The upgraded Southern and Northern plants will increase waste water treatment fee from RMB0.75 per tonne to RMB0.98 per tonne. By then, Zibo will become the first Chinese city whose waste water quality reaches Grade 1A of the national waste water discharge standard.

後出水水質將達到目前國家污水處理排放的最高標準——一級A標準，屆時每噸污水處理費將由人民幣0.75元增加至人民幣0.98元。屆時，淄博將成為國內第一個全部污水達到一級A排放標準的城市。

ZIBO HIGH-TECH INDUSTRIAL DEVELOPMENT ZONE WASTE WATER TREATMENT PROJECT

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

In July 2006, the Group entered into the “Waste Water Treatment Service Agreement” and the “Concession Right Agreement” in respect of the waste water treatment plant at Zibo High-tech Industrial Development Zone with Zibo Municipal Government. The Zibo High-tech Industrial Development Zone Waste Water Treatment Project is the Group’s first waste water treatment project on BOT basis. The total investment cost of the project is approximately RMB150,000,000. The term of exclusive right of

淄博高新區污水處理項目

「建全優項目，創行業標竿」

本集團於二零零六年七月再與淄博市政府簽訂淄博高新區污水處理項目《污水處理服務協議》和《特許經營協議》。淄博高新區污水處理項目是本集團第一個按BOT模式建設的污水處理項目。項目總投資約人民幣150,000,000元，特許經營期限二十五年，設計規模日處理污水100,000噸。該項目已於二零零七年九月份正式進入商業運



Air blower
鼓風機



Precipitating tank of Zibo High-tech Industrial Development Zone Waste Water Treatment Plant
淄博高新區污水處理廠沉澱池

Project Highlights 項目摘要

operation is 25 years. The designed waste water treatment capacity of the plant is 100,000 tonnes per day. Commercial operation of the project duly commenced in September 2007 and the waste water treatment fee is RMB0.95 per tonne. Water quality of the Plant has reached Grade 1A of the national waste water discharge standard.

JINAN WASTE WATER TREATMENT PROJECT **“Creating outstanding environmental protection works under excellent management”**

In June 2006, the Group entered into a “Cooperative Agreement” with the relevant department of Jinan Municipal Government to acquire Jinan No. 1 and No. 2 waste water treatment plants. On 31 October 2006, Everbright Water (Ji’nan) Limited duly executed the “Concession Right Agreement” and the “Waste Water Treatment Service Agreement” with the relevant departments of Jinan Municipal Government. Jinan No. 1 and No. 2 waste water treatment plants were formally handed over to the Group on 18 November 2006 and commercial operation of the same has commenced. It is the second wholly-owned waste water treatment project acquired by the Group. The total investment cost of the project is approximately RMB400,000,000. The term of exclusive right of operation is 30 years. The total designed waste water treatment

營，每噸污水處理費人民幣0.95元，出水水質已達到目前國家污水處理排放的最高標準——一級A標準。

濟南污水處理項目

「以一流管理、一流文化，創環保行業綜合示範企業」

本集團於二零零六年六月份與濟南市政府有關部門簽訂了收購濟南市水質淨化一廠及二廠項目之《合作協議》。光大水務（濟南）有限公司於二零零六年十月三十一日正式與濟南市政府有關部門簽訂《特許經營協議》、《污水處理協議》等一系列協議。二零零六年十一月十八日舉行濟南市水質淨化一廠及二廠項目交接儀式並開始正式商業運營。濟南市水質淨化一廠、二廠是本集團第二個全資收購的污水處理項目，項目總投資約人民幣400,000,000元，特許經營期限三十年，兩廠合計設計規模日處理污水420,000噸。濟南污水項目接



Jinan Waste Water Treatment Plant
濟南污水處理廠



Jinan Waste Water Treatment Plant
濟南污水處理廠

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 upgrade work was completed in April 2007, two months earlier than the expected completion date. The Plants are now operating at full capacity. The treatment volume of the Plants has increased substantially compared from that before the handover. The waste water treatment volume of the Plants reached 126,290,000 tonnes in 2007.

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 “Concession Right Agreement” and the “Waste Water Treatment Service Agreement” 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 treatment capacity of the project is 80,000 tonnes. 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 and the investment cost is approximately RMB70,000,000. The project will be constructed and operated according to national Grade 1A discharge standard. Waste water treatment fee will be RMB0.95 per tonne. Everbright Water (Zibo Zhoucun) Limited is already incorporated. Construction work of the project is expected to commence in the first half of 2008 and to complete by the end of 2008.

BINZHOU BOXING WASTE WATER TREATMENT PROJECT

“Producing quality projects and creating outstanding works”

In November 2007, the Group entered into the “Asset Transfer Agreement”, the “Concession Right Agreement” and the “Waste Water Treatment Service Agreement” 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. As to Phase I of the project, the treatment capacity will be 30,000 tonnes and the investment cost will be

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份提前兩個月完成了兩廠設備改造及實現滿負荷運行，污水處理量比接收時大幅增加。二零零七年度，兩廠之污水處理量達126,290,000噸。

淄博周村污水處理項目

「健全優項目，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周村污水處理項目「特許經營權協議」及「污水處理協議」。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。項目總污水處理規模80,000噸，總投資人民幣120,000,000元，第一期40,000噸，投資約人民幣70,000,000元。項目將按國家一級A排放標準建設、運營，污水處理費每噸人民幣0.95元。目前光大水務(淄博周村)有限公司已註冊成立，計劃於二零零八年上半年開工建設，預計於二零零八年底建成。

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「資產轉讓協議」、「特許經營權協議」及「污水處理協議」。該項目總污水處理規模60,000噸，第一期30,000噸及投資約人民幣40,000,000元(包括改造工程)。改造工程完成後項目將按國家一級B排放標準運營。

Project Highlights 項目摘要

RMB40,000,000 (including upgrade work). Upon completion of the upgrade work, the project will be operated according to national Grade1B discharge standard. Everbright Water (Boxing) Limited is already incorporated. It is expected that the Plant will be formally handed over to the Group by the end of the first quarter of 2008 and commercial operation of the same will then commence.

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, i.e. EB Water Jiangyin 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 same has commenced. Comprehensive upgrade work will be followed to comply with Grade 1A discharge standard and the estimated construction cost is RMB201,000,000. The upgrade is expected to complete by July 2008.

目前光大水務(博興)有限公司已註冊成立，並計劃於二零零八年第一季末正式接收及進入商業運營。

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有限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—光大水務江陰，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，本集團佔70%。該項目設計規模為日處理污水190,000噸，特許經營期三十年。本集團已於二零零八年一月十八日接收該項目並進入商業運營，並準備以一級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，預計二零零八年七月完成改造工程。

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, the Qingzhou Bridge is one of the longest span cable-stayed bridges in the world. It was opened to traffic on 29 December 2002. Given its geographical advantages as well as the rising need for inbound traffic, the traffic flows of Qingzhou Bridge will continue to grow.

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，車流量正持續增長。



Fuzhou Qingzhou Bridge
福州青洲大橋

Directors and Senior Management

董事及高層管理人員

DIRECTORS

TANG SHUANGNING – CHAIRMAN

aged 53, is the Chairman of the Company. 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 North-east 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 55, is the Vice-chairman of the Company. He is also the Vice-chairman and General Manager of China Everbright Group Limited and China Everbright Holdings Company Limited. 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.

LI XUEMING – VICE-CHAIRMAN

aged 60, 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.

董事

唐雙寧(主席)

現年53歲，本公司主席，亦為中國光大(集團)總公司、中國光大集團有限公司、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55歲，本公司副主席，亦為中國光大(集團)總公司及中國光大集團有限公司副董事長兼總經理。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。

李學明(副主席)

現年60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及中國光大實業(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，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。

DIRECTORS (continued)**CHEN XIAOPING – CHIEF EXECUTIVE OFFICER**

aged 54, is the Chief Executive Officer of the Company. He is also a director of China Everbright Holdings Company Limited, a Standing Director of China Environmental Culture Promotion Association, a Director of World Eminence Chinesebusiness Association and a Financial Expert of Shenzhen Expert Working Federation. Prior to joining the Group, Mr. Chen had been a department head in the Bureau of Investigation & Supervision of The People's Bank of China, the Assistant Governor of China Everbright Bank Company Limited and the President of the Bank's Guangzhou Branch. He graduated from the Department of Finance of the Southwest University in Finance and Economics, the PRC, finished the MBA class of the Research Institute of Business Management of Sichuan University, the PRC and holds a Master's Degree with a major in Money & Banking from the Department of Finance and Trade of the China Research Institute of Social Science. He holds the title of Senior Economist and Certified Public Accountant in the PRC. He has comprehensive experience and knowledge in banking, capital market and management. Mr. Chen joined the Board in August 2001.

FAN YAN HOK, PHILIP – GENERAL MANAGER

aged 58, 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)**陳小平(行政總裁)**

現年54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、四川大學公商管理研究所MBA研究生班及持有中國社會科學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58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 44, is the Chief Financial Officer of the Company. He holds a Master of Business Administration Degree, a Master of Management Degree in Information Technology Management from Macquarie University, Australia, and a Bachelor of Arts with Honours Degree in Accountancy from the City University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants of United Kingdom and a Certified General Accountant in Canada. He has extensive experience in accounting, finance and auditing areas. Mr. Wong joined the Board in December 2002.

ZHANG WEIYUN

aged 51, 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 80, is the chairman and non-executive director of a number of Hong Kong companies and a member of many community organizations. He has been an Independent Non-executive Director of the Company since March 1995.

董事(續)**黃錦聰**
(財務總監)

現年44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51歲，中國光大集團有限公司財務管理部副總經理。張女士持有山西財經大學經濟學學士。彼於一九九一年加入中國光大集團，曾任中國光大(集團)總公司財務管理部資金處副處長及綜合處處長。張女士於二零零二年十二月加入董事會。

鍾逸傑爵士GBM
(獨立非執行董事)

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

DIRECTORS (continued)**LI KWOK SING, AUBREY****– INDEPENDENT NON-EXECUTIVE DIRECTOR**

aged 58, is a director of MCL Capital Limited, a Hong Kong based financial advisory and direct investment firm, and has over 30 years' experience in merchant banking and commercial banking. He is also a non-executive director of ABC Communications (Holdings) Limited, The Bank of East Asia, Limited, Café de Coral Holdings Limited, CNPC (Hong Kong) Limited, Kowloon Development Company Limited and Pokfulam Development Company Limited, and non-executive Chairman of Atlantis Asian Recovery Fund Plc. Mr. Li has a Master of Business Administration from Columbia University and a Bachelor of Science in Civil Engineering from Brown University. He joined the Board in November 1998.

MAR SELWYN**– INDEPENDENT NON-EXECUTIVE DIRECTOR**

aged 72, 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 the President of Hong Kong Society of Accountants (now known as Hong Kong Institute of Certified Public Accountants) in 1991. He was formerly an Independent Non-Executive Director of several listed companies in Hong Kong and in the United States. Mr. Mar is an Honorary Fellow of the Lingnan University. He joined the Board in September 2004.

SENIOR MANAGEMENT**POON YUEN LING**

aged 40, 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58歲，為偉業融資有限公司(一家從事財務顧問及直接投資以香港為基地之公司)之董事，且在投資銀行及商業銀行界具有逾三十年經驗。彼亦為佳訊(控股)有限公司、東亞銀行有限公司、大家樂集團有限公司、中國(香港)石油有限公司、九龍建業有限公司及博富臨置業有限公司之非執行董事，並為Atlantis Asian Recovery Fund Plc之董事會之非執行主席。李先生持有哥倫比亞大學工商管理碩士學位及布朗大學土木工程理學士學位。彼於一九九八年十一月加入董事會。

馬紹援**(獨立非執行董事)**

現年72歲，畢業於倫敦大學倫敦經濟學院經濟系。彼為英國特許公認會計師公會及香港會計師公會資深會員。馬先生現為馬炎璋會計師行之合夥人及Standard Bank Asia Limited的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。彼曾於一九九一年出任香港會計師公會會長。彼曾任多間於香港及美國上市公司之獨立非執行董事。馬先生亦為嶺南大學榮譽院士。彼於二零零四年九月加入董事會。

高層管理人員**潘婉玲**

現年40歲，為本公司之公司秘書。彼為香港公司秘書公會及英國特許秘書及行政人員公會之會員。彼於一九九四年四月加入本集團，具逾十年公司秘書及行政事務經驗。

Corporate Governance Report

企業管治報告書

“People-oriented, honesty, pragmatism, creativity and standardized management” are the unchanged management principles of the Group. The Group strives to achieve high standards of corporate governance which it believes is crucial to the development of the Group and to safeguard the interests of the shareholders of the Company. To achieve this, the Board has established four committees namely the Executive Committee, the Audit Committee, the Remuneration Committee and the Management Committee. In terms of risk control management, the Group has established the Risk Management Advisory Committee responsible for regular risk control and inspection, and has enhanced its risk assessment and review for investments. In respect of technical risk management, the Group has formed the Engineering Technical Management Committee responsible for evaluating investment proposals from the technical perspectives. Regarding financial control, the Group maintains strict budget management and established the Budget Approval Management Committee responsible for supervising the construction budget and operating budget of the projects. In addition to the aforesaid, the Group has carried out regular internal audit on investment projects to enhance its management standard.

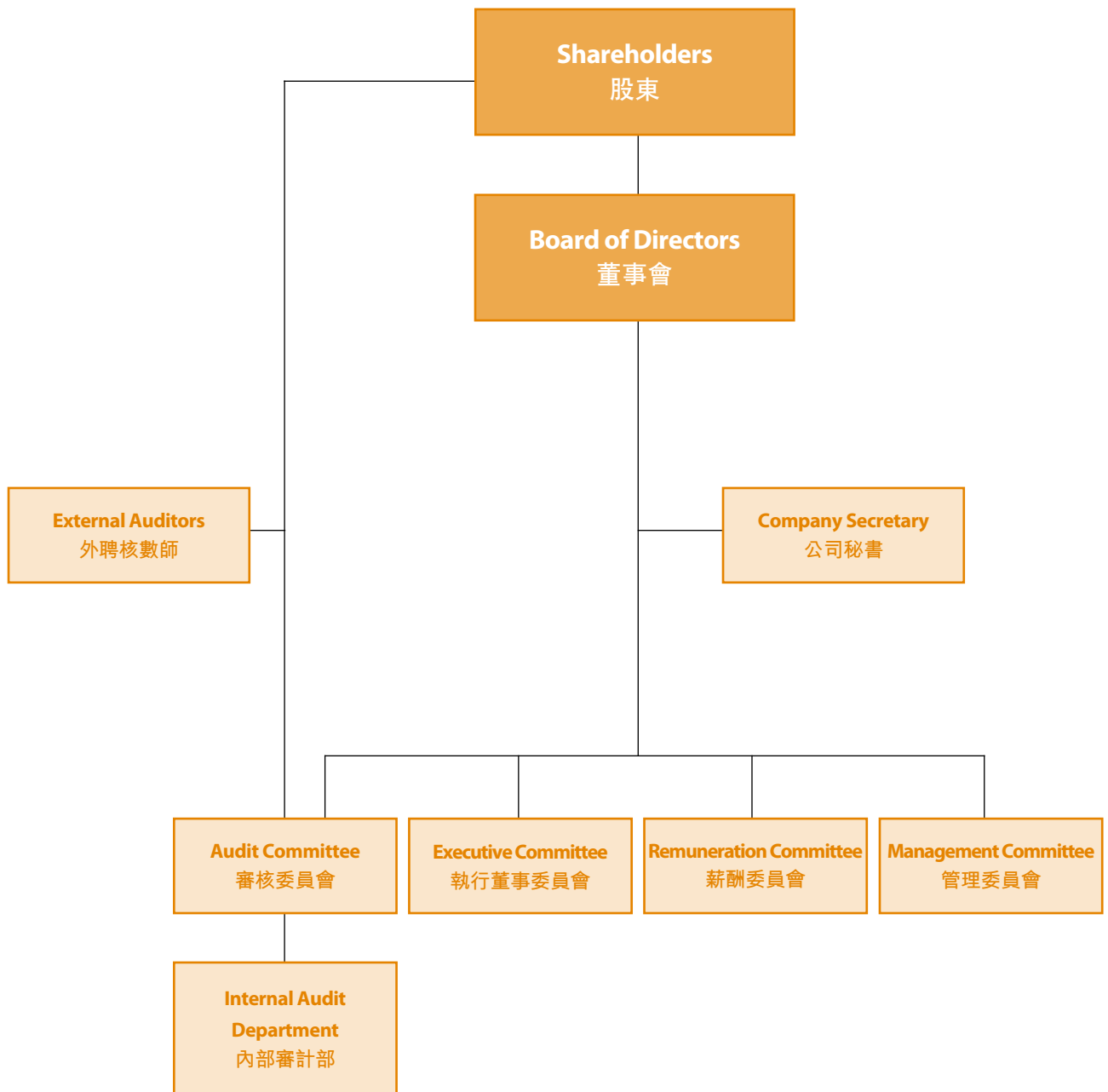
The Code on Corporate Governance set out in Appendix 14 of the Listing Rules was duly adopted by the Board as the code on corporate governance practices of the Company.

For the year ended 31 December 2007, the Company has complied with the provisions of the Code and some of the recommended best practices as set out in the Code.

本集團一直奉行「以人為本、求真務實、開拓創新、規範管理」的管理理念。本集團致力推行高水平企業管治，並相信此乃為發展本集團業務及保障本公司股東利益之關鍵。為了達到此目的，本公司於董事會下設四個委員會包括執行董事委員會、審核委員會、薪酬委員會及管理委員會。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方案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。除上述之外，本集團亦定期就投資項目進行內部審核以提升管理水平。

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

截至二零零七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

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 2007, the directors were:

於二零零七年十二月三十一日，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

THE BOARD OF DIRECTORS *(continued)*

Composition and function *(continued)*

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

The position of the Chairman and the Chief Executive Officer are held by separate individuals, with a view to 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.

董事會 *(續)*

組成及職責 *(續)*

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

主席及行政總裁之職務由不同人士擔任，使董事會運作及集團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。

THE BOARD OF DIRECTORS (continued)**Composition and function** (continued)

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

1. *EXECUTIVE COMMITTEE*

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

2. *REMUNERATION COMMITTEE*

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

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

The remuneration of all the directors and their respective interest in share options are set out in note 29 to the financial statements and under the "Share option scheme" paragraph in the report of the directors of this Annual Report.

董事會 (續)**組成及職責** (續)

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

1. *執行董事委員會*

執行董事委員會由董事會主席唐雙寧先生(擔任主席)及六位執行董事包括臧秋濤先生、李學明先生、陳小平先生、范仁鶴先生、黃錦聰先生及張衛云女士組成，其主要職責為負責履行董事會指定的職能及行使其所授予的權利及權力。本年度內，委員會並沒有召開會議。執行董事委員會已設有書面的一般性授權。

2. *薪酬委員會*

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

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

各董事的薪酬及購股權權益分別刊載於本年報財務報表附註二十九及董事會報告「購股權計劃」一段內。

THE BOARD OF DIRECTORS (continued)

Composition and function (continued)

3. AUDIT COMMITTEE

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

During the year, the Audit Committee has reviewed with the management and KPMG, the Company's auditors, the accounting principles and practices adopted by the Group and discussed the Group's internal control and financial reporting matters, including review of the annual results for the year ended 31 December 2006 and the interim results for the six months ended 30 June 2007.

4. MANAGEMENT COMMITTEE

The Management Committee comprises Mr. Chen Xiaoping (Chairman), the Chief Executive Officer of the Company, Mr. Philip Fan Yan Hok, the General Manager of the Company, Mr. Raymond Wong Kam Chung, the Chief Financial Officer of the Company, Mr. Hu Yanguo and Mr. Wang Jun, the Assistants 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 and/or the Executive Committee as well as exercising the authority and rights authorized by the same. The general mandate in relation to the Management Committee in written form has been established.

董事會(續)

組成及職責(續)

3. 審核委員會

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

於本年度內，審核委員會已與管理層及本公司核數師畢馬威會計師事務所審閱本集團所採納之會計政策及慣例，並就審核本集團的內部監控及財務報告等事宜(包括審閱本公司截至二零零六年十二月三十一日止之年度業績及截至二零零七年六月三十日止六個月之中期業績)進行討論。

4. 管理委員會

管理委員會的成員包括行政總裁陳小平先生(擔任主席)、總經理范仁鶴先生、財務總監黃錦聰先生、總經理助理胡延國先生及王君先生，以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及/或執行董事委員會指定的職能及行使其所授予的權利及權力。管理委員會已設有書面的一般性授權。

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

The following shows the number of regular board meetings and committee meetings held during the year as well as the attendance 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		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 (appointed on 16 July 2007)	唐雙寧先生 (於二零零七年七月十六日獲委任)	2/2	0/0	N/A 不適用	N/A 不適用
Mr. Zang Qiutao	臧秋濤先生	4/4	1/2	N/A 不適用	N/A 不適用
Mr. Li Xueming	李學明先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Chen Xiaoping	陳小平先生	4/4	N/A 不適用	N/A 不適用	13/13
Mr. Philip Fan Yan Hok	范仁鶴先生	4/4	N/A 不適用	N/A 不適用	13/13
Mr. Raymond Wong Kam Chung	黃錦聰先生	4/4	N/A 不適用	N/A 不適用	13/13
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	3/4	2/2	4/4	N/A 不適用
Mr. Aubrey Li Kwok Sing	李國星先生	3/4	2/2	4/4	N/A 不適用
Mr. Selwyn Mar	馬紹援先生	3/4	2/2	4/4	N/A 不適用
Mr. Huang Chaohua (resigned on 18 May 2007)	黃朝華先生 (於二零零七年五月十八日辭任)	1/1	N/A 不適用	N/A 不適用	2/5
Mr. Wang Mingquan (resigned on 16 July 2007)	王明權先生 (於二零零七年七月十六日辭任)	1/2	1/2	N/A 不適用	N/A 不適用
Mr. Chen Shuang (resigned on 23 November 2007)	陳爽先生 (於二零零七年十一月二十三日辭任)	3/4	N/A 不適用	N/A 不適用	N/A 不適用

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

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

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

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

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当事項進行討論；釐定並批准每次董事會會議的議程，在適當情況下，這過程中應計及其他董事提議加入議程的任何事項；有責任確保本公司制定良好的企業管治常規及程序；鼓勵所有董事全力投入董事會事務，並以身作則，確保董事會行事符合本公司最佳利益；確保採取適當步驟保持與股東有效聯繫，以及確保股東意見可傳達到整個董事會；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.

On 18 May 2007, Mr. Huang Chaohua resigned as the Executive Director of the Company. On 16 July 2007, Mr. Wang Mingquan resigned and Mr. Tang Shuangning was appointed as the Executive Director and Chairman of the Company. On 23 November 2007, Mr. Chen Shuang resigned as the Executive Director of the Company. All the said changes of directorship were respectively approved by the Board at its meetings held on the said dates at which the Executive Directors were present.

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 have complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2007.

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

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

於二零零七年五月十八日，黃朝華先生辭任為本公司執行董事。於二零零七年七月十六日，王明權先生辭任為本公司執行董事兼主席及唐雙寧先生獲委任為本公司執行董事兼主席。於二零零七年十一月二十三日，陳爽先生辭任為本公司執行董事。上述該等董事的變更已獲當天出席董事會會議的執行董事批准。

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，截至二零零七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。

SHAREHOLDERS' RIGHTS

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

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

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

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

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.

股東的權利

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

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

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

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

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，對任何其他人仕負責或承擔責任。

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

EXTERNAL AUDITORS (continued)

For the year ended 31 December 2007, 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:-

		2007
		二零零七年
		HK\$'000
		港幣千元
Annual audit services	年度審核服務	2,370
Interim review services	審閱中期業績服務	375
Other services	其他服務	410
		<hr/>
		3,155
		<hr/>

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.

外聘核數師(續)

截至二零零七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：

		2007
		二零零七年
		HK\$'000
		港幣千元
Annual audit services	年度審核服務	2,370
Interim review services	審閱中期業績服務	375
Other services	其他服務	410
		<hr/>
		3,155
		<hr/>

內部監控

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

為提供有效的內部監控，董事會目前確立了下列主要程序：

– **組織架構**

本集團已制訂合適的組織架構，清楚訂明相關的營運政策及程序、職責及權限。

– **權限及監控**

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

INTERNAL CONTROL (continued)

– 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(續)

– 預算控制及財務報告機制

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

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。

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

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

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

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 page 103.

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.

董事就財務報表所承擔的責任

董事確認須就編製本集團財務報表承擔有關責任。

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

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一百零三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。

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 2007.

董事欣然提呈截至二零零七年十二月三十一日止年度之年度報告及經審核財務報表。

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.

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。

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.

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。

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.

