



Chief Executive Officer's Report

行政總裁報告

OPERATING RESULTS

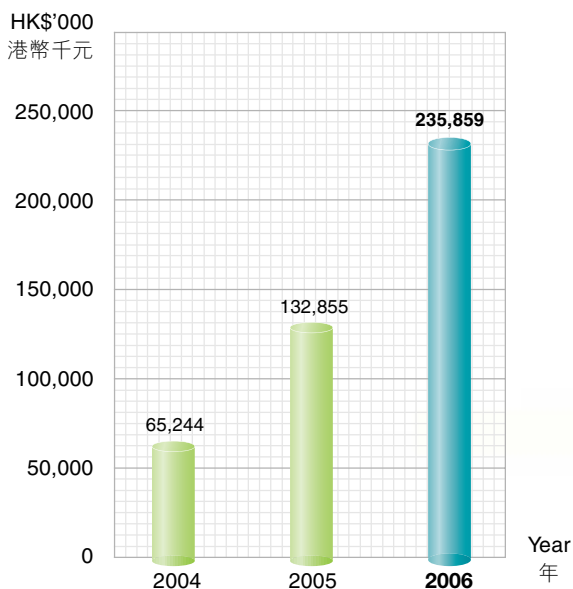
2006 was the first year in the PRC's Eleventh Five-year Plan. Against the backdrop of rapid economic growth, the Central Government has stressed the importance of sustainable development, conservation of resources and energy and environmental protection. As the country becomes more aware of the environmental issues, the Central Government has stepped up policies to support and encourage development of the environmental protection industry. These developments have bred huge business opportunities. During the year under review, the Group actively developed its environmental protection business by securing a number of new projects and launching some into operation. As a result, the Group met the target of treating over one million tonnes of sewage per day and processing over one million tonnes of industrial and household solid waste per year two years ahead of schedule. In 2006, environmental protection business developed into a main source of income, and contributed 62% of the Group's turnover, up from the 42% in 2005.

經營業績

二零零六年是中國全面實施「十一五」規劃的第一年。在經濟繼續高速增長的同時，中央政府強調可持續發展，提倡減少浪費資源和能源以及保護環境。隨著國內對生態環境問題日益關注，中央政府亦採取了一系列政策加大力度支持環保產業的發展，造就了龐大的商機。回顧年度內，本集團把握機遇，努力發展環保業務，成功取得多個新項目，以及推進項目投入營運，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。二零零六度，環保業務佔本集團營業額的比例由二零零五年的42%提升至62%，逐步形成本集團之核心經營收益。

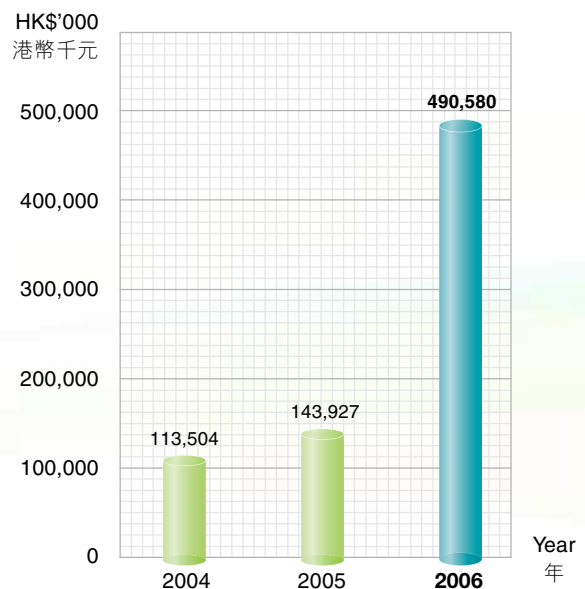
Turnover

營業額



Earnings before interest and tax

除利息及稅項前盈利

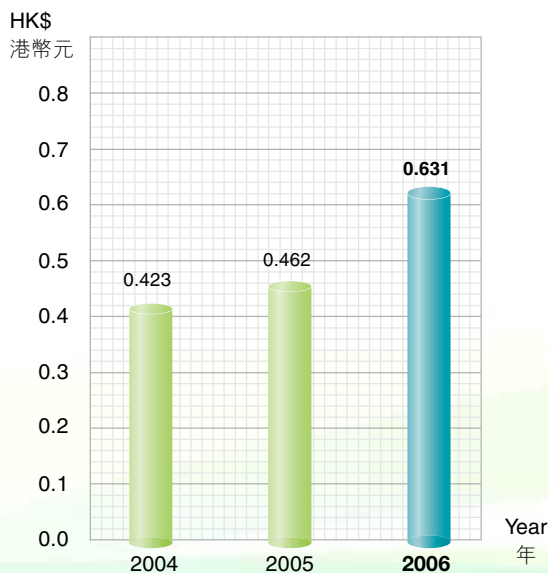




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During the year under review, a number of environmental protection projects came on stream and became new growth drivers, expanding the Group's income source. The Group also continued to adjust its assets structure and made one-off gains by disposing of its 15% equity stake in Shenzhen Mawan Power Company Limited ("Mawan Power") and an investment property in Lippo Centre, boosting the profit attributable to equity shareholders of the Company. For the year ended 31 December 2006, the Group's consolidated turnover amounted to HK\$235,859,000, representing an increase of 78% from the restated turnover of HK\$132,855,000 in 2005. Profit attributable to equity shareholders was HK\$409,347,000, an increase of 283% as compared with HK\$106,808,000 as restated in 2005. Basic earnings per share for 2006 were HK14.15 cents, an increase of HK9.96 cents as compared with HK4.19 cents for the previous year.

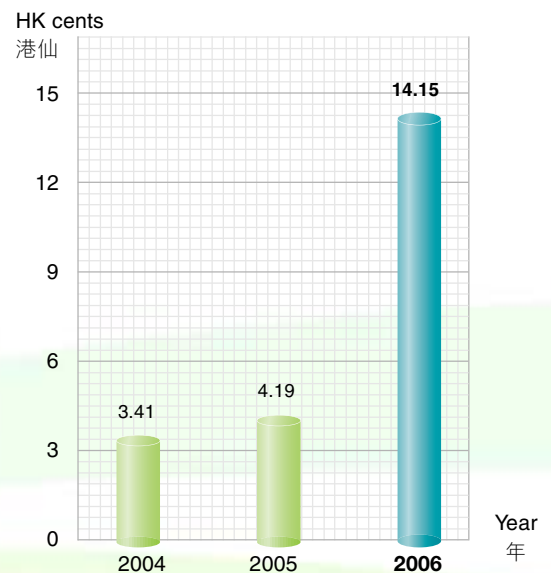
Net assets value per share 每股資產淨值



While taking into account the Group's future development plans, the Board proposed to pay a final dividend of HK0.6 cent per share and a special dividend of HK0.4 cent per share to the equity shareholders of the Company in recognition of their support. Together with the interim dividend of HK0.6 cent per share for 2006, the total dividends for the year amounted to HK1.6 cents per share (2005: HK1.2 cents per share).

於回顧年度內，多個環保項目相繼投入營運，擴大收入來源，並發展成為新的利潤增長點。與此同時，本集團進一步調整資產結構，出售深圳媽灣電力有限公司（「媽灣電力」）15%之權益及力寶中心投資物業，錄得一次性出售盈利，帶動了股東應佔盈利的增長。截至二零零六年十二月三十一日止年度，本集團綜合營業額為港幣235,859,000元，比去年重報的營業額港幣132,855,000元上升78%。股東應佔盈利為港幣409,347,000元，較去年重報的港幣106,808,000元增加283%。本年度的每股基本盈利14.15港仙，較去年之4.19港仙增加9.96港仙。

Basic earnings per share 每股基本盈利



為回饋股東的支持及考慮本集團未來的發展計劃，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：每股1.2港仙）。



ENVIRONMENTAL PROTECTION BUSINESS

環保業務

The Group continued to actively develop its environmental protection business, which included a dozen projects in Jiangsu and Shandong provinces with a total investment of more than HK\$3 billion. During the year under review, the Group secured six new projects, including the Jiangyin Waste-to-energy Project in Jiangsu province (“Jiangyin Project”), the Jinan Waste Water Treatment Project in Shandong province (“Jinan Project”), the Changzhou Waste-to-energy Project in Jiangsu province (“Changzhou Project”), the Hanmiao Waste Water Treatment Project at the Zibo High-tech Industrial Development Zone, Shandong province (“Zibo High-tech Zone Hanmiao Project”), the overall upgrade of the Southern and Northern Waste Water Treatment Plants in Zibo (“Zibo Southern and Northern Plants Project”) and Suzhou Waste-to-energy Project (“Suzhou Project”) Phase II. During the year, Suzhou Project Phase I and Suzhou Methane-to-energy Project (“Methane Project”) commenced operation. The Group also took management control of Jinan No.1 and No. 2 Waste Water Treatment Plants. Revenue from the environmental protection business grew 163% to HK\$145,611,000 in 2006, and accounted for 62% of the Group's turnover (2005: 42% of the Group's turnover). Operating profit before deduction of interest and tax from the business segment increased by 486% to HK\$71,767,000 in 2006. Recording strong and healthy development and promising tremendous growth potential, the environmental protection business will support strong revenue growth of the Group.

