



CHINA EVERBRIGHT INTERNATIONAL LIMITED

中國光大國際有限公司



2004

INTERIM REPORT 中期報告

CORPORATE INFORMATION

DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

QUALIFIED ACCOUNTANT

WONG Kam Chung, Raymond

COMPANY SECRETARY

POON Yuen Ling

REGISTERED OFFICE

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

PRINCIPAL BANKERS

CITIC Ka Wah Bank, Limited
 International Bank of Asia Limited
 The Bank of East Asia, Limited
 Agricultural Bank of China
 China Minsheng Banking Corp., Ltd.
 CITIC Industrial Bank

公司資料

董事

執行董事

王明權 (主席)
 臧秋濤 (副主席)
 李學明 (副主席)
 陳小平 (行政總裁)
 范仁鶴 (總經理)
 黃朝華
 黃錦聰
 陳爽
 張衛云

獨立非執行董事

鍾逸傑爵士
 李國星
 馬紹援

合資格會計師

黃錦聰

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

中信嘉華銀行有限公司
 港基國際銀行有限公司
 東亞銀行有限公司
 中國農業銀行
 中國民生銀行
 中信實業銀行

SOLICITORS

Woo, Kwan, Lee & Lo
Grandall Legal Group (Beijing)

AUDITORS

KPMG

REGISTRARS

Tengis Limited
G/F., Bank of East Asia Harbour View Centre
56 Gloucester Road, Wanchai, Hong Kong

WEBSITE

www.ebchinaintl.com

STOCK CODE

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律師

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

股份過戶登記處

登捷時有限公司
香港灣仔告士打道五十六號
東亞銀行港灣中心地下

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股份代號

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FINANCIAL HIGHLIGHTS

財務概要

		2004	2003	Percentage Change 百分比 變動
		二零零四年	二零零三年	
		Six months ended 30 June	Six months ended 30 June	
		截至六月三十日止六個月	截至六月三十日止六個月	
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	
RESULTS	業績			
Turnover	營業額	31,904	58,442	-45%
Earnings before interest and tax	除利息及稅項前盈利	65,619	27,738	137%
Profit attributable to shareholders	股東應佔盈利	44,837	8,288	441%
Earnings per share (HK cents)	每股盈利 (港仙)	1.76	0.33	433%
Return on shareholders' equity	股東資金回報			
- half year (%)	- 半年 (%)	4.38	0.88	3.5%
Interest cover (%)	利息覆蓋比率 (%)	467	147	320%
		As at	As at	
		30 June	31 December	
		於六月三十日	於十二月三十一日	
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	

FINANCIAL POSITION

財務狀況

Total assets	資產總額	2,011,516	2,069,604	-3%
Total liabilities	負債總額	959,965	1,069,208	-10%
Shareholders' equity	股東權益	1,047,208	1,000,396	5%
Net asset value per share (HK\$)	每股資產淨值 (港幣元)	0.411	0.393	5%
Gearing (%)	資產負債比率 (%)	48	52	-4%
Current ratio (%)	流動比率 (%)	134	121	13%

BUSINESS REVIEW AND OUTLOOK

Operating Results

The PRC economy achieved a steady growth during the first half of 2004 and the GDP is expected to increase by 9.7% for the whole year, maintaining favourable momentum for growth. Undergoing the increasingly intensive modernisation, surging demand for infrastructure, energy and properties was evidenced in the PRC during the period, thus creating a favourable environment for the Group's operations. Given the rapid economic growth, the PRC government took decisive actions to implement macro economic control and adopted a series of policies to fine tune the development structure of different industries, laying down a sustainable and solid foundation for the PRC's future economic growth.

Following the completion of business and assets restructuring in 2003, the Group is now at a new stage for development, and has established infrastructure investment, property investment and environmental protection as its core businesses. Amongst its three core businesses, the infrastructure and property investment businesses continued to generate steady revenue and profit for the Group. Meanwhile, the environmental protection business is progressing well to become a future profit contributor for the Group. During the period under review, the Group's operations maintained healthy growth, with a significant increase in profit as compared to the corresponding period last year. The increase is mainly attributable to the disposal of loss-making businesses and the continuous improvement of our normal business earnings. Profit attributable to shareholders of the Group for the first half of the year was HK\$44,837,000, representing an increase of 4.4 times as compared to HK\$8,288,000 for the corresponding period last year, amongst which: i) the electricity sales of Shenzhen Mawan Power Company Limited ("Mawan Power") continued to increase, contributing an attributable profit of HK\$34,969,000; ii) the traffic flows of Fuzhou Qingzhou Bridge ("Qingzhou Bridge") continued to grow, recording a profit after taxation of HK\$9,164,000; iii) the pick-up of property prices in Hong Kong brought about a surplus on revaluation of investment properties of HK\$8,000,000. Basic earnings per share amounted to HK1.76 cents, representing a substantial increase as compared to HK0.33 cent for the corresponding period last year. During the period under review, the Group's consolidated turnover amounted to HK\$31,904,000, a decrease of 45% as compared to HK\$58,442,000 for the corresponding period last year, which is mainly attributable to the disposal of timber business last year. Excluding the disposal of timber business, the consolidated turnover increased 2.5 times as compared to the corresponding period last year. With the Group's existing infrastructure business developing steadily and the ongoing development opportunities for the environmental protection business unfold, it is expected that turnover is well poised to grasp further growth in future.

業務回顧及展望

經營業績

二零零四年上半年中國經濟保持穩步增長，預計全年國民生產總值增長9.7%，保持良好的增長勢頭。期間中國現代城市化的步伐緊鑼密鼓，城市現代化的發展亦帶動基建、能源及物業需求快速增加，為本集團的業務造就良好的環境。在經濟快速增長的同時，中國政府果斷進行宏觀調控，推出一系列政策以優化各行業的發展結構，為中國未來經濟發展建立可持續的穩健基礎。

自二零零三年完成業務及資產重組後，本集團現正處於新的發展期，並確立以基建、物業投資及環保為三項主要業務。其中基建與物業投資繼續為本集團提供穩定的收入與利潤；環保業務運作勢頭良好，已逐步形成本集團未來利潤的增長點。回顧期內，本集團各項業務健康發展，盈利較去年同期大幅增加，主要由於虧損業務已剝離，正常業務收益持續增長。上半年本集團之股東應佔盈利為港幣44,837,000元，較去年同期之港幣8,288,000元增加4.4倍。其中i)深圳媽灣電力有限公司（「媽灣電力」）售電量繼續增長，貢獻應佔利潤港幣34,969,000元；ii)福州青洲大橋（「青洲大橋」）車流量持續增長，錄得除稅後利潤港幣9,164,000元；iii)香港物業價格回升錄得投資物業重估盈餘港幣8,000,000元。每股基本盈利1.76港仙，較去年同期之0.33港仙大幅增加。回顧期內，本集團錄得綜合營業額港幣31,904,000元，較去年同期之港幣58,442,000元下跌45%，主要是去年出售木材業務所至，若扣除出售木材業務因素計算綜合營業額較去年同期增加2.5倍。隨著本集團原有基建業務的穩健發展和環保業務持續發展的空間打開，預計營業額日後可形成良好的增長態勢。

BUSINESS REVIEW AND OUTLOOK (Continued)**Operating Results** (Continued)

With the completion of its business and assets restructuring, the financial position of the Company improved significantly. As such, the Company made a petition to the High Court of Hong Kong (“the Court”) to eliminate the accumulated losses by means of reduction of its share premium account, which had been approved by the Court on 2 March 2004. The successful reduction of share premium account signalled the resumption of the Group’s capability of dividend distribution. Taking the normal operations and future developments of the Company into account, the Company is already in a position capable of paying dividend to its shareholders. The Company is now progressing on to the stage of injecting project investment and satisfactory revenue from the investments in environmental protection projects is expected in the future. As such, the Company resolved the payment of an interim dividend of HK0.4 cent per share.

Infrastructure Investment*Energy supply*

During the period under review, Mawan Power underwent an overhaul on its machineries and facilities to enhance the operating efficiency. Mawan Power generated a total of 2.38 billion kilowatt-hour of electricity during the period, representing an increase of 6.7% as compared to 2.23 billion kilowatt-hour for the corresponding period last year. Despite the drastic surge in the prices of coal, charcoal and fuel in the PRC during the first half of the year, attributable profit from Mawan Power was HK\$34,969,000 for the period, an increase of 3.2% as compared to HK\$33,896,000 for the corresponding period last year through the effective cost controls, coupled with the enhanced efficiency in power generation after the overhaul. With a strong cash position and no bank borrowings, Mawan Power maintained a very sound financial standing and contributed cash inflow of HK\$98,798,000 to the Group during the period.

業務回顧及展望 (續)**經營業績** (續)

有見於業務及資產重組已完成，財務狀況大力改善，本公司於去年向香港高等法院（「法院」）申請削減股份溢價賬以抵銷累計虧損。有關申請已於二零零四年三月二日獲法院批准。股份溢價賬的成功削減，標誌著本公司已經恢復派息能力。從本公司的日常營運和未來發展看，已完全有條件向股東派發股息。本公司目前正步入項目投資期，預計投資環保項目日後可帶來理想收益。為此，本公司決議向股東派發中期股息每股0.4港仙。

基建投資*能源供應*

回顧期內，媽灣電力全面檢修機組設備以提升運行效率，期內共提供23.8億千瓦時電力，較去年同期22.3億千瓦時上升6.7%。儘管上半年國內煤炭、燃油價格大幅上升，但媽灣電力控制成本得宜，加上檢修後發電效益上升，故期內錄得應佔盈利港幣34,969,000元，較去年同期之港幣33,896,000元上升3.2%。媽灣電力財政穩健，資金充裕，完全沒有銀行借貸，期間並向本集團提供現金流入港幣98,798,000元。

BUSINESS REVIEW AND OUTLOOK (Continued)**Infrastructure Investment** (Continued)*Energy supply* (Continued)

As the second half of the year is the peak season for electricity sales, it is expected that Mawan Power will continue to operate at full capacity, consequently enhancing its contribution to the Group's profit. With the steady growth of the PRC economy, huge demand for electricity and the shortage of power supply is expected to continue. The Group believes that Mawan Power will continue to be a major source of income for the Group.

Toll bridge

Qingzhou Bridge is one of the major transportation hubs in the PRC, with its northern section connected to Mawei Economic Zone of Fuzhou City, and the southern section connected to Changle City. The Qingzhou Bridge, which is built across the Minjiang River forms part of the "Tungshan Expressway" and also serves as a shortcut between Fuzhou City and Changle International Airport. Since its opening in 2003, the traffic flow of Qingzhou Bridge continues to rise every month. Following the cessation of operation of the Fuzhou Minjiang Bridge and the full opening of the Fujian and Zhejiang sections of the "Tungshan Expressway", traffic flow further increased. Average daily traffic flow for the first half of the year increased to 17,083 standard vehicles, representing an increase of 96% as compared to 8,700 standard vehicles for the corresponding period last year. During the period under review, attributable operating profit from Qingzhou Bridge amounted to HK\$9,164,000, representing an increase of 23% from HK\$7,444,000 for the corresponding period last year. It is estimated that with the sustained growth of the PRC economy in the second half of the year, traffic flow will continue to grow. Meanwhile, the government's tightening control on overloaded lorries and promotion of the production of environmentally friendly and energy-saving vehicles will also benefit the development of road and bridge infrastructure in the long run.

