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

(Incorporated in Hong Kong with limited liability)

(Stock Code : 257)

2014 RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

Remarkable market expansion on the back of favourable national policies

Steady earnings growth driven by sound business strategies

- Turnover increased by 19% to HK$6,355,120,000 (2013: HK$5,319,866,000)
- EBITDA increased by 26% to HK$2,795,219,000 (2013: HK$2,217,929,000)
- Profit attributable to equity shareholders increased by 29% to HK$1,703,147,000 (2013: HK$1,324,667,000)
- Final dividend of HK6.0 cents per share (2013: HK5.0 cents per share)

2014 ANNUAL RESULTS

The board of directors (the "Board") of China Everbright International Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014 with comparative figures for the year ended 31 December 2013 as follows:

Consolidated income statement
For the year ended 31 December 2014

	Note	**2014** *HK$'000*	2013 *HK$'000*
Turnover	*3*	**6,355,120**	5,319,866
Direct costs and operating expenses		**(3,386,560)**	(2,944,458)
		2,968,560	2,375,408
Other revenue	*4*	**219,163**	144,190
Other income/(loss)	*5*	**32,321**	(128)
Administrative expenses		**(539,601)**	(392,238)
Profit from operations		**2,680,443**	2,127,232
Finance costs	*6(a)*	**(380,775)**	(315,579)
Share of loss of an associate		**(41)**	-
Share of loss of a joint venture		**(594)**	-
Profit before taxation	*6*	**2,299,033**	1,811,653
Income tax	*7*	**(533,990)**	(447,455)
Profit for the year		**1,765,043**	1,364,198
Attributable to:			
Equity shareholders of the Company		**1,703,147**	1,324,667
Non-controlling interests		**61,896**	39,531
		1,765,043	1,364,198
Earnings per share	*9*		
Basic		**HK37.99 cents**	HK32.60 cents
Diluted		**HK37.99 cents**	HK32.57 cents

Consolidated statement of comprehensive income
For the year ended 31 December 2014

	2014	2013
	HK$'000	*HK$'000*
Profit for the year	**1,765,043**	1,364,198
Other comprehensive income for the year:		
Items that will not be reclassified to profit or loss:		
- Surplus on revaluation of land and buildings held for own use	**-**	107,153
- Tax effect relating to surplus on revaluation of land and buildings held for own use	**-**	(16,641)
Items that may be reclassified subsequently to profit or loss:		
- Exchange differences on translation of financial statements of subsidiaries	**(361,274)**	277,549
- Changes in fair value of available-for-sale securities	**129,260**	(25,171)
- Tax effect relating to changes in fair value of available-for-sale securities	**(19,113)**	3,264
- Reclassification adjustment for amounts transferred to profit or loss:		
- Upon disposal of available-for-sale securities	**(32,557)**	-
- Tax effect relating to the disposal of available-for-sale securities	**4,883**	-
	(278,801)	346,154
Total comprehensive income for the year	**1,486,242**	1,710,352
Attributable to:		
Equity shareholders of the Company	**1,450,897**	1,660,391
Non-controlling interests	**35,345**	49,961
Total comprehensive income for the year	**1,486,242**	1,710,352

Consolidated balance sheet
At 31 December 2014

		2014		2013	
	Note	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*
Non-current assets					
Fixed assets					
- Investment properties			**172,938**		177,442
- Other property, plant and equipment			**1,510,878**		1,374,138
- Interest in leasehold land held for own use under operating leases			**35,717**		35,739
			1,719,533		1,587,319
Intangible assets			**2,571,006**		1,096,453
Goodwill			**834,845**		20,793
Interest in associates			**254,339**		254,380
Interest in a joint venture			**27,289**		-
Other financial assets			**229,012**		176,710
Other receivables, deposits and prepayments	*10*		**4,376,789**		3,023,616
Gross amounts due from customers for contract work	*11*		**12,630,020**		9,035,315
Finance lease receivables			**20,411**		21,485
Deferred tax assets			**49,455**		10,966
			22,712,699		15,227,037
Current assets					
Inventories		**117,450**		75,524	
Debtors, other receivables, deposits and prepayments	*10*	**1,973,567**		1,376,719	
Gross amounts due from customers for contract work	*11*	**1,210,723**		941,297	
Tax recoverable		**34,684**		35,359	
Finance lease receivables		**522**		505	
Pledged bank deposits		**231,943**		43,468	
Deposits with bank		**824,110**		1,345,404	
Cash and cash equivalents		**4,094,096**		4,425,734	
		8,487,095		8,244,010	
Current liabilities					
Interest-bearing borrowings					
- Secured		**1,348,783**		939,146	
- Unsecured		**1,262,586**		840,721	
		2,611,369		1,779,867	
Creditors, other payables and accrued expenses	*12*	**2,302,381**		1,733,757	
Current taxation		**67,660**		58,413	
		4,981,410		3,572,037	
Net current assets			**3,505,685**		4,671,973

Consolidated balance sheet *(continued)*
At 31 December 2014

	Note	**2014** *HK$'000*	*HK$'000*	2013 *HK$'000*	*HK$'000*
Total assets less current liabilities			**26,218,384**		19,899,010
Non-current liabilities					
Interest-bearing borrowings					
- Secured		**4,612,439**		3,381,733	
- Unsecured		**1,912,703**		1,759,521	
		6,525,142		5,141,254	
Other payables	*12*	**15,850**		-	
Deferred tax liabilities		**1,834,422**		978,635	
			8,375,414		6,119,889
NET ASSETS			**17,842,970**		13,779,121
CAPITAL AND RESERVES					
Share capital: nominal value			**-**		448,371
Other statutory capital reserves			**-**		6,957,043
Share capital and other statutory capital reserves			**7,405,414**		7,405,414
Other reserves			**8,857,842**		5,968,850
Total equity attributable to equity shareholders of the Company			**16,263,256**		13,374,264
Non-controlling interests			**1,579,714**		404,857
TOTAL EQUITY			**17,842,970**		13,779,121

Notes:

1. Basis of preparation

The financial statements have been prepared in accordance with the same accounting policies adopted in the 2013 annual financial statements, except for the changes in accounting policies set out in note 2. The financial statements have been reviewed by the Company's audit committee. The financial information set out in this announcement does not constitute the Group's statutory financial statements for the year ended 31 December 2014, but is derived from those financial statements.

2. Changes in accounting policies

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

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*

- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*

- Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*

- Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*

- HK(IFRIC) 21, *Levies*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new or amended HKFRSs are discussed below:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on the financial statements as the Company does not qualify to be an investment entity.

Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on the financial statements as they are consistent with the policies already adopted by the Group.