本集團繼續積極拓展環保業務，已在江蘇、山東兩省成功開展環保項目十餘個，涉及總投資超過港幣30億元。回顧年度內，本集團成功取得六個新項目包括江蘇省江陰垃圾焚燒發電項目（「江陰項目」）、山東省濟南污水處理項目（「濟南項目」）、江蘇省常州垃圾焚燒發電項目（「常州項目」）、山東省淄博高新區韓廟污水處理項目（「淄博高新區韓廟項目」）、淄博南郊廠和北廠的全面升級改造工程（「淄博南郊廠和北廠項目」），以及蘇州垃圾焚燒發電項目（「蘇州項目」）二期。年內，蘇州項目一期和蘇州沼氣發電項目（「沼氣項目」）相繼投入運營，至於濟南水質淨化一廠和二廠項目亦接管運營。二零零六年度環保業務的營業額為港幣145,611,000元，比去年增長163%，佔總營業額的62%，較去年佔總營業額的42%大幅上升。除利息及稅項前經營利潤為港幣71,767,000元，比去年增長486%。環保業務的快速健康發展和巨大潛力，將進一步促進本集團的收入增長。



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Waste-to-energy Projects

Suzhou Project Phase I

The Group's first wholly owned environmental protection project, Suzhou Project Phase I, completed a full load trial run and started supplying electricity to the power grid on 20 June 2006. It began commercial operation on 18 July 2006. In October 2006, the Shanghai branch of the globally renowned independent inspection company, SGS Group from Switzerland, conducted an emission test on the boiler exhaust gas and found the results meeting the PRC's national emission control standards and the emission level of boiler and dioxin met the Euro I Standard and the Euro II Standard respectively. The project not only will bring in stable income for the Group in the long run, but will also help enhance the Group's brand name in the field of waste-to-energy operation. During the year, the project obtained Jiangsu Province Price Department's approval to raise its up-loading tariff from RMB0.50 per kilowatt-hour to RMB0.575 per kilowatt-hour, benefiting from the country's policy that favoured the development of environmental protection business. As a new growth driver, the project contributed a net profit of HK\$12,592,000 to the Group in 2006. It will make a full-year profit contribution in 2007.

Yixing Project

During the year under review, construction of the Yixing Waste-to-energy Project ("Yixing Project") in Jiangsu province progressed satisfactorily, with the site ready for boiler

垃圾焚燒發電項目

蘇州項目一期

本集團第一個全資投資建設的環保項目－蘇州項目一期於二零零六年六月二十日完成了滿負荷試運行考核並成功上網發電，七月十八日正式投入商業運行。二零零六年十月份，經全球知名的獨立檢驗公司－瑞士SGS集團在上海的分支機構對鍋爐煙氣排放進行檢測，檢測結果是完全符合國家控制排放標準，煙氣排放與二噁英排放分別達到「歐盟I 號標準」及「歐盟II 號標準」所規定的相關排放要求。該項目在為本集團帶來長期穩定之收益的同時樹立了本集團在垃圾焚燒發電領域的品牌。年內，該項目得到環保產業政策支持，獲江蘇省物價局批准調高上網電價，由原來與政府簽訂的每千瓦時人民幣0.5元上調至人民幣0.575元。此項目於二零零六年度為本集團貢獻淨盈利港幣12,592,000元，成為本集團又一新的利潤增長點。自二零零七年起，該項目可為本集團提供全年盈利貢獻。

宜興項目

於回顧年度內，本集團位於江蘇省宜興垃圾焚燒發電項目（「宜興項目」）的建設進展理想。二零零六年三月開始全面展開鍋爐安裝的工程。二零零



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



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



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installation in March 2006. The construction of the “Everbright Road” was completed in April 2006. At the end of June 2006, the project's boiler passed the water pressure test and inspection of the Quality Supervision Centre of Jiangsu province. The accompanying dormitory was ready for use in October. The project succeeded in its trial run on power transmission in November. The project is expected to be completed in the second quarter of 2007, and will be a new income source of the Group, generating profit in 2007.

Jiangyin Project

In January 2006, the Group won the tender for the Jiangyin Project, which required a total investment of approximately RMB388,744,000. Construction will take place in two phases, with phase I having a daily processing capacity of 800 tonnes of waste. The Group is entitled to an exclusive right to operate the project for 30 years on BOT basis. Foundation stone of the project was laid in March 2006, and construction has been progressing smoothly since it started on 28 June 2006. Major imported facilities have arrived in Jiangyin city and are ready for installation in the second quarter of 2007. The project is expected to commence commercial operation in the second quarter of 2008.

Changzhou Project

On 5 June 2006, the Group signed a framework agreement with Changzhou Municipal Administration Bureau in Jiangsu province to obtain the right to construct a waste-to-energy

六年四月完成「光大路」工程。二零零六年六月底，項目的鍋爐通過了江蘇省監測站的水壓試驗、檢查和驗收，十月份項目生活樓投入使用，十一月份倒送電一次成功，預計項目可於二零零七年第二季度完工。該項目將成為本集團又一新的利潤增長點，於二零零七年度為本集團提供盈利貢獻。

江陰項目

二零零六年一月，本集團成功取得江陰項目，總投資約人民幣388,744,000元，分兩期建設，第一期為日處理生活垃圾800噸。此項目採用「BOT」模式實施，特許經營期限30年。該項目於二零零六年三月份奠基，並於六月二十八日正式動工，目前項目施工進展理想，主要進口設備已陸續運抵江陰市，預計二零零七年第二季度進入設備安裝期，並於二零零八年第二季度正式投入商業運行。

常州項目

二零零六年六月五日，本集團與江蘇省常州市城市管理局簽署特許經營權框架協議，採用「BOT」形式建造常州項目。項目總投資人民幣



Foundation laying ceremony for waste-to-energy project in Jiangyin
江陰垃圾焚燒發電項目奠基儀式



Signing ceremony for waste-to-energy project in Changzhou
常州垃圾焚燒發電項目簽約儀式



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project in Changzhou on BOT basis as well as an exclusive right to operate the project for 25.5 years. Investment in the project will amount to RMB412,560,000. The plant will have capacity to process 800 tonnes of waste per day. Preliminary work, project registration and injection of capital were completed in September 2006 and foundation stone was laid on 15 December 2006. Tendering of major equipment has been finished and civil engineering work has begun in the first quarter of 2007. The project is the Group's fourth waste-to-energy project in Jiangsu province and is expected to begin operation in 2008. The Group will be able to centralize the management of this project and the other three, namely Suzhou Project Phase I, Yixing Project and Jiangyin Project, which are close to each other. As a result, the Group will be able to save cost. Investment in the project has enhanced the Group's advantageous position within Jiangsu province and reinforced its market leadership in the waste-to-energy sector of the country.

Suzhou Project Phase II

The Group signed an agreement with Suzhou Municipal Urban Utility Bureau in December 2006 to construct phase II of the Suzhou Waste-to-energy Project with capacity to process 500 tonnes of waste per day at an investment of approximately RMB220,000,000. Suzhou Project Phase II will adopt the same operation model and construction standards as those of phase I. The new phase will be equipped with imported advanced equipment including incinerators and systems for emission control, automation and online monitoring. The project's dioxin emission will meet the Euro II standard. Construction of the project will begin in the second half of 2007, and is expected to be finished by the end of 2008. Together with Suzhou Project Phase I, which has already been in operation, the expanded power plants will be able to process more than 1,500 tonnes of waste per day and generate about 150 million kilo-watt hours of electricity per year for the power grid. When phase II commences operation, the Suzhou Project will be one of the largest waste-to-energy projects in the country.