業務回顧及展望 (續)**基建投資** (續)*能源供應* (續)

鑒於每年下半年為售電旺季，本集團預計媽灣電力將可持續滿負荷發電，增加對本集團的利潤貢獻。隨著國內經濟穩步增長，電力需求殷切，缺電情況持續，本集團相信媽灣電力仍將繼續成為本集團的主要收入來源。

收費橋樑

青洲大橋是國內重要交通樞紐，北接福州市馬尾經濟開發區，南連長樂市，是國道「同三線」跨越閩江的一座大型橋樑，也是福州市區通往福州長樂國際機場的最便捷通道。青洲大橋自二零零三年開通以來，車流量按月持續上升。在福州閩江大橋停用及「同三線」福建省與浙江省路段全面開通後，車流量更進一步上升。今年上半年之每日平均車流量已上升至17,083標準車次，較去年同期之8,700標準車次增長96%。回顧期內，青洲大橋之應佔經營利潤為港幣9,164,000元，較去年同期之港幣7,444,000元大幅增長23%。預計下半年國內經濟持續增長，車流量將會繼續上升，而政府嚴格控制貨車違規超載及鼓勵生產環保及馬力較小之汽車亦將有利路橋基建的長遠發展。

BUSINESS REVIEW AND OUTLOOK (Continued)**業務回顧及展望** (續)**Property Investment****物業投資***PRC**中國*

Sino Villa Holdings Limited (“Sino Villa”) holds a four-storey commercial podium in Shenzhen Zhongshan Garden, which continues to generate steady rental income and cash flow to the Group. During the period under review, a total of 14,096 square metres of the property were leased to Walmart, Park’n Shop, McDonald and Agricultural Bank etc., generating a stable operating profit of HK\$3,597,000 to the Group. In addition, the Group acquired 95% interest in Shenzhen Zhongshan Property Management Company Limited on 31 October 2003 at nil consideration pursuant to the option granted upon the acquisition of Sino Villa in 1999. The legal registration of the above transaction was completed in March 2004. The Group believes that the acquisition of the management company will enhance the property management of Sino Villa and further improve the overall operational efficiency.

Sino Villa Holdings Limited (「Sino Villa」) 持有深圳中山花園之四層商業裙樓，繼續為本集團提供穩定的租金收入和現金流量。回顧期內，物業約14,096平方米之面積分別租予沃爾瑪、百佳、麥當勞及農業銀行等。此項目為本集團帶來港幣3,597,000元之穩定經營盈利。此外，本集團按照一九九九年收購Sino Villa時獲授予的期權於二零零三年十月三十一日以零收購價收購深圳中山物業管理有限公司之95%權益，有關交易之法律登記已於二零零四年三月完成。通過收購物業管理公司，本集團相信可加強此項物業投資的管理，提升整體經營效益。

During the period under review, Shanghai Kerry Everbright City, in which the Group holds approximately 25% interest, continued to operate steadily. The total sold and leased areas were similar to last year, with 88% for Tower 1, 98% for Tower 2 and 100% for the shopping mall. Attributable profit after taxation from this project totalled to HK\$4,112,000, a decrease from HK\$10,298,000 for the corresponding period last year, which is mainly due to the increase of the share of deferred tax by HK\$7,032,000 as compared to the corresponding period last year. Excluding such deferred tax, the operating profit before tax of the project for the first half of the year would increase by 16% as compared to the corresponding period last year. The total sold and leased areas of the Shanghai Trade Square and International Apartments, in which the Group holds approximately 14% interest, was 97%, an increase of 1% as compared to last year.

回顧期內，本集團持有約25%權益的上海嘉里不夜城繼續穩定經營，已售及已租總面積與去年相若，其中第一座為88%，第二座為98%，至於購物商場則為100%。上半年此項目共錄得應佔稅後盈利港幣4,112,000元，較去年同期應佔稅後盈利之港幣10,298,000元減少，主要由於本年之應佔遞延稅項較去年同期大幅增加港幣7,032,000元。若扣除遞延稅項的因素，此項目上半年的稅前經營盈利較去年同期上升16%。至於本集團擁有約14%權益的上海商貿大廈與國際公寓，已售及已租總面積則為97%，較去年上升1%。

BUSINESS REVIEW AND OUTLOOK (Continued)**Property Investment** (Continued)*Hong Kong*

Benefiting from the implementation of the Closer Economic Partnership Agreement (“CEPA”) and the positive impact of the “Individual Visit Scheme” to the consumer industry, Hong Kong’s economy continues to rebound during the period under review. According to the economic statistics published by the Hong Kong Government on 27 August 2004, the Hong Kong economy has shaken off from deflation period which lasted for 68 months. It is expected that the GDP will increase by 7.5% for the whole year. With the general recovery of the economy, the property market also achieved healthy growth during the period with steady increase in rentals and sale prices. Fuelled by the favourable performance of property market and the increase in valuation, the Group recorded a surplus on revaluation of investment properties of HK\$8,000,000 for the period.

Looking ahead, the Group believes that major cities in the PRC such as Shanghai possess competitive edges and unique development potentials. In addition, following the execution of the second phase of CEPA between the PRC and Hong Kong, the property market of Hong Kong will maintain steady growth. The Group will grasp these opportunities so as to consolidate its various property projects in different areas and to generate stable long-term revenue.

Environmental Protection

During the period under review, the environmental protection business has shown good development progress. The Group continued to expand its environmental protection business at a steady pace, while closely monitoring and strictly controlling the progress of projects during the construction stage. Meanwhile, the Group has streamlined the contracted projects to fully align with its long-term development, so as to further consolidate the foundation of its environmental protection business.

業務回顧及展望 (續)**物業投資** (續)*香港*

回顧期內，受惠於更緊密經貿關係安排及「個人遊」對消費行業的刺激，香港的經濟繼續改善。按照香港政府於二零零四年八月二十七日公佈的經濟數據，香港經濟已確認擺脫長達68個月的通縮期，預計全年本地生產總值增長7.5%。隨著整體經濟復甦，期內物業市度亦持續健康發展，租金及成交價穩步上揚。有鑒於地產市道向好，估值上升，故期內錄得投資物業重估盈餘港幣8,000,000元。

展望將來，本集團相信中國主要城市，例如上海等擁有其競爭優勢及獨特的發展潛力。此外，隨著中國與香港簽訂第二期更緊密經貿關係協議，香港物業市場將會穩步發展。本集團將會抓緊機遇，繼續鞏固各個地區的物業項目，以期帶來穩定的長遠收益。

環保業務

回顧期內，環保業務發展勢頭良好。本集團繼續穩步拓展環保業務，狠抓項目建設期管理和控制，並配合公司長遠發展對已簽約的項目全面調整，令環保業務的基礎更穩固。

BUSINESS REVIEW AND OUTLOOK (Continued)**Environmental Protection** (Continued)

For the past two years, the Group committed great efforts in developing a team with self-supporting technical capability. At present, the Group has established its own professional, efficient and dedicated technician team and management team, fully capable of handling environmental protection projects independently. Meanwhile, there was also breakthrough in our strategy of forming strategic alliances with renowned international companies in order to achieve synergy. In May this year, the Group formed a strategic alliance with the world-renowned Seghers Keppel Technology Group (“Seghers Keppel”). The parties have already had extensive cooperation and exchange in the areas of engineering, joint investment, technical consultation, operation management and the exploration of domestic and overseas environmental protection projects. The parties have also commenced to form more competitive partnerships to jointly tender for projects in different regions. In view of our enhanced competitiveness as well as the positive momentum of the environmental protection industry in the PRC, the Group has decided to re-direct its business development strategy to focus on the waste-to-energy project in Suzhou (“Suzhou Project”).

The Suzhou Project is a waste-to-energy project jointly invested by the Group and its partner, in which the Group initially held 50% interest. Given the fact that Suzhou is a major developing city in the PRC, the management believes that the success of the project will set a good example and diffuse to Eastern China as well as to the whole country and facilitate the establishment and building of the “Everbright Environmental Protection” brand name. The management also believes that the concentration of financial and human resources on this project would enhance the development of its core business, which in turn would help to better demonstrate the Group’s long-term development directions in the environmental protection business to the market.

業務回顧及展望 (續)**環保業務** (續)

過去兩年，本集團致力培養團隊，逐步形成了自己的技術支撐能力。目前已初步建立了一支專業、高效、敬業的工程技術隊伍和管理團隊，並完全具備獨立運作環保項目的能力。與此同時，本集團在與國際知名公司建立強強聯合、優勢互補的戰略合作亦取得突破。本年五月，本集團與國際知名的西格斯吉寶科技集團（「西格斯吉寶」）正式建立戰略聯盟。雙方已在工程領域、聯合投資、技術顧問、營運管理和開拓國內外環保項目進行廣泛的合作及交流，目前並且已開始在各個地區組成較強競爭力的聯合投標體。有見於自身競爭力加強，加上國內環保產業出現良好發展勢頭，本集團遂決定重新調整業務發展策略，全力發展蘇州垃圾焚燒項目（「蘇州項目」）。

蘇州項目為本集團與合作夥伴共同投資的垃圾焚燒項目。本集團原持有50%權益。鑒於蘇州是中國主要發展中的城市，管理層相信這項目的成功運作，能在華東以至全國形成良好的輻射作用和示範效果，有利於「光大環保」品牌的建設和豎立。管理層並相信本集團集中財力與人力資源於這項目可加強培養核心業務，有利予市場更清晰本集團於環保業務的長遠發展路向。

BUSINESS REVIEW AND OUTLOOK (Continued)**Environmental Protection** (Continued)

In this regard, on 9 July 2004, the Group entered into an agreement with its partner for the acquisition of 50% interest in Starland Resources Limited (“Starland”) at a consideration of RMB11,000,000 (or equivalent amounts in Hong Kong dollars). The Suzhou Project accordingly became a wholly-owned project of the Group through its shareholdings in Starland. As such transaction constituted a major transaction of the Company as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”), an announcement was made on 15 July 2004. In order to more efficiently focus resources on the Suzhou Project, the Group also entered into an agreement with its partner for the disposal of 50% interest in the waste-to-energy projects in Hengtan of Foshan City and Wuhan respectively. The waste-to-energy project in Hengtan of Foshan City is the first joint environmental protection project investment of the Group and its partner. Construction of the project was completed in late 2003 and was undergoing trial run before the disposal. As the consideration payable to the Group in respect of such disposal exceeded the original acquisition price, a gain on disposal of HK\$652,000 was recorded for the Group. For the Wuhan project, since official approval from the Wuhan government has yet to be obtained, no investment has been made to this project before the disposal.