2. Changes in accounting policies *(continued)*

Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash-generating unit whose recoverable amount is based on fair value less costs of disposal. The amendments have no impact on the financial statements as the Group has no impaired non-financial assets.

Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on the financial statements as the Group has not novated any of its derivatives.

HK(IFRIC) 21, *Levies*

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on the financial statements as the guidance is consistent with the Group's existing accounting policies.

3. Turnover and segment reporting

(a) Turnover

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

Turnover represents the revenue from construction services, revenue from environmental energy projects, environmental water projects and alternative energy projects operation services, finance income, rental income and construction management fee income. The amount of each significant category of revenue recognised in turnover during the year is as follows:

3. Turnover and segment reporting *(continued)*

(a) Turnover (continued)

	2014	2013
	HK$'000	*HK$'000*
		(restated - see note 3(b))
Revenue from environmental energy project construction services	**3,165,556**	2,516,997
Revenue from environmental water project construction services	**112,079**	449,779
Revenue from alternative energy project construction services	**349,821**	150,804
Revenue from environmental energy project operation services	**843,943**	642,529
Revenue from environmental water project operation services	**627,960**	564,772
Revenue from alternative energy project operation services	**292,818**	246,454
Finance income	**954,513**	744,386
Gross rentals from investment properties	**4,825**	3,742
Construction management fee income	**3,605**	403
	6,355,120	5,319,866

For the year ended 31 December 2014, the Group had transactions with a (2013: four) local government authority in the People's Republic of China ("PRC") which individually exceeded 10% of the Group's revenues. The revenue from this PRC local government authorities for the year ended 31 December 2014 amounted to HK$649,622,000 (2013: HK$953,152,000). The revenue from the remaining three PRC local government authorities during the year ended 31 December 2013 amounted to a total of HK$1,743,910,000.

The aggregated revenues from environmental energy project construction and operation services, environmental water project construction and operation services, alternative energy project construction and operation services and finance income derived from local government authorities in the PRC amounted to HK$5,797,030,000 (2013: HK$5,089,324,000) for the year ended 31 December 2014. The revenues are included in "Environmental energy project construction and operation", "Environmental water project construction and operation" and "Alternative energy project construction and operation" segments as disclosed in note 3(b) to the financial statements.

3. Turnover and segment reporting *(continued)*

(b) Segment reporting

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

- Environmental energy project construction and operation: this segment engages in the construction and operation of waste-to-energy power plants, methane-to-energy power plants, industrial solid waste landfills and hazardous waste landfills to generate revenue from construction services, revenue from operation services as well as finance income.
- Environmental water project construction and operation: this segment engages in the construction, upgrade and operation of waste-water treatment plants, reusable water treatment plants, surface water treatment plant and waste-water source heat pump projects to generate revenue from construction services, revenue from operation services as well as finance income.
- Alternative energy project construction and operation: this segment engages in the construction and operation of photovoltaic energy projects, biomass power generation plants and wind power projects to generate revenue from construction services, revenue from operation services as well as finance income.
- Environmental technology and construction management: this segment engages in the conduct of environmental protection technology research projects, the provision of construction management services and manufacturing of environmental protection project equipments to generate management and consultancy fee income and revenue from sales of equipments.
- Property investment: this segment engages in the leasing of office premises to generate rental income and to gain from the capital appreciation of the properties' values in the long term.

The Group redefined its business divisions during the current year to align with its organisational structure for the purpose of managing its strategic direction and business acquisition. Accordingly, for the presentation of segment information, methane-to-energy power plants and waste-water source heat pump projects, previously included in "Alternative energy project construction and operation" segment, have been reclassified to "Environmental energy project construction and operation" and "Environmental water project construction and operation" segments respectively. Goodwill has also been included in segment assets for the monitoring by the Group's senior executive management. The comparative segment information has been reclassified to conform to the current year's presentation.

3. Turnover and segment reporting *(continued)*

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

(i) ***Segment results, assets and liabilities***

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets, goodwill, interest in associates and joint ventures, deferred tax assets and current assets with the exception of investments in other financial assets, intercompany receivables and other corporate assets. Segment liabilities include current taxation, deferred tax liabilities, creditors, other payables and accrued expenses attributable to the activities of the individual segments and borrowings managed directly by the segments, with the exception of intercompany payables.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of equipments and provision of construction management services, assistance provided by one segment to another, including technical know-how, is not measured.

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

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

(b) Segment reporting *(continued)*

(i) Segment results, assets and liabilities *(continued)*

In addition to receiving segment information concerning EBITDA, management is provided with segment information concerning revenue (including inter-segment sales and revenue from construction management services), interest expense from borrowings managed directly by the segments, depreciation and amortisation and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purpose of resource allocation and assessment of segment performance for the years ended 31 December 2014 and 2013 is set out below:

	Environmental energy project construction and operation		**Environmental water project construction and operation**		**Alternative energy project construction and operation**		**Environmental technology and construction management**		**Property investment**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(restated)		*(restated)*		*(restated)*						*(restated)*
Revenue from external customers	**4,652,019**	3,626,413	**1,050,754**	1,290,740	**643,917**	398,568	**3,605**	403	**4,825**	3,742	**6,355,120**	5,319,866
Inter-segment revenue	**-**	-	**-**	-	**-**	-	**936,373**	661,893	**-**	-	**936,373**	661,893
Reportable segment revenue	**4,652,019**	3,626,413	**1,050,754**	1,290,740	**643,917**	398,568	**939,978**	662,296	**4,825**	3,742	**7,291,493**	5,981,759
Reportable segment profit (EBITDA)	**2,152,185**	1,540,294	**570,800**	670,770	**259,502**	136,444	**616,392**	385,796	**4,299**	3,216	**3,603,178**	2,736,520
Interest income from bank deposits	**13,571**	7,981	**1,770**	6,755	**1,613**	361	**3,642**	2,840	**-**	-	**20,596**	17,937
Interest expense	**180,272**	132,692	**72,195**	59,982	**21,761**	14,594	**37,978**	43,987	**-**	-	**312,206**	251,255
Depreciation and amortisation	**13,448**	7,489	**24,238**	17,187	**46,538**	45,180	**27,293**	17,697	**-**	1	**111,517**	87,554
Additions to fixed assets, intangible assets and non-current portion of prepayments	**502,042**	340,188	**249,034**	12,292	**651,084**	153,372	**55,261**	24,763	**-**	-	**1,457,421**	530,615
Additions to non-current portion of other receivables and deposits and gross amounts due from customers for contract work	**3,453,061**	2,899,185	**2,936,560**	727,516	**-**	-	**-**	-	**-**	-	**6,389,621**	3,626,701
Reportable segment assets	**15,205,336**	11,216,368	**9,863,862**	5,175,589	**2,288,700**	1,505,710	**1,207,206**	1,030,748	**173,140**	200,159	**28,738,244**	19,128,574
Reportable segment liabilities	**4,717,637**	3,939,159	**3,074,963**	1,389,736	**800,387**	541,980	**1,000,338**	882,925	**8,292**	8,102	**9,601,617**	6,761,902