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。

MAJOR CUSTOMERS AND SUPPLIERS

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

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:

		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	26%	
Five largest customers in aggregate	五大客戶合計	87%	
The largest supplier	最大供應商		9%
Five largest suppliers in aggregate	五大供應商合計		19%

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

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

CONTINUING CONNECTED TRANSACTIONS

In June 2004, Qingdao EB-VW Waste Water Treatment Co., Ltd. ("Qingdao EB-VW", a subsidiary of the Company) entered into an operation and maintenance agreement with Qingdao Veolia Water Operating Company Limited ("Qingdao Veolia", an associate of the Group). Pursuant to the agreement, Qingdao EB-VW will subcontract to Qingdao Veolia the provision of the operation and maintenance services in respect of the waste-water treatment plants ("the Plants") in Qingdao, the People's Republic of China ("PRC"). During the year ended 31 December 2007, service fee for the operation and maintenance of the Plants paid to Qingdao Veolia amounted to HK\$27,742,000 (2006: HK\$18,225,000).

In June 2004, Qingdao EB-VW entered into a waste-water treatment agreement with Qingdao Municipal Drainage Company ("Qingdao Drainage", a minority shareholder of Qingdao EB-VW). Pursuant to the agreement, Qingdao EB-VW will provide waste-water treatment services and other related services to Qingdao Drainage on an exclusive basis. During the year ended 31 December 2007, waste-water treatment revenue received from Qingdao Drainage amounted to HK\$69,944,000 (2006: HK\$52,667,000).

In June 2004, Qingdao EB-VW entered into a technical assistance agreement with Veolia Water Asia Limited ("Veolia Asia", a subsidiary of a minority shareholder of the Group). Pursuant to the agreement, Veolia Asia will provide technical assistance to Qingdao EB-VW in respect of the operation and maintenance of the Plants in Qingdao, the PRC. During the year ended 31 December 2007, technical assistance fee paid/payable to Veolia Asia amounted to HK\$2,223,000 (2006: HK\$2,170,000).

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

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

持續關連交易

於二零零四年六月，青島光威污水處理有限公司（「青島光威」，本公司之附屬公司）與青島威立雅水務運營有限公司（「青島威立雅」，本集團之聯營公司），訂立營運及維修保養合同。據此，青島光威將把中華人民共和國（「中國」）青島市污水處理廠（「污水處理廠」）之營運及維修保養服務外判予青島威立雅。截至二零零七年十二月三十一日止年度，就營運及維修保養污水處理廠而已支付予青島威立雅之服務費為港幣27,742,000元（二零零六年：港幣18,225,000元）。

於二零零四年六月，青島光威與青島市排水公司（「青島排水」，青島光威之少數股東）訂立污水處理協議。據此，青島光威將獨家向青島排水提供污水處理服務及其他相關服務。截至二零零七年十二月三十一日止年度，從青島排水收取所得之污水處理收入為港幣69,944,000元（二零零六年：港幣52,667,000元）。

於二零零四年六月，青島光威與Veolia Water Asia Limited（「威立雅亞洲」，本集團少數股東之附屬公司）訂立技術支援協議。據此，威立雅亞洲將向青島光威提供有關營運及維修保養中國青島市污水處理廠之技術支援服務。截至二零零七年十二月三十一日止年度，已支付／應支付予威立雅亞洲之技術支援費用為港幣2,223,000元（二零零六年：港幣2,170,000元）。

本公司之獨立非執行董事已審閱上述關連交易，並確認有關交易為：

- 於本集團日常及一般業務過程中訂立；

CONTINUING CONNECTED TRANSACTIONS

(continued)

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

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

DISCLOSEABLE TRANSACTION

On 16 November 2007, Everbright Water (Wuxi) Holdings Limited, ("EB Water Wuxi", a wholly-owned subsidiary of the Group) entered into a joint venture agreement with Jiangyin City Xin Guo Lian Investment and Development Co., Ltd. ("Xin Guo Lian") in relation to the establishment of Everbright Water (Jiangyin) Limited ("EB Water Jiangyin"). On the same date, EB Water Wuxi, EB Water Jiangyin and Xin Guo Lian entered into asset transfer agreements with Qing Yuan Water Treatment Co., Ltd., Jiangyin ("Jiangyin Qing Yuan") and Jiangyin Urban Sewage Treatment Co., Ltd ("Jiangyin Urban Sewage"), pursuant to which, EB Water Jiangyin agreed to acquire and Jiangyin Qing Yuan and Jiangyin Urban Sewage agreed to sell four waste-water treatment plants at a total consideration of RMB624,028,000 (equivalent to approximately HK\$645,245,000). The transactions constituted a discloseable transaction as defined by the Listing Rules and was announced by way of a press announcement by the Company on 19 November 2007. Details of the transaction have been included in the circular to shareholders dated 10 December 2007.

持續關連交易(續)

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

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

須予披露交易

於二零零七年十一月十六日，光大水務(無錫)控股有限公司(「光大水務無錫」，本集團之全資附屬公司)與江陰市新國聯投資發展有限公司(「新國聯」)就成立光大水務(江陰)有限公司(「光大水務江陰」)一事訂立合營協議。同日，光大水務無錫、光大水務江陰及新國聯與江陰清源水處理有限公司(「江陰清源公司」)及江陰市城市污水處理有限公司(「江陰市城市污水處理」)訂立資產轉讓協議。據此，光大水務江陰同意收購，而江陰清源及江陰市城市污水處理同意出售四家污水處理廠，總代價為人民幣624,028,000元(相當於約港幣645,245,000元)。上述交易構成須予披露交易(定義見上市規則)及本公司已於二零零七年十一月十九日透過報章公告予以公佈。有關交易之詳情載於二零零七年十二月十日致予股東之通函內。

Report of the Directors 董事會報告

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2007 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 105 to 239.

TRANSFER TO RESERVES

Profits attributable to shareholders, before dividends, of HK\$360,079,000 (2006 (restated): HK\$480,540,000) have been transferred to reserves. Other movements in reserves are set out in note 30 to the financial statements.

An interim dividend of HK0.6 cent per share (2006: HK0.6 cent per share) was paid on 31 October 2007. The directors now recommend the payment of a final dividend of HK1 cent per share (2006: a final dividend of HK0.6 cent per share and a special dividend of HK0.4 cent per share) in respect of the year ended 31 December 2007.

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 30(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

本集團截至二零零七年十二月三十一日止年度之盈利，以及本公司與本集團於該日之財政狀況載於第一百零五頁至第二百三十九頁之財務報表內。

轉撥至儲備

股東應佔盈利(未派付股息前)港幣360,079,000元(二零零六年(重報):港幣480,540,000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。

本公司已於二零零七年十月三十一日派付中期股息每股0.6港仙(二零零六年:每股0.6港仙)。董事現建議派付截至二零零七年十二月三十一日止年度末期股息每股1港仙(二零零六年:末期股息每股0.6港仙及特別股息每股0.4港仙)。

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(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。

DIRECTORS

The directors during the financial year and up to the date of this report were:

Executive directors

Tang Shuangning, *Chairman*

(appointed on 16 July 2007)

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

Wang Mingquan

(former Chairman, resigned on 16 July 2007)

Huang Chaohua

(former Deputy General Manager, resigned on 18 May 2007)

Chen Shuang

(resigned on 23 November 2007)

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 Tang Shuangning, Mr Zang Qiutao, Mr Fan Yan Hok, Philip, Mr Li Kwok Sing, Aubrey and Mr Mar Selwyn 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.

董事

於本財政年度內及截至本報告日期之董事如下：

執行董事

唐雙寧(主席)

(於二零零七年七月十六日獲委任)

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

王明權

(前主席，於二零零七年七月十六日辭任)

黃朝華

(前副總經理，於二零零七年五月十八日辭任)

陳爽

(於二零零七年十一月二十三日辭任)

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，唐雙寧先生、臧秋濤先生、范仁鶴先生、李國星先生及馬紹援先生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。

Report of the Directors 董事會報告

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 2007 had the following interests in the shares, underlying shares and debentures of the Company, its holding companies, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' and chief executives' interests and short positions required to be kept under section 352 of the SFO are as follows:

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，於二零零七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 <i>(ordinary shares)</i> <i>(普通股)</i>	Percentage 百分比
Fan Yan Hok, Philip	范仁鶴	Personal 個人	8,000,000	0.26%
Wong Kam Chung, Raymond	黃錦驄	Personal 個人	1,500,000	0.05%
Li Kwok Sing, Aubrey	李國星	Personal 個人	1,000,000	0.03%

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

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	黃錦驄	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%

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 2007.

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.

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

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二零零七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。

Report of the Directors 董事會報告

SHARE OPTION SCHEME

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

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

The total number of securities available for issue under the share option scheme as at 31 December 2007 was 254,831,170 shares (including options for 88,991,000 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 2007. In respect of the maximum entitlement of each participant under the share option scheme, the number of securities issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the Company's ordinary shares in issue.

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

購股權計劃

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

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

於二零零七年十二月三十一日，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88,991,000股股份之購股權），佔本公司於二零零七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。

SHARE OPTION SCHEME (continued)

At 31 December 2007, 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 2007 was HK\$3.89) granted at nominal consideration under the share option scheme of the Company. The options are unlisted. Each option gives the holder the right to subscribe for one ordinary share of HK\$0.1 each of the Company.

購股權計劃(續)

於二零零七年十二月三十一日，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(於二零零七年十二月三十一日之每股市值為港幣3.89元)。有關購股權乃根據本公司購股權計劃按象徵式代價授出。有關購股權並無上市。每股購股權賦予持有人認購一股本公司每股面值港幣0.1元的普通股之權利。

Directors	董事	No. of	No. of	No. of	No. of	Date	Period	Exercise	* Market	* Market
		options	options	options	options				value per	value per
		outstanding	acquired	lapsed	outstanding	granted	during	price per	share at	share on
		at the	on	during	at the		which	share	date of	exercise of
		beginning	exercise	the year	year end		options are	options	grant of	options
		of the year	during	during	at the		exercisable	price per	options	options
		年初	年內行使	年內失效	年終		購股權	share	*於購股權	*購股權
		尚未行使之	購股權購入	之購股權	尚未行使之		之行使期	每股行使價	授出日期之	行使時之
		購股權數目	之股份數目	數目	購股權數目	授出日期	之行使期	每股行使價	每股市值	每股市值
Wang Mingquan	王明權	12,700,000	(12,700,000)	-	-	29 September 2003	29 March 2004 to 25 May 2013	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$3.49 港幣3.49元
		12,700,000	(12,700,000)	-	-	29 September 2003	29 September 2004 to 25 May 2013	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$3.49 港幣3.49元
		2,500,000	-	(2,500,000)	-	3 August 2006	3 August 2007 to 25 May 2013	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	3 August 2008 to 25 May 2013	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-

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SHARE OPTION SCHEME (continued)

購股權計劃(續)

Directors	董事	No. of options outstanding at the beginning of the year 年初尚未行使之購股權數目	No. of shares 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 lapsed during the year 年內失效之購股權數目	No. of options outstanding at the year end 年終尚未行使之購股權數目	Date granted 授出日期	Period during which options are exercisable 購股權之行使期	Exercise price per share 每股行使價	* Market value per share at date of grant of options *於購股權授出日期之每股市值	* Market value per share on exercise of options *購股權行使時之每股市值
Zang Qiutao	臧秋濤	2,000,000	-	-	2,000,000	3 August 2006 二零零六年八月三日	3 August 2007 to 25 May 2013 二零零七年八月三日至二零一三年五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
		2,000,000	-	-	2,000,000	3 August 2006 二零零六年八月三日	3 August 2008 to 25 May 2013 二零零八年八月三日至二零一三年五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
Li Xueming	李學明	9,000,000	-	-	9,000,000	29 September 2003 二零零三年九月二十九日	29 March 2004 to 25 May 2013 二零零四年三月二十九日至二零一三年五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		9,000,000	-	-	9,000,000	29 September 2003 二零零三年九月二十九日	29 September 2004 to 25 May 2013 二零零四年九月二十九日至二零一三年五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		2,000,000	-	-	2,000,000	3 August 2006 二零零六年八月三日	3 August 2007 to 25 May 2013 二零零七年八月三日至二零一三年五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
		2,000,000	-	-	2,000,000	3 August 2006 二零零六年八月三日	3 August 2008 to 25 May 2013 二零零八年八月三日至二零一三年五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-

SHARE OPTION SCHEME (continued)

購股權計劃(續)

Directors	董事	No. of	No. of	No. of	No. of	Date	Period	Exercise	* Market	* Market
		options	options	options	options				value per	value per
		outstanding	acquired	lapsed	outstanding	granted	during	price per	share at	share on
		at the	on	during	at the		which	share	date of	exercise of
		beginning	exercise	the year	year end		options are		grant of	options
		of the year	during	during	at the		during		options	options
		年初	年內行使	年內失效	年終		購股權		*於購股權	*購股權
		尚未行使之	購股權購入	之購股權	尚未行使之	授出日期	之行使期	每股行使價	授出日期之	行使時之
		購股權數目	之股份數目	數目	購股權數目				每股市價	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	-

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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 購股權購入之股份數目	No. of options lapsed during the year 年內失效之購股權數目	No. of options outstanding at the year end 年終尚未行使之購股權數目	Date granted 授出日期	Period during which options 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
Fan Yan Hok, Philip	范仁鶴	5,000,000	(5,000,000)	-	-	29 September 2003 二零零三年九月二十九日	29 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	HK\$2.34 港幣2.34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\$2.95 港幣2.95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	-

SHARE OPTION SCHEME (continued)

購股權計劃(續)

Directors	董事	No. of options outstanding at the beginning of the year 年初尚未行使之購股權數目	No. of shares 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 lapsed during the year 年內失效之購股權數目	No. of options outstanding at the year end 年終尚未行使之購股權數目	Date granted 授出日期	Period during which options 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
									HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Huang Chaohua	黃朝華	4,500,000	(4,500,000)	-	-	29 September 2003 二零零三年九月二十九日	29 March 2004 to 25 May 2013 二零零四年三月二十九日至二零零三年五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$2.73 港幣2.73元
		4,500,000	(4,500,000)	-	-	29 September 2003 二零零三年九月二十九日	29 September 2004 to 25 May 2013 二零零四年九月二十九日至二零零三年五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$2.73 港幣2.73元
		1,500,000	-	(1,500,000) (Note 2) (附註2)	-	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	-
		1,500,000	-	(1,500,000) (Note 2) (附註2)	-	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	-

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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 lapsed during the year 年內失效之購股權數目	No. of options outstanding at the year end 年終尚未行使之購股權數目	Date granted 授出日期	Period during which options 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
Wong Kam Chung, Raymond	黃錦聰	4,500,000	(4,500,000)	-	-	29 September 2003 二零零三年九月二十九日	29 September 2004 to 25 May 2013 二零零四年九月二十九日至二零一三年五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$2.96 港幣2.96元
		1,500,000	-	-	1,500,000	3 August 2006 二零零六年八月三日	3 August 2007 to 25 May 2013 二零零七年八月三日至二零一三年五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-
		1,500,000	-	-	1,500,000	3 August 2006 二零零六年八月三日	3 August 2008 to 25 May 2013 二零零八年八月三日至二零一三年五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-

SHARE OPTION SCHEME (continued)

購股權計劃(續)

Directors	董事	No. of	No. of	No. of	No. of	Date	Period	Exercise	* Market	* Market
		options	options	options	options				value per	value per
		outstanding	acquired	lapsed	outstanding	granted	during	price per	share at	share on
		at the	on	during	at the		which	share	date of	exercise of
		beginning	exercise	the year	year end		options are	price per	options	options
		of the year	during	the year	year end		exercisable	share	*於購股權	*購股權
		尚未行使之	購股權購入	年內失效	尚未行使之	授出日期	購股權	每股行使價	授出日期之	行使時之
		購股權數目	之股份數目	之購股權	購股權數目		之行使期		每股市價	每股市價
Chen Shuang	陳爽	2,000,000	(2,000,000)	-	-	29 September 2003	29 March 2004 to 25 May 2013	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$3.79 港幣3.79元
		2,000,000	(2,000,000)	-	-	29 September 2003	29 September 2004 to 25 May 2013	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$3.79 港幣3.79元
		500,000	(500,000)	-	-	3 August 2006	3 August 2007 to 25 May 2013	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	HK\$3.79 港幣3.79元
		500,000	-	(500,000)	-	3 August 2006	3 August 2008 to 25 May 2013	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-

(Note 3)

(附註3)

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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 lapsed during the year 年內失效之購股權數目	No. of options outstanding at the year end 年終尚未行使之購股權數目	Date granted 授出日期	Period during which options 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
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	-
Sir David Akers-Jones	鍾逸傑爵士	500,000	-	-	500,000	29 September 2003 二零零三年九月二十九日	29 March 2004 to 25 May 2013 二零零四年三月二十九日至二零一三年五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-
		500,000	-	-	500,000	29 September 2003 二零零三年九月二十九日	29 September 2004 to 25 May 2013 二零零四年九月二十九日至二零一三年五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	-

SHARE OPTION SCHEME (continued)

購股權計劃(續)

		No. of shares		No. of options lapsed during the year	No. of options outstanding at the year end	Date granted	Period during which options are exercisable	Exercise price per share	* Market value per share at date of grant of options	* Market value per share on exercise of options
		No. of options outstanding at the beginning of the year	No. of options exercised during the year						*於購股權授出日期之每股市價	*購股權行使時之每股市價
Directors	董事	尚未行使之購股權數目	購股權購入之股份數目	年內失效之購股權數目	尚末行使之購股權數目	授出日期	購股權之行使期	每股行使價	每股市價	每股市價
Li Kwok Sing, Aubrey	李國星	500,000	(500,000)	-	-	29 September 2003	29 March 2004 to 25 May 2013 二零零三年九月二十九日至二零零四年三月二十九日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$2.31 港幣2.31元
		500,000	(500,000)	-	-	29 September 2003	29 September 2004 to 25 May 2013 二零零三年九月二十九日至二零零四年九月二十九日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$2.31 港幣2.31元
Employees	僱員	1,300,000	(1,300,000)	-	-	29 September 2003	29 September 2004 to 25 May 2013 二零零三年九月二十九日至二零零四年九月二十九日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$3.06 港幣3.06元
		18,000,000	(6,009,000)	(500,000) (Note 4) (附註4)	11,491,000	3 August 2006	3 August 2007 to 25 May 2013 二零零六年八月三日至二零零七年五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	HK\$3.36 港幣3.36元
		18,000,000	-	(500,000) (Note 4) (附註4)	17,500,000	3 August 2006	3 August 2008 to 25 May 2013 二零零六年八月三日至二零零八年五月二十五日	HK\$0.85 港幣0.85元	HK\$0.85 港幣0.85元	-

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

Notes:

- (1) Options of 5,000,000 shares previously granted to Mr Wang Mingquan (a director who resigned on 16 July 2007) were lapsed in accordance with the terms of the share option scheme during the year.
- (2) Options of 3,000,000 shares previously granted to Mr Huang Chaohua (a director who resigned on 18 May 2007) were lapsed in accordance with the terms of the share option scheme during the year.
- (3) Options of 500,000 shares previously granted to Mr Chen Shuang (a director who resigned on 23 November 2007) were lapsed in accordance with the terms of the share option scheme during the year.
- (4) Options of 1,000,000 shares previously granted to an employee (who resigned on 25 May 2007) were lapsed in accordance with the terms of the share option scheme during the year.

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 notes 1(r)(ii) and 29 to the financial statements respectively.

購股權計劃(續)

附註：

- (1) 先前授予王明權先生(於二零零七年七月十六日辭任之董事)之5,000,000股購股權已於年內根據購股權計劃之條款失效。
- (2) 先前授予黃朝華先生(於二零零七年五月十八日辭任之董事)之3,000,000股購股權已於年內根據購股權計劃之條款失效。
- (3) 先前授予陳爽先生(於二零零七年十一月二十三日辭任之董事)之500,000股購股權已於年內根據購股權計劃之條款失效。
- (4) 先前授予一名僱員(於二零零七年五月二十五日辭任之僱員)之1,000,000股購股權已於年內根據購股權計劃之條款失效。

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)及二十九。

SHARE OPTION SCHEME OF CHINA EVERBRIGHT LIMITED ("CEL")

As at 31 December 2007, two former directors of the Company had the following interests in options to subscribe for shares of CEL, an associated corporation of the Company, which was granted under the share option scheme of CEL.

中國光大控股有限公司(「光大控股」)之購股權計劃

於二零零七年十二月三十一日，本公司兩名前董事擁有下列根據光大控股(本公司之聯繫公司)購股權計劃授出可認購光大控股股份之購股權權益。

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

Remarks: Mr Wang Mingquan resigned as an executive director and Chairman of the Company and CEL with effect from 16 July 2007.

備註：由二零零七年七月十六日起，王明權先生辭任本公司及光大控股執行董事兼主席職務。

Mr Chen Shuang resigned as an executive director of the Company with effect from 23 November 2007.

由二零零七年十一月二十三日起，陳爽先生辭任本公司執行董事職務。

SHARE OPTION SCHEME OF CHINA EVERBRIGHT LIMITED (“CEL”) (continued)

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

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

The Company has been notified of the following interests in the Company’s issued shares at 31 December 2007 amounting to 5% or more of the ordinary shares in issue:

中國光大控股有限公司(「光大控股」)之購股權計劃(續)

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

主要股東及其他人仕在股份及相關股份中擁有之權益及淡倉

本公司獲悉於二零零七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：

		Long position in ordinary shares held 所持普通股好倉	Percentage of total issued shares 佔全部已發行 股份百分比
China Everbright Holdings Company Limited (“CEH”) (Note)	中國光大集團有限公司 (「光大集團」)(附註)	1,758,595,910	approximately 56.1% 約56.1%

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 股則由光大集團之全資附屬公司光大投資管理有限公司(「光大投資管理」)持有。故此，光大集團被視為擁有 Guildford 所持有之 1,758,215,910 股股份及光大投資管理所持有之 380,000 股股份。

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

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

SUFFICIENCY OF PUBLIC FLOAT

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

DIRECTORS' INTERESTS IN CONTRACTS

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

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2007 are set out in notes 25 and 27 to the financial statements.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 240 and 241 of the annual report.

PROPERTIES

Particulars of the major properties of the Group are shown on page 242 of the annual report.

RETIREMENT SCHEMES

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

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。

銀行貸款及其他借貸

本公司及本集團於二零零七年十二月三十一日之銀行貸款及其他借貸詳情載於財務報表附註二十五及二十七。

五年業績概要

本集團過去五個財政年度之業績及資產與負債概要載於年報第二百四十頁及第二百四十一頁。

物業

本集團之主要物業詳情載於年報第二百四十二頁。

退休計劃

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

RETIREMENT SCHEMES (continued)

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

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

The Group's total contributions to these schemes charged to income statement during the year ended 31 December 2007 amounted to HK\$5,467,000.

CONFIRMATION OF INDEPENDENCE

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

AUDITORS

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

By order of the board

Tang Shuangning

Chairman

Hong Kong, 12 March 2008

退休計劃(續)

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

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

本集團於截至二零零七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5,467,000元，並已入賬損益表內。

獨立性確認書

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

核數師

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

承董事會命

唐雙寧

主席

香港，二零零八年三月十二日

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 105 to 239, which comprise the consolidated and company balance sheets as at 31 December 2007, 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」)已審核刊於第一百零五頁至第二百三十九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二零零七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 2007 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

12 March 2008

核數師的責任(續)

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

我們相信，我們所獲得的審核憑證能充足和適當地為下列審核意見建立基礎。

意見

我們認為，上述綜合財務報表已根據香港財務報告準則真實和公允地反映 貴公司及 貴集團於二零零七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

二零零八年三月十二日

Consolidated Income Statement

綜合損益表

For the year ended 31 December 2007 (Expressed in Hong Kong dollars) 截至二零零七年十二月三十一日止年度 (以港幣計算)

			2007 二零零七年	2006 二零零六年 (restated) (重報)
		Note 附註	\$'000 千元	\$'000 千元
Turnover	營業額	3 & 13	1,347,852	884,043
Direct costs and operating expenses	直接成本及經營費用		(887,897)	(640,593)
			459,955	243,450
Other revenue	其他收益	4	35,726	26,016
Other net income	其他收入淨額	4	24,543	336,778
Administrative expenses	行政費用		(99,555)	(83,799)
Valuation gains on investment properties	投資物業估值盈餘	14	19,202	5,831
Profit from operations	經營盈利		439,871	528,276
Finance costs	財務費用	5(a)	(72,507)	(70,445)
			367,364	457,831
Share of (losses)/profits of associates	所佔聯營公司 (虧損)/盈利	6	(478)	32,658
Profit before taxation	除稅前盈利	5	366,886	490,489
Income tax	所得稅	7(a)	(6,807)	(9,949)
Profit for the year	本年度盈利		360,079	480,540
Attributable to:	應佔部份：			
Equity shareholders of the Company	本公司股東	10 & 30	337,932	460,478
Minority interests	少數股東權益	30	22,147	20,062
Profit for the year	本年度盈利	30	360,079	480,540

Consolidated Income Statement 綜合損益表

For the year ended 31 December 2007 (Expressed in Hong Kong dollars) 截至二零零七年十二月三十一日止年度 (以港幣計算)

		2007 二零零七年	2006 二零零六年 (restated) (重報)
		Note 附註	\$'000 千元
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	18,753	18,371
Final dividend proposed after the balance sheet date	結算日後建議分派末期股息	31,347	18,462
Special dividend proposed after the balance sheet date	結算日後建議分派特別股息	-	12,308
		50,100	49,141
Earnings per share	每股盈利	12	
Basic	基本	10.89 cents 仙	15.92 cents
Diluted	攤薄	10.54 cents 仙	15.58 cents

The notes on pages 114 to 239 form part of these financial statements.