業務回顧及展望 (續)**環保業務** (續)

為此，本集團於二零零四年七月九日與合作夥伴達成協議，以人民幣11,000,000元或等額港元的代價收購星域資源有限公司（「星域」）的50%權益。本集團從而透過星域全資擁有蘇州項目。有關交易構成本公司之重大交易「定義見香港聯合交易所證券上市規則」（「上市規則」），並已於二零零四年七月十五日對外公佈。為了能更有效地集中資源於蘇州項目，本集團並與合作夥伴達成協議分別出讓佛山市杏壇垃圾焚燒項目及武漢垃圾焚燒項目的50%權益。佛山市杏壇垃圾焚燒項目為本集團與合作夥伴第一個共同投資的環保項目，該項目的建設工程於二零零三年底完成，在出讓前正進行試運行。就有關出售事項，本集團系以高於原收購價格的價款出售，並錄得港幣652,000元的出售利潤。至於武漢項目則仍未取得武漢市政府的正式批准，故該項目出售前尚未有投入任何投資款。

BUSINESS REVIEW AND OUTLOOK (Continued)**Environmental Protection** (Continued)

The Suzhou Project is now the first wholly-owned environmental protection project to be constructed by the Group in relation to a waste-to-energy project in the over 1,000 tonnes category power station in Jiangsu Province. The total investment cost of the project is approximately RMB500,000,000. The project is designed to process 1,000 tonnes of waste daily and generate no less than 78 million kilowatt-hour of electricity per year during normal operation. The site foundation work of the project commenced in late 2003 and commercial operation is expected to commence in mid 2006. The Group plans to operate the project in a dual capacity, being the landlord and main contractor simultaneously. Main facilities for the project including furnace bed of incinerators and fume cleaning system will be imported in package from renowned international manufacturers, while other facilities will be purchased from established suppliers with good trading records, with an aim to create a quality project and establish the brand name of "Everbright Environmental Protection", so as to create its sustainable core competitive edge in the environmental protection business.

業務回顧及展望 (續)**環保業務** (續)

蘇州項目為本集團第一個全資投資及建設的環保項目，該項目為江蘇省內千噸級以上的垃圾焚燒發電項目，項目總投資約人民幣500,000,000元，設計日處理生活垃圾1,000噸，年發電上網電量在正常營運期間不低於7,800萬千瓦時。該項目工程已於二零零三年底奠基，預計二零零六年年中正式運行。本集團準備以業主與總承包的雙重角色進行經營。項目主要核心設備包括焚燒爐排爐、煙氣淨化系統將以打包形式選用國際知名公司的進口設備，其他設備亦會選用具規模且有優良運作記錄的供應商的設備，務求將項目建成一個精品項目，打造「光大環保」的品牌，建立本集團環保業務的持續核心競爭力。

BUSINESS REVIEW AND OUTLOOK (Continued)**Environmental Protection** (Continued)

Urban sewage treatment is another development direction of the Group's environmental protection business. In November 2003, the Group entered into a Sino-foreign cooperative joint venture agreement with Veolia Water and Qingdao Municipal Government to invest in a sewage treatment project in Qingdao. This project has been designated as one of the supporting infrastructure projects in Qingdao for the 2008 Beijing Olympic Games. During the period under review, the project has been progressing satisfactorily. On 1 June 2004, the Group entered into a subscription and shareholders agreement and four operation agreements, namely the Technical Assistant Agreement, the Operation and Maintenance Agreement, the Waste Water Treatment Agreement and the Lease Agreement, with Veolia Water to formalise the operation arrangements in details for the project. On 30 June 2004, Veolia Water subscribed for 40% shares in EB-VW HK Holding Company Limited ("EB-VW") at a consideration of HK\$4,280,000 and duly commenced the planning and construction work of the project. As Veolia Water has become a connected person of the Company as defined in the Listing Rules following the subscription of the new shares of EB-VW, the continuing transactions contemplated under the aforementioned four agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules. These transactions were announced to the public on 16 June 2004. At present, the Group is working closely with its partners on the construction of the project, which is expected to make profit contributions to the Group after the establishment of the project company in the second half of the year.

業務回顧及展望 (續)**環保業務** (續)

污水處理亦是本集團環保業務領域的發展方向之一。二零零三年十一月，本集團與威立雅水務及青島市政府簽訂中外合作合營企業協議發展青島污水處理項目，該項目為二零零八年北京奧運會青島賽場的配套之一。回顧期內，此項目進展理想，本集團與威立雅水務於二零零四年六月一日簽訂認購及股東協議及四項營運協議（分別為技術支援協議、營運及維修保養合同、污水處理協議及租賃協議），落實項目的具體營運安排。威立雅水務並已於二零零四年六月三十日向本集團投入港幣4,280,000元認購光大威立雅水務香港控股有限公司（「光大威立雅水務」）40%的股份，正式啟動項目的籌建工作。鑒於威立雅水務於認購光大威立雅水務之新股份後按照上市規則成為本公司之關連人仕，而前述的四項協議交易為持續性質，根據上市規則第14A章，該等協議所載各項交易將構成本公司之關連交易。有關交易已於二零零四年六月十六日對外披露。本集團目前正與合作方抓緊進行此項目的籌建工作，預計在項目公司於下半年成立後可貢獻盈利。

BUSINESS REVIEW AND OUTLOOK (Continued)**Environmental Protection** (Continued)

Environmental protection business is a new focus of the Group. China Everbright Holdings Company Limited (“CEH”) has recently repositioned the environmental protection business as its core development directions, alongside financial and tourism businesses. With the full support of CEH as well as the business opportunities and solid foundation secured by the Group, we are committed to build up the environmental protection division as our core business and gradually shift from merely an investor in the environmental protection sector to an environmental protection conglomerate. To achieve this objective, the Group has already started to establish its core environmental protection business through the construction of the Suzhou Project. The Group has also formed a strategic alliance with the world-renowned Seghers Keppel. Not only will this alliance facilitate exchange in technology, it will also help the Group to explore new areas for business development. Apart from this, the Group is actively participating in the environmental protection market to promote the development of the PRC environmental protection industry. On 14 September 2004, the Group jointly organised the 2004 Beijing International Environment Forum with the Beijing Municipal Environmental Protection Bureau and the Beijing Organizing Committee for the Games of the XXIX Olympiad (BOCOG). The theme of the forum is to improve the city environment in Beijing for hosting the “Green Olympics” and to ensure the on-going development of both urban and rural areas, thus having significant meanings for enhancing the country’s environment. As the sole co-organiser of the forum, the Group has successfully established an expert network system in the environmental protection industry and strengthened the relationship with the environmental protection authorities in the PRC, which will be advantageous to the future development of the Group’s environmental protection business. The Group will continue to explore potential environmental protection projects, enhance its core competitiveness, expand its regional investment coverage and strengthen its leading position in the environmental protection industry. During the period under review, the Group conducted researches and investigations on several projects, and is currently undergoing preliminary negotiations for projects in Changzhou, Shenzhen, Beijing and Chengdu.

業務回顧及展望 (續)**環保業務** (續)

環保業務為本集團重點培養的新業務。中國光大集團有限公司（「光大集團」）並已於近期為環保業務定位，正式確立環保業務為其三大業務發展支柱之一，與金融業與旅遊業並列。在獲得光大集團的全力支持以及憑藉本集團佔據的有利商機和堅定基礎，本集團有決心將環保業務發展為主營核心業務，本集團並已定下目標要逐步從投資環保行業實現到經營環保行業。在這方面，本集團目前已按既定策略通過建設蘇州項目逐步建立主營環保業務，並與國際知名的西格斯吉寶進行優勢互補的戰略聯盟，一方面進行技術交流，另一方面開拓業務發展空間。本集團亦積極參與市場競爭，大力推進國家環保產業的發展。二零零四年九月十四日，本集團成功協辦由北京市環境保護局和北京奧組委環境活動部聯合舉行的二零零四年北京國際環境研討會。該次研討會的主題是改善北京城市環境迎接綠色奧運，促進城鄉可持續發展，故對於提高國家環境質量具有重大意義。本集團作為研討會唯一協辦單位成功建立了環保行業的專家網絡系統，並加強與國內政府機關建立瞭解，對日後開拓環保業務有莫大裨益。本集團將繼續在市場物色具潛力的環保項目，加強核心競爭力，擴闊項目投資地域，鞏固本集團於環保行業的市場領先地位。回顧期內，本集團已對多個環保項目進行研究及調查，目前並與常州、深圳、北京、成都等項目開始展開初步的磋商。

BUSINESS REVIEW AND OUTLOOK (Continued)**HK Construction**

Hong Kong Construction (Holdings) Limited (“HK Construction”) is a leading contractor in Hong Kong and the PRC and has participated in various renowned construction projects. During the period under review, the debt restructuring of HK Construction was finally completed. On 11 February 2004, Creator Holdings Limited (“Creator”) entered into the Debt Conversion Agreement and Yangpu Agreement (“Agreements”) with HK Construction, under which HK Construction will fully settle the indebtedness owed to Creator by the issue of 1,340,555,276 new shares and the granting of a call option to Creator to subscribe for an aggregate of up to 380,000,000 bonus shares, both as fully paid at HK\$1 per share. The Agreements were approved by the shareholders at the extraordinary general meeting on 3 April 2004. Upon completion of the Agreements, the Group’s interest in HK Construction was diluted to 3.1%, and will be further diluted to 2.6% upon full exercise of the call option. At present, the net carrying value of the Group’s share in this investment after various provisions made in prior years amounted to HK\$32,812,000. The Group believes that the completion of the debt restructuring, with the elimination of the indebtedness and the introduction of new controlling shareholders, the operations of HK Construction will be improved. Further downside risk to the Group in this investment is minimal.

業務回顧及展望 (續)**香港建設**

香港建設(控股)有限公司(「香港建設」)是香港和中國內地市場的一家重要建築商,曾承建不少知名的重大工程。回顧期內,香港建設的債務重組終於完成。於二零零四年二月十一日,創達集團有限公司(「創達」)與香港建設簽訂債務轉換協議及洋浦協議(「有關協議」)。據此,香港建設將全數償還欠付創達之負債,方法為發行1,340,555,276股新股,以及授予創達可認購合共380,000,000股紅股的認購期權,新股及紅股均以每股面值港幣1元之繳足股份進行。隨著有關協議於二零零四年四月三日舉行之股東特別大會上獲股東批准及完成後,本集團所持有之香港建設權益已被攤薄至3.1%,而於有關認購期權將來獲全面行使後,本集團之權益將會進一步被攤薄至2.6%。經歷過去幾年多次撥備,本集團目前於此項投資之賬面淨值為港幣32,812,000元。本集團相信在完成債務重組後,通過償還負債及引入新控股股東,香港建設之營運可獲改善,而本集團於是項投資之進一步虧損將變得有限。

BUSINESS REVIEW AND OUTLOOK (Continued)**Business Outlook**

Looking ahead, following the implementation of macro economic control measures, the PRC economy is enjoying steady and sustainable growth. It is expected that the prospects of the infrastructure, property and environmental protection industries in which the Group focuses on will be promising. The Group successfully regained a healthy financial position after the completion of assets restructuring, and is well positioned to capitalise on the upcoming opportunities and its transformation. The Group will continue to strengthen its investments on infrastructure and property to fuel the development of its environmental protection business. The Group will also continue to form strategic alliances with world-renowned environmental protection companies to jointly explore environmental protection projects and to improve operational efficiency. It is the aim of the Group to create quality projects, build up core competitiveness and establish its brand name in the environmental protection industry. The Group is confident that with its prudent operation principles and the tremendous support from CEH, it will set a new management standard with remarkable influence over the market, and develop into an investment operation company with outstanding core business and high economic efficiency to maximise value for shareholders and contribute to the society.