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

(b) Segment reporting *(continued)*

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

	2014	2013
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**7,291,493**	5,981,759
Elimination of inter-segment revenue	**(936,373)**	(661,893)
Consolidated turnover	**6,355,120**	5,319,866
Profit		
Reportable segment profit	**3,603,178**	2,736,520
Elimination of inter-segment profit	**(733,511)**	(493,237)
Reportable segment profit derived from the Group's external customers	**2,869,667**	2,243,283
Depreciation and amortisation	**(115,411)**	(90,697)
Finance costs	**(380,775)**	(315,579)
Unallocated head office and corporate income	**43,106**	9,401
Unallocated head office and corporate expenses	**(117,554)**	(34,755)
Consolidated profit before taxation	**2,299,033**	1,811,653

3. Turnover and segment reporting *(continued)*

(b) Segment reporting *(continued)*

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

	2014	2013
	HK$'000	*HK$'000*
		(restated)
Assets		
Reportable segment assets	**28,738,244**	19,128,574
Non-current other financial assets	**229,012**	176,710
Unallocated head office and corporate assets	**2,232,538**	4,165,763
Consolidated total assets	**31,199,794**	23,471,047
Liabilities		
Reportable segment liabilities	**9,601,617**	6,761,902
Unallocated head office and corporate liabilities	**3,755,207**	2,930,024
Consolidated total liabilities	**13,356,824**	9,691,926

3. Turnover and segment reporting *(continued)*

(b) Segment reporting *(continued)*

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers, (ii) the Group's fixed assets and intangible assets and (iii) the Group's non-current portion of other receivables, deposits and prepayments and non-current portion of gross amounts due from customers for contract work. The geographical location of customers is based on the location at which the services were provided. The geographical location of the assets is based on the physical location of the assets, in the case of fixed assets, and the location of the operation to which they are allocated, in the case of other receivables, deposits and prepayments, intangible assets and gross amounts due from customers for contract work.

	Revenue from external customers		*Fixed assets and intangible assets*		*Non-current portion of other receivables, deposits and prepayments and gross amounts due from customers for contract work*	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**-**	-	**56,188**	58,005	**-**	-
Other parts of the PRC	**6,347,674**	5,312,832	**4,176,137**	2,559,621	**17,006,809**	12,058,931
Germany	**7,446**	7,034	**58,214**	66,146	**-**	-
	6,355,120	5,319,866	**4,290,539**	2,683,772	**17,006,809**	12,058,931

4. Other revenue

	2014	2013
	HK$'000	*HK$'000*
Bank interest income	**62,437**	27,339
Dividend income from listed securities	**10,477**	3,539
Government grant*	**13,692**	4,273
Value-added tax refund**	**100,224**	94,316
Others	**32,333**	14,723
	219,163	144,190

* Government grant of HK$13,692,000 (2013: HK$4,273,000) was granted during the year ended 31 December 2014 to subsidise certain environmental energy, environmental water and alternative energy projects of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grant in the future.

** Value-added tax refund of HK$100,224,000 (2013: HK$94,316,000) was received during the year ended 31 December 2014 in relation to environmental energy and alternative energy project operations of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of such tax refund. There is no assurance that the Group will continue to receive such tax refund in the future.

5. Other income/(loss)

	2014	2013
	HK$'000	*HK$'000*
Gain on sale of listed securities	**32,557**	-
Net loss on sale of other property, plant and equipment	**(236)**	(128)
	32,321	(128)

6. Profit before taxation

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

	2014	2013
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on bank advances wholly repayable within five years	**221,422**	155,630
Interest on other bank advances and other loans	**159,353**	159,949
	380,775	315,579
(b) Staff costs		
Contributions to defined contribution retirement plan	**54,859**	29,054
Salaries, wages and other benefits	**484,106**	350,477
	538,965	379,531
(c) Other items		
Amortisation		
- interest in leasehold land held for own use under operating leases	**1,256**	1,184
- intangible assets	**34,674**	19,433
Depreciation	**79,481**	70,080
Net foreign exchange loss/(gain)	**46,133**	(20,149)
Auditors' remuneration		
- audit services	**7,716**	3,900
- other services	**5,602**	6
Operating lease charges: minimum lease payments		
- hire of premises	**10,568**	10,530
Research and development costs	**19,997**	8,377
Rentals receivable from investment properties (2013: less direct outgoings of HK$119,000)	**(4,825)**	(3,623)

7. **Income tax**

	2014	2013
	HK$'000	*HK$'000*
Current tax - Hong Kong Profits Tax		
Provision for the year	**-**	-
Current tax - PRC Income Tax		
Provision for the year	**210,399**	149,707
Over-provision in respect of prior years	**(27,136)**	(2,311)
	183,263	147,396
Deferred tax		
Origination and reversal of temporary differences	**350,727**	300,059
	533,990	447,455

No provision for Hong Kong Profits Tax has been made in the financial statements for the years ended 31 December 2014 and 2013 as the Group's operations in Hong Kong sustained a loss for Hong Kong Profits Tax purpose.

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

8. Dividends

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

	2014	2013
	HK$'000	*HK$'000*
Interim dividend declared and paid of HK5.0 cents per ordinary share (2013: HK3.5 cents per ordinary share)	**224,186**	141,880
Final dividend proposed after the balance sheet date of HK6.0 cents per ordinary share (2013: HK5.0 cents per ordinary share)	**269,023**	224,186
	493,209	366,066

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

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

	2014	2013
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of HK5.0 cents per ordinary share (2013: HK3.0 cents per ordinary share)	**224,186**	121,611

9. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$1,703,147,000 (2013: HK$1,324,667,000) and the weighted average number of 4,483,712,000 ordinary shares (2013: 4,063,329,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2014	2013
	'000	*'000*
Issued ordinary shares at 1 January	**4,483,712**	4,038,412
Effect of ordinary shares issued	**-**	14,137
Effect of share options exercised	**-**	10,780
Weighted average number of ordinary shares at 31 December	**4,483,712**	4,063,329