412,560,000元，日處理垃圾800噸，特許經營期限25.5年。二零零六年九月份已完成項目前期工作、項目公司註冊及項目注資等工作，該項目已於二零零六年十二月十五日正式奠基。項目前期工作進展順利，已完成主要設備招標工作，二零零七年第一季度土建工程亦已啓動。預計項目於二零零八年交付運行。該項目是本集團投資江蘇省之第四個垃圾焚燒發電項目，並與本集團投資的蘇州項目一期、宜興項目及江陰項目位置鄰近，便於集中統一管理，節約成本。投資該項目加強了本集團在江蘇省垃圾焚燒發電項目的優勢，並鞏固了本集團在國內垃圾焚燒發電行業的領先地位。

蘇州項目二期

二零零六年十二月，本集團與蘇州市市政公用局簽訂協議，建設蘇州垃圾焚燒發電項目二期。該項目二期總投資約人民幣220,000,000元，日處理垃圾500噸，實施模式和建設標準與一期相同。該項目是本集團首個二期項目，標誌著本集團在環保領域上又邁進了一步。該項目將採用進口的焚燒爐排、煙氣淨化、自動化控制、在線監測系統等先進的設備，二噁英排放達到歐盟II號標準。二期工程將於二零零七年下半年動工，並預計於二零零八年年底建成，屆時連同已投入運營的蘇州項目一期，整個發電廠日處理垃圾能力將超過1,500噸，年上網電量將達到1.5億千瓦時。二期工程投入運營後，蘇州項目將成為全國最大規模的垃圾焚燒發電項目之一。



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Integrated environmental protection project – Suzhou Everbright Environmental Protection Industrial Zone

In July 2005, the Group signed a cooperative framework agreement with the government of Mudu town, Wuzhong district, Suzhou city, Jiangsu province to construct the Suzhou Everbright Environmental Protection Industrial Zone (“the Zone”). The project will be the country's first integrated zone for environmental protection to showcase centralized disposal of industrial and household solid waste. The Zone is high on the agenda of the State Environmental Protection Administration and backed by the Suzhou Municipal Government. The Zone is dubbed a “vein” in its Chinese name as it functions as such for the PRC's economic development in the way the vein does for the human body – to gather used materials or waste, process them in a harmless manner for reuse. The “vein”-type industry is defined as an industry that maximizes utilization of resources, minimizes environmental pollution, promotes recycling as a viable economic pursuit and encourages conservation in land use. Of no less than 2.5 sq. km., the Zone will be completed in phases within three to five years at a total investment of around HK\$1.5 billion. It contains waste-to-energy plants (Suzhou Project Phase I and II), a methane-to-energy plant (Methane Project) and a centre for industrial solid waste disposal (“Solid Waste Disposal Project”). As the country's first integrated zone for environmental protection to showcase centralized disposal of industrial and household solid waste, the Zone will also be developed into a scenic base for environmental education in Suzhou.

綜合環保項目－蘇州市光大環保靜脈產業園

本集團於二零零五年七月與江蘇省蘇州市吳中區木瀆鎮人民政府簽署建設蘇州市光大環保靜脈產業園合作框架協定。該項目為全國第一個、示範性的集中處置工業、生活固體廢物的綜合環保產業園－蘇州市光大環保靜脈產業園（「產業園」）。該項目得到國家環保總局的重視，也得到蘇州市政府的大力支持。產業園名字叫「靜脈」，實際上基於環保產業與人的靜脈甚至中國經濟發展的靜脈的意義一樣。有機結合將資源利用最大化，環境污染最小化，發展循環經濟，節約土地資源，集中建設城市廢物無害化處理和廢物回收再生利用項目，即靜脈類產業。產業園規劃佔地不少於2.5平方公里，採取「整體規劃、分步實施」的建設方針，計劃用3至5年建設完成，總投資約港幣1,500,000,000元。產業園包括垃圾焚燒發電廠（即「蘇州項目一期及二期」）、沼氣發電廠（即「沼氣項目」）、工業固體廢物安全填埋項目（「固廢項目」）等，產業園的整體目標是建成全國第一個集中處置工業、生活固體廢物的綜合環保產業園，並將發展成為環境優美的工業景觀園區和蘇州市環保教育示範基地。



Ceremony for commercial operation of Suzhou Everbright Environmental Protection Industrial Zone
蘇州市光大環保靜脈產業園商業運行慶典



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After Suzhou Project Phase I started commercial operation on 18 July 2006, the Methane Project began to supply electricity to the power grid on 20 August 2006 and contributed a net profit of HK\$1,322,000 to the Group in 2006. Currently, the two 1,250 kilowatt generators of the Methane Project are operating at full load.

Furthermore, the Group has signed a concession right agreement with Suzhou Environmental Protection Administration to build and operate a solid waste landfill site in Suzhou city. The Solid Waste Disposal Project will serve the entire Suzhou city (including all districts in its jurisdiction), providing support to the city's industrial development. Construction of the project has been progressing smoothly since it began on 31 August 2006 and the project is expected to be completed and start operation in mid-2007.

With the gradual roll-out of different projects, the Zone has begun to take shape. Currently, the Group and the Suzhou Municipal Government are in discussion over the plan of the Zone and other projects there, including a leachate treatment plant and sludge treatment center. The Group's ultimate aim is to build the Zone into the PRC's first integrated zone for environmental protection to showcase centralized processing of industrial and household solid waste which will enhance the "Everbright Environment" brand.

Waste Water Treatment Projects

Qingdao Project

The Group's first environmental protection project in Shandong province, the Qingdao Waste Water Treatment Project ("Qingdao Project"), processed 52,152,000 tonnes of sewage in 2006 and generated HK\$16,272,000 in net profit attributable to the Group. Construction of the Extension Facilities of the Maidao Waste Water Treatment Plant started in late June 2005. It commenced to receive waste water in June 2006, ahead of schedule, to make way for the Qingdao International Regatta that took place in August 2006. Currently undergoing trial runs, the project is expected to gradually increase its daily sewage treatment capacity from around

繼蘇州項目一期於二零零六年七月十八日正式商業運行後，沼氣項目亦於二零零六年八月二十日並網發電，於二零零六年度為本集團貢獻淨盈利港幣1,322,000元。目前沼氣項目2台1,250千瓦沼氣發電機組已實現了滿負荷發電目標。

此外，本集團與蘇州市環保局簽署了《蘇州市固體廢物填埋場特許經營協定》。該項目將服務整個蘇州市（包括下屬的各區市），成為當地工業發展的重要配套。該項目於二零零六年八月三十一日正式開工，目前工程進展順利，預計於二零零七年中完工投運。

隨著多個項目逐步實施，標誌著產業園的基本佈局已形成。目前，本集團正與蘇州市政府就產業園的規劃及其他項目進行洽商，包括垃圾滲濾液處理項目、污泥處理等多個項目，待條件成熟會逐步推進，務求將產業園建成全國第一個具示範性、能集中處置工業和生活固體廢物的綜合環保產業園，有力地打造「光大環保」品牌。

污水處理項目

青島項目

本集團位於山東省的第一個環保項目—青島污水處理項目（「青島項目」）於回顧年度內處理污水52,152,000噸，為本集團帶來應佔淨盈利港幣16,272,000元。麥島污水處理廠的擴建工程於二零零五年六月底開工。為配合二零零六年八月份青島國際帆船比賽，該項目提前於二零零六年六月份實現通水。目前該項目正進行調試，預計於二零零七年下半年投運後每日污水處理量可由原來約150,000噸逐漸增加至220,000噸。回顧年度內，項目公司進行了三十三項海泊河污水處理廠大修改造工程，通過設備設施的改造，大大改善了海泊



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150,000 tonnes to 220,000 tonnes after it starts commercial operation in the second half of 2007. In 2006, the project company embarked on thirty three improvement works for the Haibohe Waste Water Treatment Plant. Efforts to upgrade the facilities of the plant have significantly enhanced the project's treatment capability.

河污水處理廠的污水處理能力，為項目長遠生產運營提供了有效保障。



Qingdao Maidaowaste Water Treatment Plant (Extension Facilities)
青島麥島污水處理廠（擴建工程）



Qingdao Maidaowaste Water Treatment Plant (Extension Facilities)
青島麥島污水處理廠（擴建工程）

Zibo Southern and Northern Plants Project

The waste water treatment project in Zibo city (including the Southern Plant and the Northern Plant) has been in stable performance since it started operation in December 2005. In 2006, it processed 77,374,000 tonnes of sewage and contributed a net profit of HK\$14,490,000 to the Group. Machinery upgrade of the two plants was completed on 28 April 2006. The completion of this work on schedule not only ensured the smooth operation of the project, but also earned

淄博南郊廠和北廠項目

本集團位於淄博市的污水處理項目（包括南郊廠和北廠）於二零零五年十二月正式營運以來，經營穩定，於二零零六年處理污水77,374,000噸，為本集團貢獻淨盈利港幣14,490,000元。淄博污水處理南郊廠和北廠設備改造工程已於二零零六年四月二十八日完成。此項工程的依時完成，一方面保證了項目正常運營，一方面贏得了市政府及淄博



Zibo Northern Plant
(Overall upgrade work in progress)
淄博北廠（全面升級改造工程進行中）



Zibo Hanmiao Waste Water Treatment Plant
(under construction)
淄博韓廟污水處理廠（在建中）



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for the Group the trust of the municipal government and citizens of Zibo. On 28 August 2006, the Group signed an agreement with the Zibo Municipal Government to invest RMB130,221,000 in an overall upgrade of the two plants, with the aim of improving the quality of the processed sewage to Grade 1A (reusable water grade). The upgraded Southern and Northern plants will command a sewage treatment fee of RMB0.98 per tonne, up from the previous RMB0.75 per tonne, bringing higher return to the Group.