MANAGEMENT DISCUSSION AND ANALYSIS**Financial Results**

The Group's consolidated turnover for the first half of 2004 amounted to HK\$31,904,000, a decrease of 45% as compared to HK\$58,442,000 for the corresponding period last year. The decrease is mainly attributable to the disposal of the timber business last year, resulting in a comparatively lower revenue this year. Profit attributable to shareholders for the first half of this year amounted to HK\$44,837,000, a significant increase of 4.4 times as compared to HK\$8,288,000 for the corresponding period last year. Basic earnings per share were HK1.76 cents for the period, a substantial increase from HK0.33 cent for the corresponding period last year.

業務回顧及展望 (續)**業務展望**

展望未來，隨著中國經濟在宏觀調控措施出台後更穩健地持續增長，預計本集團專注的基建、物業及環保行業前景可佳。在完成資產重組成功恢復健康的財務狀況之餘，本集團已經作好準備全力抓住發展與改革大局。本集團將會在繼續強化現有的基建、物業兩大投資業務的基礎上，大力推進環保業務發展。本集團亦將會繼續與國際知名環保公司進行優勢互補的戰略合作，共同拓展環保項目及提升營運效率，致力打造項目精品，培養核心競爭力，建立環保名牌。本集團深信以穩健的經營原則，加上光大集團的強力支持，本集團將可發展成為一家具有一定市場影響力的管理規範、主業突出、效益良好的投資經營型公司，為股東創造最大價值並回報社會。

管理層討論與分析**財務業績**

二零零四年上半年，本集團錄得綜合營業額港幣31,904,000元，較去年同期之港幣58,442,000元下跌45%，營業額下跌主要由於去年出售木材業務，故本年收入相對減少。今年上半年之股東應佔盈利為港幣44,837,000元，較去年同期之港幣8,288,000元大幅上升4.4倍。期內每股基本盈利為1.76港仙，較去年同期之0.33港仙大幅增加。

MANAGEMENT DISCUSSION AND ANALYSIS*(Continued)***Financial Position**

As at 30 June 2004, the Group had total assets of approximately HK\$2,011,516,000. Net assets amounted to HK\$1,047,208,000 and the net assets per share were HK\$0.41, an increase of 5% as compared to HK\$0.39 as at the end of last year. As at 30 June 2004, the gearing ratio (calculated by dividing total liabilities by total assets) was 48%, representing a decrease of 4% from 52% as at the end of last year. As at 30 June 2004, the Group had an aggregate cash balance of HK\$158,800,000.

The Group generally finances its operations with internally generated cash flow and loan facilities from banks and its ultimate holding company. As at 30 June 2004, the Group had total outstanding borrowings of approximately HK\$914,963,000, a decrease of 3% from HK\$943,439,000 as at the end of last year. The borrowings comprised secured bank loans of HK\$382,133,000 and loans from ultimate holding company of HK\$532,830,000. With respect to foreign exchange exposure, the risk is minimal as all of the Group's foreign currency assets and borrowings are denominated in Renminbi and US dollars, and the exchange rates of which are relatively stable against Hong Kong dollars. The impact of exchange rate fluctuations of these currencies is insignificant to the Group.

Pledge of Assets

At 30 June 2004, the Group pledged cash and fixed assets, with an aggregate net book value of approximately HK\$289,847,000 to secure general banking facilities granted to the Group. In addition, the shares of a subsidiary of the Group and the Group's toll bridge revenue have been pledged.

Contingent Liabilities

At 30 June 2004, there were contingent liabilities in respect of guarantees given to banks by the Company for end user financing guarantees and undertakings executed by an associate to banks amounting to HK\$159,000.

管理層討論與分析 (續)**財務狀況**

於二零零四年六月三十日，本集團之總資產約為港幣2,011,516,000元。淨資產則為港幣1,047,208,000元，而每股資產淨值為港幣0.41元，較去年底每股淨資產之港幣0.39元增加5%。於二零零四年六月三十日，資產負債比率（以總負債除以總資產計算所得）為48%，較去年底之52%下降4%。於二零零四年六月三十日，本集團持有現金結餘總額為港幣158,800,000元。

本集團基本以其內部現金流量及其往來銀行與最終控股公司提供之貸款為其業務提供資金。於二零零四年六月三十日，本集團尚未償還借款總額約為港幣914,963,000元，較去年底之港幣943,439,000元下降3%。借款包括有抵押銀行貸款港幣382,133,000元及最終控股公司貸款港幣532,830,000元。就外匯風險而言，由於本集團所有的外幣資產及借款均以人民幣及美元結算，兩者與港幣之兌換率相對穩定，故面對之風險較微。對本集團而言，此等貨幣之匯率波動影響相對較輕。

資產抵押

於二零零四年六月三十日，本集團將賬面淨值總額約港幣289,847,000元之現金及固定資產作為本集團所獲一般銀行融資之抵押品。此外，本集團一家附屬公司之股份以及本集團收費橋樑收入亦已抵押。

或有負債

於二零零四年六月三十日，本公司因一家聯營公司向銀行簽立最終用戶融資擔保與保證書而向有關銀行提供擔保所承擔之或有負債為港幣159,000元。

MANAGEMENT DISCUSSION AND ANALYSIS*(Continued)***Strengthened Management**

The Group has adopted the management motto of “people-oriented, realistic and practical, innovative breakthrough and disciplined management”, and strives to establish a solid risk management culture. For the past two years, the Group gradually completed a series of measures on risk control management mechanisms, strengthening the implementation of internal control policies as well as tightening the financial inspection and supervision of investment projects. During the period under review, the Group has formed its risk management divisions in Hong Kong and Shenzhen, which would be specialised in regular risk control and inspection, risk evaluation and review of project investments. The Group has also conducted internal audit on some projects to improve their overall management standard. Apart from this, to align with the Group’s transformation of business into environmental protection business, the Group has established a well-qualified team with good professional ethics and practical experiences through continuous staff training and recruitment of talented employees.

Employees

As at 30 June 2004, the Group had a total of approximately 98 employees in Hong Kong and the PRC. During the period under review, the Group’s total staff costs were HK\$8,360,000. Employees are remunerated according to their qualification and experience, job nature and performance, as well as 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. According to the share option scheme approved at the Group’s extraordinary general meeting held on 26 May 2003, the directors of the Company were authorised to grant share options to any employees, including directors, as incentives. No share option had been granted to any employee during the period under review.

管理層討論與分析 (續)**強化管理**

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。近兩年來，本集團已逐步完善了一系列風險防範管理制度，並加強內控措施的建設和對投資項目的財務檢查和監督。回顧期內，本集團於香港及深圳分別成立風險管理部，專職負責日常風險防範和檢查，以及項目投資的風險評估和審核等工作。本集團亦就個別項目進行了內部審計，全面提升管理水平。此外，本集團積極培養團隊以配合轉型環保業務的需要，期內多次進行公開招聘，選賢任能，已建立了一支職業操守好、專業素質強、實踐經驗豐富的隊伍。

僱員

於二零零四年六月三十日，本集團在香港及中國合共僱用約98名員工。於回顧期內，本集團之員工總成本為港幣8,360,000元。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，包括醫療保險及公積金計劃。此外，根據本集團於二零零三年五月二十六日舉行的股東特別大會上批准的購股權計劃，本公司董事獲授權可授出購股權予任何僱員（包括董事）作為獎勵。於回顧期內，未有任何僱員獲授購股權。

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK0.4 cent per share for the year ending 31 December 2004 (2003 : Nil) to shareholders whose names appear on the register of members of the Company on Thursday, 21 October 2004. Dividend warrants will be despatched to shareholders on or about Friday, 29 October 2004.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 18 October 2004 to Thursday, 21 October 2004 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied with the relevant share certificates must be lodged with the Company's share registrars, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 15 October 2004.

中期股息

董事會宣佈派發截至二零零四年十二月三十一日止年度之中期股息每股0.4港仙(二零零三年:無),給予於二零零四年十月二十一日(星期四)名列在本公司股東名冊之股東。股息單將於二零零四年十月二十九日(星期五)左右寄出。

截止過戶日期

本公司將於二零零四年十月十八日(星期一)至二零零四年十月二十一日(星期四)(包括首尾兩天在內),暫停辦理股份過戶登記手續。為確保享有中期股息,所有過戶文件連同有關股票,最遲須於二零零四年十月十五日(星期五)下午四時前送達香港灣仔告士打道五十六號東亞銀行港灣中心地下本公司股份過戶登記處登捷時有限公司,以便辦理有關手續。

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

董事及主要行政人員持有之股份、相關股份及債券權益及淡倉

At 30 June 2004, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company, its holding company, 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:

於二零零四年六月三十日，按本公司根據證券及期貨條例（「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，本公司各董事及主要行政人員於本公司、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及淡倉如下：

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

(i) 於本公司相關股份股本衍生工具之好倉

Name of director 董事姓名	Nature of interest 權益性質		Number of equity derivatives held (share options) 持有股本衍生工具數目 (購股權)	Number of underlying shares (ordinary shares) 相關股份數目 (普通股)	Percentage 百分比
Wang Mingquan	王明權	Personal 個人	25,400,000	25,400,000	1.00%
Li Xueming	李學明	Personal 個人	18,000,000	18,000,000	0.71%
Chen Xiaoping	陳小平	Personal 個人	18,000,000	18,000,000	0.71%
Fan Yan Hok, Philip	范仁鶴	Personal 個人	10,000,000	10,000,000	0.39%
Huang Chaohua	黃朝華	Personal 個人	9,000,000	9,000,000	0.35%
Wong Kam Chung, Raymond	黃錦聰	Personal 個人	9,000,000	9,000,000	0.35%
Chen Shuang	陳爽	Personal 個人	4,000,000	4,000,000	0.16%
Zhang Weiyun	張衛云	Personal 個人	4,000,000	4,000,000	0.16%
Sir David Akers-Jones	鍾逸傑爵士	Personal 個人	1,000,000	1,000,000	0.04%
* Lee Ka Sze, Carmelo	* 李嘉士	Personal 個人	1,000,000	1,000,000	0.04%
Li Kwok Sing, Aubrey	李國星	Personal 個人	1,000,000	1,000,000	0.04%

* Mr. Lee Ka Sze, Carmelo resigned as an independent non-executive director of the Company with effect from 21 September 2004.

* 由二零零四年九月二十一日起，李嘉士先生辭任本公司獨立非執行董事。

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

董事及主要行政人員持有之股份、相關股份及債券權益及淡倉
(續)

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

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

Name of director 董事姓名	Nature of interest 權益性質	Number of equity derivatives held (share options)	Number of underlying shares (ordinary shares)	Percentage 百分比
		持有股本 衍生工具數目 (購股權)	相關股份數目 (普通股)	
Wang Mingquan	王明權 Personal 個人	9,000,000	9,000,000	0.58%

All the above underlying shares of equity derivatives (being unlisted and physically settled) were beneficially owned by the directors concerned. The percentage shown was calculated based on the respective number of issued shares of the Company and CEL as at 30 June 2004.