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$1,703,147,000 (2013: HK$1,324,667,000) and the weighted average number of 4,483,712,000 ordinary shares (2013: 4,067,373,000 ordinary shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2014	2013
	'000	*'000*
Weighted average number of ordinary shares at 31 December	**4,483,712**	4,063,329
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**-**	4,044
Weighted average number of ordinary shares (diluted) at 31 December	**4,483,712**	4,067,373

10. Debtors, other receivables, deposits and prepayments

	2014	2013
	HK$'000	*HK$'000*
Debtors	**617,112**	400,274
Loan receivable	**-**	51,156
Other receivables, deposits and prepayments	**5,733,244**	3,948,905
	6,350,356	4,400,335
Less: Non-current portion		
- other receivables, deposits and prepayments	**(4,376,789)**	(3,023,616)
Current portion	**1,973,567**	1,376,719

Included in "Debtors, other receivables, deposits and prepayments" are debtors with the following ageing analysis as of the balance sheet date:

	2014	2013
	HK$'000	*HK$'000*
Current	**442,431**	269,642
Within 1 month past due	**55,687**	21,770
More than 1 month but within 3 months past due	**48,569**	40,925
More than 3 months but within 6 months past due	**9,004**	13,208
More than 6 months but within 12 months past due	**17,235**	9,466
More than 12 months past due	**44,186**	45,263
Amounts past due	**174,681**	130,632
	617,112	400,274

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

The ageing analysis of debtors based on the date of invoice (or date of revenue recognition, if earlier) as of the balance sheet date is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 1 month	**354,707**	205,510
More than 1 month but within 2 months	**90,407**	59,474
More than 2 month but within 4 months	**80,909**	52,339
More than 4 months but within 7 months	**29,057**	28,222
More than 7 months but within 13 months	**17,423**	9,466
More than 13 months	**44,609**	45,263
	617,112	400,274

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

Included in "Debtors, other receivables, deposits and prepayments" of the Group are debtors of HK$617,112,000 (2013: HK$400,274,000) of which HK$35,134,000 (2013: HK$53,153,000) and HK$10,734,000 (2013: HK$10,979,000) are due from a non-controlling shareholder and a related company respectively. Debtors represent revenue from environmental energy project, environmental water project and alternative energy project operation services revenue. There was no recent history of default in respect of the Group's debtors. Since most of the debtors are local government authorities in the PRC and based on past experience, management believes that no impairment allowance is necessary in respect of the past due balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances. No impairment loss was recognised by the Group at 31 December 2014 (2013: Nil).

"Debtors, other receivables, deposits and prepayments" include balances totalling HK$4,531,875,000 (2013: HK$3,329,357,000) which bear interest at rates ranging from 5.94% to 7.83% (2013: 5.94% to 7.83%) per annum and represent the considerations paid for the acquisition of waste-water treatment plants under Transfer-Operate-Transfer ("TOT") arrangements, among which HK$208,021,000 (2013: HK$208,120,000) and HK$505,981,000 (2013: HK$513,433,000) are due from a non-controlling shareholder and a related company respectively. The amounts are not yet due for payment and will be settled by revenue to be generated during the operating periods of the TOT arrangements. No impairment loss was recognised by the Group at 31 December 2014 (2013: Nil).

Included in other receivables, deposits and prepayments at 31 December 2014 is an advance made to a local government authority in relation to a service concession arrangement amounting to HK$31,150,000 (2013: Nil), which is unsecured, interest-bearing at rates announced by the People's Bank of China and will be settled by instalment until 2017.

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

The loan receivable at 31 December 2013 was unsecured, interest-bearing at 11% per annum, due from an unrelated party and repaid in January 2014.

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

11. Gross amounts due from customers for contract work

	2014	2013
	HK$'000	*HK$'000*
Contract cost incurred plus recognised profits less anticipated losses	**18,009,803**	12,579,019
Less: Progress billings	**(4,169,060)**	(2,602,407)
Net contract work	**13,840,743**	9,976,612
Representing:		
Gross amounts due from customers for contract work		
- Non-current	**12,630,020**	9,035,315
- Current	**1,210,723**	941,297
	13,840,743	9,976,612

Included in "Gross amounts due from customers for contract work" are amounts of HK$186,945,000 (2013: HK$212,609,000) and HK$179,561,000 (2013: HK$201,168,000) which are due from a non-controlling shareholder and a related company respectively.

"Gross amounts due from customers for contract work" represent revenue from construction under Build-Operate-Transfer ("BOT") and Build-Transfer ("BT") arrangements or upgrade services under TOT arrangements and bear interest at rates ranging from 5.94% to 7.83% (2013: 5.94% to 7.83%) per annum. Among the total of HK$13,840,743,000 (2013: HK$9,976,612,000), HK$11,121,800,000 (2013: HK$7,231,485,000) relates to BOT and TOT arrangements with operation commenced. The amounts for BOT and TOT arrangements are not yet due for payment and will be settled by revenue to be generated during the operating periods of the arrangements. The amount for BT arrangements will be settled according to respective repayment schedules as stated in the agreements.

12. **Creditors, other payables and accrued expenses**

	2014	2013
	HK$'000	*HK$'000*
Creditors	**1,349,777**	965,600
Other payables and accrued expenses	**945,224**	768,157
	2,295,001	1,733,757
Derivative financial instruments		
- cross-currency swap	**22,239**	-
- warrants	**991**	-
	23,230	-
	2,318,231	1,733,757
Less: Non-current portion - other payables	**(15,850)**	-
Current portion	**2,302,381**	1,733,757

Included in "Creditors, other payables and accrued expenses" are creditors with the following ageing analysis as of the balance sheet date:

	2014	2013
	HK$'000	*HK$'000*
Due within 1 month or on demand	**141,499**	70,396
Due after 1 month but within 3 months	**87,548**	27,686
Due after 3 months but within 6 months	**41,471**	23,701
Due after 6 months	**1,079,259**	843,817
	1,349,777	965,600

Included in "Creditors, other payables and accrued expenses" as at 31 December 2013 of the Group was an amount of HK$25,355,000 which was payable to an associate. The balance was due within one month and represents service fee for operation of waste-water treatment plants.

Apart from the above, creditors totalling HK$1,279,360,000 (2013: HK$912,941,000) represent construction payables for the Group's BT, BOT and certain Build-Operate-Own arrangements, among which HK$1,246,000 (2013: HK$1,279,000) is due to a non-controlling shareholder. The construction payables are not yet due for payment. Included in "Other payables and accrued expenses" of the Group as at 31 December 2013 was an amount of HK$6,395,000 which was payable to a non-controlling shareholder. The amount due to non-controlling shareholder was unsecured, interest free and expected to be settled within one year.