Zibo High-tech Zone Hanmiao Project

On 13 July 2006, the Group signed a "Concession Right Agreement for constructing a new waste water treatment plant in the Zibo High-tech Industrial Development Zone" and a "Waste Water Treatment Service Agreement" with the Zibo Municipal Government. The new project will have a treatment capacity of 300,000 tonnes of sewage per day. Phase I of the project, which will have a daily treatment capacity of 100,000 tonnes, calls for an investment of RMB150,000,000, and will be ready for commercial operation by the end of June 2007. It is the Group's first waste water treatment project on BOT basis, and the PRC's first waste water treatment project in a city to adopt the Grade 1A standard, which is a high standard for sewage treatment. As such, the project is a milestone in the Group's development in the field of sewage treatment sector. Since securing the project, the Group has obtained concession rights to manage all sewage treatment projects in Zibo and the city's high-tech zone. This project will not only enhance the Group's development in Shandong, but also allow the Group to realize resources sharing, boosting overall management and operational efficiency of the different projects in Zibo.

In December 2006, the Zibo project company received three accreditations certifying that its quality, environmental protection, occupational health and safety management systems have met international standards (GB/T19001,

市民的信任。二零零六年八月二十八日本集團再與淄博市政府達成協定，由本集團投資人民幣130,221,000元全面升級改造南郊廠及北廠，使出水水質達到一級A（中水回用，即污水經過處理後的回用）標準，改造後的南郊廠和北廠污水處理費將由原來的每噸人民幣0.75元提高到每噸人民幣0.98元。相信污水處理廠經過全面升級改造後，將為本集團帶來更為可觀的效益。

淄博高新區韓廟項目

二零零六年七月十三日，本集團與淄博市政府簽署了《淄博高新技術產業開發區新建污水處理項目特許權協定》及《污水處理服務協議》。該新項目總規模為日處理污水300,000噸，其中第一期工程日處理污水量為100,000噸，投資人民幣150,000,000元，預計二零零七年六月底交付運營。該項目是本集團首個以「BOT」模式建造的污水項目，乃是國內第一個在一個城市採用一級A標準建設的高水準污水處理項目，也是本集團在水務項目領域發展的重大里程碑。自此，本集團獲得了淄博市城市和高新區的全部污水項目處理權。此項目的實施可實現資源共享，有利於進一步提高淄博項目整體的管理及營運效益，增收節支，並促進本集團於片區內的戰略發展。

二零零六年十二月，淄博項目公司成功通過了質量／環境／職業健康安全管理体系（GB/T19001、GB/T24001、GB/T28001）三項認證及中國實驗室資質認證。二零零七年一月份，淄博項目公司被淄



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GB/T24001 and GB/T28001 respectively). It also obtained the China Laboratory Quality Assurance Certificate. In January 2007, it was named a “Role Model of Labor Protection and Integrity” in 2006 by the Labor Bureau of Zibo city in recognition for its continuous efforts to safeguard the well-being of its staff while enhancing management standards. This achievement has laid a solid foundation for the Group to build the Zibo project into a “benchmark enterprise in Shandong and an environmental education base in Zibo”.

博市勞動部門評選為二零零六年度「勞動保障誠信示範單位」，證明本集團在收購項目後除不斷提升管理水平外，仍能致力維護員工保障，穩定生產隊伍，為實現本集團將淄博項目打造成為「山東省行業標竿企業和淄博市環保教育示範基地」的目標打下堅實的基礎。



Quality Management System Certificate GB/T19001:2000
質量管理體系認證證書 GB/T19001:2000



Environmental Management System Certificate GB/T24001
環境管理體系認證證書 GB/T24001



Occupational Health and Safety Management System Certificate GB/T28001
職業健康安全管理體系認證證書 GB/T28001

Jinan Project

On 23 June 2006, the Group signed a “Co-operative Agreement” with the Jinan Municipal Government to acquire all assets of the Jinan No. 1 and No. 2 Waste Water Treatment Plants by way of TOT (transfer-operate-transfer) at RMB400,000,000. The two plants have a combined daily sewage treatment capacity of 420,000 tonnes, and the Group is entitled to an exclusive right to operate the project for 30 years. The formal concession right agreement was signed on 31 October 2006 and operation began after the handover on 18 November 2006. The project serves as a solid foundation for the Group's pursuit of future opportunities in Jinan's market for environmental protection and municipal public works. It is an integral part in the Group's strategic

濟南項目

二零零六年六月二十三日，本集團與濟南市政府簽署《合作協議》，同意採用「TOT」（轉移—經營—轉移）方式收購濟南市水質淨化一廠、二廠的全部資產，收購價約人民幣400,000,000元，特許經營期限三十年，兩廠合計日處理能力420,000噸。本集團於十月三十一日正式簽署特許經營協定，並於十一月十八日接收項目及開始商業營運。該項目為日後進一步投資濟南市其他環保項目及市政公用項目打下良好的基礎，實現了山東水務行業的整體戰略佈局。濟南項目公司獲得濟南市政府評選的「市十佳外商投資企業」殊榮，證明本集團在收購濟南市淨化一廠及二廠項目的「誠信、務實、高效、創新」作風獲得政府的認同。目前本集團



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plan for its development in Shandong. The Jinan project company was named one of Jinan's "Ten Best Foreign-invested Enterprises" by the Jinan Municipal Government in recognition of its efforts to uphold the principles of "integrity, pragmatism, high efficiency and innovation" in the acquisition of the two waste water treatment plants. Presently, the Group has made investment to upgrade the technology and equipment of the two plants with an aim of enabling them to reach full-load operation with stable performance and comply with effluent standards. When the upgrade work is completed in the first half of 2007, the plants will reach their designed capacity for sewage treatment and will become a new income source of the Group.

已投入資金對兩廠工藝、設備進行改造，以儘快達到滿負荷處理能力，保證工藝穩定運行，達標排放。預計此改造項目於二零零七年上半年完成後，污水處理量將逐步擴大至設計水平，成為本集團另一利潤增長點。



Jinan No. 1 Waste Water Treatment Plant
濟南市水質淨化一廠



Jinan No. 2 Waste Water Treatment Plant
濟南市水質淨化二廠

Environmental Protection Engineering

Everbright Environmental Protection Engineering (Shenzhen) Company Limited ("Everbright Environmental Engineering"), a wholly-owned subsidiary of the Group, has a professional, efficient and dedicated technical management team, which is fully involved in all of the Group's environmental protection projects. During the year under review, it recorded a net profit of HK\$48,263,000, representing an increase of 99% over HK\$24,206,000 in 2005. Everbright Environmental Engineering is the main contractor of the Group's projects and a member of the Group, and as such, its management and consultancy fee income is not credited to the Group's consolidated income statement but reflected as reduction in construction costs of the different projects.

環保工程

本公司之全資附屬公司光大環保工程技術(深圳)有限公司(「光大環保工程」)，已成功建立了一支專業、高效、敬業的工程技術管理團隊，並全面參與各個環保項目的工程建設。於回顧年度內，光大環保工程錄得淨盈利港幣48,263,000元，較去年之港幣24,206,000元增長99%。惟光大環保工程為本集團投資建設環保項目之總承包，故有關環保項目管理及顧問收入為本集團內部收入，只可以沖減項目建設成本，故並未反映在綜合損益表內。



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In January 2006, Everbright Environmental Engineering received the “Main Contractor for Municipal Public Works Certificate” and three quality accreditations, namely the ISO9001:2000 Quality Management System Certificate, the ISO-14001 Environmental Management System Certificate and the OHSMS28001 Occupational Health and Safety Management System Certificate. It also obtained the “Shenzhen High-tech Enterprise Certificate” in October. All these achievements made in just three years enabled it to enter the field of engineering and construction management of public works sector, they are also proof of the Group's ability to develop its environmental protection operations. This will greatly expand the scope of business of the Group.