上述所有相關股份股本衍生工具(非上市及實物結算)均由有關董事實益擁有。上表顯示之百分比以本公司及光大控股於二零零四年六月三十日各自已發行股份數目計算。

Further details relating to the options granted to the directors and chief executive of the Company are set out in the section “Share Option Scheme” below.

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

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

除上文所述者外，按本公司根據證券及期貨條例第352條規定預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任何彼等之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任何權益或淡倉，或根據上市公司董事進行證券交易的標準守則已知會本公司之權益或淡倉。

SHARE OPTION SCHEME

At 30 June 2004, the directors and employees of the Company had the following interests in options to subscribe for shares of the Company granted at nominal consideration under the share option scheme of the Company adopted on 26 May 2003 (“Share Option Scheme”). 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

於二零零四年六月三十日，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。有關購股權乃根據本公司於二零零三年五月二十六日採納之購股權計劃（「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元普通股之權利。

		No. of options outstanding as at	No. of options outstanding as at			Market value per share at date of grant of options*	
		1 January 2004 於二零零四年 一月一日 尚未行使之 購股權數目	30 June 2004 於二零零四年 六月三十日 尚未行使之 購股權數目	Date of grant 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	於購股權 授出日期之 每股市價*
Directors							
董事							
Wang Mingquan	王明權	12,700,000	12,700,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		12,700,000	12,700,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
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

SHARE OPTION SCHEME (Continued)

購股權計劃 (續)

		No. of options outstanding as at 1 January 2004 於二零零四年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2004 於二零零四年 六月三十日 尚未行使之 購股權數目	Date of grant 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	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Directors 董事							
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
Fan Yan Hok, Philip 范仁鶴		5,000,000	5,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		5,000,000	5,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

SHARE OPTION SCHEME (Continued)

購股權計劃 (續)

		No. of options outstanding as at 1 January 2004 於二零零四年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2004 於二零零四年 六月三十日 尚未行使之 購股權數目	Date of grant 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	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Directors 董事							
Huang Chaohua	黃朝華	4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
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 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

SHARE OPTION SCHEME (Continued)

購股權計劃 (續)

		No. of options outstanding as at 1 January 2004 於二零零四年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2004 於二零零四年 六月三十日 尚未行使之 購股權數目	Date of grant 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	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Directors 董事							
Chen Shuang	陳爽	2,000,000	2,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		2,000,000	2,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
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

SHARE OPTION SCHEME (Continued)

購股權計劃 (續)

		No. of options outstanding as at 1 January 2004 於二零零四年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2004 於二零零四年 六月三十日 尚未行使之 購股權數目	Date of grant 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	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Directors							
董事							
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
** Lee Ka Sze, Carmelo	**李嘉士	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 options outstanding as at 1 January 2004 於二零零四年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2004 於二零零四年 六月三十日 尚未行使之 購股權數目	Date of grant 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	Market value per share at date of grant of options* 於購股權 授出日期之 每股市價*
Directors and Employees 董事及僱員							
Li Kwok Sing, Aubrey	李國星	500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Employees	僱員	4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

The options granted to directors are registered under the names of the directors who are also the beneficial owners. The closing price of the Company's ordinary shares immediately before the date of grant of options was HK\$0.29.

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。本公司普通股在緊接購股權授出日期前之收市價為港幣0.29元。

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

* 即緊接購股權授出日期前本公司普通股之加權平均收市價。

** *Mr. Lee Ka Sze, Carmelo resigned as an independent non-executive director of the Company with effect from 21 September 2004.*

** 由二零零四年九月二十一日起，李嘉士先生辭任本公司獨立非執行董事。

During the period, no option was granted, exercised, lapsed or cancelled under the Share Option Scheme.

期內，並無任何購股權根據購股權計劃獲授出、行使、失效或註銷。

SHARE OPTION SCHEME (Continued)

Share Option Scheme of CEL

At 30 June 2004, a director of the Company had the following interests in options to subscribe for shares of CEL which was granted under the Share Option Scheme of CEL.

		No. of options outstanding as at 1 January 2004 於二零零四年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2004 於二零零四年 六月三十日 尚未行使之 購股權數目	Date of grant 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	6,000,000	6,000,000	26 June 2002 二零零二年 六月二十六日	27 June 2003 to 26 December 2005 二零零三年 六月二十七日至 二零零五年 十二月二十六日	HK\$4.36 港幣4.36元
		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

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

The share options granted are not recognised in the financial statements until they are exercised. The value of the options depends on a number of factors such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. The directors believe that any calculation of the value of the options as at the dates they were granted which are based on a great number of speculative assumptions would not be meaningful and would be misleading to the shareholders. Therefore the directors believe it is not appropriate to state herein the value of options granted.

購股權計劃 (續)

光大控股之購股權

於二零零四年六月三十日，本公司董事擁有下列根據光大控股購股權計劃授出可認購光大控股股份之購股權權益。

除上文所述者外，在期內任何時間，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或任何彼等之配偶或未滿十八歲之子女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。

已授出之購股權在行使前不會在財務報表中確認。購股權之價值取決於多項因素，包括行使價、行使期、利率、預期波幅及其他有關變數。董事相信，於購股權授出日期根據大量推測性假設計算購股權價值並無意義，且會誤導股東。因此，董事認為不宜在本報告內載列已授出購股權之價值。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2004, the interests or short positions of the person or corporation in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

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

Apart from the foregoing, as at 30 June 2004, no other person or corporation has any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

主要股東

於二零零四年六月三十日，按根據證券及期貨條例第336條須予存置之登記冊所載記錄顯示，於本公司股份及相關股份中擁有權益或淡倉之人士或法團如下：

Long position in ordinary shares held 於所持 普通股之好倉	Percentage of total issued shares 佔全部已發行 股份百分比
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1,758,595,910	approximately 69.01% 約69.01%
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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由光大集團全資擁有。其餘380,000股股份則由光大集團之全資附屬公司光大投資管理有限公司（「光大投資管理」）持有。故此，光大集團被視為擁有Guildford所持有之1,758,215,910股股份及光大投資管理所持有之380,000股股份權益。

除上文所述者外，於二零零四年六月三十日，按本公司根據證券及期貨條例第336條須予存置之登記冊所載記錄顯示，概無任何其他人士或公司於本公司股份或相關股份中擁有任何權益或淡倉。

FINANCIAL ASSISTANCE TO ASSOCIATE

向聯營公司提供財政資助

At 30 June 2004, the Group provided the following financial assistance to an associate:

於二零零四年六月三十日，本集團向一家聯營公司提供以下財政資助：

Name of company	公司名稱	Advances	Corporate guarantee
		墊款 HK\$'000 港幣千元	公司擔保 HK\$'000 港幣千元
Hong Kong Shanghai Development Co Ltd. ("HK Shanghai") (Note 1)	港滬發展有限公司 （「港滬發展」）（附註一）	487,853	159

Notes:

附註：

(1) HK Shanghai, a company incorporated in Western Samoa with limited liability, is a joint venture company between the Company and three other independent third parties. The Group made the above advances and guarantee to HK Shanghai in proportion to the Group's interest in HK Shanghai, i.e. 25% of the issued share capital of HK Shanghai.

(一) 港滬發展乃一家於西薩摩亞註冊成立之有限公司，其為本公司與另外三名獨立第三方成立之合營公司。本集團按其於港滬發展所佔權益比例，即港滬發展已發行股本之25%向港滬發展提供上述墊款及擔保。

(2) The Group's advances to HK Shanghai are unsecured and interest free.

(二) 本集團向港滬發展提供之墊款為無抵押及免息。

The advances were made to HK Shanghai for working capital purposes and have no maturity dates for repayment. The corporate guarantee given was in respect of guarantees and undertakings executed by HK Shanghai to certain banks for end user financing purposes.

向港滬發展提供之墊款乃作為營運資金之用，並無還款期限。已作出之公司擔保乃關於港滬發展就最終用戶融資而向若干銀行簽立之擔保及保證書。

The source of funding for such advances is by way of the Group's internal funding and bank borrowings.

該等墊款之資金來自本集團之內部資金及銀行借款。

Save as disclosed above, the Group has no other matters to disclose under Chapter 13.16 of the Listing Rules.

除上文所披露者外，根據上市規則第13章第16條之規定，本集團並無其他須予披露之事項。

FINANCIAL ASSISTANCE TO ASSOCIATE
(Continued)
向聯營公司提供財政資助 (續)

An extract of the unaudited consolidated assets and liabilities of HK Shanghai is set out as follows:

港滙發展之未經審核綜合資產負債表之摘錄載列如下：

		<i>HK\$'000</i> 港幣千元
Fixed assets (<i>Note 1</i>)	固定資產 (附註一)	2,057,596
Current assets	流動資產	47,547
Current liabilities	流動負債	(69,069)
Long term liabilities (<i>Note 2</i>)	長期負債 (附註二)	(2,103,420)
Minority interests	少數股東權益	(11,145)
Net liabilities	負債淨額	<u>(78,491)</u>

Note:
附註:

- Fixed assets mainly comprise investment properties and properties under development.
- Long term liabilities mainly comprise bank loans and loans from shareholders.

- 固定資產主要由投資物業及發展中物業所組成。
- 長期負債主要由銀行貸款及股東貸款所組成。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES
買賣或贖回本公司之上市證券

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

期內，本公司或其任何附屬公司概無購回、出售或贖回本公司之上市證券。

AUDIT COMMITTEE

The Company has established an audit committee comprising three independent non-executive directors. The audit committee has reviewed with the management the accounting principles and practice adopted by the Group and discussed internal controls and financial reporting including a full review of the unaudited interim financial report for the six months ended 30 June 2004. At the request of the directors, the Group's external auditors have carried out a review of the unaudited interim financial report in accordance with SAS 700 "Engagements to review interim financial reports".

COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the Directors is aware of any information which would reasonably indicate that the Company is not or was not for any part of the six months ended 30 June 2004, in compliance with the Code of Best Practice set out in Appendix 14 of the Listing Rules except that the independent directors are not appointed for a fixed term and are subject to retirement by rotation in accordance with the Company's articles of association.