載於第一百一十四頁至第二百三十九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 2007 (Expressed in Hong Kong dollars) 於二零零七年十二月三十一日 (以港幣計算)

		2007 二零零七年		2006 二零零六年 (restated) (重報)		
		Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Non-current assets	非流動資產					
Fixed assets	固定資產	14(a)				
– Investment properties	– 投資物業			200,922		168,308
– Other property, plant and equipment	– 其他物業、廠房及設備			103,604		95,131
				304,526		263,439
Intangible asset	無形資產	15		568,882		549,649
Goodwill	商譽	16		46,133		46,133
Interest in associate	聯營公司權益	18		–		442
Other financial assets	其他財務資產	19		59,577		62,976
Other receivables and deposits	其他應收款項及按金	20		690,019		408,559
Gross amounts due from customers for contract work	應收客戶合約工程款項總額	21		1,752,995		944,161
Deferred tax assets	遞延稅項資產	28(b)		35,561		22,922
				3,457,693		2,298,281
Current assets	流動資產					
Inventories	存貨	22	5,923		3,445	
Debtors, other receivables, deposits and prepayments	應收賬款、其他應收款項、按金及預付款項	20	307,985		155,413	
Gross amounts due from customers for contract work	應收客戶合約工程款項總額	21	122,617		61,747	
Pledged bank deposits	已抵押銀行存款	23	60,518		99,314	
Deposits with bank	銀行存款		16,084		10,909	
Cash and cash equivalents	現金及現金等價物	24	554,863		756,763	
				1,067,990	1,087,591	
Current liabilities	流動負債					
Bank loans	銀行貸款	25				
– Secured	– 有抵押		121,286		88,448	
– Unsecured	– 無抵押		21,446		–	
			142,732		88,448	
Creditors, other payables and accrued expenses	應付賬款、其他應付款項及應計費用	26	334,426		249,179	
Current taxation	本期稅項	28(a)	6,400		1,515	
			483,558		339,142	
Net current assets	流動資產淨額			584,432		748,449
Total assets less current liabilities carried forward	總資產減流動負債轉後			4,042,125		3,046,730

Consolidated Balance Sheet 綜合資產負債表

At 31 December 2007 (Expressed in Hong Kong dollars) 於二零零七年十二月三十一日 (以港幣計算)

		2007 二零零七年		2006 二零零六年 (restated) (重報)		
		Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Total assets less current liabilities brought forward	總資產減流動負債承前			4,042,125		3,046,730
Non-current liabilities	非流動負債					
Bank loans	銀行貸款	25				
– Secured	– 有抵押		1,131,882		802,584	
– Unsecured	– 無抵押		160,834		–	
				1,292,716	802,584	
Loans from ultimate holding company	最終控股公司貸款	27	106,377		98,828	
Deferred tax liabilities	遞延稅項負債	28(b)	39,606		32,122	
				1,438,699		933,534
NET ASSETS	資產淨額			2,603,426		2,113,196
CAPITAL AND RESERVES	股本及儲備	30(a)				
Share capital	股本			313,472		307,601
Reserves	儲備			2,137,619		1,688,522
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益總額			2,451,091		1,996,123
Minority interests	少數股東權益			152,335		117,073
TOTAL EQUITY	權益總額			2,603,426		2,113,196

Approved and authorised for issue by the board of directors on 12 March 2008.

董事會於二零零八年三月十二日核准及許可發行。

Chen Xiaoping

陳小平

Director

董事

Philip Fan Yan Hok

范仁鶴

Director

董事

The notes on pages 114 to 239 form part of these financial statements.

載於第一百一十四頁至第二百三十九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 2007 (Expressed in Hong Kong dollars) 於二零零七年十二月三十一日 (以港幣計算)

		2007 二零零七年		2006 二零零六年	
	Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Non-current assets					
Property, plant and equipment	物業、廠房及設備	14(b)	4,022		1,727
Interest in subsidiaries	附屬公司權益	17	1,638,640		1,451,949
Other financial assets	其他財務資產	19	6,639		13,649
			1,649,301		1,467,325
Current assets					
Other receivables, deposits and prepayments	其他應收款項、 按金及預付款項		29,881	39,826	
Cash and cash equivalents	現金及現金等價物	24	240,213	332,270	
			270,094	372,096	
Current liabilities					
Secured bank loans	有抵押銀行貸款	25	11,428	21,429	
Other payables and accrued expenses	其他應付款項及 應計費用		34,434	38,122	
			45,862	59,551	
Net current assets			224,232		312,545
Total assets less current liabilities			1,873,533		1,779,870
Non-current liabilities					
Secured bank loans	有抵押銀行貸款	25	17,678		24,107
NET ASSETS			1,855,855		1,755,763
CAPITAL AND RESERVES					
Share capital	股本	30(b)	313,472		307,601
Reserves	儲備		1,542,383		1,448,162
TOTAL EQUITY			1,855,855		1,755,763

Approved and authorised for issue by the board of directors on 12 March 2008.
董事會於二零零八年三月十二日核准及許可發行。

Chen Xiaoping
陳小平
Director
董事

Philip Fan Yan Hok
范仁鶴
Director
董事

The notes on pages 114 to 239 form part of these financial statements.

載於第一百一十四頁至第二百三十九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 2007 (Expressed in Hong Kong dollars) 截至二零零七年十二月三十一日止年度 (以港幣計算)

		2007 二零零七年		2006 二零零六年 (restated) (重報)		
		Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Total equity at 1 January:	於一月一日之權益總額：					
As previously reported	如前呈報	30	2,058,293		1,271,215	
Prior period adjustments arising from change in accounting policy	會計政策變動所致之前期調整	30	54,903		2,090	
As restated	已重報	30	2,113,196			1,273,305
Net income recognised directly in equity:	直接於權益確認之收入淨額：					
Share of exchange reserves of associates	所佔聯營公司匯兌儲備	30	36			5,088
Exchange differences on translation of financial statements of subsidiaries and associates (2006: as restated)	換算附屬公司及聯營公司財務報表產生之匯兌差額 (二零零六年：已重報)	30	143,322			48,840
Changes in fair value of available-for-sale securities	待售證券公允值之變動	30	18,565			26,129
Net income for the year recognised directly in equity	直接於權益確認之本年度收入淨額		161,923			80,057
Net profit for the year:	本年度淨盈利：					
As previously reported	如前呈報	2(a)(i)			428,050	
Prior period adjustments arising from change in accounting policy	會計政策變動所致之前期調整	2(a)(i)			52,490	
Net profit for the year (2006: as restated)	本年度淨盈利 (二零零六年：已重報)	2(a)(i)& 30	360,079			480,540
Exchange reserve realised on disposal of associate	出售聯營公司而變現之匯兌儲備	30	-			(14,269)
Transfer from fair value reserve to profit or loss on disposal of available-for-sale securities	出售待售證券後從公允值儲備轉撥至損益表		(11,792)			(4,122)
Total recognised income and expense for the year (2006: as restated)	本年度已確認收入及開支總額 (二零零六年：已重報)		510,210			542,206

Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2007 (Expressed in Hong Kong dollars) 截至二零零七年十二月三十一日止年度 (以港幣計算)

	Note 附註	2007 二零零七年		2006 二零零六年 (restated) (重報)	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Attributable to:	應佔部份：				
- equity shareholders of the Company	- 本公司股東	474,328		516,250	
- minority interests	- 少數股東權益	35,882		25,956	
		<u>510,210</u>		<u>542,206</u>	
Dividends declared:	宣派股息：				
- by the Company to equity shareholders	- 本公司支付予股東	(49,523)		(33,682)	
- by non-wholly owned subsidiary to minority shareholder	- 非全資附屬公司支付予少數股東	(620)		(586)	
			<u>(50,143)</u>		<u>(34,268)</u>
Movements in equity arising from capital transactions with equity shareholders of the Company:	與本公司股東進行資本交易而產生之權益變動：				
- shares issued under share option scheme	- 根據購股權計劃發行股份	30	22,077		4,203
- issue of ordinary shares	- 發行普通股	30	-		321,723
- Equity-settled share-based transactions	- 以股份支付之股本交易	30	8,086		6,027
			<u>30,163</u>		<u>331,953</u>
Total equity at 31 December	於十二月三十一日之權益總額		<u>2,603,426</u>		<u>2,113,196</u>
Restatements of total recognised income and expense for the year are attributable to:	下列各方應佔本年度已確認收入及開支重報總額：				
- equity shareholders of the Company	- 本公司股東				51,518
- minority interests	- 少數股東權益				1,295
					<u>52,813</u>
Arising from restatement of net profit for the year	重報本年度淨盈利所產生				<u>52,490</u>

The notes on pages 114 to 239 form part of these financial statements.

載於第一百一十四頁至第二百三十九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 2007 (Expressed in Hong Kong dollars) 截至二零零七年十二月三十一日止年度 (以港幣計算)

		2007 二零零七年	2006 二零零六年 (restated) (重報)
	Note 附註	\$'000 千元	\$'000 千元
Operating activities	經營活動		
Profit before taxation	除稅前盈利	366,886	490,489
Adjustments for:	經調整：		
– Valuation gains on investment properties	– 投資物業估值盈餘	(19,202)	(5,831)
– Depreciation	– 折舊	7,132	5,424
– Amortisation of intangible asset	– 無形資產攤銷	21,917	20,712
– Finance costs	– 財務費用	72,507	70,445
– Dividend income from listed securities	– 上市證券股息收入	(4,417)	(3,149)
– Dividend income from unlisted securities	– 非上市證券股息收入	–	(1,677)
– Bank interest income	– 銀行利息收入	(17,693)	(17,612)
– Share of losses/(profits) of associates	– 所佔聯營公司 虧損/(盈利)	478	(32,658)
– Profit on sale of associate	– 出售聯營公司盈利	–	(310,000)
– Profit on sale of investment properties	– 出售投資物業盈利	–	(16,083)
– Net (gain)/loss on sale of other property, plant and equipment	– 出售其他物業、廠房及設備 所得(收益)/虧損淨額	(860)	847
– Profit on sale of other financial assets	– 出售其他財務資產之盈利	(23,683)	(11,542)
– Equity-settled share-based payment expenses	– 以股份支付之股本 交易開支	8,086	6,027
– Foreign exchange loss	– 匯兌虧損	38,268	17,660
		<hr/>	<hr/>
Operating profit before changes in working capital	營運資金變動前之 經營盈利	449,419	213,052
Increase in inventories	存貨增加	(2,215)	(3,445)
Increase in debtors, other receivables, deposits and prepayments	應收賬款、其他應收款項、 按金及預付款項增加	(318,655)	(299,172)
Increase in gross amounts due from customers for contract work	應收客戶合約工程款項 總額增加	(792,862)	(613,282)
Increase in creditors, other payables and accrued expenses	應付賬款、其他應付款項 及應計費用增加	69,170	134,600
		<hr/>	<hr/>
Cash used in operations	經營動用之現金	(595,143)	(568,247)
Interest received	已收利息	17,537	17,612
People's Republic of China ("PRC") income tax paid	已付中華人民共和國 (「中國」)所得稅	(9,324)	(7,470)
		<hr/>	<hr/>
Net cash used in operating activities	經營活動所動用之現金淨額	(586,930)	(558,105)
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>

Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2007 (Expressed in Hong Kong dollars) 截至二零零七年十二月三十一日止年度 (以港幣計算)

		2007 二零零七年	2006 二零零六年 (restated) (重報)
	Note 附註	\$'000 千元	\$'000 千元
Investing activities	投資活動		
Payment for the purchase of fixed assets	購買固定資產之款項	(15,335)	(8,436)
Proceeds from sale of fixed assets	出售固定資產所得款項	2,751	119,656
Decrease/(increase) in pledged bank deposits	已抵押銀行存款 減少/(增加)	38,796	(10,117)
Increase in deposits with bank	銀行存款增加	(5,175)	(10,002)
Proceeds from sale of associate	出售聯營公司所得款項	-	657,708
Dividend received from associate	已收聯營公司股息	-	88,632
Dividend received from listed securities	已收上市證券股息	497	323
Dividend received from unlisted securities	已收非上市證券股息	-	1,677
Return of investment from unlisted securities	非上市證券之投資回報	7,010	-
Increase in loan receivable	貸款應收款項增加	(75,061)	-
Proceeds from sale of other financial assets	出售其他財務資產 所得款項	30,765	25,330
Net cash (used in)/generated from investing activities	投資活動所(動用)/產生之 現金淨額	(15,752)	864,771
Financing activities	融資活動		
Proceeds from new bank loans	新做銀行貸款所得款項	611,200	306,830
Repayment of bank loans	償還銀行貸款	(131,372)	(49,319)
Repayment of loans from ultimate holding company	償還最終控股公司貸款	-	(440,480)
Proceeds from shares issued under share option scheme	根據購股權計劃發行 股份所得款項	22,077	4,203
Proceeds from issue of ordinary shares	發行普通股所得款項	-	321,723
Interest paid	已付利息	(72,507)	(70,445)
Dividend paid to equity shareholders of the Company	已付本公司股東股息	(49,523)	(33,682)
Dividend paid to minority shareholder	已付少數股東股息	(620)	(586)
Net cash generated from financing activities	融資活動所產生之現金淨額	379,255	38,244
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 (減少)/增加淨額	(223,427)	344,910
Cash and cash equivalents at 1 January	於一月一日之現金及 現金等價物	756,763	408,566
Effect of foreign exchange rates changes	匯率變動之影響	21,527	3,287
Cash and cash equivalents at 31 December	於十二月三十一日之 現金及現金等價物	554,863	756,763

The notes on pages 114 to 239 form part of these financial statements.

載於第一百一十四頁至第二百三十九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 2007 comprise the Company and its subsidiaries and the Group's interest in associate.

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

截至二零零七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。

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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 38.

一. 主要會計政策(續)

(b) 財務報表編製基準(續)

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

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

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

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，詳述於附註三十八。

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**

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.

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

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

一. 主要會計政策(續)**(c) 附屬公司及少數股東權益**

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

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

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。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Subsidiaries and minority interests

(continued)

Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet in accordance with notes 1(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.

(d) Associates

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

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

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.

一. 主要會計政策(續)

(c) 附屬公司及少數股東權益

(續)

少數股東權益持有人之貸款及其他有關該等持有人之合約責任，於綜合資產負債表根據附註一(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。

(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。

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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)***(d) Associates** *(continued)*

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

(e) Goodwill

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

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

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

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

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

一. 主要會計政策(續)**(d) 聯營公司(續)**

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。

(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。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Other investments in equity securities

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

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

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

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)(vii). 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.

一. 主要會計政策(續)

(f) 其他股本證券投資

本集團及本公司之股本證券投資(除附屬公司及聯營公司投資外)準則如下:

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

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

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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)***(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)(v).

(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

一. 主要會計政策(續)**(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)(v)所載者入賬。

(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

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Other property, plant and equipment

(continued)

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)

Intangible asset represent toll bridge operating right. The intangible asset is stated in the balance sheet 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.

(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.

一. 主要會計政策(續)

(h) 其他物業、廠房及設備(續)

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)

無形資產指收費橋樑經營權，其於資產負債表中按成本值減累計攤銷及耗損虧損列賬(見附註一(k))。

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。

(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。

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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)***(j) Leased assets** *(continued)**(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 assets, 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(續)***(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。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Leased assets (continued)

(iii) Operating lease charges

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

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

(k) Impairment of assets

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

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. 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;

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；

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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)*

- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- 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.

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)*

- 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
- 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。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Impairment of assets (continued)

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

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

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

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

一. 主要會計政策(續)

(k) 資產耗損(續)

(i) *股本證券投資及其他應收款項之耗損(續)*

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

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

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

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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)*

Impairment losses in respect of available-for-sale securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

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.

(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.

一. 主要會計政策(續)**(k) 資產耗損(續)***(i) 股本證券投資及其他應收款項之耗損(續)*

倘若其後之公允值增加可客觀地與確認耗損虧損後發生之事件聯繫，則有關待售證券之耗損虧損會予以撥回。在此等情況下之耗損虧損撥回會在損益表內確認。

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撤銷。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撤銷，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撤銷之款項均於損益表確認。

(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。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

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).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

一. 主要會計政策(續)

(k) 資產耗損(續)

(ii) 其他資產之耗損(續)

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。

– 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)。

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1. SIGNIFICANT ACCOUNTING POLICIES*(continued)***(k) Impairment of assets** *(continued)**(ii) Impairment of other assets (continued)*

- Reversals of impairment losses

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

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

(iii) Interim financial reporting and impairment

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

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)*

- 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。

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 industrial solid waste landfill, are carried at cost less write-down 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".

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安全填埋場之零部件及消耗品，其按成本值減去設備廢棄折餘價值列賬。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。

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1. SIGNIFICANT ACCOUNTING POLICIES*(continued)***(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.

(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.

一. 主要會計政策(續)**(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。

(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。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(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.

(ii) *Share-based payments*

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

一. 主要會計政策(續)

(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。

(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。

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1. SIGNIFICANT ACCOUNTING POLICIES*(continued)***(r) Employee benefits** *(continued)**(ii) Share-based payments (continued)*

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

(iii) Termination benefits

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

(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.

一. 主要會計政策(續)**(r) 僱員福利(續)***(ii) 以股份償付(續)*

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

(iii) 終止福利

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

(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。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Income tax (continued)

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(續)

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.

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。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Income tax (continued)

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

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

(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.

一. 主要會計政策(續)

(s) 所得稅(續)

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

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

(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。

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1. SIGNIFICANT ACCOUNTING POLICIES*(continued)***(t) Financial guarantees issued, provisions and contingent liabilities** *(continued)**(i) Financial guarantees issued (continued)*

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.

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.

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)*

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，即時於損益賬內確認為開支。

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。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

(ii) Other provisions and contingent liabilities (continued)

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.

(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) Revenue from construction services

When the outcome of a construction contract can be estimated reliably, revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(ii) Toll bridge revenue

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

一. 主要會計政策(續)

(t) 已發出財務擔保、撥備及或有負債(續)

(ii) 其他撥備及或有負債(續)

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

(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) 建造服務收益

如能可靠地估計建造工程合約之成果，來自定額合約之收入按完工比率方法確認，完工比率參照迄今為止已產生之合約成本所佔工程完工時之估計合約成本總額之比例計算。

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。

(ii) 收費橋樑收益

收費橋樑收益(經扣除營業稅)按使用路橋基準確認。

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1. SIGNIFICANT ACCOUNTING POLICIES*(continued)***(u) Revenue recognition** *(continued)*

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

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

- (iv) *Finance income*
Finance income is recognised as it accrues using the effective interest method.
- (v) *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.
- (vi) *Property management fee income*
Property management fee income is recognised when the related services are rendered.
- (vii) *Dividends*
- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
 - Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

一. 主要會計政策(續)**(u) 收益確認(續)**

- (iii) 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安全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安全填埋場之運營服務收益於提供相關服務時確認。

- (iv) *財務收入*
財務收入按實際利息法以應計基準確認。
- (v) *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之一部份。
- (vi) *物業管理費收入*
物業管理費收入於提供相關服務時確認。
- (vii) *股息*
- 非上市投資之股息收入於股東確立收取該款項之權利後確認。
 - 上市投資之股息收入於投資之股價除息後確認。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(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.

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.

一. 主要會計政策(續)

(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。

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。

Notes to the Financial Statements 財務報表附註

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

1. SIGNIFICANT ACCOUNTING POLICIES*(continued)***(w) 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.

(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;

一. 主要會計政策(續)**(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。

(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、或受該等個人人仕控制、或共同控制或重大影響之實體；

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(x) Related parties (continued)

- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

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

(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, trade receivables and property, plant and equipment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

一. 主要會計政策(續)

(x) 關聯人仕(續)

- (v) 該人仕為(i)所指之近親家庭成員或受該等個別人仕控制、或共同控制或重大影響之實體；或
- (vi) 屬提供福利予本集團僱員或與集團關聯之實體之僱員離職後福利計劃。

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

(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仕之類似條款釐定。

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)**(y) Segment reporting** (continued)

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.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company.

Note 1 summarises the accounting policies of the Group after the adoption of these developments to the extent that they are relevant to the Group. The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements:

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, *Financial instruments: Disclosure and presentation*. These disclosures are provided throughout these financial statements, in particular in note 31.

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's and the Company's objectives, policies and processes for managing capital. These new disclosures are set out in note 30(f).

一. 主要會計政策(續)**(y) 分部報告(續)**

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。

二. 會計政策之變動

香港會計師公會頒佈了多項新訂及經修訂之香港財務報告準則及詮釋，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或可供提前採用。

附註一載列本集團於採納上述與本集團有關之新訂及經修訂準則後之會計政策概要。與本會計期間及過往會計期間有關，並已在財務報表中反映之會計政策重大變動詳情載於下文：

由於採納香港財務報告準則第7號的關係，此等財務報表包括有關本集團金融工具之重要性以及該等工具之性質與風險程度之披露，有關披露資料較過往根據香港會計準則第32號—「金融工具：披露及呈報」規定所披露之資料詳盡。此等披露資料於此等財務報表內多處提供，特別是附註三十一。

香港會計準則第1號之修訂條文引入額外披露規定，規定須提供有關資本水平及本集團與本公司管理資本之目標、政策及程序之資料。此等新披露事項載於附註三十(f)。

2. CHANGES IN ACCOUNTING POLICIES (continued)

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements.

The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period (see note 39) except for HK(IFRIC) 12, *Service concession arrangements*, which is effective for accounting periods beginning on or after 1 January 2008.

The following sets out further information on the adoption of HK(IFRIC) 12 for the current and prior accounting periods reflected in these financial statements.

(a) Restatement of prior periods and opening balances

The following tables disclose the adjustments that have been made in accordance with the transitional provisions of HK(IFRIC) 12 to each of the line items in the consolidated income statement, balance sheet, cash flow statement and other significant related disclosure items as previously reported for the year ended 31 December 2006. The effects of the changes in accounting policies on the balances at 1 January 2006 are disclosed in note 30(a).