二零零六年一月，光大環保工程取得了市政公用工程總承包資質證書並通過質量、環境、職業健康安全管理体系(ISO 9001:2000、ISO 14001、OHSMS28001)三項認證，十月份又順利通過深圳市高新技術企業認定，獲得《深圳市高新技術企業證書》。在短短三年的發展便獲得多項認證標誌著本集團取得了進軍市政公用工程施工市場的通用證，肯定了本集團在環保產業方面發展的成就，將大大拓寬本集團的業務發展領域與範圍。



Quality Management System Certificate ISO 9001:2000
質量管理體系認證證書
ISO 9001:2000



Shenzhen High-tech Enterprise Certificate
深圳市高新技術企業證書



Environmental Management System Certificate ISO 14001:2004
環境管理體系認證證書
ISO 14001:2004

The roll-out of the Suzhou Project Phase I, Methane Project, Qingdao Project, Zibo Project and Jinan Project marked the Group's successful transformation into a professional environmental protection enterprise. After three years' hard work, the Group has built footholds in the markets of Jiangsu and Shandong provinces. To ensure it is able to meet the challenges in development, the Group began research and development on environmental protection technologies.

蘇州項目一期、沼氣項目、青島項目、濰博項目以及濟南項目的成功運營，標誌著本集團成功實現環保產業轉型。本集團經過三年多的艱苦創業，通過對一個個項目的摸索，成功實現了在江蘇省及山東省兩大區域的戰略部署。為面對新一輪發展的挑戰，本集團已開始在環保項目相關技術方面進行開發與研究。



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ENHANCED CAPABILITIES FOR RESEARCH AND DEVELOPMENT ON ENVIRONMENTAL PROTECTION

Strategic Partnerships

Apart from securing and operating different environmental protection projects, the Group has been trying to carry out research and development on related technologies and in forging complementary partnerships with internationally famous enterprises. In addition to the strategic alliance with Keppel Seghers, in the year under review, the Group carried out exchanges and cooperated in research projects with institutes such as the North Carolina China Centre of USA, Tsinghua University and Tongji University of Shanghai with an aim of boosting its research and development capabilities, which is its core competitive edge.

加強環保科研能力

戰略合作夥伴

除爭取及經營環保項目外，本集團一直高度重視技術研發，並致力加強與國際知名公司建立強強聯合，進行優勢互補的戰略合作。繼與吉寶西格斯進行戰略合作後，本集團亦於回顧年度內先後與美國北卡州中國中心、清華大學、上海同濟大學合作，通過相互間的交流及合作研發項目，加強在環保技術方面的合作與支持，以提昇本集團技術研發力量，提高本集團的長遠核心競爭力。



Signing ceremony of cooperation with
North Carolina China Centre
與北卡州中國中心合作簽約儀式



Signing ceremony of cooperation with
Tsinghua University
與清華大學合作簽約儀式

Research and Development Facility

In early 2006, Everbright Environmental Engineering set up a technology research and development center specializing in research on technology of waste-to-energy operation and sewage treatment and sludge treatment. The aim of these endeavors is to boost the Group's core technology and thus its competitive strengths. The Group has also required each project company to set up its own technological innovation team. It has also introduced policies and provisions such as

技術研發設施

於二零零六年初，光大環保工程成立了技術研發中心，專責就垃圾焚燒發電、污水處理技術、污泥處理技術等課題立項研究，以發展本集團核心技术，提昇競爭優勢。本集團並要求各項目公司設立技術創新小組專責日常技術創新工作，並先後設立環保專家庫、研發項目發展基金、研發項目管理辦法的一系列規章制度，將技術研發規範化。本集團亦擬於北京設立光大環保技術研究院，提供研



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an environmental expert data base, a research and development project development fund and research and development project management guidelines to standardize research and development efforts. The Group plans to set up an Everbright Environmental Protection Technology Research Institute in Beijing to provide funding to research projects and serve as a base for experiments. It will provide laboratories for experiments on technologies of solid waste treatment, sewage treatment and integrated environmental protection technology.

Patent

During the year under review, China Everbright's research and development center planned to carry out sixteen research projects into key issues of environmental protection, including domestic production of incinerators, leachate treatment and recycling of processed sewage. Until the first quarter of 2007, the center completed six of the projects. Four projects are in progress and six more will begin soon. The Group has also applied for eight patents for technologies on waste-to-energy operation and sewage treatment.

INFRASTRUCTURE INVESTMENT

Toll Bridge

During the year under review, traffic on the Fuzhou Qingzhou Bridge ("Qingzhou Bridge") continued to grow and generated steady cash flow. For the year ended 31 December 2006, the average daily traffic on the bridge increased to 26,267 standard vehicles, 18% more than in 2005. Operating profit before tax for 2006 was HK\$39,583,000, an increase of 37% over that in 2005. Taking into account the deferred tax and the profit attributable to minority shareholders, the project generated HK\$28,531,000 in net profit attributable to the Group in 2006.

As scheduled in the city development plan of Fuzhou Municipal Government, the highway to the Fuzhou airport was opened in late 2006 and boosted economy in neighbouring areas. Meanwhile, the municipal government

發資金和建設實驗基地，包括擬建設的固體廢物處理技術實驗室、污水處理技術實驗室和綜合環保技術實驗室。

專利

回顧年度內，光大環保的技術研發中心立項重點課題十六項，包括垃圾焚燒爐排的國產化、垃圾滲濾液處理和污水經過處理後的回用等重大課題。截至二零零七年第一季度，共完成課題研發六項，正在進行研發課題四項，有待啓動研發課題六項。已經申報有關垃圾焚燒發電和污水處理技術的專利八項。

基建投資

收費橋樑

回顧年度內，福州青洲大橋（「青洲大橋」）的車流量持續增長，為本集團提供穩定的現金流。截至二零零六年十二月三十一日止年度，青洲大橋之日均標準車流量已增加至26,267輛，較二零零五年增長18%。二零零六年度之除稅項前經營利潤為港幣39,583,000元，較二零零五年增長37%。計及遞延稅項與少數股東應佔盈利的因素，該項目為本集團於二零零六年度產生之應佔淨盈利為港幣28,531,000元。

根據福州市政府的城市發展規劃，福州市機場路於二零零六年底逐步開通以後，將帶動周邊地區經濟快速發展，同時市政府於年內已經投入較大資金對東西向主要交通通道進行改造。此外，隨著



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has also invested considerably to have the east-to-west road system upgraded. These development and initiatives to improve roads and government policies to clamp down on overloading of vehicles and charging for road use by weight of load will boost traffic on Qingzhou Bridge and the toll revenue.

全國治理公路車輛「超載超限」統一行動逐步展開，中國政府實施公路車輛「計重收費」的政策，本集團預期青洲大橋的車流量和收益會繼續穩步增長，為本集團帶來穩定的現金流。



Fuzhou Qingzhou Bridge
福州青洲大橋

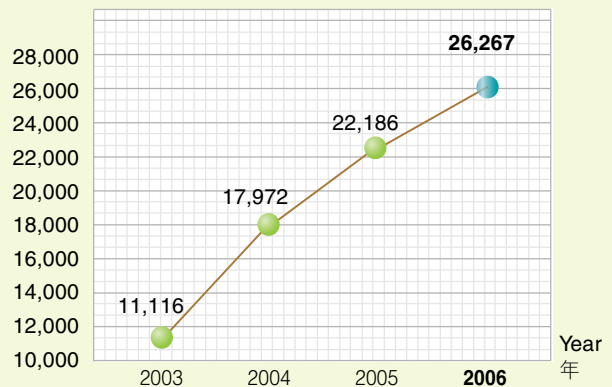
Fuzhou Qingzhou Bridge

福州青洲大橋

Annual average traffic flow chart

年平均車流量統計表

Daily standard vehicles
每日標準車架次



Energy Supply

Mawan Power is 15% held by the Group since 1998 and has been one of the major profit sources of the Group. However, after operating for 17 years, the plant's power generators are worn out and more frequent repairing is expected for them in the future. With such factors as mounting maintenance cost, easing of the power shortage in the PRC in recent years, implementation of the West-to-East power transmission project, price competition in supplying electricity to power grids and high coal and oil prices, Mawan Power is expected to face growing pressure. And, as the proportion of profit contribution from environmental protection projects is increasing, that of Mawan Power is expected to gradually diminish. In view of these developments, the Group decided to exit the investment in Mawan Power in the year under review and focus on developing environmental protection business.