Scope of work of KPMG

The financial figures in respect of the announcement of the Group's results for the year ended 31 December 2014 have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

Business Review and Prospects

Operating Results

In 2014, the global economy generally maintained a moderate growth trend; however, economic development differed around the world. The United States achieved robust economic recovery, while the European and emerging economies experienced weak economic growth. As the People's Republic of China ("China") continued to transform its economic structure and deepen reform, the country entered into a 'New Normal' economy. As environmental problems become increasingly prominent, it is imperative to form a new model of economic growth with a green, low-carbon and cyclic development. China's green economy and environmental protection industry will therefore embrace a historical opportunity for long-term development.

The nation has further improved the laws and policies governing the environmental protection industry. The newly revised *Environmental Protection Law of the People's Republic of China* was approved by the National People's Congress in April 2014 and came into effect on 1 January 2015; the *Water Pollution Control Action Program* was submitted to the State Council of China for examination and approval at the end of 2014 and the basic ideas for environmental protection during the period of the 13th Five-Year Plan have been compiled, showing a clear direction for the development of the environmental protection industry in China. Meanwhile, local governments across the country further strengthened capital investment and policy support for environmental protection and environmental restoration. Many local governments regard environmental protection as the top priority for the development of local societies and people's livelihoods. As the demand for environmental protection and alternative energy continues to increase, the Group will continue to enjoy an expanding market space and various development opportunities.

During the year under review, the State Council of China approved the restructuring plan of China Everbright Group Limited ("China Everbright Group"). China Everbright Group will be restructured into a joint-stock company from a solely state-owned enterprise with name changed to "China Everbright Group Ltd.". The restructuring of China Everbright Group has optimized its ownership structure and as the industrial flagship of China Everbright Group, the Group will also benefit from the restructuring. The Group will have new development opportunities under the guidance and support from the development plan of China Everbright Group.

2014 was the 11th year following the Group's move to the environmental protection business and the beginning of a new round of developments. With a strong sense of social responsibility and the determination to protect the environment, the Group adhered to the business philosophy of Development, Reform and Innovation, which was determined at the beginning of 2014, and made extraordinary achievements, further strengthening its leading position in the industry. Meanwhile, in order to drive a new round of developments, the Group proposed the strategy of Leveraging Talent, Science and Technology to Expand from Coastal Areas to Inland Cities, from Cities to Rural Areas, and from Domestic to Overseas Markets with High Standards, which it implemented pragmatically, yielding remarkable achievements. During the year under review, the Group's various business sectors experienced rapid development and maintained robust growth momentum. The Group steadily advanced the long-acting mechanism of its talent strategy, greatly improved its strengths in science and technology, and achieved fruitful results in investment and capital market.

During the year under review, the Group focused on China's Western Development Strategy and further deepened its market development model, which comprised 4 representative offices in Beijing, Shenzhen, Nanjing and Jinan as well as existing project locations. It also supervised and managed all existing projects while further expanding its business into mid-west provinces and entered Hunan and Henan provinces. The Group has successfully secured 27 environmental protection and alternative energy projects, including re-launched Shanxi Xinzhou Ningwu Wind Power Project ("Ningwu Wind Power Project") Changfangshan Phase I and Zhaojiashan Phase I and Jiangsu Zhenjiang Waste-to-energy Project Phase II, Zhejiang Ningbo Waste-to-energy Phase II, and Shandong Boxing Waste Water Treatment Project Expansion and Upgrade, etc, commanding a total investment of RMB9.223 billion. Both the number of projects and the investment exceeded those of the last 2 years' sum.

To improve the Group's comprehensive strength, further expand its environmental water business, and enhance market competitiveness, China Everbright Water Holdings Limited, a wholly-owned subsidiary of the Group, completed the reverse takeover of HanKore Environment Tech Group Limited ("HanKore Environment") on 12 December 2014. HanKore Environment has become a non-wholly owned subsidiary of the Group and was renamed to China Everbright Water Limited ("Everbright Water"). It remains listed on the main board of the Singapore Exchange Securities Trading Limited ("SGX"). The spin-off and listing of Everbright Water marked another milestone for the Group's development and will accelerate the development of the Group's environmental water business. Meanwhile, it is also conducive for the Group to expand its environmental protection project portfolios to locations including Beijing, Shanxi, and Henan and enlarge its market share as well as reduce its overall operating costs through synergistic efforts. This will have a positive effect on the operation and development of the Group's overall business.

During the year under review, the Group effectively improved the overall effectiveness and profit of the projects and the Company through continuous reforms and innovative project construction and production processes, and reached an annual operating profit of HK$2,680,443,000, an increase of 26% as compared with 2013. Leveraging its rich experience, the Group fully prepared itself on projects which were in the preparatory stage, moved forward projects under construction in line with their targets, and continued to maintain the stable operation of operating projects. This facilitated continuous growth in the Group's revenue and fostered a strong profit growth driver. During the year under review, the Group continued to maintain sustainable development. It actively explored various funding channels and enhanced its financial strength. During the year under review, the Group not only signed loan agreements with various commercial banks but also signed a strategic cooperation agreement with China Development Bank and obtained a facility support of RMB6 billion, reserving sufficient funds for the development of its projects. As at 31 December 2014, the Group had cash on hand amounting to HK$5,150,149,000 and maintained a reasonable gearing level and healthy financial position. The Group achieved a steady growth of its business and further enhanced its competitive strength.

In order to realize the effective integration of the Group's resources and enhance the brand's image, awareness and influence of the Group's products, the Group's trademark "EBEP" was approved by the State Administration for Industry & Commerce of China and was officially authorized as a registered trademark during the year under review. The registration of the trademark represents an important step for the Company in further boosting the effective development of its environmental protection technology products, building an external sales network and expanding into foreign markets. In addition, the Group's 5 different self-developed grate furnace products received the European Union ("EU")'s CE Mark, showing that all of the Group's existing furnace products have met the safety and export requirements of all EU countries. As an effective passport for breaking international trade barriers, the certificate allows the Group to accelerate its expansion into international markets and further enhance the awareness and competitiveness of the Group's self-developed products.

Over the years, the Group's outstanding operating performance, potential for long-term development and excellent management approach have been widely acknowledged by the capital market and the community. The Group strives for excellence in corporate governance, technology innovation and internal risk management. During the year under review, the Group was included as a constituent stock of the Hang Seng Mainland 100 Index and the Hang Seng Corporate Sustainability Index for the first time. The Company received the Best Investor Relations Company and the Company with Most Potential under the Corporate Governance award category from Corporate Governance Asia; the Best Investor Relations Company and the Best CEO from Institutional Investor magazine; and was voted one of the Top Ten Green Innovation Companies by International Financing Magazine. In addition, the Group won first place once again in the "Top Ten Influential Solid Waste Treatment Enterprises in China". These honours demonstrate the Group's excellent performance in corporate governance and management as well as portraying the wide recognition and acknowledgement by the investment community and the society.