二. 會計政策之變動(續)

香港財務報告準則第7號及香港會計準則第1號並無對財務報表內所確認之數額之分類、確認及計量，造成任何重大影響。

本集團並無應用任何於本會計年度尚未生效之新準則或詮釋(見附註三十九)，惟於二零零八年一月一日或之後開始之會計年度生效的《香港(國際財務報告詮釋委員會)詮釋》第12號—「服務特許經營權安排」除外。

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採用《香港(國際財務報告詮釋委員會)詮釋》第12號之進一步詳情載於下文。

(a) 重報過往期間及期初結餘

下表披露根據《香港(國際財務報告詮釋委員會)詮釋》第12號之過渡條文，就截至二零零六年十二月三十一日止年度綜合損益表、綜合資產負債表、綜合現金流量表及其他重大相關披露項目內各個已呈報項目作出之調整。會計政策變動對二零零六年一月一日結餘之影響載於附註三十(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)

2. CHANGES IN ACCOUNTING POLICIES*(continued)***(a) Restatement of prior periods and opening balances** *(continued)*(i) *Effect on the consolidated financial statements***Consolidated income statement for the year ended 31 December 2006****二. 會計政策之變動(續)****(a) 重報過往期間及期初結餘** *(續)*(i) *對綜合財務報表之影響***截至二零零六年十二月三十一日止年度之綜合損益表**

		2006 (as previously reported) 二零零六年 (如前呈報)	Effect of HK(IFRIC) 12 (increase/ (decrease) in profit for the year) 《香港(國際 財務報告 詮釋委員會) 詮釋》第12號 之影響 (年內盈利 增加/(減少)) (note 2(c)) (附註二(c))	2006 (as restated) 二零零六年 (已重報)
		\$'000 千元	\$'000 千元	\$'000 千元
Turnover	營業額	235,859	648,184	884,043
Direct costs and operating expenses	直接成本及經營費用	(71,645)	(568,948)	(640,593)
Other revenue	其他收益	164,214	79,236	243,450
Other net income	其他收入淨額	26,016	–	26,016
Administrative expenses	行政費用	353,964	(17,186)	336,778
Valuation gains on investment properties	投資物業 估值盈餘	(92,103)	8,304	(83,799)
		5,831	–	5,831
Profit from operations	經營盈利	457,922	70,354	528,276
Finance costs	財務費用	(52,631)	(17,814)	(70,445)
Share of profits of associates	所佔聯營公司盈利	405,291	52,540	457,831
		32,658	–	32,658
Profit before taxation	除稅前盈利	437,949	52,540	490,489
Income tax	所得稅	(9,899)	(50)	(9,949)
Profit for the year	本年度盈利	428,050	52,490	480,540

2. CHANGES IN ACCOUNTING POLICIES (continued)

(a) Restatement of prior periods and opening balances (continued)

- (i) Effect on the consolidated financial statements (continued)

Consolidated income statement for the year ended 31 December 2006 (continued)

二. 會計政策之變動(續)

(a) 重報過往期間及期初結餘(續)

- (i) 對綜合財務報表之影響(續)

截至二零零六年十二月三十一日止年度之綜合損益表(續)

		Effect of HK(IFRIC) 12 (increase/ (decrease) in profit for the year) 《香港(國際 財務報告 詮釋委員會) 詮釋》第12號 之影響 (年內盈利 增加/(減少)) (note 2(c)) (附註二(c))	
	2006 (as previously reported) 二零零六年 (如前呈報)		2006 (as restated) 二零零六年 (已重報)
	\$'000 千元	\$'000 千元	\$'000 千元
Attributable to:			
Equity shareholders of the Company	409,347	51,131	460,478
Minority interests	18,703	1,359	20,062
	<u>428,050</u>	<u>52,490</u>	<u>480,540</u>
Profit for the year	428,050	52,490	480,540
Earnings per share			
Basic	14.15 cents	1.77 cents	15.92 cents
Diluted	13.85 cents	1.73 cents	15.58 cents

Attributable to:

Equity shareholders of the Company
Minority interests

應佔部份：

本公司股東
少數股東權益

Profit for the year

本年度盈利

Earnings per share

每股盈利

Basic

基本

Diluted

攤薄

Notes to the Financial Statements 財務報表附註

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

2. CHANGES IN ACCOUNTING POLICIES*(continued)***(a) Restatement of prior periods and opening balances** *(continued)*(i) *Effect on the consolidated financial statements*
*(continued)***Consolidated income statement for the year ended 31 December 2006** *(continued)***二. 會計政策之變動(續)****(a) 重報過往期間及期初結餘**
(續)(i) *對綜合財務報表之影響*
*(續)***截至二零零六年十二月三十一日止年度之綜合損益表(續)**

		Effect of HK(IFRIC) 12 (increase/ (decrease) in profit for the year) 《香港(國際 財務報告 詮釋委員會) 詮釋》第12號 之影響 (年內盈利 增加/(減少)) (note 2(c)) (附註二(c))		2006 (as restated) 二零零六年 (已重報)
	2006 (as previously reported) 二零零六年 (如前呈報)			
	\$'000 千元	\$'000 千元		\$'000 千元
Other significant disclosure items:	其他重大披露項目：			
Revenue from construction services		633,748		633,748
Revenue from waste-water treatment plants operation services	99,604	(12,014)		87,590
Revenue from waste-to-energy power plant operation services	18,404	(425)		17,979
Revenue from methane-to-energy power plant operation services	1,204	271		1,475
Finance income	-	53,003		53,003
Finance lease income	21,450	(21,450)		-
Rental income	19,031	(4,949)		14,082
Amortisation of intangible assets	(1,485)	(19,227)		(20,712)
Depreciation	(23,636)	18,212		(5,424)
	<u>(23,636)</u>	<u>18,212</u>		<u>(5,424)</u>

2. CHANGES IN ACCOUNTING POLICIES*(continued)***(a) Restatement of prior periods and opening balances** *(continued)*(i) *Effect on the consolidated financial statements*
*(continued)***Consolidated balance sheet at 31 December 2006****二. 會計政策之變動(續)****(a) 重報過往期間及期初結餘**
(續)(i) *對綜合財務報表之影響*
(續)

於二零零六年十二月三十一日之綜合資產負債表

		Effect of HK(IFRIC) 12 (increase/ (decrease) in net assets for the year) 《香港(國際 財務報告 詮釋委員會) 詮釋》第12號 之影響 (年內資產淨額 增加/(減少)) (note 2(c)) (附註二(c))			
	2006 (as previously reported) 二零零六年 (如前呈報)	2006 (as restated) 二零零六年 (已重報)			
	\$'000 千元	\$'000 千元		\$'000 千元	
Non-current assets					
Fixed assets					
– Investment properties	168,308	–		168,308	
– Other property, plant and equipment	1,209,741	(1,114,610)		95,131	
– Interest in leasehold land held under operating leases	242,583	(242,583)		–	
	1,620,632	(1,357,193)		263,439	
Intangible asset	66,412	483,237		549,649	
Goodwill	48,318	(2,185)		46,133	
Interest in associate	442	–		442	
Other financial assets	62,976	–		62,976	
Other receivables and deposits	–	408,559		408,559	
Finance lease receivables	789,177	(789,177)		–	
Gross amounts due from customers for contract work	–	944,161		944,161	
Deferred tax assets	18,625	4,297		22,922	
	2,606,582	(308,301)		2,298,281	

Notes to the Financial Statements 財務報表附註

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

2. CHANGES IN ACCOUNTING POLICIES*(continued)***(a) Restatement of prior periods and opening balances** *(continued)*(i) *Effect on the consolidated financial statements* *(continued)***Consolidated balance sheet at 31 December 2006** *(continued)***二. 會計政策之變動(續)****(a) 重報過往期間及期初結餘** *(續)*(i) *對綜合財務報表之影響* *(續)*於二零零六年十二月三十一日之綜合資產負債表 *(續)*

	2006 (as previously reported) 二零零六年 (如前呈報)	Effect of HK(IFRIC) 12 (increase/ (decrease) in net assets for the year) 《香港(國際 財務報告 詮釋委員會) 詮釋》第12號 之影響 (年內資產淨額 增加/(減少)) (note 2(c)) (附註二(c))	2006 (as restated) 二零零六年 (已重報)
	\$'000 千元	\$'000 千元	\$'000 千元
Current assets			
Inventories	3,445	-	3,445
Debtors, other receivables, deposits and prepayments	123,319	32,094	155,413
Finance lease receivables	14,643	(14,643)	-
Gross amounts due from customers for contract work	-	61,747	61,747
Pledged bank deposits	99,314	-	99,314
Deposits with bank	10,909	-	10,909
Cash and cash equivalents	756,763	-	756,763
	1,008,393	79,198	1,087,591
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2. CHANGES IN ACCOUNTING POLICIES (continued)

(a) Restatement of prior periods and opening balances (continued)

- (i) Effect on the consolidated financial statements (continued)

Consolidated balance sheet at 31 December 2006 (continued)

二. 會計政策之變動(續)

(a) 重報過往期間及期初結餘(續)

- (i) 對綜合財務報表之影響(續)

於二零零六年十二月三十一日之綜合資產負債表(續)

		Effect of HK(IFRIC) 12 (increase/ (decrease) in net assets for the year) 《香港(國際 財務報告 詮釋委員會) 詮釋》第12號 之影響 (年內資產淨額 增加/(減少)) (note 2(c)) (附註二(c))	2006 (as restated) 二零零六年 (已重報)
	2006 (as previously reported) 二零零六年 (如前呈報)	\$'000 千元	\$'000 千元
Current liabilities	流動負債		
Secured bank loans	有抵押銀行貸款	88,448	88,448
Creditors, other payables and accrued expenses	應付賬款、其他應付款項及應計費用	539,031	249,179
Current taxation	本期稅項	1,515	1,515
		628,994	339,142
Net current assets	流動資產淨額	379,399	748,449
Total assets less current liabilities	總資產減流動負債	2,985,981	3,046,730
Non-current liabilities	非流動負債		
Secured bank loans	有抵押銀行貸款	802,584	802,584
Loans from ultimate holding company	最終控股公司貸款	98,828	98,828
Deferred tax liabilities	遞延稅項負債	26,276	32,122
		927,688	933,534
NET ASSETS	資產淨額	2,058,293	2,113,196

Notes to the Financial Statements 財務報表附註

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

2. CHANGES IN ACCOUNTING POLICIES
(continued)**(a) Restatement of prior periods and opening balances** (continued)

(i) Effect on the consolidated financial statements (continued)

Consolidated balance sheet at 31 December 2006 (continued)**二. 會計政策之變動(續)****(a) 重報過往期間及期初結餘**
(續)(i) 對綜合財務報表之影響
(續)

於二零零六年十二月三十一日之綜合資產負債表(續)

		Effect of HK(IFRIC) 12 (increase/ (decrease) in net assets for the year) 《香港(國際 財務報告 詮釋委員會) 詮釋》第12號 之影響 (年內資產淨額 增加/(減少)) (note 2(c)) (附註二(c))		2006 (as restated) 二零零六年 (已重報)
	2006 (as previously reported) 二零零六年 (如前呈報)			2006 (as restated) 二零零六年 (已重報)
	\$'000 千元	\$'000 千元		\$'000 千元
CAPITAL AND RESERVES				
Share capital	307,601	–		307,601
Reserves	1,633,737	54,785		1,688,522
Total equity attributable to equity shareholders of the Company	1,941,338	54,785		1,996,123
Minority interests	116,955	118		117,073
TOTAL EQUITY	2,058,293	54,903		2,113,196

2. CHANGES IN ACCOUNTING POLICIES (continued)

(a) Restatement of prior periods and opening balances (continued)

- (i) Effect on the consolidated financial statements (continued)

Consolidated cash flow statement for the year ended 31 December 2006

二. 會計政策之變動(續)

(a) 重報過往期間及期初結餘(續)

- (i) 對綜合財務報表之影響(續)

截至二零零六年十二月三十一日止年度之綜合現金流量表

		Effect of adoption of		
		2006	HK(IFRIC) 12	2006
		(as previously reported)	採納《香港(國際財務報告詮釋委員會)詮釋》第12號之影響 (note 2(c)) (附註二(c))	(as restated)
		二零零六年 (如前呈報)		二零零六年 (已重報)
		\$'000	\$'000	\$'000
		千元	千元	千元
Net cash generated from/(used in) operating activities	經營活動產生/(動用)之現金淨額	178,548	(736,653)	(558,105)
Net cash generated from investing activities	投資活動產生之現金淨額	128,118	736,653	864,771
Net cash generated from financing activities	融資活動產生之現金淨額	38,244	-	38,244
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	344,910	-	344,910

(b) Estimated effect of changes in accounting policies on the current period

The following tables provide estimates of the extent to which each of the line items in the consolidated income statement, balance sheet, cash flow statement and other significant related disclosure items for the year ended 31 December 2007 is higher or lower than it would have been had the previous policies still been applied in the year, where it is practicable to make such estimates.

(b) 會計政策變動對本期間之估計影響

下表載列假設本年度繼續採用過往會計政策，計算本集團截至二零零七年十二月三十一日止年度綜合損益表、綜合資產負債表、綜合現金流量表及其他重大相關披露項目內各個項目時，可能增加或減少之估計金額(倘計算有關估計金額屬切實可行)。

Notes to the Financial Statements 財務報表附註

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

2. CHANGES IN ACCOUNTING POLICIES*(continued)***(b) Estimated effect of changes in accounting policies on the current period** *(continued)*(i) *Effect on the consolidated financial statements***Estimated effect on the consolidated income statement for the year ended 31 December 2007****二. 會計政策之變動(續)****(b) 會計政策變動對本期間之估計影響(續)**(i) *對綜合財務報表之影響***對截至二零零七年十二月三十一日止年度之綜合損益表之估計影響**

		Estimated effect of HK(IFRIC) 12 (increase/(decrease) in profit for the year) 《香港(國際財務報告詮釋委員會) 詮釋》第12號之估計影響 (年內盈利增加/(減少)) (note 2(c)) (附註二(c)) \$'000 千元
Turnover	營業額	866,707
Direct costs and operating expenses	直接成本及經營費用	(727,560)
Administrative expenses	行政費用	139,147 5,969
Profit from operations	經營盈利	145,116
Finance costs	財務費用	(4,986)
Profit before taxation	除稅前盈利	140,130
Income tax	所得稅	(38,205)
Profit for the year	本年度盈利	101,925
Attributable to:	應佔部份：	
Equity shareholders of the Company	本公司股東	98,752
Minority interests	少數股東權益	3,173
Profit for the year	本年度盈利	101,925

2. CHANGES IN ACCOUNTING POLICIES 二. 會計政策之變動(續)

(continued)

(b) Estimated effect of changes in accounting policies on the current period (continued)

(i) Effect on the consolidated financial statements (continued)

Estimated effect on the consolidated income statement for the year ended 31 December 2007 (continued)

(b) 會計政策變動對本期間之估計影響(續)

(i) 對綜合財務報表之影響(續)

對截至二零零七年十二月三十一日止年度之綜合損益表之估計影響(續)

		Estimated effect of HK(IFRIC) 12 (increase/(decrease) in profit for the year) 《香港(國際財務報告詮釋委員會) 詮釋》第12號之估計影響 (年內盈利增加/(減少)) (note 2(c)) (附註二(c)) \$'000 千元
Earnings per share	每股盈利	
Basic	基本	3.18 cents/仙
Diluted	攤薄	3.08 cents/仙
Other significant disclosure items:	其他重大披露項目：	
Revenue from construction services	建造服務收益	843,880
Revenue from waste-water treatment plants operation services	污水處理廠運營服務收益	(12,068)
Revenue from waste-to-energy power plants operation services	垃圾焚燒發電廠運營服務收益	(16,920)
Revenue from methane-to-energy power plant operation services	沼氣發電廠運營服務收益	(279)
Revenue from industrial solid waste landfill operation services	工業固體廢物安全填埋場運營服務收益	(1,701)
Finance income	財務收入	124,954
Finance lease income	融資租賃收入	(71,159)
Rental income	租金收入	(9,188)
Amortisation of intangible assets	無形資產攤銷	(13,762)
Depreciation	折舊	7,382

Notes to the Financial Statements 財務報表附註

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

2. CHANGES IN ACCOUNTING POLICIES (continued)

(b) Estimated effect of changes in accounting policies on the current period (continued)

(i) Effect on the consolidated financial statements (continued)

Estimated effect on the consolidated balance sheet at 31 December 2007

二. 會計政策之變動(續)

(b) 會計政策變動對本期間之估計影響(續)

(i) 對綜合財務報表之影響(續)

對二零零七年十二月三十一日之綜合資產負債表之估計影響

		Estimated effect of HK(IFRIC) 12 (increase/(decrease) in net assets) 《香港(國際財務報告詮釋委員會) 詮釋》第12號之估計影響 (資產淨額增加/(減少)) (note 2(c)) (附註二(c)) \$'000 千元
Non-current assets	非流動資產	
Fixed assets	固定資產	
-Other property, plant and equipment	-其他物業、廠房及設備	(1,221,943)
-Interest in leasehold land held under operating leases	-根據經營租賃持有之租賃土地權益	(254,593)
		(1,476,536)
Intangible asset	無形資產	500,095
Goodwill	商譽	(2,352)
Other receivables and deposits	其他應收款項及按金	690,019
Finance lease receivables	融資租賃應收款項	(1,513,592)
Gross amounts due from customers for contract work	應收客戶合約工程款項總額	1,752,995
Deferred tax assets	遞延稅項資產	10,628
		(38,743)
Current assets	流動資產	
Debtors, other receivables, deposits and prepayments	應收賬款、其他應收款項、按金及預付款項	60,972
Finance lease receivables	融資租賃應收款項	(29,349)
Gross amounts due from customers for contract work	應收客戶合約工程款項總額	122,617
		154,240
Current liabilities	流動負債	
Creditors, other payables and accrued expenses	應付賬款、其他應付款項及應計費用	88,672
Net current assets	流動資產淨額	242,912

2. CHANGES IN ACCOUNTING POLICIES*(continued)***(b) Estimated effect of changes in accounting policies on the current period** *(continued)*(i) *Effect on the consolidated financial statements*
*(continued)***Estimated effect on the consolidated balance sheet at 31 December 2007** *(continued)***二. 會計政策之變動(續)****(b) 會計政策變動對本期間之估計影響(續)**(i) *對綜合財務報表之影響*
(續)

對二零零七年十二月三十一日之綜合資產負債表之估計影響(續)

		Estimated effect of HK(IFRIC) 12 (increase/(decrease) in net assets) 《香港(國際財務報告詮釋委員會) 詮釋》第12號之估計影響 (資產淨額增加/(減少)) (note 2(c)) (附註二(c)) \$'000 千元
Total assets less current liabilities	總資產減流動負債	204,169
Non-current liabilities	非流動負債	
Deferred tax liabilities	遞延稅項負債	(52,425)
NET ASSETS	資產淨額	<u>151,744</u>
CAPITAL AND RESERVES	股本及儲備	
Exchange reserve	匯兌儲備	(5,247)
Retained profits	保留盈利	<u>153,376</u>
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益總額	148,129
Minority interests	少數股東權益	<u>3,615</u>
TOTAL EQUITY	權益總額	<u>151,744</u>

Notes to the Financial Statements 財務報表附註

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

2. CHANGES IN ACCOUNTING POLICIES*(continued)***(b) Estimated effect of changes in accounting policies on the current period** *(continued)*(i) *Effect on the consolidated financial statements*
*(continued)***Estimated effect on the consolidated cash flow statement for the year ended 31 December 2007****二. 會計政策之變動(續)****(b) 會計政策變動對本期間之估計影響(續)**(i) *對綜合財務報表之影響*
*(續)***對截至二零零七年十二月三十一日止年度之綜合現金流量表之估計影響**

		Estimated effect of adoption of HK(IFRIC) 12 採納《香港(國際財務報告詮釋委員會) 詮釋》第12號之估計影響 (note 2(c)) (附註二(c)) \$'000 千元
Net decrease in cash from operating activities	經營活動之 現金淨額減少	(846,987)
Net increase in cash from investing activities	投資活動之 現金淨額增加	846,987
Net change in cash and cash equivalents	現金及現金等價物 變動淨額	—

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(c) Service concession arrangements (HK(IFRIC) 12: Service concession arrangements)

In prior years, the Group recognised property, plant and equipment of certain of its Build-Operate-Transfer (“BOT”) and Transfer-Operate-Transfer (“TOT”) arrangements as finance lease receivables in accordance with HK(IFRIC) 4, *Determining whether an arrangement contains a lease*. The lease receivables were reduced when lease payments, being a portion of the waste-water treatment revenue, waste treatment revenue and electricity income, were received and an imputed finance lease income on the lease receivables was recognised using an estimate of the lessee’s incremental borrowing rate of interest. The leasehold land on which the waste-water treatment plants and waste-to-energy power plants are situated was classified as an operating lease and rental income was recognised in profit or loss in equal instalments over the periods covered by the lease term.

Apart from the above, the Group recognised toll bridge and its ancillary facilities under BOT arrangement as property, plant and equipment. Toll bridge was depreciated on an units-of-usage basis which was based on the actual traffic volume for a particular period over the projected total traffic volume throughout the periods for which the Group was granted the right to operate the bridge. Toll bridge ancillary facilities were depreciated on a straight-line basis over their estimated useful lives of 5 to 10 years.

二. 會計政策之變動(續)

(c) 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12號-「服務特許經營權安排」)

於過往年度，本集團根據《香港(國際財務報告詮釋委員會)詮釋》第4號-「釐定一項安排是否包含租賃」，把其在若干「建造－運營－轉移」(「BOT」)及「轉移－運營－轉移」(「TOT」)安排下的物業、廠房及設備，確認為融資租賃應收款項。租賃應收款項會於租賃款項(即部份污水處理收益、垃圾處理收益及電費收入)獲收取後扣減，並會透過利用承租人之估計累升借貸利率，確認租賃應收款項之估算融資租賃收入。污水處理廠及垃圾焚燒發電廠所在租賃土地被歸類為經營租賃。租金收入於租賃期內以等額方式在損益表內確認。

除上述者外，本集團把在BOT安排下的收費橋樑及其附屬設施，確認為物業、廠房及設備。收費橋樑之折舊乃按照交通流量法計提。其按有關期間之實際交通流量佔本集團獲授該橋樑經營權期間之預計交通總流量之比例計提。收費橋樑附屬設施之折舊乃按直線法於其估計可使用期間5至10年內計提。

Notes to the Financial Statements 財務報表附註

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

2. CHANGES IN ACCOUNTING POLICIES*(continued)***(c) Service concession arrangements (HK(IFRIC) 12: Service concession arrangements) (continued)**

During 2007, the Group early adopted HK(IFRIC) 12. With effect from 1 January 2007, in accordance with HK(IFRIC) 12, the BOT and TOT arrangements of the Group, such as the waste-water treatment projects, waste-to-energy projects, methane-to-energy project, industrial solid waste landfill project and toll bridge project, are service concession arrangements under HK(IFRIC) 12. Infrastructure within the scope of HK(IFRIC) 12 is not recognised as property, plant and equipment or finance lease receivables (according to HK(IFRIC) 4) as control of the infrastructure of the projects remains in public hands but the Group is responsible for construction or upgrade activities, as well as for operating and maintaining the public sector infrastructure.

二. 會計政策之變動(續)**(c) 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12號-「服務特許經營權安排」)(續)**

於二零零七年，本集團提早採納《香港(國際財務報告詮釋委員會)詮釋》第12號。自二零零七年一月一日起，根據《香港(國際財務報告詮釋委員會)詮釋》第12號之規定，本集團的BOT及TOT安排，包括污水處理項目、垃圾焚燒發電項目、沼氣發電項目、工業固體廢物安全填埋場項目及收費橋樑項目，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。在《香港(國際財務報告詮釋委員會)詮釋》第12號範圍內的基礎建設不會確認為物業、廠房及設備或融資租賃應收款項(根據《香港(國際財務報告詮釋委員會)詮釋》第4號)，因為有關項目的基礎設施的控制權乃在公眾手裡，惟本集團負責建造或改造工作，以及運營及維修保養公共基礎設施。

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(c) Service concession arrangements (HK(IFRIC) 12: Service concession arrangements) (continued)

As a result, the Group accounts for revenue and costs relating to construction or upgrade services of the infrastructure in accordance with HKAS 11, *Construction contracts*. In accordance with HKAS 11, when the outcome of a construction contract can be estimated reliably, revenue from construction services is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract. When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. Construction contracts in progress at the balance sheet date are recorded in the balance sheet at the net amount of costs incurred plus recognised profits 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 customers are included in the balance sheet under "Debtors, other receivables, deposits and prepayments".

二. 會計政策之變動(續)

(c) 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12號-「服務特許經營權安排」)(續)

因此，本集團根據香港會計準則第11號-「建造合約」之規定確認基礎建設之建造或改造服務所涉及之收益與成本。根據香港會計準則第11號，當建造合約之成果可以可靠估計時，建造服務之收益將會根據完工比率方法，按迄今為止已產生之合約成本佔估計合約成本總額之比例計算確認。當建造合約之成果未能可靠估計時，收益只會按已產生之合約成本之可收回部份確認。於結算日尚在進行中之工程合約，則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。

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2. CHANGES IN ACCOUNTING POLICIES*(continued)***(c) Service concession arrangements (HK(IFRIC) 12: Service concession arrangements) (continued)**

Considerations received or receivable by the Group for the construction or upgrade services are recognised at their fair values as financial assets (for waste-water treatment projects, waste-to-energy projects, methane-to-energy project and industrial solid waste landfill project) or an intangible asset (for toll bridge project). For financial assets recognised, they are reduced when payments, being a portion of the waste-water treatment revenue, waste treatment revenue and electricity income, are received. Finance income on the financial assets is recognised using an estimate of the service concession grantors' incremental borrowing rate of interest. For intangible asset recognised, it is amortised on a straight-line basis over its estimated useful life of 30 years.

Borrowing costs incurred for the construction and upgrade services are not capitalised and are expensed in the period in which they are incurred, except for the toll bridge project which are capitalised and included as intangible asset.

The new accounting policy has been applied retrospectively with comparatives restated. The adjustments for each financial statement line affected for the years ended 31 December 2006 and 2007 are set out in notes 2(a) and 2(b). Further details of the arrangement are set out in note 38.