能源供應

自一九九八年以來，本集團一直持有媽灣電力15%的權益，該項目一直是本集團其中一項主要盈利來源。唯媽灣電力從建設期至今已經經營十七年，發電機組日漸陳舊，未來定期進行維修會不斷增加。此外，近年國內電力短缺的情況已逐漸緩和，加上西電東輸、競價上網及煤油價格高企等不利因素，預計媽灣電力未來營運會面對很大壓力。鑒於本集團已發展環保業務數年，新項目逐步投入營運貢獻盈利，媽灣電力對本集團盈利貢獻之比重將會日漸減少。為此，本集團於回顧年度決定退出此投資項目，專注發展環保業務。



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On 28 August 2006, the Group signed an agreement with a subsidiary of Shenzhen Energy Group Company Limited to dispose of its 15% interest in Mawan Power at a consideration of approximately HK\$657,708,000. The disposal constituted a major transaction for the Company as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"). The transaction was completed on 14 December 2006. During the year under review, the project generated a net profit of HK\$342,838,000 for the Group, including an attributable net profit of HK\$32,838,000 and a gain of HK\$310,000,000 from the disposal. In 2006, the Group received a total of HK\$746,340,000 from Mawan Power, including the cash dividend paid for 2005 and prior years in the amount of HK\$88,632,000 and the aforesaid consideration of the disposal. The Group had used approximately HK\$440,480,000 of the net proceeds from the transaction to repay liabilities and the remaining HK\$305,860,000 as working capital for investments in environmental protection and municipal public works businesses.

PROPERTY INVESTMENT

The PRC

In the PRC, the Group owns a four-storey commercial complex with a shopping arcade in Shenzhen Zhongshan Garden for lease. The property has been a source of steady rental income

二零零六年八月二十八日，本集團與深圳市能源集團有限公司之附屬公司簽署協議，以現金代價約港幣657,708,000元出售持有該項目之15%權益，有關交易構成本公司之主要出售交易（定義見香港聯合交易所有限公司證券上市規則（「上市規則」））。該項交易已於二零零六年十二月十四日完成。於回顧年度內，此項目為本集團帶來淨盈利港幣342,838,000元，其中包括應佔淨盈利約港幣32,838,000元及出售盈利港幣310,000,000元。於回顧年度，本集團從媽灣電力收回的資金共港幣746,340,000元，其中包括二零零五年及以前年度的現金股息港幣88,632,000元及前述的出售交易價款。出售交易所得款項淨額其中之港幣440,480,000元已用於減低負債，而餘額之約港幣305,860,000元將用作一般營運資金以發展環保業務及市政公用工程等領域。

物業投資

中國

在國內物業投資方面，本集團持有位於深圳中山花園之四層商業裙樓作為收租物業，繼續為本集團帶來穩健的租務收益及現金流量。該物業主要



Zhongshan Garden
中山花園



Far East Finance Centre
遠東金融中心



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and cash flow for the Group. Its major tenants include Walmart, Park'n Shop and McDonald's, and its occupancy rate during 2006 was 99%. During the year under review, the Group recorded a net profit of HK\$8,351,000 from this property, representing a growth of 25% from HK\$6,675,000 in 2005.

In 2006, the Group's 95%-held Shenzhen Zhongshan Property Management Limited recorded an attributable net profit of HK\$388,000.

The Group's 14%-held Shanghai Trade Square and International Apartments continued to generate steady income and yielded a dividend income of HK\$1,677,000 in 2006.

In addition, the Group recorded valuation gains of HK\$5,831,000 because of the rise in value of its investment properties in the PRC.

Hong Kong

Hong Kong's economy continued to boom in 2006, boosting demand for Grade A offices and causing a big rise in both rent and property prices. The Group made a rental income totaling HK\$2,171,000 during the year. On 13 April 2006, the Group signed an agreement to sell the investment property on the 8th floor of Tower I, Lippo Centre, Hong Kong at a consideration of HK\$122,098,000. The transaction was completed on 18 May 2006 and brought a gain of HK\$16,083,000 from the disposal. Approximately HK\$54,154,000 of the proceeds from the disposal had been used to settle relevant bank borrowings and the transaction cost, and the remaining HK\$67,944,000 was used as general working capital for the Group's environmental protection business.

租戶包括沃爾瑪、百佳及麥當勞等，年內出租率達99%。於回顧年度內，該物業為本集團帶來淨盈利港幣8,351,000元，較去年之港幣6,675,000元增長25%。

於回顧年度內，本集團持有95%權益之深圳中山物業管理有限公司錄得應佔淨盈利港幣388,000元。

本集團持有約14%權益的上海商貿大廈與國際公寓繼續為本集團帶來穩定收入。二零零六年度，此項目為本集團提供股息收入共港幣1,677,000元。

此外，因應國內物業價格的增長，本集團於回顧年度內錄得投資物業估值盈餘港幣5,831,000元。

香港

二零零六年，香港經濟持續趨於興旺，甲級寫字樓需求強勁，租金與價格大幅回升。本集團的香港物業投資錄得租金收入港幣2,171,000元。二零零六年四月十三日，本集團簽署協議以代價港幣122,098,000元出售位於香港力寶中心第一座八樓的投資物業，該項交易已於二零零六年五月十八日完成。本集團於該項交易錄得出售盈利港幣16,083,000元，出售收益所得款項其中港幣54,154,000元已用作償還物業相關銀行貸款和支付出售交易費用，餘額港幣67,944,000元則作為本集團在環保業務的一般營運資金。



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HONOURS AND RECOGNITIONS

屢獲殊榮

Guided by the operation principles of “integrity, pragmatism, high efficiency and innovation”, the Group’s achievements in environmental protection business in just three years are well recognized. The awards won by the Group during 2006 are listed below:

本集團憑藉誠信、務實、高效和創新的作風，於短短三年間取得的環保事業成就獲得了外界的認同。於回顧年度內，本集團榮獲多項殊榮，詳列如下：

Date 獲獎日期	Organizer 舉辦單位	Awards 獎項
May 2006 二零零六年五月	Capital Magazine 《資本雜誌》	“Outstanding Environmental Protection Corporation Award” of “The First Capital Outstanding China Enterprise Award” 「第一屆資本中國傑出企業成就獎—傑出環保企業」獎項
28 June 2006 二零零六年六月二十八日	Chinese Association of Productivity Science, Association of China Economic Press and Forum for International Competitiveness of Chinese Enterprises 中國生產力學會、中國經濟報刊協會、中國企業國際競爭力論壇	“The Most Socially Responsible and Honest Enterprise in 2006” 「2006最具社會責任誠信企業」
6 August 2006 二零零六年八月六日	Chinese Association of Productivity Science 中國生命力學會	Ranked 15th among the “Top 100 Most Dynamic Enterprises in China in 2006” 「2006中國最具生命力百強企業」第十五名的榮譽



The 1st Capital Outstanding China Enterprise Award
第一屆資本中國傑出企業成就獎



Most Socially Responsible and Honest Enterprise in 2006
2006 最具社會責任誠信企業



Ranked 15th among the Top 100 Most Dynamic Enterprises in China in 2006
2006年中國最具生命力百強企業—第十五名的榮譽



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PROSPECTS

“Protecting the natural environment and establishing a society that conserves energy and is friendly to the environment” is the theme of the PRC's Eleventh Five-year Plan (2006 to 2010). To realize the goals, the Central Government has encouraged and pledged support to the development of environmental protection business. In 2007, the State Environmental Protection Administration will step up its efforts in environmental protection, including perfecting the mechanism to monitor pollutant emission, preventing illegal discharges in drinking water protection zones and industrial parks, developing an economic model for recycling, encouraging ecology-friendly design and improvement of industrial parks and reducing discharge of waste water from the chemical, brewing and printing and dyeing industries.

The Central Government has planned to invest RMB1.4 trillion to improve the quality of water and air as well as the solid waste treatment in the next five years. A series of government measures are: setting the target of having at least 60% of the country's sewage treated by 2010; gradually opening up the water supply market to foreign enterprises and privately owned domestic enterprises; and providing support to energy-saving power generation projects by allowing waste-to-energy plants to charge a higher tariff for their supply to power grids.

Riding on the strong support of its parent company, China Everbright Holding Company Limited (“Everbright Group”) and the well-established “Everbright Environment” brand, the Group will seek to seize business opportunity in the booming environmental protection industry. It will actively pursue different projects that convert waste to energy and recycle processed sewage.

