



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

### 發揚光大精神 爭創環保名牌



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

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



## Chairman's Statement 主席報告

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

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

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

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

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

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



## Chairman's Statement 主席報告

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

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

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

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

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

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



## Chairman's Statement 主席報告

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

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

**Wang Mingquan**

*Chairman*

Hong Kong, 22 March 2007

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

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

**王明權**

*主席*

香港，二零零七年三月二十二日