二. 會計政策之變動(續)**(c) 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12號-「服務特許經營權安排」)(續)**

本集團就建造或改造服務而已收或應收之代價，將按彼等之公允值確認為財務資產(污水處理項目、垃圾焚燒發電項目、沼氣發電項目及工業固體廢物安全填埋項目)或無形資產(收費橋樑項目)。就已確認之財務資產而言，其會於有關款項(即部份污水處理收益、垃圾處理收益及電費收入)獲收取後扣減。財務資產之財務收入會透過利用服務特許經營權授予人之估計累升借貸利率計算確認。已確認之無形資產按直線法於估計可使用年期30年內攤銷。

建造及改造服務所產生之借貸成本不會資本化，並將於產生之期間列支；惟收費橋樑項目除外，其將資本化並入賬為無形資產。

上述新會計政策已追溯應用，並已重報比較數字。附註二(a)及二(b)載列就二零零六年及二零零七年十二月三十一日止年度之財務報表各個受影響項目所作之調整。有關安排之進一步資料載於附註三十八。

3. TURNOVER

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

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

三. 營業額

本集團之主要業務為建造、收費橋樑運營、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安全填埋場)、物業投資及管理、環保項目管理及顧問及投資控股。

營業額包括建造服務收益、收費橋樑收益、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安全填埋場之運營服務收益、財務收入、租金收入及物業管理費收入。年內已在營業額中確認的各項主要收益類別的數額如下：

		2007 二零零七年	2006 二零零六年 (restated) (重報)
		\$'000 千元	\$'000 千元
Revenue from construction services	建造服務收益	843,880	633,748
Toll bridge revenue	收費橋樑收益	92,477	72,584
Revenue from waste-water treatment plants operation services	污水處理廠運營服務收益	194,104	87,590
Revenue from waste-to-energy power plants operation services	垃圾焚燒發電廠運營服務收益	62,506	17,979
Revenue from methane-to-energy power plant operation services	沼氣發電廠運營服務收益	9,028	1,475
Revenue from industrial solid waste landfill operation services	工業固體廢物安全填埋場運營服務收益	4,023	-
Finance income	財務收入	124,954	53,003
Gross rentals from investment properties	投資物業租金總額	13,127	14,082
Property management fee income	物業管理費收入	3,753	3,582
		1,347,852	884,043

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4. OTHER REVENUE AND OTHER NET INCOME 四. 其他收益及其他收入淨額

		2007	2006
		二零零七年	二零零六年 (restated) (重報)
		\$'000	\$'000
		千元	千元
Other revenue	其他收益		
Bank interest income	銀行利息收入	17,693	17,612
Dividend income from listed securities	上市證券之股息收入	4,417	3,149
Dividend income from unlisted securities	非上市證券之股息收入	-	1,677
Others	其他	13,616	3,578
		35,726	26,016
Other net income	其他收入淨額		
Profit on sale of associate	出售聯營公司之盈利	-	310,000
Profit on sale of investment properties	出售投資物業之盈利	-	16,083
Profit on sale of available-for-sale securities	出售待售證券之盈利	23,683	11,542
Net gain/(loss) on sale of other property, plant and equipment	出售其他物業、廠房及設備 之收益/(虧損)淨額	860	(847)
		24,543	336,778

5. PROFIT BEFORE TAXATION

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

五. 除稅前盈利

除稅前盈利已扣除/(計入):

		2007	2006
		二零零七年	二零零六年 (restated)
		\$'000	\$'000
		千元	千元
(a)	Finance costs:		
	Interest on bank advances wholly repayable within five years	11,413	3,758
	Interest on other bank advances	61,094	42,671
	Interest on loans from ultimate holding company	-	24,016
		72,507	70,445
(b)	Staff costs:		
	Contributions to defined contribution retirement plan	5,467	2,971
	Equity-settled share-based payment expenses (note 29)	8,086	6,027
	Salaries, wages and other benefits	78,925	48,781
		92,478	57,779
(c)	Other items:		
	Amortisation of intangible asset	21,917	20,712
	Depreciation		
	- assets held for use under operating leases	-	732
	- other assets	7,132	4,692
	Net foreign exchange (gain)/loss	(13,541)	6,587
	Auditors' remuneration		
	- audit services	2,795	2,440
	- other services	410	300
	Operating lease charges:		
	minimum lease payments		
	- hire of premises	2,059	1,610
	Rentals receivable from properties less direct outgoings of \$925,000 (2006: \$1,276,000)	(12,202)	(12,806)

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6. SHARE OF (LOSSES)/PROFITS OF ASSOCIATES**六. 所佔聯營公司(虧損)/盈利**

		2007	2006
		二零零七年	二零零六年
		\$'000	\$'000
		千元	千元
Share of (losses)/profits of associates before taxation	所佔聯營公司除稅前(虧損)/盈利	(478)	38,246
Share of associates' taxation	所佔聯營公司稅項	-	(5,588)
		(478)	32,658

7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT**七. 綜合損益表之所得稅****(a) Income tax in the consolidated income statement represents:****(a) 綜合損益表所示的所得稅為：**

		2007	2006
		二零零七年	二零零六年
		\$'000	\$'000
		千元	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	15,018	6,847
Over-provision in respect of prior years	過往年度撥備過剩	(809)	-
		14,209	6,847
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差異之產生及轉回	8,274	3,102
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)	-
		(7,402)	3,102
		6,807	9,949

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

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

No provision for Hong Kong Profits Tax has been made in the financial statements as the tax losses brought forward from the previous years exceed 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.

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%. Dividends declared by the PRC subsidiaries to parent companies incorporated in Hong Kong and the British Virgin Islands are subject to withholding tax of 5% and 10% respectively. 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.

The new tax law has been applied when measuring the Group's deferred tax assets and liabilities as at 31 December 2007. As a result of the change of applicable tax rates, the net change in balance of deferred tax of \$15,676,000 has been credited to profit or loss. The enactment of the new tax law has no financial effect on the amounts accrued in the balance sheet in respect of current tax payable.

七. 綜合損益表之所得稅(續)

(a) 綜合損益表所示的所得稅為：(續)

由於本年度內本集團之香港業務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。

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%。中國附屬公司向於香港及英屬處女群島註冊成立之母公司宣派之股息，須分別按5%及10%之稅率繳納預扣稅。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，本集團旗下合資格享有全數或減半豁免繳納中國企業所得稅之中國附屬公司，將於五年減免過渡期內逐步變為按標準稅率25%繳稅。

在計算本集團截至二零零七年十二月三十一日之遞延稅項資產及負債時，已應用新稅法計算。鑑於適用稅率有變，遞延稅項結餘變動淨額15,676,000元已計入損益表內。新稅法之制定並無對資產負債表中有關應付即期稅項之累計金額構成任何財務影響。

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7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)**(a) Income tax in the consolidated income statement represents:** (continued)

In accordance with Caishui (2008) No.1 issued by State Tax Authorities, undistributed profits from the PRC subsidiaries up to 31 December 2007 will be exempted from withholding tax when they are distributed in future. As a result, no provision for withholding tax is made as at 31 December 2007.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:**七. 綜合損益表之所得稅(續)****(a) 綜合損益表所示的所得稅為：**(續)

根據國家稅務總局所頒佈之財稅(2008)第1號，中國附屬公司截至二零零七年十二月三十一日之未分配盈利於未來作出分派時，將獲豁免繳納預扣稅。因此，於二零零七年十二月三十一日並無作出預扣稅撥備。

(b) 按適用稅率計算之稅項支出與會計盈利之對賬

		2007 二零零七年	2006 二零零六年 (restated) (重報)
		\$'000 千元	\$'000 千元
Profit before taxation	除稅前盈利	366,886	490,489
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	67,589	91,870
Tax effect of non-deductible expenses	不可扣減支出之稅項影響	3,999	6,808
Tax effect of non-taxable income	非課稅收入之稅項影響	(9,784)	(76,057)
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	(21,717)	(10,205)
Tax effect of prior year's temporary differences recognised this year	本年度確認之以往年度暫時差異之稅項影響	-	(6,769)
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)	(358)
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	216	4,660
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)	-
Over-provision in prior years	以往年度撥備過剩	(809)	-
Actual tax expense	實際稅項支出	6,807	9,949

8. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

八. 董事酬金

根據香港《公司條例》第一百六十一條列報之董事酬金如下：

		Salaries, allowances and benefits		Retirement scheme contributions		Sub-total	Share-based payments (Note) (附註)	2007 Total 二零零七年總額
		Directors' fees 董事袍金	in kind 薪金、津貼及實物利益	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款			
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Executive directors	執行董事							
Tang Shuangning (appointed on 16 July 2007)	唐雙寧(於二零零七年七月十六日獲委任)	-	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 Chaohua (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
		<u>310</u>	<u>10,034</u>	<u>4,750</u>	<u>245</u>	<u>15,339</u>	<u>2,008</u>	<u>17,347</u>

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8. DIRECTORS' REMUNERATION (continued)

八. 董事酬金(續)

		Salaries, allowances and benefits	Retirement scheme			2006		
		Directors' fees	in kind	Discretionary bonuses	contributions	Share-based payments	Sub-total	Total
		薪金、津貼 及實物利益	董事袍金	酌情花紅	退休計劃 供款	股份償付	小計	二零零六年 總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
Executive directors	執行董事							
Wang Mingquan	王明權	-	35	-	-	35	457	492
Zang Qiutao	臧秋濤	-	1,704	1,000	-	2,704	365	3,069
Li Xueming	李學明	-	1,694	1,000	-	2,694	365	3,059
Chen Xiaoping	陳小平	-	2,170	2,400	-	4,570	457	5,027
Fan Yan Hok, Philip	范仁鶴	-	1,813	1,000	139	2,952	365	3,317
Huang Chaohua	黃朝華	-	1,390	1,000	-	2,390	274	2,664
Wong Kam Chung, Raymond	黃錦聰	-	1,195	750	96	2,041	274	2,315
Chen Shuang	陳爽	-	25	-	-	25	91	116
Zhang Weiyun	張衛云	-	878	-	-	878	91	969
Independent non-executive directors	獨立非執行董事							
Sir David Akers-Jones	鍾逸傑爵士	110	50	-	-	160	-	160
Li Kwok Sing, Aubrey	李國星	100	50	-	-	150	-	150
Mar Selwyn	馬紹援	100	50	-	-	150	-	150
		310	11,054	7,150	235	18,749	2,739	21,488

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 year 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 29.

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」一節及附註二十九。

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

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

10. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of \$119,452,000 (2006: \$457,845,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit for the year:

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。

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 119,452,000 元（二零零六年：457,845,000 元）已列入本公司之財務報表內。

上述金額與年內本公司盈利對賬如下：

	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Amount of consolidated profit attributable to equity shareholders dealt with in the Company's financial statements	119,452	457,845
Final dividends from associate attributable to the profits of the previous financial year, approved and paid during the year	-	88,632
Company's profit for the year (note 30(b))	119,452	546,477

Notes to the Financial Statements 財務報表附註

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

11. DIVIDENDS

十一. 股息

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

(a) 應派付予本公司股東之本年度股息

	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Interim dividend declared and paid of 0.6 cent per ordinary share (2006: 0.6 cent per ordinary share)	18,753	18,371
Final dividend proposed after the balance sheet date of 1 cent per ordinary share (2006: 0.6 cent per ordinary share)	31,347	18,462
Special dividend proposed after the balance sheet date of Nil (2006: 0.4 cent per ordinary share)	-	12,308
	50,100	49,141

The final dividend and special dividend proposed after the balance sheet date have not been recognised as liabilities at the balance sheet date.

於結算日後建議分派的末期股息及特別股息尚未在結算日確認為負債。

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

(b) 屬於上一個財政年度，並於年內批准並支付予本公司股東之應付股息

	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Final dividend in respect of the previous financial year, approved and paid during the year, of 0.6 cent per ordinary share (2006: 0.6 cent per ordinary share)	18,462	15,311
Special dividend in respect of the previous financial year, approved and paid during the year, of 0.4 cent per ordinary share (2006: Nil)	12,308	-
	30,770	15,311

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 \$337,932,000 (2006 (restated): \$460,478,000) and the weighted average of 3,101,829,000 ordinary shares (2006: 2,892,283,000 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337,932,000元(二零零六年(重報): 460,478,000元)及年內已發行普通股的加權平均數3,101,829,000股普通股(二零零六年: 2,892,283,000股普通股)計算。其計算方式如下:

普通股加權平均數

		2007 二零零七年 '000 千股	2006 二零零六年 '000 千股
Issued ordinary shares at 1 January	於一月一日已發行普通股	3,076,012	2,551,812
Effect of ordinary shares issued (note 30(c)(ii))	已發行普通股之影響(附註三十(c)(ii))	-	338,137
Effect of share options exercised (note 30(c)(iii))	已行使購股權之影響(附註三十(c)(iii))	25,817	2,334
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	<u>3,101,829</u>	<u>2,892,283</u>

Notes to the Financial Statements 財務報表附註

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

12. EARNINGS PER SHARE (continued)**(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 \$337,932,000 (2006 (restated): \$460,478,000) and the weighted average number of 3,205,137,000 ordinary shares (2006: 2,955,672,000 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337,932,000元(二零零六年(重報): 460,478,000元)及普通股加權平均數3,205,137,000股普通股(二零零六年: 2,955,672,000股普通股)計算。其計算方式如下:

普通股加權平均數(攤薄)

		2007 二零零七年 '000 千股	2006 二零零六年 '000 千股
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	3,101,829	2,892,283
Effect of deemed issue of shares under the Company's share option scheme for nil consideration (note 29)	被視為根據本公司購股權計劃無償發行股份之影響(附註二十九)	103,308	63,389
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)	3,205,137	2,955,672

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:

Solid waste treatment project construction and operation	The construction and operation of waste-to-energy power plants, methane-to-energy power plant and Industrial solid waste landfill to generate revenue from construction services, operation services as well as finance income.
Waste-water treatment project construction and operation	The construction, upgrade and operation of waste-water treatment plants to generate revenue from construction and upgrading services, operation services as well as finance income.
Environmental protection project management and consultancy	The provision of management and consultancy services to environmental protection projects to generate management and consultancy fee income.
Infrastructure investment, construction and operation	The construction and operation of a toll bridge to generate revenue from construction service, toll fee revenue and investment in associates which engage in power industry, to generate dividend income.
Property investment and management	The leasing and management of office premises and shopping arcades to generate rental and management fee income and to gain from the appreciation in the properties' values in the long term.

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：

固體廢物處理項目建造及運營	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安全填埋場，賺取建造服務收益、運營服務收益及財務收入。
污水處理項目建造及運營	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。
環保項目管理及顧問	提供環保項目管理及顧問服務，以賺取管理及顧問費用收入。
基建投資、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、收費橋樑收益及投資於從事電力行業的聯營公司以賺取股息收入。
物業投資及管理	租賃及管理辦公室單位及商場以賺取租金及管理費收入，以及從物業價值之長遠升值中賺取收益。

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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)

13. SEGMENT REPORTING (continued)

Business segments (continued)

十三. 分部報告(續)

業務分部(續)

		Solid waste treatment project construction and operation 固體廢物處理項目建造及運營		Waste-water treatment project construction and operation 污水處理項目建造及運營	
		2007 二零零七年	2006 二零零六年 (restated) (重報)	2007 二零零七年	2006 二零零六年 (restated) (重報)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Revenue from external customers	來自外界客戶收益	688,043	495,622	550,452	298,173
Inter-segment revenue	分部間收益	-	-	-	-
Other revenue and other net income from external customers	來自外界客戶其他收益及其他收入淨額	14,323	5,701	5,342	2,502
Unallocated other revenue and other net income	未分配其他收益及其他收入淨額	-	-	-	-
Total	合計	702,366	501,323	555,794	300,675
Segment results	分部業績	205,778	87,743	150,637	65,857
Unallocated operating income and expenses	未分配經營收入及開支	-	-	-	-
Profit from operations	經營盈利	-	-	(478)	(180)
Finance costs	財務費用	-	-	-	-
Share of (losses)/profits of associates	所佔聯營公司(虧損)/盈利	-	-	-	-
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	1,217	506	1,306	496
Valuation gains on investment properties	投資物業估值盈餘	-	-	-	-
Segment assets	分部資產	1,573,873	1,004,382	1,552,013	986,939
Interest in associate	聯營公司權益	-	-	-	442
Unallocated assets	未分配資產	-	-	-	-
Total assets	資產總值	-	-	-	-
Segment liabilities	分部負債	120,152	64,104	162,257	99,113
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	4,848	3,176	3,731	3,198

Environmental protection project management and consultancy 環保項目管理及顧問		Infrastructure investment, construction and operation 基建投資、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	
2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年 (restated) (重報)	2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年 (restated) (重報)
\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
-	-	92,477	72,584	16,880	17,664	-	-	1,347,852	884,043
236,279	136,789	-	-	-	-	(236,279)	(136,789)	-	-
943	1,134	1,230	310,762	1,826	17,065	-	-	23,664	337,164
-	-	-	-	-	-	-	-	36,605	25,630
237,222	137,923	93,707	383,346	18,706	34,729	(236,279)	(136,789)	1,408,121	1,246,837
99,707	50,202	63,594	356,868	30,302	33,391	(111,491)	(57,126)	438,527	536,935
-	-	-	-	-	-	-	-	1,344	(8,659)
-	-	-	32,838	-	-	-	-	439,871	528,276
-	-	-	-	-	-	-	-	(72,507)	(70,445)
-	-	-	-	-	-	-	-	(478)	32,658
-	-	-	-	-	-	-	-	(6,807)	(9,949)
-	-	-	-	-	-	-	-	360,079	480,540
570	1,395	22,065	20,841	841	167	-	-	-	-
-	-	-	-	19,202	5,831	-	-	-	-
24,106	33,742	673,504	652,464	264,805	239,568	-	-	4,088,301	2,917,095
-	-	-	-	-	-	-	-	-	442
-	-	-	-	-	-	-	-	437,382	468,335
-	-	-	-	-	-	-	-	4,525,683	3,385,872
33,422	35,681	2,013	2,374	6,531	6,199	-	-	324,375	207,471
-	-	-	-	-	-	-	-	1,597,882	1,065,205
-	-	-	-	-	-	-	-	1,922,257	1,272,676
1,055	585	70	152	479	11	-	-	-	-

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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)

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。

		2007 二零零七年	2006 二零零六年 (restated) (重報)
		\$'000 千元	\$'000 千元
Revenue from external customers:	來自外界客戶收益：		
Hong Kong	香港	311	2,473
Other parts of the PRC	中國其他地區	<u>1,347,541</u>	<u>881,570</u>
		<u>1,347,852</u>	<u>884,043</u>

		2007 二零零七年	2006 二零零六年 (restated) (重報)
		\$'000 千元	\$'000 千元
Segment assets:	分部資產：		
Hong Kong	香港	429,081	462,694
Other parts of the PRC	中國其他地區	<u>4,096,602</u>	<u>2,923,178</u>
		<u>4,525,683</u>	<u>3,385,872</u>

13. SEGMENT REPORTING (continued)
Geographical segments (continued)

十三. 分部報告 (續)
地區分部 (續)

		2007	2006
		二零零七年	二零零六年 (restated)
		\$'000	\$'000
		千元	千元
Capital expenditure incurred during the year:	本年度內產生的資本開支：		
Hong Kong	香港	3,241	1,314
Other parts of the PRC	中國其他地區	12,094	7,122
		15,335	8,436

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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)

14. FIXED ASSETS

十四. 固定資產

(a) The Group

(a) 本集團

	Land and buildings 土地及樓宇 \$'000 千元	Leasehold improvements, 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 (restated) 於二零零七年一月一日(重報)	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 (restated) 於二零零七年一月一日(重報)	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

14. FIXED ASSETS (continued)

十四. 固定資產(續)

(a) The Group (continued)

(a) 本集團(續)

		Land and buildings 土地及樓宇 \$'000 千元	Leasehold improvements, furniture and fixtures 租賃物業 裝修、傢私 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 2006 (restated)	於二零零六年 一月一日(重報)	127,742	4,441	11,739	143,922	262,194	406,116
Exchange adjustments	匯兌調整	580	81	392	1,053	6,053	7,106
Additions	增置	-	582	7,854	8,436	-	8,436
Transfer	轉撥	1,770	-	-	1,770	(1,770)	-
Disposals	出售	-	(2,098)	(288)	(2,386)	(104,000)	(106,386)
Fair value adjustment	公允值調整	-	-	-	-	5,831	5,831
		<u>130,092</u>	<u>3,006</u>	<u>19,697</u>	<u>152,795</u>	<u>168,308</u>	<u>321,103</u>
At 31 December 2006 (restated)	於二零零六年 十二月三十一日 (重報)	130,092	3,006	19,697	152,795	168,308	321,103
Representing:	代表：						
Cost	成本值	130,092	3,006	19,697	152,795	-	152,795
Valuation - 2006	估值 - 二零零六年	-	-	-	-	168,308	168,308
		<u>130,092</u>	<u>3,006</u>	<u>19,697</u>	<u>152,795</u>	<u>168,308</u>	<u>321,103</u>
Accumulated depreciation:	累計折舊：						
At 1 January 2006 (restated)	於二零零六年 一月一日(重報)	48,213	1,882	3,923	54,018	-	54,018
Exchange adjustments	匯兌調整	69	5	114	188	-	188
Charge for the year	本年度折舊	2,725	443	2,256	5,424	-	5,424
Written back on disposal	出售時撥回	-	(1,820)	(146)	(1,966)	-	(1,966)
		<u>51,007</u>	<u>510</u>	<u>6,147</u>	<u>57,664</u>	<u>-</u>	<u>57,664</u>
At 31 December 2006 (restated)	於二零零六年 十二月三十一日 (重報)	51,007	510	6,147	57,664	-	57,664
Net book value:	賬面淨值：						
At 31 December 2006 (restated)	於二零零六年 十二月三十一日 (重報)	79,085	2,496	13,550	95,131	168,308	263,439

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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)

14. FIXED ASSETS (continued)

(b) The Company

十四. 固定資產(續)

(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 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)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
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
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
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)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2007	於二零零七年 十二月三十一日	427	450	45	984	1,906
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
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
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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 傢私及 裝置 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Total fixed assets 固定資產 總額 \$'000 千元
Cost:	成本值:					
At 1 January 2006	於二零零六年一月一日	1,201	1,861	232	934	4,228
Additions	增置	252	-	-	1,089	1,341
Disposals	出售	(140)	(1,861)	(221)	-	(2,222)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2006	於二零零六年 十二月三十一日	1,313	-	11	2,023	3,347
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation:	累計折舊:					
At 1 January 2006	於二零零六年一月一日	1,040	1,428	196	250	2,914
Charge for the year	本年度折舊	78	186	15	380	659
Written back on disposal	出售時撥回	(136)	(1,614)	(203)	-	(1,953)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2006	於二零零六年 十二月三十一日	982	-	8	630	1,620
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value:	賬面淨值:					
At 31 December 2006	於二零零六年 十二月三十一日	331	-	3	1,393	1,727
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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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)

14. FIXED ASSETS (continued)

(c) Investment properties of the Group were revalued as at 31 December 2007 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 revalued.

(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二零零七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估有限公司進行。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	
		2007	2006
		二零零七年	二零零六年
			(restated)
			(重報)
		\$'000	\$'000
		千元	千元
In the PRC	中國		
Hong Kong:	香港：		
– medium-term leases	– 中期租賃	61,859	63,895
– long leases	– 長期租賃	-	1,759
Other parts of the PRC:	中國其他地區：		
– medium-term leases	– 中期租賃	215,751	180,404
– long leases	– 長期租賃	1,368	1,335
		278,978	247,393
Representing:	代表：		
Land and buildings	土地及樓宇	78,056	79,085
Investment properties	投資物業	200,922	168,308
		278,978	247,393

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	
		2007	2006
		二零零七年	二零零六年 (restated) (重報)
		\$'000	\$'000
		千元	千元
Within 1 year	一年內	3,955	2,949
After 1 year but within 5 years	一年後但五年內	352	382
After 5 years	五年後	-	40
		4,307	3,371

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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)

15. INTANGIBLE ASSET

十五. 無形資產

		The Group 本集團 Toll bridge operating right 收費橋樑 經營權 \$'000 千元
Cost:	成本值：	
At 1 January 2007 (restated)	於二零零七年一月一日(重報)	634,210
Exchange adjustments	匯兌調整	48,448
		<hr/>
At 31 December 2007	於二零零七年十二月三十一日	682,658
		<hr style="border-top: 1px dashed black;"/>
Accumulated amortisation:	累計攤銷：	
At 1 January 2007 (restated)	於二零零七年一月一日(重報)	84,561
Exchange adjustments	匯兌調整	7,298
Charge for the year	本年度攤銷	21,917
		<hr/>
At 31 December 2007	於二零零七年十二月三十一日	113,776
		<hr style="border-top: 1px dashed black;"/>
Net book value:	賬面淨值：	
At 31 December 2007	於二零零七年十二月三十一日	568,882
		<hr style="border-top: 3px double black;"/>

15. INTANGIBLE ASSET (continued)

十五. 無形資產(續)

		The Group 本集團 Toll bridge operating right 收費橋樑 經營權 \$'000 千元
Cost:	成本值：	
At 1 January 2006 (restated)	於二零零六年一月一日(重報)	610,592
Exchange adjustments	匯兌調整	23,618
		<hr/>
At 31 December 2006 (restated)	於二零零六年十二月三十一日(重報)	634,210
		<hr style="border-top: 1px dashed black;"/>
Accumulated amortisation:	累計攤銷：	
At 1 January 2006 (restated)	於二零零六年一月一日(重報)	61,059
Exchange adjustments	匯兌調整	2,790
Charge for the year	本年度攤銷	20,712
		<hr/>
At 31 December 2006 (restated)	於二零零六年十二月三十一日(重報)	84,561
		<hr style="border-top: 1px dashed black;"/>
Net book value:	賬面淨值：	
At 31 December 2006 (restated)	於二零零六年十二月三十一日(重報)	549,649
		<hr style="border-top: 3px double black;"/>

The amortisation charge for the year is included in "direct costs and operating expenses" in the consolidated income statement.