In accordance with the PRC's industrial development policies and scientific development approach, and its overall goal of establishing an energy-saving and environment-friendly society, the Group will grow its environmental protection business following the direction of “development, consolidation and enhancement”. It will continue to maintain

業務展望

國家「十一五」（二零零六年至二零一零年）規劃強調要「保護生態環境，建立資源節約型、環境友好型社會」。為落實這一政策，中央政府重點鼓勵、大力扶持環保行業的發展。二零零七年，國家環保總局將深化環保工作，包括完善污染物排放的監察體系、集中整治飲用水源保護區和工業園區違法排污行為、發展循環再利用率經濟模式、鼓勵工業園區進行生態化設計與改造，以及削減化工、釀造和印染行業水污染物的排放等。

中央政府計劃未來五年投入人民幣1.4萬億元，將主力整治水污染、大氣環境、固體廢物等環保領域，具體措施包括要求全國平均污水處理率到二零一零年將不低於60%，政府正逐步開放水務市場讓外資和民營資本參與；同時亦對節能性的發電給予支援，如垃圾焚燒發電廠給予較高的上網電價等。

本集團將以環保產業蓬勃發展為契機，在中國光大集團有限公司（「光大集團」）的強大支持下，以廣受行業認同的「光大環保」品牌，把握行業商機，積極發展把廢物轉化為能源，以及把污水處理後再利用等項目。

根據國家產業發展政策與科學發展觀，構建資源節約型與環境友好型社會的總體要求，本集團將以「發展、鞏固、提昇」的方針發展環保事業。本集團將堅持繼續穩健地發展，積極開闢新市場及爭取新項目。憑藉光大集團強大的支持和本集團的品牌優勢，以及品牌所代表的誠信、務實、高效、創



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stable growth, actively explore new markets and secure new projects. With the support of Everbright Group and the brand advantage underscored by integrity, pragmatism, high efficiency and innovation, the Group will strive to secure and develop new projects in more affluent regions in the country, explore new markets to drive growth. It will also upgrade existing projects and lift the management and operational standards to consolidate business foundation. On the technological research and development front, the Group will invest more resources in environmental protection research and development and strengthening training of the key technical staff. It will also seek to form strategic partnerships with leading academies and research institutes from home and abroad to enhance its core competitive strength and reinforce its leadership in the environmental protection industry. Meanwhile, the Group will continue to consolidate its infrastructure and property investment businesses to ensure steady income. The Company will continue to contribute to the well-being of society and maximize returns to shareholders.

FINANCIAL RESULTS

Consolidated turnover of the Group amounted to HK\$235,859,000 in 2006, representing an increase of 78% as compared with the restated turnover of HK\$132,855,000 in 2005. The increase was mainly attributable to the revenue contribution from the Zibo Project that commenced operation in December 2005. The other environmental protection projects that commenced operation during the year have also started generating revenue. The increased toll revenue of the Qingzhou Bridge and the one-off gains from the disposal of the 15% interest in Mawan Power and the sale of the investment property in Lippo Centre also boosted profit growth for the year. Profit attributable to equity shareholders of the Company for the year amounted to HK\$409,347,000, representing an increase of 283% as compared with the restated profit of HK\$106,808,000 in 2005. In 2006, basic earnings per share amounted to HK14.15 cents, an increase of 238% as compared with HK4.19 cents in 2005.

新的作風，在經濟較發達的地區不斷爭取和發展新項目，開拓新市場，推動本集團的增長，同時加強現有項目的升級和管理營運水平，鞏固業務根基。此外，在技術研發方面，本集團將加大對環保研發的投入和加強相關技術骨幹的培訓，與國內外領先的學術研發機構組成策略聯盟，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。同時，本集團將繼續致力鞏固基建、物業投資業務的基礎，為集團提供穩定的收入。本公司將繼續造福社會，為股東謀求更佳回報。

財務業績

二零零六年度，本集團錄得綜合營業額港幣235,859,000元，較去年重報營業額之港幣132,855,000元上升78%。營業額上升，主要是由於淄博項目自二零零五年十二月開始營運，並於回顧年度內貢獻可觀的營業額。此外，本集團投資建造的環保項目亦於年內相繼投入營運，開始貢獻收入。於回顧年度內，青洲大橋車費收益持續上升，以及本集團出售媽灣電力之15%權益及力寶中心物業，錄得一次性出售盈利，亦促進了盈利的增長。二零零六年度本公司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%。本年度，每股基本盈利為14.15港仙，較去年之4.19港仙上升238%。



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FINANCIAL POSITION

As at 31 December 2006, the Group had total assets of approximately HK\$3,614,975,000. Net assets attributable to equity shareholders of the Company amounted to HK\$1,941,338,000 and the net assets per share attributable to equity shareholders of the Company were HK\$0.631, representing an increase of 37% as compared with HK\$0.462 as at the end of last year. As at 31 December 2006, the gearing ratio (calculated by dividing total liabilities by total assets) was 43%, representing a decrease of 9 percentage points as compared with 52% as at the end of last year.

The Group generally finances its operations with internally generated cash flow, loan facilities from banks and from its ultimate holding company. As at 31 December 2006, the Group had an aggregate cash balance of approximately HK\$866,986,000, representing an increase of HK\$368,316,000 as compared with HK\$498,670,000 as at the end of last year. At present, the Group has ample cash on hand to fulfill its contracted capital commitments of approximately HK\$310,623,000. As at 31 December 2006, the Group had outstanding borrowings of approximately HK\$989,860,000, representing a decrease of HK\$158,011,000 as compared with HK\$1,147,871,000 as at the end of last year. The borrowings comprised secured bank loans of HK\$891,032,000 and loans from ultimate holding company of HK\$98,828,000.

FOREIGN EXCHANGE RISK

The Group's foreign exchange risk is minimal as the majority of the Group's assets, borrowings and major transactions are denominated in Renminbi, which has a relatively stable exchange rate against the Hong Kong Dollar. Thus, the risk of being impacted by exchange rate fluctuations is relatively

財務狀況

於二零零六年十二月三十一日，本集團之總資產約為港幣3,614,975,000元。本公司股東應佔資產淨額為港幣1,941,338,000元，而本公司股東應佔每股資產淨額則為港幣0.631元，較去年底之港幣0.462元增加37%。於二零零六年十二月三十一日，資產負債比率（以總負債除以總資產計算所得）43%，較去年底之52%下降9個百分點。

本集團基本以其內部現金流及往來銀行與最終控股公司提供之貸款作為業務的營運資金。於二零零六年十二月三十一日，本集團持有現金結餘額約港幣866,986,000元，較去年底之港幣498,670,000元增加港幣368,316,000元。本集團目前之手持現金足夠支付已訂約之資本承擔約港幣310,623,000元。於二零零六年十二月三十一日，本集團尚未償還借款總額約為港幣989,860,000元，較去年底之港幣1,147,871,000元減少港幣158,011,000元。借款包括有抵押銀行貸款港幣891,032,000元及最終控股公司貸款港幣98,828,000元。

外匯風險

由於本集團的大部份資產、借款及主要交易均以人民幣為單位，其與港幣之兌換率相對穩定，故本集團面對之外匯風險較微。本集團基本以港元匯



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low for the Group. The Group mainly settles the expenses of its business in the PRC with Hong Kong dollar-remittance and income in Renminbi. It has not used any financial instruments to hedge against its bank borrowings in Renminbi, which are used mainly to meet the capital requirements of the Group's business in the PRC.

PLEDGE OF ASSETS

As at 31 December 2006, the Group had pledged revenues from the operations of toll bridge, waste water treatment plants and waste-to-energy power plant, finance lease receivables, bank deposits, mortgages on fixed assets and shares of a subsidiary to secure bank loans. The aggregate net book value of the pledged assets was approximately HK\$919,947,000.

CAPITAL COMMITMENTS

As at 31 December 2006, the Group's contracted capital commitments amounted to HK\$310,623,000.

CONTINGENT LIABILITIES

As at 31 December 2006, the Group had no contingent liabilities.