Over the years, while continuing to achieve remarkable operating results, the Group has also actively carried out its social responsibilities. The Group's environmental protection projects not only help improving the local environment but have also become local publicity and environmental protection education bases. Everbright International Environmental Protection Charitable Foundation Company Limited (the "Foundation") lent full support to a major environmental protection event "Earth Hour 2014" organized by WWF Hong Kong and became a Double Diamond member in an effort to promote environmental protection and energy conservation, and nurture public awareness of environmental protection causes. During the year under review, the Group has established strategic partnerships with the Chinese Ecological Civilization Research and Promotion Association and the Chinese Society for Environmental Sciences, to promote education about environmental protection in China.

The Group actively followed the State's environmental protection policies and applied for government subsidies on all government levels. During the year under review, the Group obtained a subsidy of RMB100,000,000 under the scheme of the Central Budgetary Investment Plan and special funds from the provincial budget for its Ningbo, Nanjing, Pizhou and Sanya waste-to-energy projects, showing how its high-quality project construction and operation received recognition from the central and local governments. The Group also continued to receive tax benefits in China. During the year under review, it received a value-added tax refund and profit tax refund of RMB79,618,000 and RMB23,808,000 respectively.

In 2014, the Group's construction projects progressed smoothly, driving substantial growth in construction service revenue. As for operating projects, the Group is committed to reducing costs and exploring internal potential to optimize its revenue structure, driving the continued growth of its overall operating efficiency. During the year under review, the Group's consolidated turnover amounted to HK$6,355,120,000, an increase of 19% over HK$5,319,866,000 of 2013. The EBITDA amounted to HK$2,795,219,000, an increase of 26% over HK$2,217,929,000 from 2013. Profit attributable to equity shareholders of the Company for the year of 2014 was HK$1,703,147,000, 29% more than HK$1,324,667,000 of 2013. Basic earnings per share of 2014 were HK37.99 cents, HK5.39 cents more than the HK32.60 cents in the previous year.

The Group remains dedicated to enhancing value for its shareholders. To reward the shareholders of the Company (the "Shareholders") for their support and considering the Group's need to achieve long-term sustainable development, the Board has proposed to pay a final dividend of HK6.0 cents per share to the Shareholders. The total dividends for the year are to be HK11.0 cents per share (2013: HK8.5 cents per share).

Environmental Protection and Alternative Energy Business

To cope with the rapid development of the environmental protection and alternative energy industries, the Group actively explored business opportunities in all areas of the environmental protection and alternative energy business. As at 31 December 2014, the Group secured 122 environmental protection and alternative energy projects, with a total investment of approximately RMB30.267 billion. Of these projects, those that had completed construction accounted for a total investment of approximately RMB14.605 billion, while those currently under construction accounted for a total investment of approximately RMB4.454 billion. The total investment of projects in the preparatory stage is approximately RMB9.907 billion, excluding the investment of RMB1.301 billion in the biomass power generation projects which construction has been postponed.

During the year under review, the turnover from the environmental protection and alternative energy business sectors amounted to HK$6,346,690,000, in which construction service revenue increased by 16% to HK$3,627,456,000, the operation service revenue was HK$1,764,721,000, an increase by 21% as compared with 2013 and the finance income was increased by 28% to HK$954,513,000. The proportion of the revenue is as follows: construction service revenue 57%, operation service revenue 28% and finance income 15%.

Major financial data of the environmental protection and alternative energy business in 2014 is summarized in the table below:

	2014				2013 *(restated)*			
	Environmental Energy Projects	**Environmental Water Projects**	**Alternative Energy Projects**	**Total**	Environmental Energy Projects	Environmental Water Projects	Alternative Energy Projects	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover								
- Construction services	**3,165,556**	**112,079**	**349,821**	**3,627,456**	2,516,997	449,779	150,804	3,117,580
- Operation services	**843,943**	**627,960**	**292,818**	**1,764,721**	642,529	564,772	246,454	1,453,755
- Finance income	**642,520**	**310,715**	**1,278**	**954,513**	466,887	276,189	1,310	744,386
	4,652,019	**1,050,754**	**643,917**	**6,346,690**	3,626,413	1,290,740	398,568	5,315,721
EBITDA	**2,152,185**	**570,800**	**259,502**	**2,982,487**	1,540,294	670,770	136,444	2,347,508

The Group attaches equal importance to both economic and social benefits and adheres to the principles of protecting the environment and fulfilling its responsibilities through all of its energy conservation and emission reduction indicators which are constantly setting new standards. During the year under review, the Group processed 5,365,000 tonnes of household waste and 57,000 tonnes of hazardous waste, 345,000 tonnes of agricultural waste and generated 1,982,525,000 kWh of green electricity. This output can support the annual electricity consumption for 1,652,000 households and is equivalent to saving 793,000 tonnes of standard coal and reducing carbon dioxide (CO_2) emissions by 2,257,000 tonnes. Meanwhile, the Group treated 584,792,000 m^3 of waste water, 1,169,000 m^3 of leachate from waste-to-energy plants and reduced COD emissions by 221,000 tonnes. Since the Group's first environmental protection project commenced operation in 2005, it has processed an accumulated 21,233,000 tonnes of household waste and 301,000 tonnes of hazardous waste, 1,202,000 tonnes of agricultural waste and generated 7,160,789,000 kWh of green electricity, which can fulfill the annual electricity consumption for 5,967,000 households and save the equivalent of 2,864,000 tonnes of standard coal, reducing CO_2 emissions by 8,673,000 tonnes and preventing 930,903,000 trees from being cut down. The Group has treated 3,764,386,000 m^3 of waste water, 3,812,000 m^3 of leachate from waste-to-energy plants and reduced COD emissions by 1,445,000 tonnes.

I. Environmental Energy

A. Environmental Energy

As at 31 December 2014, the Group had 36 waste-to-energy projects, 10 industrial solid waste and hazardous waste treatment projects, 2 methane-to-energy projects, and 1 sludge treatment and disposal project, commanding a total investment of about RMB18.666 billion. These facilities are designed with an annual household waste processing capacity of approximately 11,770,000 tonnes, which is able to generate an annual on-grid electricity of 5.15 billion kWh. The annual hazardous waste (including industrial waste and medical waste) treatment capacity (including landfill, incineration and physio-chemical processing) is about 270,000 tonnes, while the annual sludge treatment capacity is approximately 18,000 tonnes.