本年度攤銷計入綜合損益表之「直接成本及經營費用」內。

Notes to the Financial Statements 財務報表附註

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

16. GOODWILL

十六. 商譽

		The Group 本集團 \$'000 千元
Cost:	成本值：	
At 1 January 2006 (restated), 31 December 2006 (restated) and 31 December 2007	於二零零六年一月一日(重報)、 二零零六年十二月三十一日(重報) 及二零零七年十二月三十一日	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	
		2007 二零零七年	2006 二零零六年 (restated) (重報)
		\$'000 千元	\$'000 千元
Solid waste treatment project construction and operation (waste-to-energy power plant project)	固體廢物處理項目 建造及運營 (垃圾焚燒發電廠項目)	11,255	11,255
Waste-water treatment project construction and operation (waste-water treatment plant project)	污水處理項目 建造及運營 (污水處理廠項目)	9,538	9,538
Infrastructure investment, construction and operation (Toll bridge project)	基建投資、建造及運營 (收費橋樑項目)	25,340	25,340
		46,133	46,133

16. GOODWILL (continued)

The recoverable amount of the respective CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five year period. Discount rates of 10% – 12% have been used for the value-in-use calculations. Management determined the budgets based on independent professional traffic studies and/or service agreements governing the relevant operations. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

No impairment is considered necessary at 31 December 2007 and 2006.

十六. 商譽(續)

現金生產單位之可收回數額根據使用價值計算。計算方法按照管理層已核准之五年財務預算之現金流量估計。用於計算使用價值之貼現率為10%至12%。管理層根據獨立專業交通流量研究及／或監管有關業務之服務協議，釐定有關預算。所使用之貼現率為除稅前貼現率，能反映有關分部之特定風險。

於二零零七年及二零零六年十二月三十一日，毋需確認任何耗損。

17. INTEREST IN SUBSIDIARIES**十七. 附屬公司權益**

		The Company	
		本公司	
		2007	2006
		二零零七年	二零零六年
		\$'000	\$'000
		千元	千元
Unlisted shares/capital contributions, at cost	非上市股份／出資額，按成本值	466,277	388,642
Amounts due from subsidiaries	應收附屬公司款項	2,683,867	2,566,729
		3,150,144	2,955,371
Less: impairment losses	減：耗損虧損	(1,404,051)	(1,438,917)
		1,746,093	1,516,454
Amounts due to subsidiaries	應付附屬公司款項	(107,453)	(64,505)
		1,638,640	1,451,949

Amounts due from/(to) subsidiaries are unsecured, interest free and not expected to be recovered within one year.

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.

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。

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。

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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 及經營地點	Particulars of issued and paid up capital 已發行及 繳足股本資料	Proportion of ownership interest 擁有權權益比例			Principal activity 主要業務
			Group's effective interest 本集團之 實際權益	held by the Company 由本公司 持有	held by a subsidiary 由附屬公司 持有	
Everbright Environmental Energy (Changzhou) Co. Ltd. ("EB Energy (Changzhou)")* (note (a)) 光大環保能源(常州) 有限公司 (「光大能源(常州)」)* (附註(a))	PRC 中國	RMB137,520,000 人民幣 137,520,000元	100%	–	100%	Design, construction, operation and management of waste-to-energy power plant 設計、建造、運營 及管理垃圾焚燒 發電廠
Everbright Environmental Energy (Jiangyin) Co. Ltd. ("EB Energy (Jiangyin)")* (note (b)) 光大環保能源(江陰) 有限公司 (「光大能源(江陰)」)* (附註(b))	PRC 中國	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) Co. Ltd. ("EB Energy (Suzhou)")* 光大環保能源(蘇州) 有限公司(「光大能源 (蘇州)」)*	PRC 中國	RMB167,000,000 人民幣 167,000,000元	Note (c) 附註(c)	–	Note (c) 附註(c)	Design, construction, operation and management of waste-to-energy power plant 設計、建造、運營 及管理垃圾焚燒 發電廠

17. INTEREST IN SUBSIDIARIES (continued)

十七. 附屬公司權益(續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立/註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及 繳足股本資料	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
			Group's effective interest 本集團之 實際權益	held by the Company 由本公司 持有	held by a subsidiary 由附屬公司 持有	
Everbright Environmental Energy (Suzhou) Methane-to-Energy Co. Ltd. ("EB Methane-to-energy")* (note(d)) 光大環保能源(蘇州) 沼氣發電有限公司 (「光大沼氣發電公司」)* (附註(d))	PRC 中國	USD2,100,000 2,100,000美元	100%	-	100%	Design, construction, operation and management of methane-to- energy power plant 設計、建造、運營 及管理沼氣發電廠
Everbright Environmental Energy (Yixing) Co. Ltd. ("EB Energy (Yixing)")* (note (e)) 光大環保能源(宜興) 有限公司 (「光大能源(宜興)」)* (附註(e))	PRC 中國	USD11,520,000 11,520,000美元	100%	-	100%	Design, construction, operation and management of waste-to-energy power plant 設計、建造、運營 及管理垃圾焚燒 發電廠
Everbright Environmental (Suzhou) Solid Waste Treatment Co. Ltd. ("EB Solid Waste")* (note (f)) 光大環保(蘇州)固體 廢物處理有限公司 (「光大固廢處理公司」)* (附註(f))	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 安全填埋場

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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 及經營地點	Particulars of issued and paid up capital 已發行及 繳足股本資料	Proportion of ownership interest 擁有權權益比例			Principal activity 主要業務
			Group's effective interest 本集團之 實際權益	held by the Company 由本公司 持有	held by a subsidiary 由附屬公司 持有	
Everbright Water (Jinan) Limited ("EB Water (Jinan)")* (note (g)) 光大水務(濟南)有限公司 (「光大水務(濟南)」)* (附註(g))	PRC 中國	USD18,500,000 18,500,000美元	100%	–	100%	Operation and maintenance of waste-water treatment plants 運營及維修保養 污水處理廠
Everbright Water (Zibo) Limited ("EB Water (Zibo)")* (note (h)) 光大水務(淄博)有限公司 (「光大水務(淄博)」)* (附註(h))	PRC 中國	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
Fuzhou Guang Min Road and Bridge Construction & Development Company Limited ("FZGM")# 福州光閩路橋建設 開發有限公司 (「光閩路橋」)#	PRC 中國	RMB224,730,000 人民幣 224,730,000元	Note (i) 附註(i)	–	Note (i) 附註(i)	Development, construction, operation and maintenance of a toll bridge 開發、建造、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

17. INTEREST IN SUBSIDIARIES (continued)

十七. 附屬公司權益(續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立/註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及 繳足股本資料	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
			Group's effective interest 本集團之 實際權益	held by the Company 由本公司 持有	held by a subsidiary 由附屬公司 持有	
Qingdao EB-WW Waste Water Treatment Co., Ltd. ("Qingdao EB-WW")# 青島光威污水處理 有限公司 (「青島光威」)#	PRC 中國	USD15,257,380 15,257,380美元	Note (j) 附註(j)	-	Note (j) 附註(j)	Construction, operation and maintenance of waste-water treatment plants 建造、運營及維修 保養污水處理廠
Sino Villa Holdings Limited	British Virgin Islands ("BVI")/PRC 英屬處女群島/ 中國	1 share of US\$1 1股面值 1美元股份	100%	100%	-	Property investment 物業投資

* Registered under the laws of the PRC as foreign investment enterprise.

* 根據中國法律註冊為外商投資企業。

Registered under the laws of the PRC as sino-foreign co-operative joint venture.

根據中國法律註冊為中外合作合營企業。

Notes:

(a) Everbright Environmental Energy (Changzhou) Investment Limited, a wholly-owned subsidiary of the Company and the foreign investor of EB Energy (Changzhou), is committed to contribute the full amount of the registered capital in EB Energy (Changzhou).

附註:

(a) 本公司之全資附屬公司兼光大能源(常州)外方投資者光大環保能源(常州)投資有限公司, 承諾注入光大能源(常州)全數註冊資本。

Pursuant to a concession right agreement, EB Energy (Changzhou) will design, construct, operate and manage a waste-to-energy power plant to provide waste treatment service in Changzhou city, the PRC for a period of 25.5 years. Upon expiry of the concession period, the waste-to-energy power plant and related facilities will be transferred to a local government authority. The waste-to-energy power plant is expected to have a daily capacity of 800 tonnes. The fee charged by EB Energy (Changzhou) is governed by the relevant concession right agreement. During the concession period, EB Energy (Changzhou) has the obligation to maintain the waste-to-energy power plant in good condition.

根據特許經營協議, 光大能源(常州)將設計、建造、運營及管理一家垃圾焚燒發電廠, 為中國常州市提供垃圾處理服務為期二十五年半。待特許經營期屆滿後, 垃圾焚燒發電廠及相關設施將轉歸當地政府機關所有。預期垃圾焚燒發電廠每日之處理量為800噸。光大能源(常州)所收取之垃圾處理費須受有關特許經營協議所管限。於特許經營期內, 光大能源(常州)有責任維持垃圾焚燒發電廠在良好狀況。

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17. INTEREST IN SUBSIDIARIES (continued)

Notes: (continued)

- (b) Everbright Environmental Energy (Jiangyin) Investment Limited, a wholly-owned subsidiary of the Company and the foreign investor of EB Energy (Jiangyin), is committed to contribute the full amount of the registered capital in EB Energy (Jiangyin).

Pursuant to a concession right agreement, EB Energy (Jiangyin) will design, construct, operate and manage a waste-to-energy power plant to provide waste treatment service in Jiangyin city, the PRC for a period of 30 years. Upon expiry of the concession period, the waste-to-energy power plant and related facilities will be transferred to a local government authority. The waste-to-energy power plant is expected to have a daily capacity of 800 tonnes. The fee charged by EB Energy (Jiangyin) is governed by the relevant concession right agreement. During the concession period, EB Energy (Jiangyin) has the obligation to maintain the waste-to-energy power plant in good condition.

- (c) Everbright Environmental Energy (Suzhou) Investment Limited ("EB Energy (Suzhou) Investment"), a wholly-owned subsidiary of the Company and the foreign joint venture partner of EB Energy (Suzhou), is committed to contribute the full amount of the registered capital in EB Energy (Suzhou). Net profit of EB Energy (Suzhou), after payment of an agreed sum of RMB880,000 annually to the PRC joint venture partner, is fully attributable to EB Energy (Suzhou) Investment.

Pursuant to a concession right agreement, EB Energy (Suzhou) will design, construct, operate and manage a waste-to-energy power plant to provide waste treatment service in Suzhou city, the PRC for a period of 25 years. Upon expiry of the concession period, the waste-to-energy power plant and related facilities will be transferred to the PRC joint venture partner. The waste-to-energy power plant is expected to have a daily capacity of 2,000 tonnes. The fee charged by EB Energy (Suzhou) is governed by the relevant concession right agreement. During the concession period, EB Energy (Suzhou) has the obligation to maintain the waste-to-energy power plant in good condition.

- (d) EB Energy (Suzhou) Investment, the foreign investor of EB Methane-to-energy, is committed to contribute the full amount of the registered capital in EB Methane-to-energy.

Pursuant to a concession right agreement, EB Methane-to-energy will design, construct, operate and manage a methane-to-energy power plant to generate electricity in Suzhou city, the PRC for a period of 25 years. The methane-to-energy power plant is expected to supply no less than 12,480,000 kilowatt-hour of electricity per year. The fee charged by EB Methane-to-energy is governed by the relevant concession right agreement.

十七. 附屬公司權益(續)

附註：(續)

- (b) 本公司之全資附屬公司兼光大能源(江陰)外方投資者光大環保能源(江陰)投資有限公司，承諾注入光大能源(江陰)全數註冊資本。

根據特許經營協議，光大能源(江陰)將設計、建造、運營及管理一家垃圾焚燒發電廠，為中國江陰市提供垃圾處理服務為期三十年。待特許經營期屆滿後，垃圾焚燒發電廠及相關設施將轉歸當地政府機關所有。預期垃圾焚燒發電廠每日之處理量為800噸。光大能源(江陰)所收取之垃圾處理費須受有關特許經營協議所管限。於特許經營期內，光大能源(江陰)有責任維持垃圾焚燒發電廠在良好狀況。

- (c) 本公司之全資附屬公司兼光大能源(蘇州)外方合營夥伴光大環保能源(蘇州)投資有限公司(「光大能源(蘇州)投資」)，承諾注入光大能源(蘇州)全數註冊資本。光大能源(蘇州)之淨盈利(在每年支付協定款項人民幣880,000元予中方合營夥伴後)將全歸光大能源(蘇州)投資所有。

根據特許經營協議，光大能源(蘇州)將設計、建造、運營及管理一家垃圾焚燒發電廠，為中國蘇州市提供垃圾處理服務為期二十五年。待特許經營期屆滿後，垃圾焚燒發電廠及相關設施將轉歸中方合營夥伴所有。預期垃圾焚燒發電廠每日之處理量為2,000噸。光大能源(蘇州)所收取之垃圾處理費須受有關特許經營協議所管限。於特許經營期內，光大能源(蘇州)有責任維持垃圾焚燒發電廠在良好狀況。

- (d) 光大沼氣發電公司外方投資者光大環保能源(蘇州)投資，承諾注入光大沼氣發電公司全數註冊資本。

根據特許經營協議，光大沼氣發電公司將設計、建造、運營及管理一家沼氣發電廠，為中國蘇州市提供電力服務為期二十五年。預期沼氣發電廠之年上網電量不會低於12,480,000千瓦時。光大沼氣發電公司所收取之費用須受有關特許經營協議所管限。

17. INTEREST IN SUBSIDIARIES (continued)

Notes: (continued)

- (e) Everbright Environmental Energy (Yixing) Investment Limited, a wholly-owned subsidiary of the Company and the foreign investor of EB Energy (Yixing), is committed to contribute the full amount of the registered capital in EB Energy (Yixing).

Pursuant to a concession right agreement, EB Energy (Yixing) will design, construct, operate and manage a waste-to-energy power plant to provide waste treatment service in Yixing city, the PRC for a period of 25 years. Upon expiry of the concession period, the waste-to-energy power plant and related facilities will be transferred to a local government authority. The waste-to-energy power plant is expected to have a daily capacity of 500 tonnes. The fee charged by EB Energy (Yixing) is governed by the relevant concession right agreement. During the concession period, EB Energy (Yixing) has the obligation to maintain the waste-to-energy power plant in good condition.

- (f) China Everbright Environmental Solid Waste Treatment Limited, a wholly-owned subsidiary of the Company and the foreign investor of EB Solid Waste, is committed to contribute the full amount of the registered capital in EB Solid Waste.

Pursuant to a concession right agreement, EB Solid Waste will design, construct, operate and manage an industrial solid waste landfill to provide waste treatment service in Suzhou city, the PRC for a period of 30 years. Upon expiry of the concession period, the industrial solid waste landfill will be transferred to a local government authority. The industrial solid waste landfill is expected to have a total capacity of 600,000 cubic metre. The fee charged by EB Solid Waste is governed by the relevant concession right agreement. During the concession period, EB Solid Waste has the obligation to maintain the industrial solid waste landfill in good condition.

- (g) On 31 October 2006, EB Water (Jinan) acquired the waste-water treatment business together with the corresponding assets from Jinan State-owned Assets Commission and Jinan Utilities Authority at a consideration of RMB400,000,000. In addition, pursuant to a concession right agreement, EB Water (Jinan) was granted an exclusive right to operate the waste-water treatment plants to provide waste-water treatment service in certain specified areas in Jinan city, the PRC for a period of 30 years commencing from November 2006. Upon the expiry of the concession period, EB Water (Jinan) will cease to have any rights and obligations under the concession right agreement and the assets acquired as referred to above will be transferred back to a local government authority.

The designed daily capacity of waste-water treatment plants is 420,000 tonnes. The revenue charged by EB Water (Jinan) is governed by the relevant waste-water treatment service agreement. During the concession period, EB Water (Jinan) has the obligation to promptly repair or upgrade the waste-water treatment facilities and equipment.

十七. 附屬公司權益(續)

附註：(續)

- (e) 本公司之全資附屬公司兼光大能源(宜興)外方投資者光大環保能源(宜興)投資有限公司，承諾注入光大能源(宜興)全數註冊資本。

根據特許經營協議，光大能源(宜興)將設計、建造、運營及管理一家垃圾焚燒發電廠，為中國宜興市提供垃圾處理服務為期二十五年。待特許經營期屆滿後，垃圾焚燒發電廠及相關設施將轉歸當地政府機關所有。預期垃圾焚燒發電廠每日之處理量為500噸。光大能源(宜興)所收取之垃圾處理費須受有關特許經營協議所管限。於特許經營期內，光大能源(宜興)有責任維持垃圾焚燒發電廠在良好狀況。

- (f) 本公司之全資附屬公司兼光大固廢處理公司外方投資者中國光大環保固廢處置有限公司，承諾注入光大固廢處理公司全數註冊資本。

根據特許經營協議，光大固廢處理公司將設計、建造、運營及管理一家工業固體廢物安全填埋場，為中國蘇州市提供垃圾處理服務為期三十年。待特許經營期屆滿後，工業固體廢物安全填埋場將轉歸當地政府機關所有。預期工業固體廢物安全填埋場之總規模為600,000立方米。光大固廢處理公司所收取之垃圾處理費須受有關特許經營協議所管限。於特許經營期內，光大固廢處理公司有責任維持工業固體廢物安全填埋場在良好狀況。

- (g) 於二零零六年十月三十一日，光大水務(濟南)向濟南市人民政府國有資產監督管理委員會及濟南市市政公用事業局收購污水處理業務連同相關資產，代價為人民幣400,000,000元。此外，根據特許經營協議，光大水務(濟南)獲獨家授權營運污水處理廠，為中國濟南市若干指定地區提供污水處理服務，由二零零六年十一月起計為期三十年。待特許經營期屆滿後，根據特許經營協議，光大水務(濟南)將不再具有任何權利及責任，而上文所述之收購資產須轉回予當地政府機關。

預期污水處理廠之每日處理量為420,000噸。光大水務(濟南)所收取之污水處理費須受有關污水處理協議管限。於特許經營期內，光大水務(濟南)有責任及時維修或提升污水處理設施及設備。

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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)

Notes: (continued)

- (h) On 1 December 2005, EB Water (Zibo) acquired the waste-water treatment business together with the corresponding assets and liabilities from Zibo Finance Bureau and Zibo Environmental Waste Water Treatment Company ("the Transferors") at a consideration of RMB224,055,000. In addition, pursuant to a concession right agreement, EB Water (Zibo) was granted the exclusive right to operate the waste-water treatment plants to provide waste-water treatment service in certain specified areas in Zibo city, the PRC for a period of 25 years commencing from December 2005. Upon expiry of the concession period, EB Water (Zibo) will cease to have any rights and obligations under the concession right agreement and the assets acquired as referred to above will be transferred back to the Transferors.

The designed daily capacity of waste-water treatment plants is 250,000 tonnes. The revenue charged by EB Water (Zibo) is governed by the relevant waste-water treatment service agreement. During the concession period, EB Water (Zibo) has the obligation to promptly repair or upgrade the waste-water treatment facilities and equipment.

- (i) Greenway Venture Limited ("Greenway"), an 80% owned subsidiary of the Company and the foreign joint venture partner of FZGM, is committed to contribute the full amount of FZGM's registered capital. Net profit (after payment of an agreed sum ranging from RMB600,000 to RMB2,500,000 annually to the PRC joint venture partner of FZGM) of FZGM should first be applied for the repayment of capital and advances made by Greenway. After the capital and advances made by Greenway have been fully repaid, the net profit of FZGM (after payment of an agreed sum to the PRC joint venture partner mentioned above) is to be shared by Greenway and the PRC joint venture partner on a 90:10 basis.

Pursuant to the joint venture agreement of FZGM, FZGM was granted a right to construct, operate and maintain a toll bridge in Fuzhou city, the PRC. After the completion of the toll bridge construction, FZGM has an operating right of the toll bridge for a period of 30 years commencing from January 2003. Upon expiry of the operating period, FZGM will transfer all the fixed assets and the operating right to the PRC joint venture partner. The toll fee is based on the type of vehicles and it is subject to the approval from the relevant local government authorities. During the operating period, FZGM has the obligation to maintain the toll bridge in good condition.

- (j) EB-VW HK Holding Company Limited ("EB-VW"), an 60% owned subsidiary of the Company and the foreign joint venture partner of Qingdao EB-VW, is committed to contribute 60% of Qingdao EB-VW's registered capital. The remaining 40% registered capital is contributed by the PRC joint venture partner, by way of transferring waste-water treatment plants to Qingdao EB-VW. EB-VW is fully entitled to the net profit of Qingdao EB-VW for the first 14 years of the joint venture period. From the 15th year of the joint venture period onwards, the net profit of Qingdao EB-VW is to be shared by EB-VW and the PRC joint venture partner on a 98:2 basis.

十七. 附屬公司權益(續)

附註：(續)

- (h) 於二零零五年十二月一日，光大水務(淄博)向淄博市財政局及淄博市環保污水處理公司(「轉讓人」)收購污水處理業務連同相關資產及負債，代價為人民幣224,055,000元。此外，根據特許經營協議，光大水務(淄博)獲獨家授權營運污水處理廠，為中國淄博市若干指定區域提供污水處理服務，由二零零五年十二月起計為期二十五年。待特許經營期屆滿後，根據特許經營協議，光大水務(淄博)將不再具有任何權利及責任，而上文所述之收購資產須轉回予轉讓人。

預期污水處理廠之每日處理量為250,000噸。光大水務(淄博)所收取之污水處理費須受有關污水處理協議所管限。於特許經營期內，光大水務(淄博)有責任及時維修或提升污水處理設施及設備。

- (i) 本公司擁有80%權益之附屬公司兼光閩路橋之外方合營夥伴Greenway Venture Limited (「Greenway」)承諾注入光閩路橋全數註冊資本。光閩路橋之淨盈利(在每年支付介乎人民幣600,000元至人民幣2,500,000元之協定款項予中方合營夥伴後)將首先用以償還Greenway已支付之資本及墊款。在全數償還Greenway已支付之資本及墊款後，光閩路橋之淨盈利(在如上文所述般支付協定款項予中方合營夥伴後)將由Greenway及中方合營夥伴按90:10之比例攤分。

根據光閩路橋之合營協議，光閩路橋獲授權在中國福州市建造、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。

- (j) 本公司擁有60%權益之附屬公司兼青島光威外方合營夥伴光大威立雅水務香港控股有限公司(「光大威立雅」)承諾注入青島光威60%註冊資本，餘下40%將由中方合營夥伴透過轉讓污水處理廠予青島光威之方式出資。光大威立雅於合營期首十四年可全數享有青島光威之淨盈利。而由第十五年合營期起，青島光威之淨盈利將由光大威立雅及中方合營夥伴按98:2之比例攤分。

17. INTEREST IN SUBSIDIARIES (continued)

Notes: (continued)

(j) (continued)

Pursuant to a waste-water treatment agreement, Qingdao EB-VW will provide the PRC joint venture partner with design, construction, maintenance and operation services for waste-water treatment facilities and the provision of waste-water treatment services in Qingdao, the PRC for a period of 25 years commencing from January 2005. Furthermore, Qingdao EB-VW is obliged to construct extension of the existing facilities.

Upon expiry of joint venture agreement, the fixed assets of Qingdao EB-VW will be transferred to the PRC joint venture partner. The waste-water treatment plants are expected to have aggregate daily capacity of 220,000 cubic metre. The waste-water treatment revenue charged by Qingdao EB-VW is governed by the relevant waste-water treatment agreement. During the joint venture period, Qingdao EB-VW has the obligation to maintain the waste-water treatment facilities in good condition.

十七. 附屬公司權益(續)

附註：(續)

(j) (續)

根據污水處理協議，青島光威將為中方合營夥伴提供污水處理設施之設計、建造、維修保養及運營服務，並為中國青島市提供污水處理服務，由二零零五年一月起計，為期二十五年。此外，青島光威須負責建造現有污水處理廠之擴建設施。

待合營協議屆滿後，青島光威之固定資產將轉歸中方合營夥伴所有。預期污水處理廠之每日總處理量為220,000立方米。青島光威所收取之污水處理費須受有關污水處理協議所管限。於合營期內，青島光威有責任維持污水處理設施在良好狀況。

18. INTEREST IN ASSOCIATE**十八. 聯營公司權益**

		The Group 本集團	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Share of net assets	所佔資產淨額	-	442

The following list contains the particulars of the associate of the Group, which is an unlisted corporate entity.

以下列出本集團聯營公司(為非上市企業實體)資料。

Proportion of ownership interest 擁有權權益比例						
Name of associate 聯營公司名稱	Form of business structure 業務架構性質	Place of establishment and operation 成立及經營地點	Group's effective interest	held by		Principal activity 主要業務
			本集團之實際權益	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

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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)

18. INTEREST IN ASSOCIATE (continued)

Note: During the year ended 31 December 2006, the Company disposed of its 44.12% interest in Newton Industrial Limited ("Newton"). Newton held an 34% equity interest in Shenzhen Mawan Power Company Limited, a sino-foreign joint venture established in the PRC which operates two power plants in Shenzhen, the PRC. A profit on sale of the associate of \$310,000,000 was recognised in the consolidated income statement during the year ended 31 December 2006.