By Order of the Board
Chen Xiaoping
Chief Executive Officer

Hong Kong, 21 September 2004

審核委員會

本公司經已成立審核委員會，其由全數三名獨立非執行董事組成。審核委員會已與管理層一起審閱本集團所採納之會計原則及慣例，並討論內部控制及財務申報事宜，包括全面審閱截至二零零四年六月三十日止六個月之未經審核中期財務報告。應董事之要求，集團之外聘核數師已根據香港會計師公會頒佈之核數準則第700號「審閱中期財務報表的委聘」審閱未經審核中期財務報告。

遵守最佳應用守則

各董事概不知悉有任何資料，足以合理顯示本公司於截至二零零四年六月三十日止六個月任何時間內，並無或曾經沒有遵守上市規則附錄14所載之「最佳應用守則」，惟獨立董事乃根據本公司之公司細則須輪席告退，而並非以固定任期獲委任者除外。

承董事會命
陳小平
行政總裁

香港，二零零四年九月二十一日

Consolidated income statement
for the six months ended 30 June 2004
– unaudited
(Expressed in Hong Kong dollars)

綜合損益表
截至二零零四年六月三十日止六個月
– 未經審核
(以港幣計算)

		Six months ended 30 June		
		截至六月三十日止六個月		
		2004	2003	
		二零零四年	二零零三年	
		\$'000	\$'000	
		千元	千元	
Turnover	營業額	2	31,904	58,442
Cost of sales	銷售成本		(6,906)	(46,192)
			24,998	12,250
Other revenue	其他收入		1,478	10,652
Distribution costs	分銷成本		–	(1,305)
Administrative expenses	行政費用		(16,433)	(14,575)
Other operating expenses	其他經營費用		(675)	(32,753)
Surplus/(deficit) on revaluation of investment properties	投資物業重估盈餘/(虧損)		8,000	(21,000)
Profit/(loss) from operations	經營盈利/(虧損)		17,368	(46,731)
Finance costs	財務費用	4	(14,045)	(18,920)
			3,323	(65,651)
Share of results of associates	所佔聯營公司業績			
Share of profits before taxation	所佔除稅前盈利		48,251	43,935
Share of deficit on revaluation of investment properties	所佔投資物業重估虧損		–	(21,024)
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	3	–	19,576
Profit from ordinary activities before taxation	一般業務除稅前盈利	4		
Continuing operations	持續經營業務		51,574	14,116
Discontinued operation	終止經營業務		–	(5,298)
			51,574	8,818
Income tax	所得稅			
Continuing operations	持續經營業務	5	(6,439)	(262)
Profit from ordinary activities after taxation	一般業務除稅後盈利		45,135	8,556
Minority interests	少數股東權益		(298)	(268)
Profit for the period	本期間盈利		44,837	8,288
Earnings per share	每股盈利	7		
Basic	基本		1.76 cents 仙	0.33 cent 仙
Diluted	攤薄		1.73 cents 仙	N/A 不適用

The notes on pages 37 to 47 form part of this interim financial report.

載於第三十七頁至第四十七頁之附註為本中期財務報告之一部份。

Consolidated balance sheet
at 30 June 2004
– unaudited
(Expressed in Hong Kong dollars)

綜合資產負債表
於二零零四年六月三十日
– 未經審核
(以港幣計算)

		At 30 June 2004		At 31 December 2003	
		二零零四年六月三十日		二零零三年十二月三十一日	
	Note	\$'000	\$'000	\$'000	\$'000
	附註	千元	千元	千元	千元
Non-current assets		非流動資產			
Fixed assets		固定資產			
– Investment properties			223,264		217,264
– Other property, plant and equipment			661,435		660,857
			<u>884,699</u>		<u>878,121</u>
Goodwill			25,331		26,715
Interest in associates	8		879,178		928,408
Other financial assets			46,462		46,462
			<u>1,835,670</u>		<u>1,879,706</u>
Current assets		流動資產			
Debtors, other receivables, deposits and prepayments	9	17,046		17,109	
Pledged bank deposits		1,832		7,776	
Deposits with bank		899		898	
Cash and cash equivalents		156,069		164,115	
		<u>175,846</u>		<u>189,898</u>	
Current liabilities		流動負債			
Secured bank loans		109,800		88,037	
Amount due to minority shareholder		848		563	
Other payables and accrued expenses		20,342		65,027	
Current taxation		21		3,191	
		<u>131,011</u>		<u>156,818</u>	
Net current assets		流動資產淨額			
			<u>44,835</u>		<u>33,080</u>
Total assets less current liabilities carried forward		總資產減流動負債轉後			
			<u>1,880,505</u>		<u>1,912,786</u>

Consolidated balance sheet
at 30 June 2004
 – unaudited (Continued)
 (Expressed in Hong Kong dollars)

綜合資產負債表
於二零零四年六月三十日
 – 未經審核 (續)
 (以港幣計算)

	Note 附註	At 30 June 2004 二零零四年六月三十日		At 31 December 2003 二零零三年十二月三十一日	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Total assets less current liabilities brought forward			1,880,505		1,912,786
Non-current liabilities					
Secured bank loans			272,333		277,257
Loans from ultimate holding company			532,830		487,664
Other loans			–		90,481
Amount due to ultimate holding company			4,063		37,835
Deferred tax liabilities			19,728		19,153
			<u>828,954</u>		<u>912,390</u>
Minority interests			<u>4,343</u>		<u>–</u>
NET ASSETS			<u><u>1,047,208</u></u>		<u><u>1,000,396</u></u>
CAPITAL AND RESERVES					
Share capital		10	254,831		254,831
Reserves		11	<u>792,377</u>		<u>745,565</u>
			<u><u>1,047,208</u></u>		<u><u>1,000,396</u></u>

The notes on pages 37 to 47 form part of this interim financial report.

載於第三十七頁至第四十七頁之附註為本中期財務報告之一部份。

**Consolidated statement of changes in equity
for the six months ended 30 June 2004
– unaudited**

(Expressed in Hong Kong dollars)

綜合權益變動表

截至二零零四年六月三十日止六個月
– 未經審核

(以港幣計算)

		Six months ended 30 June 截至六月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		\$'000	\$'000
		千元	千元
Shareholders' equity at 1 January	於一月一日之 股東權益	1,000,396	946,101
Share of exchange reserves of associates	所佔聯營公司 匯兌儲備	11 1,363	(33)
Exchange differences on translation of financial statements of subsidiaries and associates	換算附屬公司 及聯營公司 財務報表產生 之匯兌差額	11 1,167	(1)
Gain/(loss) not recognised in the income statement	在損益表中未確認 之收益／(虧損)	2,530	(34)
Net profit for the period	本期間淨盈利	11 44,837	8,288
Capital reserve realised on liquidation of subsidiary	清算附屬公司而變現 之資本儲備	11 (555)	-
Exchange reserves realised on disposal of subsidiaries	出售附屬公司而 變現之匯兌儲備	11 -	(618)
Shareholders' equity at 30 June	於六月三十日之 股東權益	<u>1,047,208</u>	<u>953,737</u>

The notes on pages 37 to 47 form part of this interim financial report.

載於第三十七頁至第四十七頁之附註
為本中期財務報告之一部份。

**Condensed consolidated cash flow statement
for the six months ended 30 June 2004
– unaudited**

(Expressed in Hong Kong dollars)

簡明綜合現金流量表
截至二零零四年六月三十日止六個月
– 未經審核
(以港幣計算)

		Six months ended 30 June 截至六月三十日止六個月	
		2004 二零零四年 \$'000 千元	2003 二零零三年 \$'000 千元
Net cash used in operating activities	經營活動動用之現金淨額	(87,605)	(21,121)
Net cash from investing activities	投資活動產生之現金淨額	106,350	15,946
Net cash used in financing activities	融資活動動用之現金淨額	(27,345)	(15,256)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(8,600)	(20,431)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	164,115	127,047
Effect of foreign exchange rates changes	滙率變動之影響	554	–
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	<u>156,069</u>	<u>106,616</u>
Analysis of the balances of cash and cash equivalents	現金及現金等價物結存分析		
Cash at bank and in hand	銀行結餘及現金	<u>156,069</u>	<u>106,616</u>

Notes on the unaudited interim financial report
(Expressed in Hong Kong dollars)

未經審核中期財務報告附註
(以港幣計算)

1. Basis of preparation

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s independent review report to the board of directors is included on page 48. In addition, this interim financial report has been reviewed by the Company’s Audit Committee.

The interim financial report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, including compliance with Statement of Standard Accounting Practice 25 “Interim financial reporting” issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2003 included in the interim financial report does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2003 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 14 April 2004.

The accounting policies and method of computation used in the preparation of the interim financial report are consistent with those used in the annual financial statements for the year ended 31 December 2003.

1. 編製基準

本中期財務報告乃未經審核資料，惟已由畢馬威會計師事務所根據香港會計師公會（「會計師公會」）頒佈之核數準則第700號「審閱中期財務報表的委聘」予以審閱，畢馬威會計師事務所致予董事會之獨立審閱報告載於第四十八頁。此外，本中期財務報告已由本公司審核委員會審閱。

中期財務報告乃根據香港聯合交易所有限公司主板上市規則之規定編製，包括遵從會計師公會頒佈之會計實務準則第25號「中期財務報告」之規定。

中期財務報告所載有關截至二零零三年十二月三十一日止財政年度之財務資料並不構成本公司於該財政年度之法定財務報表，惟有關資料乃摘錄自該等財務報表。截至二零零三年十二月三十一日止年度之法定財務報表在本公司之註冊辦事處可供查閱。核數師已於其日期為二零零四年四月十四日之報告就該等財務報表發表無保留意見。

編製中期財務報告所使用會計政策及計算方法與編製截至二零零三年十二月三十一日止年度之年度財務報表所使用者符合一致。

2. Segmental information

The analysis of the principal activities of the operations of the Company and its subsidiaries during the financial period are as follows:

2. 分類資料

本公司及其附屬公司於本財政期間之主要業務分析如下：

	Continuing operations 持續經營業務								Discontinued operation 終止經營業務		Consolidated 綜合	
	Infrastructure investment and operation 基建投資及營運		Property investment and development 物業投資及發展		Environmental protection investment 環保投資		Securities trading 證券買賣		Manufacture and sale of timber products 製造及銷售木材產品			
	Six months ended 30 June 截至六月三十日止六個月 2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年		
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	
Revenue from external customers	22,266	1,876	7,279	6,900	2,359	-	396	-	49,270	31,904	58,442	
Other revenue from external customers	392	9,396	28	-	78	-	-	-	1,067	498	10,463	
Unallocated other revenue	-	-	-	-	-	-	-	-	-	980	189	
Total	22,658	11,272	7,307	6,900	2,437	-	396	-	50,337	33,382	69,094	
Segment results	14,615	(21,454)	12,698	(16,065)	(1)	(813)	(3)	(182)	-	(1,025)	27,309	(39,539)
Unallocated operating income and expenses	-	-	-	-	-	-	-	-	-	-	(9,941)	(7,192)
Finance costs	-	-	-	-	-	-	-	-	-	(14,045)	(18,920)	
Share of profits before taxation of associates	41,487	38,678	6,102	5,257	662	-	-	-	-	48,251	43,935	
Share of deficit on revaluation of investment properties of associates	-	-	-	(21,024)	-	-	-	-	-	-	(21,024)	
Share of profit of jointly controlled entity	-	31,982	-	-	-	-	-	-	-	-	31,982	
Gain on sale of discontinued operation	-	-	-	-	-	-	-	-	19,576	-	19,576	
Income tax	-	-	-	-	-	-	-	-	-	(6,439)	(262)	
Minority interests	-	-	-	-	-	-	-	-	-	(298)	(268)	
Profit for the period	-	-	-	-	-	-	-	-	-	44,837	8,288	
Depreciation and amortisation for the period	6,402	3,170	1,091	1,044	251	-	-	-	3,975	-	-	
(Surplus)/deficit on revaluation of investment properties	-	-	(8,000)	21,000	-	-	-	-	-	-	-	
Significant non-cash expenses (other than depreciation and amortisation)	-	29,492	-	-	-	-	-	-	-	-	-	

In view of the fact that the Group operates mainly in the People's Republic of China ("PRC"), no geographical segmental information is presented.