Waste-to-energy projects remained a focus of the Group's business development. In 2014, the Group secured 12 such projects, a record high. These projects commanded a total investment of RMB6.12 billion, with an increased designed daily household waste processing capacity of 11,300 tonnes, boosting the total daily waste processing capacity to 32,250 tonnes. This enabled the Group to keep a leading market share in the sector. Besides consolidating markets in Jiangsu and Shandong provinces, the Group further expanded markets in Zhejiang and Anhui provinces, as well as entering the markets in Hunan and Henan provinces. New projects included Jiangsu Nanjing Gaochun Waste-to-energy Project, Jiangsu Changzhou Xinbei Waste-to-energy Project, Jiangsu Nanjing Waste-to-energy Project ("Nanjing Project") Phase II, Jiangsu Xuzhou Pei County Waste-to-energy Project, Shandong Tengzhou Waste-to-energy Project ("Tengzhou Project"), Anhui Ma'anshan Waste-to-energy Project ("Ma'anshan Project"), Anhui Dangshan Waste-to-energy Project, Anhui Lingbi Waste-to-energy Project, Zhejiang Hangzhou Yuhang Waste-to-energy Project, Ningbo Beilun Waste-to-energy Project ("Ningbo Project") Phase II, Hunan Yiyang Waste-to-energy Project, and Henan Xinzheng Waste-to-energy Project. In addition, the Group also secured 2 hazardous waste treatment projects, Jiangsu Xinyi Hazardous Solid Waste Treatment Project and Changzhou Hazardous Solid Waste Treatment Project, which boosted the Group's designed annual industrial hazardous waste incineration processing capacity by 39,500 tonnes. Additionally, the Group secured 1 sludge treatment and disposal project, Hainan Sanya Sludge Treatment and Disposal Project.

In 2014, the Group made a breakthrough in its investment model by introducing new partnership models. By introducing the public-private-partnership model (PPP), the Ma'anshan Project partnered with a firm affiliated to the local government to establish a joint-venture company which invests in environmental protection projects. In addition, the Group and the Sichuan Energy Industry Investment Group formed a joint venture called Sichuan Everbright Energy Conservation and Environmental Protection Co. Limited, based in Chengdu, to explore waste-to-energy projects and other low-carbon industrial projects in Sichuan province and nearby areas. The Changzhou Hazardous Waste Project was jointly established and operated by the Group and a globally-recognized environmental protection company, and the joint-venture model enhanced construction and operation of the project. By introducing a series of partnership models, the Group has seen even more expansion in the environmental protection sector in domestic and overseas market.

During the year under review, the Group had 5 waste-to-energy projects and 2 hazardous waste treatment projects that completed construction and commenced operation, including Ningbo Project Phase I, Nanjing Project Phase I, Hainan Sanya Waste-to-energy Project ("Sanya Project"), Shandong Shouguang Waste-to-energy Project, Jiangsu Pizhou Waste-to-energy Project ("Pizhou Project") Phase I, Jiangsu Lianyungang Guanyun Hazardous Waste Landfill Project ("Guanyun Hazardous Waste Project"), and Jiangsu Binhai Hazardous Waste Landfill Project ("Binhai Hazardous Waste Landfill Project"), with other projects under construction as scheduled. The Group is also committed to improving operational efficiency by enhancing the electricity generated by each tonne of waste and lowering the volume of electricity consumed by factories. It has achieved good results with continuous growth in operation service revenue. During the year under review, Jiangsu Changzhou Waste-to-energy Project, Jiangyin Waste-to-energy Project and Yixing Waste-to-energy Project were approved to increase their waste processing fees.

The progress made in market expansion is mainly due to the stable operation of the projects and compliance with discharge standards. The Group address to its goal of construction and operation, which meets the highest industry standards. The gas emission of waste-to-energy projects of the Group has fully complied with Euro 2000 Standard and the leachate treatment has met the national Grade 1 emission standard. All of these factors lay a solid foundation for the Group's leading position in China's waste-to-energy industry.

During the year under review, the Group's environmental protection projects processed a total household waste of 5,365,000 tonnes, industrial and hazardous waste of 57,000 tonnes, and generated a total on-grid electricity of 1,654,513,000 kWh, an increase of 21%, a decrease of 16% and an increase of 55% respectively as compared with 2013. The environmental energy projects contributed an EBITDA of HK$2,152,185,000, an increase of 40% over 2013. The increase in profit was mainly attributable to the recognition of construction service revenue and construction cost savings during the year, as well as the increase in the operation service revenue which was boosted by continuing increases in the total processing volume of operating projects.

Major operating and financial data of the environmental energy business in 2014 is summarized in the table below:

	2014	2013 *(restated)*
Waste-to-energy projects		
Waste processing volume (tonne)	**5,365,000**	4,423,000
On-grid electricity (MWh)	**1,654,513**	1,069,434
EBITDA (HK$'000)	**2,032,938**	1,407,202
Industrial hazardous waste projects		
Waste processing volume (tonne)	**57,000**	68,000
EBITDA (HK$'000)	**119,247**	133,092

B. Environmental Protection Industrial Parks

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

As at 31 December 2014, the Group had 9 environmental protection industrial parks in Suzhou, Changzhou, Suqian, Zhenjiang New District, Yixing, Lianyungang Xuwei New District, Nanjing of Jiangsu province, Weifang of Shandong province and Ganzhou of Jiangxi province.

II. Environmental Water

As at 31 December 2014, the Group had 38 waste water treatment projects, 4 reusable water projects and 2 waste water source heat pump projects, commanding a total investment of RMB5.906 billion. These projects are designed to have an annual waste water treatment capacity of approximately 938,050,000 m^3, to provide annual reusable water of 22,334,000 m^3, and to offer a heating and cooling service to an area of 312,000 m^2 via waste water source heat pump projects.

During the year under review, the Group continued to move forward the development of environmental water projects; it secured Shandong Zibo Reusable Water Project Phase II and the extension and upgrading of Boxing Waste Water Treatment Project. Meanwhile, the Group proactively continued to grow its business scale by acquiring and merging with similar businesses. It acquired a 78% equity interest in Qingdao Veolia Water Operating Company Limited and a 40% equity interest in EB-VW HK Holding Company Limited from Veolia Water S.A., a French company, for a total consideration of RMB92 million. The deal enabled the Group to lead and manage the Qingdao Waste Water Treatment Project (Haibohe and Maidao Plants).