十八. 聯營公司權益(續)

附註：於截至二零零六年十二月三十一日止年度內，本公司出售了Newton Industrial Limited (「Newton」)44.12%權益。Newton持有深圳媽灣電力有限公司(一家於中國成立之中外合營企業)34%股本權益，該公司在中國深圳經營兩家發電廠。出售聯營公司所得盈利為310,000,000元，已於截至二零零六年十二月三十一日止年度之綜合損益表確認。

Additional combined financial information in respect of the Group's associates is given as follows:

有關本集團聯營公司之額外合併財務資料載列如下：

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
(i) Operating results (Note)	(i) 經營業績(附註)		
Turnover	營業額	25,661	18,600
(Loss)/profit before taxation	除稅前(虧損)/盈利	(5,520)	86,236
(Loss)/profit after taxation	除稅後(虧損)/盈利	(5,520)	73,571
Group's share of (losses)/profits after taxation for the year attributable to associates	本集團所佔聯營公司之本年度除稅後(虧損)/盈利	(478)	32,658

Note: Operating results of Newton was included up to the date of disposal. Operating results of Qingdao Veolia is shared up to the Group's interest in the associate.

附註：Newton之經營業績入賬至出售日期為止。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。

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
(ii) Balance sheet	(ii) 資產負債表		
Non-current assets	非流動資產	410	241
Current assets	流動資產	11,137	5,481
Current liabilities	流動負債	(14,383)	(3,619)
Net (liabilities)/assets	(負債)/資產淨額	(2,836)	2,103
Group's share of net assets attributable to an associate	本集團所佔聯營公司資產淨額	-	442

19. OTHER FINANCIAL ASSETS

十九. 其他財務資產

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Available-for-sale equity securities:	待售股本證券：				
- Listed in Hong Kong	- 香港上市	52,938	49,327	-	-
- Unlisted outside Hong Kong	- 香港以外地區 非上市	6,639	13,649	6,639	13,649
		59,577	62,976	6,639	13,649
Market value of listed securities	上市證券之市值	52,938	49,327	-	-

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	
		2007 二零零七年	2006 二零零六年 (restated) (重報)
		\$'000 千元	\$'000 千元
Debtors	應收賬款	53,511	40,434
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	869,432	523,538
		998,004	563,972
Less: Non-current portion	減：非即期部份		
- other receivables and deposits	- 其他應收款項及按金	(690,019)	(408,559)
Current portion	即期部份	307,985	155,413

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

Included in debtors, other receivables, deposits and prepayments of the Group are debtors of \$53,511,000 (2006: \$40,434,000) of which \$11,873,000 (2006: \$6,001,000) is due from a minority shareholder. Debtors are current and not yet due for payment, except for an amount of \$5,996,000 which is past due for one month, and represent toll bridge revenue, revenue from waste-water treatment plants, waste-to-energy power plants, methane-to-energy power plant and industrial solid waste landfill operation services for the month of December 2007 and which are expected to be settled in the following month. There was no recent history of default in respect of the Group's debtors and no impairment loss was recognised by the Group at 31 December 2007 (2006: \$Nil).

Other receivables, deposits and prepayments include balances totalling \$750,991,000 (2006 (restated): \$439,653,000) which bear interest at rates ranging from 6.39% to 7.02% per annum and represent the considerations paid for the acquisition of waste-water treatment plants under TOT arrangements, among which \$98,099,000 (2006 (restated): \$70,397,000) is due from a minority shareholder of a non-wholly owned subsidiary. Under HK(IFRIC) 12, the considerations paid are accounted for as financial assets. 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 2007 (2006: \$Nil).

The loan receivable is unsecured, interest bearing at 7.12%, due from an unrelated party and due for repayment in August 2008. No impairment loss was recognised by the Group at 31 December 2007.

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

二十. 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53,511,000元(二零零六年：40,434,000元)，其中11,873,000元(二零零六年：6,001,000元)為應收少數股東款項。除了5,996,000元已到期一個月外，該筆應收賬款屬即期及未到期還款，其為二零零七年十二月之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安全填埋場之運營服務收益，有關款項於下一個月支付。本集團之應收賬款最近並無欠付紀錄，而於二零零七年十二月三十一日，本集團亦無確認任何耗損虧損(二零零六年：無)。

其他應收款項、按金及預付款項包括合共750,991,000元(二零零六年(重報)：439,653,000元)之結餘，其按年息率6.39%至7.02%計算利息。其為TOT安排下收購污水處理廠之已付代價，其中98,099,000元(二零零六年(重報)：70,397,000元)乃應收一家非全資附屬公司之少數股東之款項。根據《香港(國際財務報告詮釋委員會)詮釋》第12號之規定。已付代價確認為財務資產。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。於二零零七年十二月三十一日，本集團亦無確認任何耗損虧損(二零零六年：無)。

貸款應收款項為無抵押，按息率7.12%計算利息，欠款人為無關連人仕並須於二零零八年八月償還。於二零零七年十二月三十一日，本集團亦無確認任何耗損虧損。

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。

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	
		2007 二零零七年	2006 二零零六年 (restated) (重報)
		\$'000 千元	\$'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	1,989,022	1,044,293
Less: Progress billings	減：進度款項	(113,410)	(38,385)
Net contract work	合約工程淨額	<u>1,875,612</u>	<u>1,005,908</u>
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	1,752,995	944,161
– Current	– 即期	<u>122,617</u>	<u>61,747</u>
		<u>1,875,612</u>	<u>1,005,908</u>

Included in gross amounts due from customers for contract work is an amount of \$293,083,000 (2006 (restated): \$260,063,000) which is due from a minority shareholder of a non-wholly owned subsidiary.

Gross amounts due from customers for contract work represent revenue from construction under BOT arrangements or upgrade services under TOT arrangements and bear interest at rates ranging from 6.39% to 7.20% 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，包括應收一家非全資附屬公司之少數股東之款項293,083,000元(二零零六年(重報)：260,063,000元)。

應收客戶合約工程款項總額乃於BOT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6.39%至7.20%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。

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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	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Plant materials and operating supplies	廠房物資及營業用品	5,223	3,239
Other raw materials	其他原材料	700	206
		5,923	3,445

23. PLEDGED BANK DEPOSITS

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

二三. 已抵押銀行存款

該等款項已作抵押，作為本集團若干銀行貸款之抵押品。

24. CASH AND CASH EQUIVALENTS

二四. 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Deposits with banks	銀行存款	250,692	516,072	207,800	325,761
Cash at bank and in hand	銀行結餘及現金	304,171	240,691	32,413	6,509
		554,863	756,763	240,213	332,270

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

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	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		'000 千	'000 千	'000 千	'000 千
United States Dollars	美元	USD17,361 17,361美元	USD21,217 21,217美元	USD16,745 16,745美元	USD94 94美元

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		
	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元	
Deposits with related party bank	存放於關聯人仕銀行之存款	16,542	36,112	4,269	27,989

25. BANK LOANS

At 31 December 2007, the bank loans were repayable as follows:

二十五. 銀行貸款

於二零零七年十二月三十一日，銀行貸款之還款期如下：

	The Group 本集團		The Company 本公司		
	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元	
Within 1 year or on demand	一年內或按要求	142,732	88,448	11,428	21,429
After 1 year but within 2 years	一年後但兩年內	188,773	85,404	6,429	6,429
After 2 years but within 5 years	兩年後但五年內	680,783	361,507	11,249	17,678
After 5 years	五年後	423,160	355,673	-	-
		1,292,716	802,584	17,678	24,107
		1,435,448	891,032	29,106	45,536

At 31 December 2007, the bank loans were secured as follows:

於二零零七年十二月三十一日，銀行貸款之抵押情況如下：

	The Group 本集團		The Company 本公司		
	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元	
Bank loans – secured	銀行貸款 – 有抵押	1,253,168	891,032	29,106	45,536
– unsecured	– 無抵押	182,280	-	-	-
		1,435,448	891,032	29,106	45,536

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25. BANK LOANS (continued)

Certain banking facilities of the Group are secured by 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 arrangements, bank deposits, mortgages on fixed assets and shares of a subsidiary of the Company. Such banking facilities, amounting to \$1,661,544,000 (2006: \$1,185,329,000), were utilised to the extent of \$1,253,168,000 (2006: \$891,032,000) at 31 December 2007.

At 31 December 2007, the unsecured banking facilities of certain subsidiaries are guaranteed by the Company. Such banking facilities, amounting to \$539,624,000 (2006: \$Nil), were utilised to the extent of \$182,280,000 (2006: \$Nil).

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:

二五. 銀行貸款(續)

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。於二零零七年十二月三十一日，上述1,661,544,000元(二零零六年：1,185,329,000元)之銀行融資已動用1,253,168,000元(二零零六年：891,032,000元)。

於二零零七年十二月三十一日，若干附屬公司之無抵押銀行融資乃由本公司作擔保。上述539,624,000元(二零零六年：無)之銀行融資已動用182,280,000元(二零零六年：無)。

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	
	2007 二零零七年 '000 千	2006 二零零六年 '000 千	2007 二零零七年 '000 千	2006 二零零六年 '000 千
United States Dollars 美元	USD23,400 23,400美元	Nil 無	Nil 無	Nil 無

26. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES 二六. 應付賬款、其他應付款項及應計費用

		The Group 本集團	
		2007 二零零七年	2006 二零零六年 (restated) (重報)
		\$'000 千元	\$'000 千元
Bills payable	應付票據	25,735	-
Creditors, other payables and accrued charges	應付賬款、其他應付款項 及應計費用	308,691	249,179
		334,426	249,179

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	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Due within 1 month or on demand	一個月內到期或按要求	76,692	36,398
Due after 1 month but within 3 months	一至三個月內到期	23,986	3,056
Due after 3 months but within 6 months	三至六個月內到期	31,976	29,625
Due after 6 months	六個月後到期	103,118	102,121
		235,772	171,200

Included in creditors, other payables and accrued expenses of the Group is an amount of \$9,506,000 (2006: \$3,798,000) which is payable to an associate. The balance is due within one month and represents service fee for operation of wastewater treatment plants.

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9,506,000元(二零零六年：3,798,000元)。該結餘於一個月內到期，其為經營污水處理廠之服務費。

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

Apart from the above, there are balances totalling \$224,977,000 (2006: \$165,530,000) which represent construction payables for the Group's BOT arrangements, among which \$15,651,000 (2006: \$45,759,000) and \$25,062,000 (2006: \$22,192,000) are due to related companies and minority shareholders of a non-wholly owned subsidiary respectively. The construction payables are current and not yet due for payment. The amounts due to related companies and minority shareholders of a non-wholly owned subsidiary are unsecured, interest free and expected to be settled within one year.

Included in creditors, other payables and accrued expenses are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

二六. 應付賬款、其他應付款項及應計費用(續)

除上文所述者外，還有合共224,977,000元(二零零六年：165,530,000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15,651,000元(二零零六年：45,759,000元)及25,062,000元(二零零六年：22,192,000元)分別為應付予關聯公司及應付予一家非全資附屬公司之少數股東之款項。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一家非全資附屬公司之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：

	The Group 本集團		The Company 本公司	
	2007 二零零七年 '000 千	2006 二零零六年 '000 千	2007 二零零七年 '000 千	2006 二零零六年 '000 千
Euros 歐羅	EUR155 155歐羅	Nil 無	EUR155 155歐羅	Nil 無
United States dollars 美元	USD1,193 1,193美元	USD2,895 2,895美元	USD533 533美元	USD2,895 2,895美元

27. LOANS FROM ULTIMATE HOLDING COMPANY**The Group**

The loans from ultimate holding company are unsecured, interest free and not expected to be settled within one year.

二七. 最終控股公司貸款**本集團**

最終控股公司貸款為無抵押、免息及預期不會於一年內償還。

28. INCOME TAX IN THE BALANCE SHEET**(a) Current taxation in the balance sheet represents:**

		The Group 本集團	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Provision for PRC income tax for the year	本年度中國所得稅撥備	15,018	6,847
Tax paid	已付所得稅	(8,618)	(5,332)
		<u>6,400</u>	<u>1,515</u>

(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:

二十八. 資產負債表所示的所得稅**(a) 資產負債表所示的本期稅項為：****(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	Total 總額
		\$'000 千元	\$'000 千元	\$'000 千元
Deferred tax arising from:	遞延稅項來自：			
At 1 January 2006 (restated)	於二零零六年一月一日(重報)	(14,561)	20,732	6,171
Exchange adjustments	匯兌調整	(23)	(50)	(73)
Charged to profit or loss (restated)	在損益表中扣除(重報)	1,226	1,876	3,102
		<u>1,203</u>	<u>1,826</u>	<u>3,029</u>
At 31 December 2006 (restated)	於二零零六年十二月三十一日(重報)	<u>(13,358)</u>	<u>22,558</u>	<u>9,200</u>

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28. INCOME TAX IN THE BALANCE SHEET*(continued)***(b) Deferred tax assets and liabilities recognised:** *(continued)***The Group** *(continued)***二十八. 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	Revaluation of properties 物業重估	Total 總額
		\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2007 (restated)	於二零零七年一月一日(重報)	(13,358)	22,558	9,200
Exchange adjustments	匯兌調整	2,061	186	2,247
Charged to profit or loss	在損益表中扣除	(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

		The Group 本集團	
		2007 二零零七年	2006 二零零六年 (restated) (重報)
		\$'000 千元	\$'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	(35,561)	(22,922)
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	39,606	32,122
		4,045	9,200

28. 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 \$21,820,000 (2006: \$30,693,000) 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.

29. 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.

二十八. 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21,820,000元(二零零六年：30,693,000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。

二十九. 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。

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

二十九. 以股份支付之股本交易(續)

(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:

(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	49,700,000	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

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

二十九. 以股份支付之股本交易(續)

(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: (continued)

(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：(續)

	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 employees: 授予僱員之購股權：			
- on 29 September 2003 - 二零零三年九月二十九日	3,000,000	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	3,000,000	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	<u>171,400,000</u>		

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29. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued) 二十九. 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：**

		2007 二零零七年		2006 二零零六年	
		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	\$0.529元	157,200,000	\$0.296元	105,400,000
Exercised during the period	期內已行使	\$0.376元	(58,709,000)	\$0.296元	(14,200,000)
Lapsed during the period	期內失效	\$0.85元	(9,500,000)	-	-
Granted during the period	期內授出	-	-	\$0.85元	66,000,000
Outstanding at the end of the period	期終尚未行使	\$0.595元	<u>88,991,000</u>	\$0.529元	<u>157,200,000</u>
Exercisable at the end of the period	期終可予行使	\$0.478元	<u>60,991,000</u>	\$0.296元	<u>91,200,000</u>

The weighted average share price at the date of exercise for shares options exercised during the year was \$3.2 (2006: \$1.01).

年內已行使購股權於行使日期之加權平均股價為3.2元(二零零六年：1.01元)。

The options outstanding at 31 December 2007 had an exercise price of \$0.296 or \$0.85 (2006: \$0.296 or \$0.85) and a weighted average remaining contractual life of 5.4 years (2006: 6.4 years).

於二零零七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(二零零六年：0.296元或0.85元)，而加權平均餘下合約年期則為5.4年(二零零六年：6.4年)。

29. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued) 二十九. 以股份支付之股本交易(續)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on Black-Scholes Option Pricing Model. The contractual life of the share option is used as an input into this model.

(c) 購股權之公允值及假設

本集團以授出購股權而獲得之服務之公允值按獲授購股權之公允值計量。獲授購股權之估計公允值按「柏力克－舒爾斯」期權定價模式計算。購股權之合約年期為此模式之一項輸入參數。

		2007 二零零七年	2006 二零零六年
Fair value of share options and assumptions	購股權之公允值及假設		
Fair value at measurement date	於計量日期之公允值	\$0.29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 3年	3 years 3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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30. CAPITAL AND RESERVES

(a) The Group

三. 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 2006	於二零零六年一月一日				
– as previously reported	– 如前呈報	255,181	445,792	111,330	70
– prior period adjustments in respect of HK(IFRIC) 12	– 就《香港(國際財務報告詮釋 委員會)詮釋》第12號所作 前期調整	–	–	–	–
– as restated	– 已重報	255,181	445,792	111,330	70
Dividend approved in respect of the previous year (note 11)	上年度已批准股息 (附註十一)	–	–	–	–
Issue of ordinary shares	發行普通股	51,000	270,723	–	–
Shares issued under share option scheme (note 30(c)(iii))	根據購股權計劃發行 股份(附註三十(c)(iii))	1,420	2,783	–	–
Share of exchange reserves of associates	所佔聯營公司 匯兌儲備	–	–	–	–
Exchange differences on translation of financial statements of subsidiaries and associates (restated)	換算附屬公司及聯營公司 財務報表產生之 匯兌差額(重報)	–	–	–	–
Exchange reserve realised on disposal of associate	出售聯營公司時變現 之匯兌儲備	–	–	–	–
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	– 公允價值變動	–	–	–	–
– transfer to profit or loss on disposal	– 出售時轉撥至 損益表	–	–	–	–
Profit for the year (restated)	本年度盈利(重報)	–	–	–	–
Transfer to reserve fund	轉撥至儲備金	–	–	–	–
Dividend paid to minority shareholder	已付予少數股東之 股息	–	–	–	–
Dividend declared in respect of the current year (note 11)	本年度已宣派股息 (附註十一)	–	–	–	–
Transfer from special reserve (note 30(d)(iii))	轉撥自特別儲備 (附註三十(d)(iii))	–	–	(111,330)	–
At 31 December 2006 (as restated)	於二零零六年十二月 三十一日(重報)	307,601	719,298	–	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
-	(12,614)	17,829	8,811	3,740	348,196	1,178,335	92,880	1,271,215
-	-	(227)	-	-	3,494	3,267	(1,177)	2,090
-	(12,614)	17,602	8,811	3,740	351,690	1,181,602	91,703	1,273,305
-	-	-	-	-	(15,311)	(15,311)	-	(15,311)
-	-	-	-	-	-	321,723	-	321,723
-	-	-	-	-	-	4,203	-	4,203
-	-	5,088	-	-	-	5,088	-	5,088
-	-	42,946	-	-	-	42,946	5,894	48,840
-	-	(14,269)	-	-	-	(14,269)	-	(14,269)
6,027	-	-	-	-	-	6,027	-	6,027
-	-	-	26,129	-	-	26,129	-	26,129
-	-	-	(4,122)	-	-	(4,122)	-	(4,122)
-	-	-	-	-	460,478	460,478	20,062	480,540
-	-	-	-	4,899	(4,899)	-	-	-
-	-	-	-	-	-	-	(586)	(586)
-	-	-	-	-	(18,371)	(18,371)	-	(18,371)
-	-	-	-	-	111,330	-	-	-
6,027	(12,614)	51,367	30,818	8,639	884,917	1,996,123	117,073	2,113,196

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30. CAPITAL AND RESERVES (continued)

(a) The Group (continued)

三. 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				
- as previously reported	一如前呈報	307,601	719,298	-	70
- prior period adjustments in respect of HK(IFRIC) 12	一就《香港(國際財務報告詮釋 委員會)詮釋》第12號所作 前期調整	-	-	-	-
- as restated	一已重報	307,601	719,298	-	70
Dividends approved in respect of the previous year (note 11)	上年度已批准股息 (附註十一)	-	-	-	-
Shares issued under share option scheme (note 30(c)(iii))	根據購股權計劃發行股份 (附註三十(c)(iii))	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	一公允值變動	-	-	-	-
- transfer to profit or loss on disposal	一出售時轉撥至 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)	51,207	30,818	8,639	830,292	1,941,338	116,955	2,058,293
-	-	160	-	-	54,625	54,785	118	54,903
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)
<u>11,628</u>	<u>(12,614)</u>	<u>180,990</u>	<u>37,591</u>	<u>20,007</u>	<u>1,161,958</u>	<u>2,451,091</u>	<u>152,335</u>	<u>2,603,426</u>

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30. CAPITAL AND RESERVES (continued)

(b) The Company

三十. 股本及儲備(續)

(b) 本公司

		Share capital	Share premium	Special reserve	Capital redemption reserve	Capital reserve	Retained profits	Total
		股本	股份溢價	特別儲備	資本 贖回儲備	資本儲備	保留盈利	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
At 1 January 2006	於二零零六年一月一日	255,181	445,792	111,330	70	-	98,642	911,015
Dividend approved in respect of the previous year (note 11)	去年度已批准股息 (附註十一)	-	-	-	-	-	(15,311)	(15,311)
Issue of ordinary shares	發行普通股	51,000	270,723	-	-	-	-	321,723
Shares issued under share option scheme (note 30(c)(iii))	根據購股權計劃 發行股份 (附註三十(c)(iii))	1,420	2,783	-	-	-	-	4,203
Equity-settled share-based transactions	以股份支付之 股本交易	-	-	-	-	6,027	-	6,027
Profit for the year	本年度盈利	-	-	-	-	-	546,477	546,477
Dividend declared in respect of the current year (note 11)	本年度已宣派股息 (附註十一)	-	-	-	-	-	(18,371)	(18,371)
Transfer from special reserve (note 30(d)(iii))	轉撥自特別儲備 (附註三十(d)(iii))	-	-	(111,330)	-	-	111,330	-
At 31 December 2006	於二零零六年 十二月三十一日	<u>307,601</u>	<u>719,298</u>	<u>-</u>	<u>70</u>	<u>6,027</u>	<u>722,767</u>	<u>1,755,763</u>
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)	去年度已批准股息 (附註十一)	-	-	-	-	-	(30,770)	(30,770)
Shares issued under share option scheme (note 30(c)(iii))	根據購股權計劃 發行股份 (附註三十(c)(iii))	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	<u>313,472</u>	<u>737,989</u>	<u>-</u>	<u>70</u>	<u>11,628</u>	<u>792,696</u>	<u>1,855,855</u>

30. CAPITAL AND RESERVES (continued)**(c) Share capital**(i) *Authorised and issued share capital*

		2007 二零零七年		2006 二零零六年	
		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	3,076,012	307,601	2,551,812	255,181
Issue of ordinary shares	發行普通股	-	-	510,000	51,000
Shares issued under share option scheme	根據購股權計劃 發行股份	58,709	5,871	14,200	1,420
At 31 December	於十二月三十一日	3,134,721	313,472	3,076,012	307,601

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.

(ii) *Issue of ordinary shares*

On 4 May 2006, 510,000,000 new ordinary shares were issued and allotted at a subscription price of \$0.66 per share. The share capital and share premium account have been increased by \$51,000,000 and \$270,723,000 respectively.

三十. 股本及儲備(續)**(c) 股本**(i) *法定及已發行股本*

普通股持有人有權收取不時宣派之股息，並於本公司大會上可就每股股份享有一票投票權。就本公司之剩餘資產而言，所有普通股享有同等權利。

(ii) *發行普通股*

於二零零六年五月四日，本公司發行及配發510,000,000股新普通股，認購價為每股0.66元。股本及股份溢價賬分別增加51,000,000元及270,723,000元。

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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)

30. CAPITAL AND RESERVES (continued)**(c) Share capital** (continued)

(iii) Shares issued under share option scheme

During the year ended 31 December 2007, options were exercised to subscribe for 58,709,000 ordinary shares in the Company at a consideration of \$22,077,000 of which \$5,871,000 was credited to share capital and the balance of \$16,206,000 was credited to the share premium account. \$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).

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

三十. 股本及儲備 (續)**(c) 股本** (續)

(iii) 根據購股權計劃發行股份

於截至二零零七年十二月三十一日止年度，購股權持有人行使購股權，認購58,709,000股本公司普通股，代價為22,077,000元。其中5,871,000元已記入股本，餘下16,206,000元則記入股份溢價賬。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。

(iv) 於結算日尚未到期失效及尚未行使之購股權之條款

Exercise period 行使期	Exercise price 行使價	2007	2006	
		二零零七年 Number 數目	二零零六年 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	40,200,000
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	51,000,000
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	19,991,000	33,000,000
3 August 2008 to 25 May 2013	二零零八年八月三日至 二零一三年五月二十五日	\$0.85元	28,000,000	33,000,000
			88,991,000	157,200,000

Each option entitles the holder to subscribe for one ordinary share in the Company. Further details of these options are set out in note 29 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二十九。

30. CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves

- (i) *Share premium and capital redemption reserve*
The application of the share premium account and the capital redemption reserve is governed by Sections 48B and 49H respectively of the Hong Kong Companies Ordinance.
- (ii) *Capital reserve*
The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for share-based payments in note 1(r)(ii).
- (iii) *Special reserve*
On 5 January 2004, the Company announced its intention to put forward a proposal for the reduction of the Company's share premium account by the sum of \$2,372,172,824 (i.e. accumulated losses of the Company as at 30 September 2003) and the application of the same amount of credit arising from such reduction towards the elimination of the accumulated losses of the Company. The reduction of share premium account, approved by the shareholders at the extraordinary general meeting held on 2 February 2004, was confirmed by an order made by the High Court of Hong Kong ("the Court") on 2 March 2004 and became effective upon registration of the said order by the Registrar of Companies in Hong Kong on the same date.