鑒於本集團主要在中華人民共和國（「中國」）營運，故並無呈列按地域劃分之分類資料。

3. Discontinued operation

On 21 March 2003, the Company entered into an agreement with China Everbright Technology Limited (“CE Technology”), a former associate of the Group’s ultimate holding company, to dispose of its entire 77.12% interest in Everbright Timber Industry (Shenzhen) Co., Ltd. (“SETI”) representing the manufacture and sale of timber products segment (“the Timber Segment”) for a cash consideration of \$7,000,000. The disposal was completed on 28 March 2003 and the control of the Timber Segment effectively passed to CE Technology on the same date. The gain on sale of the Timber Segment of \$19,576,000 was credited to the consolidated income statement in 2003.

The results of the discontinued operation have been presented in note 2 to the interim financial report.

The cash flows of the discontinued operation up to the date of disposal were as follows:

3. 終止經營業務

於二零零三年三月二十一日，本公司與本集團最終控股公司之前聯營公司中國光大科技有限公司（「光大科技」）訂立協議，以現金代價7,000,000元出售其於光大木材工業（深圳）有限公司（「光大木材」）之全數77.12%權益。光大木材之業務為製造及銷售木材產品業務類別（「木材業務類別」）。是項出售交易已於二零零三年三月二十八日完成，而木材業務類別之控制權亦已於同日有效轉移予光大科技。出售木材業務類別所得收益19,576,000元，並已計入二零零三年綜合損益表。

終止經營業務之業績載於中期財務報告附註2。

終止經營業務截至出售日期為止之現金流量如下：

28 March 2003
二零零三年
三月二十八日
\$'000
千元

Net cash flow	現金流量淨額	
Cash outflow from operating activities	經營活動之現金流出	(5,596)
Cash inflow from investing activities	投資活動之現金流入	368
Cash outflow from financing activities	融資活動之現金流出	(4,736)

4. Profit from ordinary activities before taxation

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

4. 一般業務除稅前盈利

一般業務除稅前盈利已扣除／（計入）：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		\$'000	\$'000
		千元	千元
Interest on bank advances and other borrowings wholly repayable within five years	須於五年內全數償還之銀行貸款及其他借貸之利息	6,647	18,920
Interest on other bank advances	其他銀行貸款之利息	7,398	-
Write back of interest on other borrowings	撥回其他借貸之利息	-	(9,379)
Amortisation of investment in jointly controlled entity	合營公司投資攤銷	-	2,747
Amortisation of goodwill	商譽攤銷	675	115
Amortisation of negative goodwill included in share of profits of associates	負商譽攤銷（計入所佔聯營公司盈利）	(674)	-
Depreciation	折舊	7,225	5,538
Provision for diminution in value of other financial assets	其他財務資產減值撥備	-	29,492

5. Income tax

Income tax in the consolidated income statement represents:

Current tax – Provision for the PRC income tax

Tax for the period
Over-provision in respect of prior years

Deferred tax

Origination and reversal of temporary differences

Share of associates' taxation

**即期稅項 – 中國
所得稅撥備**

本期間稅項
過往年度超額撥備

遞延稅項

產生及撥回暫時
差異

所佔聯營公司稅項

5. 所得稅

綜合損益表內之所得稅為：

Six months ended 30 June	
截至六月三十日止六個月	
2004	2003
二零零四年	二零零三年
\$'000	\$'000
千元	千元
546	521
(3,191)	–
(2,645)	521
575	–
8,509	(259)
<u>6,439</u>	<u>262</u>

No provision for Hong Kong Profits Tax has been made in the interim financial report as the Group sustained a loss for Hong Kong Profits Tax purposes during the period. Taxation for PRC operations is charged at the appropriate current rates of taxation ruling in the PRC.

由於期內本集團就香港利得稅蒙受稅項虧損，故此並無在中期財務報告就香港利得稅作出撥備。中國業務之稅項按中國現行適用稅率計算。

6. Dividend

Interim dividend declared after the balance sheet date of 0.4 cent per share (2003: Nil)

於結算日後宣佈派發
中期股息每股0.4仙
(二零零三年：無)

6. 股息

Six months ended 30 June	
截至六月三十日止六個月	
2004	2003
二零零四年	二零零三年
\$'000	\$'000
千元	千元
10,193	–

7. Earnings per share

(a) *Basic earnings per share*

The calculation of basic earnings per share is based on the profit for the period of \$44,837,000 (2003: \$8,288,000) and 2,548,311,700 ordinary shares (2003: 2,548,311,700 ordinary shares) in issue during the period.

(b) *Diluted earnings per share*

The calculation of diluted earnings per share is based on the profit for the period of \$44,837,000 and the weighted average number of ordinary shares of 2,591,893,814 shares after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

Diluted earnings per share for the period ended 30 June 2003 is not shown as the potential ordinary shares are anti-dilutive.

8. Interest in associates

Unlisted investments

Share of net assets
Negative goodwill
Amounts due from associates

非上市投資

應佔資產淨額
負商譽
應收聯營公司款項

Amounts due from associates are unsecured, interest free and not expected to be settled within one year.

7. 每股盈利

(a) *每股基本盈利*

每股基本盈利乃按本期間盈利 44,837,000元 (二零零三年: 8,288,000元), 以及期內已發行 2,548,311,700股普通股 (二零零三年: 2,548,311,700股普通股) 計算。

(b) *每股攤薄盈利*

每股攤薄盈利乃按本期間盈利 44,837,000元及已就在本公司購股權計劃下所有具潛在攤薄影響之普通股作出調整得出的普通股加權平均數 2,591,893,814股計算。

由於潛在普通股均無攤薄影響, 故並無呈列截至二零零三年六月三十日止期間之每股攤薄盈利。

8. 聯營公司權益

	At 30 June 2004	At 31 December 2003
	二零零四年 六月三十日	二零零三年 十二月三十一日
	\$'000	\$'000
	千元	千元
	409,416	467,781
	(25,613)	(26,287)
	495,375	486,914
	<u>879,178</u>	<u>928,408</u>

應收聯營公司款項為無抵押、免息及預期不會於一年內償還。

9. Debtors, other receivables, deposits and prepayments

Included in debtors, other receivables, deposits and prepayments are trade debtors (net of provisions for bad and doubtful debts) of \$4,066,000 (at 31 December 2003: \$3,630,000) which are current and not yet due for payment. The trade debtors represent mainly toll bridge income collected by a management company on behalf of the Group which is settled on a monthly basis.

10. Share capital**9. 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、按金及預付款項中包括應收貿易賬款(扣除呆壞賬撥備)4,066,000元(二零零三年十二月三十一日:3,630,000元),該筆款額屬即期及未到期還款。應收貿易賬款主要為一家管理公司代表本集團收取之收費橋樑收入。有關款項按月支付。

10. 股本

No. of shares 股份數目	Amount 金額
'000 千股	\$'000 千元

Issued and fully paid: 已發行及悉數繳足:

At 31 December 2003 and 30 June 2004	於二零零三年十二月三十一日 及二零零四年六月三十日	<u>2,548,312</u>	<u>254,831</u>
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At 30 June 2004, the outstanding options of the Company were:

於二零零四年六月三十日,本公司之尚未行使購股權如下:

Date of options granted 購股權授出日期	Exercise period 行使期	Exercise price 行使價	Number of options outstanding 尚未行使購股權數目	
			At 30 June 2004 二零零四年 六月三十日	At 31 December 2003 二零零三年 十二月三十一日
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	\$0.296 0.296元	109,400,000	109,400,000

11. Reserves

11. 儲備

		Share premium	Special reserve	Reserve/ (goodwill) arising on consolidation	Exchange differences arising on translation	Capital redemption reserve	Revaluation reserves of land and buildings	(Accumulated losses)/ retained profits	Total
		\$'000	\$'000	綜合賬項 產生之 儲備/ (商譽)	匯兌差額 產生之 匯兌差額	資本 贖回儲備	土地及樓宇 之重估儲備	(累計虧損) / 保留盈利	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
At 1 January 2004	於二零零四年 一月一日	2,817,279	-	58,177	212	70	243	(2,130,416)	745,565
Reduction of share premium (note)	削減股份溢價 (附註)	(2,372,173)	-	-	-	-	-	2,372,173	-
Share of exchange reserves of associates	所佔聯營公司 匯兌儲備	-	-	-	1,363	-	-	-	1,363
Exchange differences on translation of financial statements of subsidiaries and associates	換算附屬公司 及聯營公司 財務報表產生 之匯兌差額	-	-	-	1,167	-	-	-	1,167
Capital reserve realised on liquidation of subsidiary	清算附屬公司 而變現之 資本儲備	-	-	(555)	-	-	-	-	(555)
Profit for the period	本期間盈利	-	-	-	-	-	-	44,837	44,837
Transfer to special reserve (note)	轉撥至特別儲備 (附註)	-	28,466	-	-	-	-	(28,466)	-
		<u>445,106</u>	<u>28,466</u>	<u>57,622</u>	<u>2,742</u>	<u>70</u>	<u>243</u>	<u>258,128</u>	<u>792,377</u>
At 30 June 2004	於二零零四年 六月三十日								
At 1 January 2003	於二零零三年 一月一日	2,817,279	-	58,177	2,754	70	243	(2,187,253)	691,270
Share of exchange reserves of associates	所佔聯營公司 匯兌儲備	-	-	-	(904)	-	-	-	(904)
Exchange differences on translation of financial statements of subsidiaries, associates and jointly controlled entity	換算附屬公司、 聯營公司及 合營公司財務 報表產生之 匯兌差額	-	-	-	(1,020)	-	-	-	(1,020)
Exchange reserves realised on disposal of subsidiaries	出售附屬公司而 變現之匯兌儲備	-	-	-	(618)	-	-	-	(618)
Profit for the year	本年度盈利	-	-	-	-	-	-	56,837	56,837
		<u>2,817,279</u>	<u>-</u>	<u>58,177</u>	<u>212</u>	<u>70</u>	<u>243</u>	<u>(2,130,416)</u>	<u>745,565</u>
At 31 December 2003	於二零零三年 十二月三十一日								

11. Reserves (Continued)

Note: 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 the registration of the said order by the Registrar of Companies in Hong Kong on the same date. To safeguard the interests of the Company's creditors, the Company has undertaken to the Court to create a special reserve upon the reduction of share premium account. Details of the undertaking are set out in the Company's 2003 annual report. During the period, an amount of \$28,466,000 was credited to the special reserve in accordance with the undertaking.