SHARES PLACEMENT

On 25 April 2006, Guildford Limited ("Guildford"), a shareholder of the Company entered into a placing agreement with Deutsche Bank AG to place 510,000,000 shares of the Company at HK\$0.66 per share. According to the subscription agreement made on the same day, Guildford subscribed for 510,000,000 new ordinary shares of the Company at HK\$0.66 per share. The net proceeds of the share placement were approximately HK\$321,723,000 (after deducting relevant expenses). The Group intended to spend

款及人民幣收入以支付國內業務的資金支出。本集團並沒有採用任何金融工具對沖人民幣銀行借貸，該等借貸主要用於中國業務之人民幣資金需求。

資產抵押

於二零零六年十二月三十一日，本集團之銀行融資由經營收費橋樑、污水處理廠及垃圾焚燒發電廠所得收益、融資租賃應收款項、銀行存款、固定資產按揭及本公司旗下的一家附屬公司之股份作擔保，已質押資產之賬面淨值總額約為港幣919,947,000元。

資本承擔

截至二零零六年十二月三十一日，本集團已訂約之資本承擔為港幣310,623,000元。

或有負債

於二零零六年十二月三十一日，本集團並沒有任何或有負債。

配售股份

二零零六年四月二十五日，本公司股東Guildford Limited（「Guildford」）與德意志銀行訂立配售協定，以每股港幣0.66元配售510,000,000股公司股份。根據同日訂立之認購協定，Guildford以每股港幣0.66元之價格認購510,000,000股本公司新普通股。認購新股份籌集的淨額約港幣321,723,000元（扣除開支後）。所得集資淨額約港幣200,000,000元計劃用於拓展本集團之現有和在



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approximately HK\$200,000,000 of the net proceeds as general working capital for existing environmental protection projects and construction of new projects, and spend the balance of HK\$121,723,000 on new environmental protection projects. As at 31 December 2006, HK\$214,864,000 of the net proceeds had been used in the development of the Group's environmental protection business, while the balance of HK\$106,859,000 was held as bank deposits.

INTERNAL MANAGEMENT

The Group adheres diligently to a management principle that stresses "people-oriented, honesty, pragmatism, creativity and standardized management" and is committed to building a solid risk management culture. During the reporting year, it adopted a series of measures to strengthen the Group's risk response strategy, raise risk awareness and set up a risk prevention mechanism. It adjusted the membership of the Risk Management Advisory Committee and the Engineering Technical Management Committee to reinforce their roles and responsibilities as well as authority. In addition, the Group set up a Budget Approval Management Committee to improve budget management, control expenses of project companies and project construction costs. This endeavor will help to assure the Group's long-term, stable and sustainable development. With its two major strategic markets Jiangsu and Shandong taking shape, the Group will push on at full steam with promoting interaction and connection among the different projects developing in the regions. Its aim is to realize overall operational integration, which will give it maximum regional competitive advantage and allow it to maximize returns from human and material resources application.

CORPORATE GOVERNANCE

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

建環保項目及用作一般營運資金，餘額之港幣121,723,000元則計劃用於投資新環保項目。截至二零零六年十二月三十一日，所得款項淨額其中之港幣214,864,000元已用於拓展環保業務，而餘額之約港幣106,859,000元則存入銀行作為銀行結餘。

內部管理

本集團一直奉行「以人為本、求真務實、開拓創新、規範管理」的管理理念，並致力建立健全的風險管理文化。於回顧年度內，本集團採取一系列措施強化風險應對策略，提高風險意識，建立風險防護牆。本集團相應調整了風險管理評審委員會和工程技術管理委員會的成員，進一步強化該兩委員會的工作職責，樹立各職能委員會的權威。本集團並增設預算審核管理委員會，以加強工程預算管理，控制項目公司費用和項目工程造價，保證公司長期、穩定、可持續發展。隨著江蘇、山東兩大戰略區域的建立，本集團全力推動區域內各項目間的互動與聯繫，目標是能夠形成整體合力，發揮區域性優勢，將人力、物力資源使用率最大化。

企業管治

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



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For the year ended 31 December 2006, the Company had complied with the code provisions and some of the recommended best practices as set out in the Code except that Mr. Wang Mingquan, the Chairman of the Company, was unable to attend the 2006 Annual General Meeting of the Company. However, appropriate arrangements have been made accordingly before the holding of the Annual General Meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the model code ("the Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of the directors, all directors have complied with the required standard of dealings as set out in the Model Code during the twelve months ended 31 December 2006.

REMUNERATION COMMITTEE

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

AUDIT COMMITTEE

The Audit Committee, comprising all three independent non-executive directors of the Company, namely Sir David Akers-Jones (Chairman), Mr. Aubrey Li Kwok Sing and Mr. Selwyn Mar, is primarily responsible for reviewing the accounting

截至二零零六年十二月三十一日止年度內，本公司均遵守該守則的守則條文及部份建議的最佳常規，惟本公司主席王明權先生未克出席本公司於二零零六年年度股東週年大會。但已於會前對股東週年大會做了具體的部署。

董事進行證券交易之標準守則

本集團採納上市規則附錄十所載的《標準守則》（「標準守則」）作為董事進行本公司證券交易事宜的指引。經向所有董事作出特定查詢後，截至二零零六年十二月三十一日止十二個月，本公司所有董事一直遵守標準守則所載之規定。

薪酬委員會

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

審核委員會

審核委員會由全數三位獨立非執行董事包括鍾逸傑爵士（擔任主席）、李國星先生及馬紹援先生組成，其主要職責包括審閱本集團所採納之會計原



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principles and practices adopted by the Group, as well as discussing and reviewing the internal control and financial reporting matters of the Group. The terms of reference of the Audit Committee are disclosed on the website of the Company. The Audit Committee has reviewed with the management and KPMG, the Company's auditors, the accounting principles and practice adopted by the Group and discussed internal controls and financial reporting matters, including a review of the annual results for the year ended 31 December 2006.

HUMAN RESOURCES

The Group devotes much attention to human resources management and developing the potential of each employee to make sure it has a high quality team that can support its business development in the long run. To strengthen the Group's financial management capabilities and the standard of staff with financial responsibilities, the Group organized a comprehensive training programme for finance staff during the year under review. The programme covered topics such as the new business accounting standards in the PRC, internal auditing, budgeting and budget management, tax planning, the differences between accounting standards in Hong Kong and the PRC, etc. and the lectures were given by accounting and tax specialists from Hong Kong and Shenzhen. In early 2007, the Group also organized training for its management staff with the Guanghua School of Management of the Peking University. The training course has helped managers of the Group to familiarize with modern management concepts and in turn enhanced the Group's management standard.

As at 31 December 2006, the Group had approximately 840 employees in Hong Kong and the PRC. The employees including directors are remunerated according to their qualifications, experience, job nature, performance, and with reference to market conditions. Apart from discretionary performance bonus, the Group also provides other benefits

則及慣例、討論及檢討內部監控及財務申報等事宜。有關審核委員會的職權範圍書已載列於本公司的網站內。審核委員會已與管理層及本公司核數師畢馬威會計師事務所審閱本集團所採納之會計政策及慣例，並就審核內部監控及財務報告事宜（包括審閱本公司截至二零零六年十二月三十一日止年度業績）進行磋商。

人力資源

本集團高度重視人力資源管理，注重發揮每個僱員的潛力，致力建設高素質的團隊，以配合集團業務的長遠發展。為加強本集團財務管理工作及提高財務人員業務水平，於回顧年度內，本集團舉辦了全系統財務人員培訓課程，培訓內容主要包括中國新企業會計準則、內部審計、財務預算編制與管理、稅務籌劃、香港會計準則與中國企業會計準則差異等專題，分別邀請香港及深圳等地的會計及稅務專家講授。二零零七年初，本集團更邀請了北京大學光華管理學院提供管理人員培訓課程，以培養管理人員現代企業管理理念，提昇管理水平。

於二零零六年十二月三十一日，本集團在香港及中國合共僱用約840名員工。僱員（包括董事）之薪酬乃根據資歷、經驗、工作性質、表現以及市場情況計算厘定。除了酌情花紅外，本集團亦提供其他福利予香港僱員，包括醫療保險及強積金計劃。從二零零七年度起向香港僱員增加工資平均幅度



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such as medical insurance and provident fund scheme to employees in Hong Kong. Since 2007, the average pay rise of the employees in Hong Kong will be 5%. According to the share option scheme approved at the Company's extraordinary general meeting on 26 May 2003, the Board has the authority to grant share options as performance incentives to any employees, including directors. On 3 August 2006, options for 66,000,000 shares at HK\$0.85 per share were granted to executive directors of the Company, key management and technical personnel and staff of the Group to reward and encourage their dedication in helping the Group achieve stable and sustainable development.

By Order of the Board
Chen Xiaoping
Chief Executive Officer

Hong Kong, 22 March 2007

5%。此外，根據本公司於二零零三年五月二十六日舉行的股東特別大會上批准的購股權計劃，本公司董事會獲授權可授出購股權予任何僱員（包括董事）作為獎勵。於二零零六年八月三日，本公司向執行董事及主要工程技術和管理骨幹及員工授出購股權認購本公司66,000,000股，每股港幣0.85元。這次授出購股權目的是激勵高級管理人員和主要工程技術骨幹長期效力於本集團，並共謀本集團的持續穩健發展。

承董事會命
陳小平
行政總裁

香港，二零零七年三月二十二日