三十. 股本及儲備(續)

(d) 儲備性質及目的

- (i) *股份溢價及資本贖回儲備*
股份溢價賬及資本贖回儲備之用途分別受香港《公司條例》第四十八B條及第四十九H條規管。
- (ii) *資本儲備*
資本儲備包括根據附註一(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。
- (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。

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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)

30. CAPITAL AND RESERVES (continued)**(d) Nature and purpose of reserves** (continued)(iii) *Special reserve* (continued)

To safeguard the interests of the Company's creditors, the Company undertakes to the Court to create a special reserve upon the reduction of share premium account on the terms set out below:

- (i) that for so long as there shall remain outstanding any debt of or claim against the Company which, if the date on which the reduction of the share premium account of the Company ("the Effective Date") were the commencement of the winding-up of the Company, would be admissible to proof in such winding-up and the person entitled to the benefit thereof shall not have consented to the said reduction of share premium account or agreed otherwise, the Company shall credit to a special reserve in the books of the Company ("the Special Reserve"):
- any amount arising by reason of a release of any provision taken into account in establishing the accumulated losses of the Company shown in the balance sheet of the management accounts of the Company for the nine months ended 30 September 2003; or

三十. 股本及儲備 (續)**(d) 儲備性質及目的** (續)(iii) *特別儲備* (續)

為了保障本公司債權人之權益，本公司向法院作出承諾，於削減股份溢價賬時設立一個特別儲備，條款如下：

- (i) 倘於本公司削減股份溢價賬生效之日（「生效日期」）（若該日為本公司清盤開始日）公司仍有任何未清償債務或未了結申索，而此等債務或申索為本公司清盤事宜之可接納證據，且擁有權益之人仕不批准或不同意上述削減股份溢價賬事項，則本公司須把下述各項記入本公司賬目之特別儲備（「特別儲備」）下：
- 因撥回已計入本公司截至二零零三年九月三十日止九個月之管理賬目中之資產負債表內所示累計虧損之任何撥備所產生之金額；或

30. CAPITAL AND RESERVES (continued)**(d) Nature and purpose of reserves** (continued)(iii) *Special reserve* (continued)

(i) (continued)

- any amount received by the Company as profit by way of distribution from a corporation which was a subsidiary or an associated company of the Company at the Effective Date (a "subsidiary" or an "associated company" respectively) which is made by such subsidiary or associated company out of profits available for distribution prior to the Effective Date or any dividend paid to the Company in respect of any liquidation of a subsidiary or an associated company commencing prior to the Effective Date; and

(ii) the Special Reserve:

- shall not be treated as realised profits of the Company; and
- shall, for so long as the Company shall remain a limited company, be treated as an undistributable reserve of the Company for the purposes of the Companies Ordinance (Chapter 32 of the Laws of the Hong Kong Special Administrative Region of the People's Republic of China) or any statutory modification or re-enactment thereof.

三十. 股本及儲備(續)**(d) 儲備性質及目的(續)**(iii) *特別儲備(續)*

(i) (續)

- 本公司從一家公司收取所得作為分派盈利之金額，有關公司於生效日期為本公司附屬公司或聯營公司(分別簡稱為「附屬公司」或「聯營公司」)，而上述金額乃由有關附屬公司或聯營公司利用生效日期前可供分派之盈利支付，或本公司就生效日期前已開始清盤行動之附屬公司或聯營公司收取所得之股息；及

(ii) 特別儲備：

- 不得被視為本公司之已變現盈利；及
- 只要本公司仍為有限公司，根據公司條例(中華人民共和國香港特別行政區法例第32章)或法例規定就其所作之任何修改或修訂，其應被視為本公司之不可分派儲備。

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30. CAPITAL AND RESERVES (continued)**(d) Nature and purpose of reserves** (continued)(iii) *Special reserve* (continued)

Provided always that:

- (1) the Special Reserve may be applied for the same purposes as a share premium account may lawfully be applied;
- (2) the amount standing to the credit of the Special Reserve may be reduced by an amount equal to any increase, after the Effective Date, in the share premium account of the Company which results from an issue of shares (other than for the purposes of any redemption or purchase by the Company of its own shares) for cash or other consideration or by way of the capitalisation of distributable profits or reserves, and the Company shall be at liberty to transfer the amount so reduced to the general reserves of the Company and the same shall become available for distribution;
- (3) the amount credited to the Special Reserve in accordance with the foregoing provisions of this undertaking shall not at any time exceed \$1,762,999,500 ("the Limit");
- (4) the Limit may be reduced by the amount of any increase, after the Effective Date, in the paid-up share capital or share premium account of the Company which results from an issue of shares (other than for the purposes of any redemption or purchase by the Company of its own shares) for cash or other consideration or by way of the capitalisation of distributable profits or reserves;

三十. 股本及儲備 (續)**(d) 儲備性質及目的** (續)(iii) *特別儲備* (續)

惟:

- (1) 特別儲備可用作適用於股份溢價賬之合法用途；
- (2) 特別儲備進賬金額可被削減，數額為在生效日期後，因發行股份(因本公司贖回或購買本身股份者除外)換取現金或其他代價或透過資本化可分派盈利或儲備而引致本公司股份溢價賬增加之數。本公司可轉撥就此減少之數至本公司之一般儲備，而有關金額可供分派之用；
- (3) 根據本承諾之上述規定記入特別儲備之金額在任何時間均不得超過 1,762,999,500 元 (「有關限額」)；
- (4) 在生效日期後，因發行股份(因本公司贖回或購買本身股份者除外)換取現金或其他代價或透過資本化可分派盈利或儲備而引致本公司之繳足股本或股份溢價賬增加之數可用作減少有關限額；

30. CAPITAL AND RESERVES (continued)**(d) Nature and purpose of reserves (continued)***(iii) Special reserve (continued)*

(5) the Limit may be reduced upon the liquidation, disposal or other realisation, after the Effective Date, of a subsidiary, an associated company or any of the financial or fixed assets of the Company by the amount of the provision made in relation to such subsidiary, associated company or financial or fixed assets as at 30 September 2003 less such amount (if any) as credited to the Special Reserve as a result of such liquidation, disposal or realisation; and

(6) in the event that the amount standing to the credit of the Special Reserve at any time exceeds the Limit after any reduction of the Limit pursuant to provisos (4) and/or (5) above, the Company shall be at liberty to transfer the amount of any such excess to the general reserves of the Company and the same shall become available for distribution.

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).

三十. 股本及儲備(續)**(d) 儲備性質及目的(續)***(iii) 特別儲備(續)*

(5) 於生效日期後，在清盤、出售或以其他方式變現附屬公司、聯營公司或本公司任何財務或固定資產時，於二零零三年九月三十日就有關附屬公司、聯營公司或財務或固定資產所提撥之準備金額減上述清盤、出售或變現事項所產生之特別儲備進賬金額(如有)之數，可用作減少有關限額；及

(6) 倘於根據上文第(4)及／或(5)條削減有關限額後特別儲備之進賬金額超過有關限額，本公司可轉撥超出之數至本公司之一般儲備，而有關金額可供分派之用。

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。

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30. CAPITAL AND RESERVES (continued)**(d) Nature and purpose of reserves** (continued)*(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).

(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.

三十. 股本及儲備(續)**(d) 儲備性質及目的(續)***(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) 公允值儲備

公允值儲備包括於結算日持有之待售證券公允值之累計變動淨額及其根據附註一(f)及(k)所載會計政策處理。

(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。

30. CAPITAL AND RESERVES (continued)

(e) Distributability of reserves

At 31 December 2007, the aggregate amount of reserves available for distribution to equity shareholders of the Company was \$792,696,000 (2006: \$722,767,000). After the balance sheet date the directors proposed a final dividend of 1 cent per ordinary share (2006: 0.6 cent per ordinary share) amounting to \$31,347,000 (2006: \$18,462,000), and a special dividend of Nil (2006: 0.4 cent per ordinary share amounting to \$12,308,000). These dividends have not been recognised as liabilities at the balance sheet date.

(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 2007 and 31 December 2006.

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 2007 was 42% (2006: 38%).

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

三十. 股本及儲備(續)

(e) 儲備分派情況

於二零零七年十二月三十一日，可供分派予本公司股東之儲備總額為792,696,000元(二零零六年：722,767,000元)。於結算日後，董事建議派發末期股息每股普通股1仙(二零零六年：每股普通股0.6仙)合共31,347,000元(二零零六年：18,462,000元)但不派發特別股息(二零零六年：每股普通股0.4仙，總額為12,308,000元)。於結算日，此等股息並無確認為負債。

(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。於截至二零零七年十二月三十一日及截至二零零六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。於二零零七年十二月三十一日，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42%(二零零六年：38%)。

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。

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31 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.

Debtors of the Group represent receivables in respect of toll bridge revenue, revenue from waste-water treatment plants, waste-to-energy power plants, methane-to-energy power plant 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 (note 2(c)).

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 \$998,004,000 and \$1,875,612,000 respectively, of which \$560,197,000 and \$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 as low.

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.

Except for the financial guarantees given by the Company to its subsidiaries, the Group does not provide any 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 35.

三十一. 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。

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安全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(附註二(c))。

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998,004,000元及1,875,612,000元，其中560,197,000元及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。

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。

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三十五披露。

31. 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 current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

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

三十一. 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即期及預期流動資金所需，確保集團維持充裕的現金儲備及從主要財務機構取得足夠的承諾信貸融資，以應付其短期及長期流動資金需求。

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

		2007 二零零七年					2006 二零零六年						
		Total contractual undiscounted cash flow					Total contractual undiscounted cash flow						
		Carrying amount	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Carrying amount	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
		\$'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	1,435,448	(1,759,991)	(144,189)	(203,498)	(722,402)	(689,902)	891,032	(1,059,318)	(84,322)	(95,937)	(419,482)	(459,577)
Creditors, other payables and accrued expenses	應付賬款、其他應付款項及應計費用	334,426	(334,426)	(334,426)	-	-	-	249,179	(249,179)	(249,179)	-	-	-
		1,769,874	(2,094,417)	(478,615)	(203,498)	(722,402)	(689,902)	1,140,211	(1,308,497)	(333,501)	(95,937)	(419,482)	(459,577)

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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. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

The Company

三十一. 金融工具(續)

(b) 流動資金風險(續)

本公司

		2007 二零零七年					2006 二零零六年				
		Total contractual undiscounted cash flow		More than 1 year but less than 2 years	More than 2 years but less 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		
		Carrying amount	Within 1 year or on demand	1 year but less than 2 years	2 years but less than 5 years	Carrying amount	Within 1 year or on demand	1 year but less than 2 years	2 years but less than 5 years		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
		千元	千元	千元	千元	千元	千元	千元	千元		
Bank loans	銀行貸款	29,106	(30,548)	(11,428)	(6,703)	(12,417)	45,536	(49,217)	(16,429)	(12,056)	(20,732)
Other payables and accrued expenses	其他應付款項及應計費用	34,434	(34,434)	(34,434)	-	-	38,122	(38,122)	(38,122)	-	-
		63,540	(64,982)	(45,862)	(6,703)	(12,417)	83,658	(87,339)	(54,551)	(12,056)	(20,732)

(c) Interest rate risk

The Group's interest rate risk arises primarily from the Group's cash and cash equivalents, bank deposits and bank loans. 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.

(c) 利率風險

本集團面對之利率風險，其主要關乎集團之現金及現金等價物、銀行存款及銀行貸款。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)。

31. 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.

The Group**三十一. 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。

本集團

		2007 二零零七年		2006 二零零六年	
		Effective interest rate	\$'000	Effective interest rate	\$'000
		實際利率	千元	實際利率	千元
<i>Net fixed rate borrowings:</i>		<i>定息借貸淨額:</i>			
Bank loans	銀行貸款	6.6% – 7.8%	1,224,061	4.8% – 6.8%	845,496
Less: Deposits with bank	減: 銀行存款	-	(16,084)	2.5%	(10,909)
Cash and cash equivalents	現金及現金等價物	1.7% – 4.9%	(250,692)	1.6% – 5.4%	(516,072)
			957,285		318,515
<i>Variable rate borrowings/ (deposits):</i>		<i>浮息借貸/(存款):</i>			
Bank loans	銀行貸款	4.3% – 7%	211,387	4.5% – 5.1%	45,536
Less: Pledged bank deposits	減: 已抵押銀行存款	1.4% – 2.3%	(60,518)	1.4% – 1.9%	(99,314)
Cash and cash equivalents	現金及現金等價物	0.7% – 1.4%	(304,171)	0.7% – 1.5%	(240,691)
			(153,302)		(294,469)
Total net borrowings	總借貸淨額		803,983		24,046

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31. FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

(i) Interest rate profile (continued)

The Company

三十一. 金融工具(續)

(c) 利率風險(續)

(i) 利率概況(續)

本公司

		2007 二零零七年		2006 二零零六年	
		Effective interest rate 實際利率	\$'000 千元	Effective interest rate 實際利率	\$'000 千元
Net fixed rate deposits:	定息存款淨額：				
Cash and cash equivalents	現金及現金等價物	2.6% – 4.9%	(207,800)	3% – 4.3%	(325,761)
Variable rate borrowings/ (deposits):	浮息借貸/ (存款)：				
Secured bank loans	有抵押銀行貸款	4.3% – 4.4%	29,106	4.5% – 5.1%	45,536
Less: Cash and cash equivalents	減：現金及現金等價物	0.7%	(32,413)	0.7%	(6,509)
			(3,307)		39,027
Total net deposits	總存款淨額		(211,107)		(286,734)

(ii) Sensitivity analysis

At 31 December 2007, it is estimated that a general increase/decrease of one percentage points in interest rates, with all other variables held constant, would decrease/increase the Group's profit before tax by approximately \$8,201,000 (2006: \$240,000).

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 liabilities 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 2006.

(ii) 敏感度分析

於二零零七年十二月三十一日，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8,201,000元(二零零六年：240,000元)。

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財務負債之利率風險。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。二零零六年之分析乃根據相同基準進行。

31. FINANCIAL INSTRUMENTS (continued)

(d) Currency risk

Forecast transactions

Majority of the Group's transactions are denominated in functional currency of the entity to which they relate. Presently, the Group has no hedging policy with respect to 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 the 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 monitors regularly the performance of the investments against expectation, together with an assessment of their relevance to the Group's long term strategic plans.

三十一. 金融工具(續)

(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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31. 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 and bank loans approximate their fair values.

As set out in notes 17 and 27, the Company had amounts due from/to subsidiaries and loans from ultimate holding company, 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 approximately 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.

三十一. 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及銀行貸款之公允值與彼等之賬面值相若。

誠如附註十七及二十七所載，本公司具有應收／應付附屬公司款項及最終控股公司貸款。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。

32. 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:

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Interest expense	利息支出	-	24,016
Rental income for provision of office premises	提供辦公室單位之租金收入	-	833
		<u>-</u>	<u>833</u>

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

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Service expense for operation of waste-water treatment plants (note 32(f))	有關運營污水處理廠之服務開支 (附註三十二(f))	<u>27,742</u>	<u>18,225</u>

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

		2007 二零零七年 \$'000 千元	2006 二零零六年 (restated) (重報) \$'000 千元
Revenue from waste-water treatment plants operation services	污水處理廠運營服務收益	57,190	37,757
Revenue from construction services	建造服務收益	22,225	140,072
Finance income	財務收入	<u>23,668</u>	<u>16,607</u>

三十二. 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) 本集團與其非全資附屬公司之少數股東訂立了下列關聯人仕交易：

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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. MATERIAL RELATED PARTY TRANSACTIONS (continued)

- (d) The Group entered into the following related party transactions with subsidiaries of a minority shareholder of a non-wholly owned subsidiary of the Group:

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Fee paid/payable for work performed in connection with the construction of waste-water treatment plant pursuant to an engineering, procurement and construction contract and a service contract	就根據工程、採購及建築合同以及服務合同建造污水處理廠所進行之工程而已付/應付之費用	2,408	77,446
Technical service expense (note 32(f))	技術服務費(附註三十二(f))	2,223	2,170
Purchase of equipment	購買設備	8,756	8,430

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

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	20,742	22,267
Retirement scheme contributions	退休計劃供款	447	361
Equity compensation benefits	股本償付福利	5,083	4,420
		26,272	27,048

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

- (f) During the year ended 31 December 2007, 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.

三十二. 與關聯人仕之重大交易(續)

- (d) 本集團與其非全資附屬公司之少數股東之附屬公司訂立了下列關聯人仕交易：

- (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))。

- (f) 截至二零零七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。

33. COMMITMENTS

- (a) Purchase commitments outstanding in connection with the Group's construction contract at 31 December 2007 not provided for in the financial statements were as follows:

		The Group 本集團		The Company 本公司	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Contracted for	已訂約	168,903	310,623	76,807	136,308

- (b) At 31 December 2007, the Group had outstanding commitments in connection with TOT arrangements entered into which amounted to \$754,929,000 (2006: \$79,696,000).
- (c) At 31 December 2007, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 本集團	
		2007 二零零七年 \$'000 千元	2006 二零零六年 (restated) (重報) \$'000 千元
Within 1 year	一年內	124	578
After 1 year but within 5 years	一年後但五年內	-	33
		124	611

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

三三. 承擔

- (a) 於二零零七年十二月三十一日，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：

- (b) 於二零零七年十二月三十一日，本集團在TOT安排下之承擔為754,929,000元（二零零六年：79,696,000元）。
- (c) 於二零零七年十二月三十一日，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兩年，且並不包括或有租金。

Notes to the Financial Statements 財務報表附註

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

34. PLEDGE OF ASSETS

Details of assets pledged are set out in note 25. The aggregate net book value of assets pledged amounted to approximately \$2,287,009,000 as at 31 December 2007 (2006 (restated): \$1,528,711,000).

35. CONTINGENT LIABILITIES

Financial guarantees issued

As at the balance sheet date, the Company has issued financial guarantees to two wholly-owned subsidiaries which expire on 2 August 2015 and 30 November 2015 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 \$182,280,000 (2006: \$Nil).

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.

36. COMPARATIVE FIGURES

Certain comparative figures have been adjusted or reclassified as a result of the changes in accounting policies. Further details are disclosed in note 2.

三四. 資產抵押

已抵押資產詳情載於附註二十五。於二零零七年十二月三十一日，已抵押資產之賬面淨值總額約為2,287,009,000元(二零零六年(重報)1,528,711,000元)。

三五. 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作出財務擔保，有關財務擔保分別於二零一五年八月二日及二零一五年十一月三十日到期。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182,280,000元(二零零六年：無)。

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。

三六. 比較數字

若干比較數字已因應會計政策變動而予以調整或重新分類。進一步詳情載於附註二。

37. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2007, 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.

38. ACCOUNTING ESTIMATES AND JUDGMENTS

(a) Key sources of estimation uncertainty

Notes 14(c), 16, 29 and 31 contain information about the assumptions and their risk factors relating to valuation of investment properties, goodwill, fair value of share options granted and financial instruments. Other key sources of estimation uncertainty are as follows:

Construction contracts

As explained in policy notes 1(m) and 1(u)(i), revenue and profit recognition on an uncompleted 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 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.

三十七. 直接及最終控股公司

於二零零七年十二月三十一日，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士取用。

三十八. 會計估算及判斷

(a) 導致估算產生不確定性之主要根據

附註十四(c)、十六、二十九及三十一載有與投資物業、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：

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。

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)

38. ACCOUNTING ESTIMATES AND JUDGMENTS *(continued)***(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. Details of the accounting policy has been set out in note 2(c).

三十八會計估算及判斷(續)**(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、工業固體廢物安全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。有關會計政策詳情載於附註二(c)。

39. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2007

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 2007 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 its results of operation and financial operation.

In addition, the following developments may result in new or amended disclosures in the financial statements:

三九. 已公佈但於截至二零零七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二零零七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其營運業績及財政狀況構成任何重大影響。

此外，下列新準則或會導致本公司須在財務報表中作出新增或經修訂披露：

		Effective for accounting periods beginning on or after 自以下日期或之後 開始之會計期間生效
HKFRS 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
Revised HKAS 1 香港會計準則第1號(經修訂)	Presentation of Financial Statements 財務報告之呈報	1 January 2009 二零零九年一月一日
HKAS 23 (March 27) 香港會計準則第23號 (三月二十七日)	Borrowing costs 借貸成本	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				
		2007 二零零七年	2006 二零零六年 (restated) (重報)	2005 二零零五年 (restated) (重報)	2004 二零零四年 (restated) (重報)	2003 二零零三年 (restated) (重報)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Assets and liabilities	資產及負債					
Fixed assets	固定資產	304,526	263,439	352,098	314,358	297,881
Intangible asset	無形資產	568,882	549,649	549,533	560,022	576,946
Goodwill	商譽	46,133	46,133	46,133	45,453	26,715
Interest in associates	聯營公司權益	-	442	413,304	435,479	928,408
Other financial assets	其他財務資產	59,577	62,976	51,931	46,462	46,462
Other receivables and deposits	其他應收款項及按金	690,019	408,559	122,184	-	-
Gross amounts due from customers for contract work	應收客戶合約工程款額	1,752,995	944,161	353,981	2,640	-
Deferred tax assets	遞延稅項資產	35,561	22,922	19,055	-	-
Net current assets	流動資產淨值	584,432	748,449	497,958	546,402	33,080
		4,042,125	3,046,730	2,406,177	1,950,816	1,909,492
Non-current liabilities	非流動負債	(1,438,699)	(933,534)	(1,132,871)	(878,346)	(911,896)
NET ASSETS	淨資產	2,603,426	2,113,196	1,273,306	1,072,470	997,596
Share capital	股本	313,472	307,601	255,181	254,881	254,831
Reserves	儲備	2,137,619	1,688,522	926,422	814,395	742,765
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益總額	2,451,091	1,996,123	1,181,603	1,069,276	997,596
Minority interests	少數股東權益	152,335	117,073	91,703	3,194	-
TOTAL EQUITY	權益總額	2,603,426	2,113,196	1,273,306	1,072,470	997,596

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2007. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs is provided in note 2 to the financial statements. Figures for 2003 to 2006 have been adjusted for these new and revised policies.

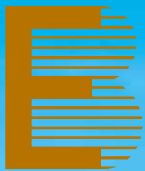
香港會計師公會頒佈了多項新訂及經修訂之香港財務報告準則。有關準則自二零零七年一月一日或以後開始之會計期間生效或可供提前採用。由於初次運用該等新訂及經修訂之香港財務報告準則而導致會計政策變動之資料載於財務報表附註二。二零零三年至二零零六年之數字已因應該等新訂及經修訂政策作出調整。

		For the year ended 31 December 截至十二月三十一日止年度				
		2007 二零零七年	2006 二零零六年 (restated) (重報)	2005 二零零五年 (restated) (重報)	2004 二零零四年 (restated) (重報)	2003 二零零三年 (restated) (重報)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Results	業績					
Turnover	營業額	1,347,852	884,043	517,898	67,885	83,613
Profit/(loss) from operations	經營盈利/(虧損)	439,871	528,276	100,207	20,260	(53,194)
Finance costs	財務費用	(72,507)	(70,445)	(41,667)	(27,614)	(31,374)
Share of (losses)/profits of associates	所佔聯營公司(虧損)/盈利	(478)	32,658	68,045	85,182	83,233
Share of profit of jointly controlled entity	所佔合營公司盈利	-	-	-	-	31,982
Gain on sale of discontinued operation	出售終止經營業務收益	-	-	-	-	19,576
Profit before taxation	除稅前盈利	366,886	490,489	126,585	77,828	50,223
Income tax	所得稅	(6,807)	(9,949)	8,217	1,537	(2,719)
Profit for the year	本年度盈利	360,079	480,540	134,802	79,365	47,504
Attributable to:	應佔部份：					
Equity shareholders of the Company	本公司股東	337,932	460,478	119,913	79,923	46,673
Minority interests	少數股東權益	22,147	20,062	14,889	(558)	831
Profit for the year	本年度盈利	360,079	480,540	134,802	79,365	47,504
Basic earnings per share	每股基本盈利	10.89 cents 仙	15.92 cents 仙	4.70 cents 仙	3.14 cents 仙	1.83 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 中期性	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 中期性	100%
3.	Shop Units at Sections 1 & 3 of Lower Ground Floor and on Levels 1 & 2, Office Units on Level 3 of the commercial podium, Zhongshan Garden Shenzhen Guangdong Province, the PRC 中國廣東省 深圳市中山花園 商業裙樓地下第一層 第一部份及第三部份商舖 第一層及第二層商舖 第三層辦公室	Commercial 商業	Medium 中期性	100%
4.	Room 1301-1309 Central Business Building No. 88 Fuhua Road One Futian District Shenzhen, Guangdong Province the PRC 中國廣東省深圳市福田區 福華一路八十八號中心商務大廈 一三零一至一三零九室	Commercial 商業	Medium 中期性	100%
5.	24th Floor Tower of Education, Science & Technology Building Zhuzilin, Futian District Shenzhen, Guangdong Province the PRC 中國廣東省深圳市 福田區竹子林 教育科技大廈二十四層	Commercial 商業	Medium 中期性	100%
6.	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 term 長性	100%



CHINA EVERBRIGHT INTERNATIONAL LIMITED

中國光大國際有限公司

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