12. Material related party transactions

There were the following material transactions with related parties during the period:

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

Interest expense	利息支出	5,440	13,039
Write back of interest expense	撥回利息支出	-	(9,379)

- (b) On Land Limited, a subsidiary of the Company, entered into the following related party transactions with CEH and its subsidiaries:

Rental income for the provision of office premises	提供辦公室物業之租金收入	343	477
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11. 儲備 (續)

附註: 於二零零四年一月五日, 本公司公布其擬提呈建議, 削減本公司股份溢價賬2,372,172,824元(即本公司於二零零三年九月三十日之累計虧損), 並將削減股份溢價賬所產生之同一數額進賬金額用於抵銷本公司之累計虧損。削減股份溢價賬事項已於二零零四年二月二日舉行之股東特別大會上獲股東批准, 並於二零零四年三月二日獲香港高等法院(「法院」)作出頒令予以確認及於本公司在同日向香港公司註冊處登記上述頒令後生效。為了保障本公司債權人之權益, 本公司向法院作出承諾, 於削減股份溢價賬時設立一個特別儲備。有關該項承諾之詳情載於本公司二零零三年年報。期內, 本公司根據該項承諾將28,466,000元款額撥入特別儲備。

12. 與關連人士之重大交易

於本期間內, 與關連人士之重大交易如下:

- (a) 本集團與其最終控股公司中國光大集團有限公司(「光大集團」)訂立以下關連人士交易:

		Six months ended 30 June 截至六月三十日止六個月	
		2004 二零零四年	2003 二零零三年
		\$'000 千元	\$'000 千元
Interest expense	利息支出	5,440	13,039
Write back of interest expense	撥回利息支出	-	(9,379)

- (b) 本公司之附屬公司再倫有限公司與光大集團及其附屬公司訂立以下關連人士交易:

		Six months ended 30 June 截至六月三十日止六個月	
		2004 二零零四年	2003 二零零三年
		\$'000 千元	\$'000 千元
Rental income for the provision of office premises	提供辦公室物業之租金收入	343	477

12. Material related party transactions (Continued)

- (c) On 21 March 2003, the Company entered into an agreement with CE Technology whereby the Company agreed to sell and CE Technology agreed to purchase the entire 100% interests in the share capital of each of Bright Merit Investments Limited and Tung On Assets Limited, which in aggregate held an attributable interest of approximately 77.12% interest in SETI, for a cash consideration of \$7,000,000.
- (d) In 1998, Fuzhou Guang Min Road and Bridge Construction & Development Company Limited (then a jointly controlled entity) entered into an agreement with a minority shareholder of a subsidiary of the Group for the construction of a bridge in Fuzhou, the PRC. The total construction cost amounted to \$401,563,000. At 31 December 2003, construction cost payable to the minority shareholder amounted to \$51,563,000 and it has been fully settled as at 30 June 2004. In the opinion of the directors of the Company, the transaction was carried out on normal commercial terms and in the ordinary course of business.
- (e) Included in the consolidated balance sheet are the following balances with related parties:

12. 與關連人士之重大交易 (續)

- (c) 於二零零三年三月二十一日，本公司與光大科技訂立協議。據此，本公司同意出售，而光大科技同意購入 Bright Merit Investments Limited 及 Tung On Assets Limited 各自股本中全數 100% 權益（彼等合共持有光大木材約 77.12% 應佔權益），現金代價為 7,000,000 元。
- (d) 於一九九八年，當時之合營公司福州光閩路橋建設開發有限公司（「光閩路橋」）與本集團一家附屬公司之一名少數股東就建造位於中國福州市之一座橋樑訂立協議。建築成本總額為 401,563,000 元。截至二零零三年十二月三十一日，應付少數股東之建造費為 51,563,000 元，並於二零零四年六月三十日已悉數清付。本公司董事認為，交易在日常業務過程中按一般商業條款進行。
- (e) 包括在綜合資產負債表內有下列與關連人士之結餘：

		At 30 June 2004 二零零四年 六月三十日 \$'000 千元	At 31 December 2003 二零零三年 十二月三十一日 \$'000 千元
Amounts due from associates	應收聯營公司款項	495,375	486,914
Loans from ultimate holding company	最終控股公司貸款	(532,830)	(487,664)
Amount due to ultimate holding company	應付最終控股公司款項	(4,063)	(37,835)
Amount due to minority shareholder (included in other payables)	應付少數股東款項 (已計入其他應付款項)	-	(51,563)

13. Capital commitments

Capital commitments outstanding at 30 June 2004 not provided for in the interim financial report were as follows:

Contracted for (Note)

已訂約 (附註)

Note: On 1 September 2003, a 50% owned associate of the Group entered into a sino-foreign cooperative joint venture agreement with a PRC entity in relation to the establishment of a project company to invest in a waste-to-energy plant to be constructed and operated in the Suzhou City, the PRC. The Company has undertaken to pay 50% of the capital contribution, i.e. RMB75 million (equivalent to approximately \$71 million), should the associate fail to fulfil its commitment under the joint venture agreement.

Subsequent to the period end, the Group acquired the other 50% equity interest in the associate. Further details are set out in note 16(a).

14. Contingent liabilities

At 30 June 2004, there were contingent liabilities in respect of guarantees given to banks by the Company for end user financing guarantees and undertakings executed by an associate to banks amounting to \$159,000 (at 31 December 2003: \$245,000).

15. Pledge of assets

At 30 June 2004, the Group pledged cash and fixed assets, with an aggregate net book value of approximately \$289,847,000 (at 31 December 2003: \$288,816,000) to secure general banking facilities granted to the Group. In addition, the shares of a subsidiary of the Group and the Group's toll bridge revenue have been pledged.

13. 資本承擔

於二零零四年六月三十日未於中期財務報告作出撥備之資本承擔如下:

At 30 June 2004 二零零四年 六月三十日 \$'000 千元	At 31 December 2003 二零零三年 十二月三十一日 \$'000 千元
71,250	70,884

附註: 於二零零三年九月一日, 本集團擁有50%權益之聯營公司與中國一家實體就成立一家項目公司, 以投資於中國蘇州市興建及經營垃圾焚燒發電廠訂立中外合作合營合同。本公司已承諾, 倘該聯營公司未能履行其於該合營合同項下承擔, 本公司將支付注資額50%, 即人民幣75,000,000元(約相當於71,000,000元)。

期內結算日後, 本集團收購該聯營公司餘下50%股本權益。進一步詳情載於附註16(a)。

14. 或有負債

於二零零四年六月三十日, 本公司因一家聯營公司向銀行簽立最終用戶融資擔保與保證書而向有關銀行提供擔保所承擔之或有負債為159,000元(二零零三年十二月三十一日: 245,000元)。

15. 抵押資產

於二零零四年六月三十日, 本集團將賬面淨值總額約289,847,000元(二零零三年十二月三十一日: 288,816,000元)之現金及固定資產作為本集團所獲一般銀行融資之抵押品。此外, 本集團一家附屬公司之股份以及本集團收費橋樑收入亦已抵押。

16. Post balance sheet events

- (a) On 9 July 2004, the Group entered into a sale and purchase agreement with Dynagreen International Holding (Group) Company Limited (“Dynagreen International”). Pursuant to the agreement, Dynagreen International agreed to sell and the Group agreed to acquire 1,000 shares of US\$1 each in the issued share capital of Starland Resources Limited (“Starland”), representing 50% of Starland’s issued share capital, at a total consideration of RMB11,000,000 (equivalent to approximately \$10,367,500). The sale and purchase agreement was completed on the same date of the signing of the agreement. Starland was previously a 50% owned associate of the Group and it became an indirect wholly-owned subsidiary of the Group upon completion of the agreement. Details of the transaction have been included in the circular to shareholders dated 5 August 2004.
- (b) On 9 July 2004, the Group entered into a sale and purchase agreement with the ultimate beneficial owners of Dynagreen International (“Dynagreen Business Partners”) which was completed on the same date. Pursuant to the agreement, the Group agreed to sell and Dynagreen Business Partners agreed to acquire 5,000 shares of \$1 each in the issued share capital of Dow’s Infrastructure (Shunde) Limited (“Dow’s Infrastructure”), representing 50% of Dow’s Infrastructure’s issued share capital, and the related shareholder’s loan resulting in a gain of \$652,000. The principal activity of Dow’s Infrastructure is the holding of a 100% equity interest in 順德市順能垃圾發電有限公司 (Shunde Shunneng Waste-to-Energy Company Limited), a foreign investment enterprise established in the PRC to construct and operate a waste-to-energy power plant in Shunde, the PRC.

17. Approval of interim financial report

The interim financial report was approved by the board on 21 September 2004.

16. 結算日後事項

- (a) 於二零零四年七月九日，本集團與綠色動力國際控股(集團)有限公司(「綠色動力國際」)訂立買賣協議。根據協議，綠色動力國際同意出售而本集團同意收購星域資源有限公司(「星域」)已發行股本中1,000股每股面值1美元之股份，相當於星域已發行股本50%，總代價為人民幣11,000,000元(約相當於10,367,500元)。此項買賣協議已於簽訂協議同日完成。星域原為本集團擁有50%權益之聯營公司，於協議完成後成為本集團間接全資附屬公司。有關交易之詳情載於日期為二零零四年八月五日致股東之通函內。
- (b) 於二零零四年七月九日，本集團與綠色動力國際之最終實益擁有人(「綠色動力業務夥伴」)訂立買賣協議，並於同日完成。根據協議，本集團同意出售而綠色動力業務夥伴同意收購道斯基建(順德)有限公司(「道斯基建」)已發行股本中5,000股每股面值1元之股份，相當於道斯基建已發行股本50%，以及有關股東貸款，錄得收益652,000元。道斯基建之主要業務為持有一家於中國成立以於中國順德興建及經營垃圾焚燒發電廠的外資企業順德市順能垃圾發電有限公司100%股本權益。

17. 通過中期財務報告

中期財務報告已於二零零四年九月二十一日獲董事會通過。

INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF CHINA EVERBRIGHT INTERNATIONAL LIMITED

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 32 to 47.

Respective responsibilities of directors and auditors

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Statement of Standard Accounting Practice 25 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports” issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquires of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2004.

KPMG

Certified Public Accountants

Hong Kong, 21 September 2004

獨立審閱報告 致中國光大國際有限公司董事會

引言

我們已應 貴公司指示，審閱刊於第三十二頁至四十七頁的中期財務報告。

董事及核數師的各自責任

根據《香港聯合交易所有限公司證券上市規則》之規定，上市公司必須以符合上市規則中相關規定及香港會計師公會頒佈的《會計實務準則》第25號「中期財務報告」的規定編製中期財務報告。中期財務報告由董事負責，並由董事核准通過。

我們的責任是根據我們審閱工作的結果，對中期財務報告提出獨立結論，並按照我們雙方所協定的應聘條款，只向作為團體的董事會報告。除此以外，我們的報告書不作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔任何責任。

審閱工作

我們是按照香港會計師公會所頒佈的《核數準則》第700號「審閱中期財務報表的委聘」進行審閱。審閱工作主要包括向集團管理層作出查詢及分析中期財務報告，評估財務報告中會計政策是否貫徹運用，以及賬項編列是否一致；或已另作披露。審閱不包括控制測試及資產、負債和交易驗證等審核程序。由於審閱的範圍遠較審核小，所給予的保證程度也較審核低，因此，我們不會對中期財務報告發表審核意見。

審閱結論

根據這項不構成審核的審閱工作，我們並沒有察覺截至二零零四年六月三十日止六個月的中期財務報告需要作出任何重大的修訂。

畢馬威會計師事務所 執業會計師

香港，二零零四年九月二十一日