In December 2014, the Group further integrated its environmental water projects. It completed the reverse takeover of HanKore Environment and listed its water business on the SGX, effectively expanding its asset scale, market reach and project diversification. Everbright Water has become a new business entity, which focuses on the investment in and operation of comprehensive waste water treatment projects, covering a number of regions in China, such as Beijing, Jiangsu, Shandong, Shaanxi and Henan.

In addition to achieving stable operations and complying with discharge standards, the Group reduced operating costs by saving electricity consumption, closely monitoring water quality changes and making adjustments accordingly, as well as adopting centralized procurement. During the year under review, the Group's environmental water projects treated 584,792,000 m^3 of waste water, up by 11% from 2013. The environmental water projects brought an EBITDA of HK$570,800,000, a decrease of 15% as compared with 2013, mainly due to recognition of construction cost saving in 2013.

Key operating and financial data of the environmental water business in 2014 is summarized in the table below:

	2014	2013 (restated)
Environmental Water Projects		
Waste water treatment volume (m^3)	**584,792,000**	526,485,000
EBITDA (HK$'000)	**570,800**	670,770

III. Alternative Energy

As at 31 December 2014, the Group had 24 alternative energy projects, including 9 photovoltaic energy projects, 13 biomass integrated utilization projects and 2 wind power projects, with a total investment of approximately RMB5.285 billion. The total designed annual processing capacity of agricultural waste was approximately 3,156,000 tonnes, the annual on-grid electricity generated was approximately

2,068,927,000 kWh, and annual heating supply reached approximately 1,502,000 tonnes.

Due to the Chinese government making great efforts to deal with air pollution and haze, the biomass integrated utilization sector has seen policy-driven opportunities, bringing about a new direction for the Group's biomass business. During the year under review, the Group developed 7 biomass integrated utilization projects, with a total investment of approximately RMB1.711 billion, an increased annual agricultural waste and straw processing capacity of 1,512,000 tonnes, and 116,000 tonnes of fuel particles.

The Group addresses to the strategy of expanding from cities to rural areas, and continues to explore breakthroughs in collecting, reserving, transporting and processing straw in rural areas. By constantly maximizing on its current project management experience, the Group also encourages diversified development models, such as biomass cental heating projects in Jiangsu Sucheng, biomass heat and electricity cogeneration projects in Jiangsu Guanyun and Xuyi, biomass direct combustion projects in Anhui Hanshan, Dingyuan and Huaiyuan, biomass pellet fuel processing project in Jiangsu Rudong, rural and urban waste integration projects in Anhui Dangshan and Lingbi, and straw integrated utilization demonstration projects that cover 4 cities and 6 counties of Chengdu of Sichuan province. Such projects are able to effectively solve air pollution problems caused by straw burning nationwide and therefore have huge market potential. It is also the Group's key growth direction in the biomass energy sector.

During the year under review, Anhui Hanshan Biomass Power Generation Project ("Hanshan Project") commenced operation. In order to reduce the wear and tear of biomass raw materials in the open air and to make full use of the roof areas, the Group planned to develop the Hanshan Distributed Photovoltaic Energy Project on the roofs of the project's buildings. The project will become a pilot project of the Group; and relevant operating experience will be used as reference for other biomass power generation projects.

In addition, Ningwu Wind Power Projects Changfangshan Phase I and Zhaojiashan Phase I were included in the 4th approval scheme of wind power generation projects in the 12th Five-Year Plan of the National Energy Administration in February 2014, and were approved by the Shanxi Development and Reform Commission in April 2014. Ningwu Wind Power Projects have finished their wind resources assessments and are commencing project construction.

During the year under review, the Group's alternative energy projects provided a total on-grid electricity of 325,009,000 kWh, an increase of 35% as compared with 2013. The alternative energy business contributed EBITDA of HK$259,502,000, up by 90% as compared with the previous year. The increase in profit was mainly contributed by the construction of Hanshan Project and the increase in profit contribution due to the optimization of the fuel structure and improvement of operating efficiency at Anhui Dangshan Biomass Power Generation Project.

Major operating and financial data of the alternative energy business in 2014 is summarized in the table below:

	2014	2013 *(restated)*
Alternative energy projects		
On-grid electricity (MWh)	**325,009**	239,921
EBITDA (HK$'000)	**259,502**	136,444

Environmental Protection Engineering

By establishing a standardized engineering management system and process, making the most of its management experience and enhancing its core competencies, the Group was able to provide high quality construction engineering services and enhance the comprehensive efficiency of the construction and operation of various projects. During the year under review, the Group undertook its highest number of projects and contracts, with 11 projects completed construction and commenced operation, making the total number of completed construction and commenced operation projects to 73, with a total investment of RMB14.605 billion. In addition to this, there are 44 projects under construction or in the preparatory stage, commanding a total investment of over RMB14.161 billion.

During the year under review, 5 waste-to-energy projects completed construction and commenced operation. Sanya Project was the first waste-to-energy project that the Company invested in and constructed in Hainan province and was a key municipal project of Hainan province as well as Sanya City. The project was awarded the Top Quality Construction Project of Hainan Province. Ningbo Project Phase I, a new landmark along the coastal area of the East China Sea, commenced operation earlier than expected and is a model demonstration project for the waste-to-energy industry in Zhejiang province. Nanjing Project Phase I also completed construction and commenced operation. Nanjing Project Phase I acted as supporting infrastructure for the Nanjing Youth Olympic Games 2014, another major development for Nanjing City and Jiangsu province. In addition, Guanyun Hazardous Waste Project and Binhai Hazardous Waste Landfill Project, Shandong Zhangqiu Waste Water Treatment Project, Ling County Waste Water Treatment No. 1 Plant Upgrading Project, and Hanshan Project also completed construction and commenced operation during the year. The completion of construction and commencement of operation of the projects not only helped to establish demonstration projects but also created strong growth potential for the Group.

As at 31 December 2014, the Group had a total of 17 projects under construction, including 6 waste-to-energy projects, 1 hazardous waste treatment project, 2 wind power projects, 1 biomass integrated utilization project, 6 water quality restoration projects and Changzhou Equipment Manufacturing Project Phase II. With more new projects continuously commencing construction, construction service revenue is expected to be the main revenue driver for the Group. The Group is committed to the principle of First Class

Quality, Advanced Technology, High Standard, Outstanding Efficiency with regards to project construction. It strives to create benchmark projects across the country.

Environmental Protection Technology

The Group, which has always upheld an operating philosophy of planning based on scientific theory, meticulous organization, bold innovation and practice, has consistently increased its R&D investment, enabling it to be at the forefront of developments in technological trends. The Group has established a set of R&D system to ensure robust scientific development and introduced first-class technology from China and overseas to improve its technological development capabilities.

During the year under review, the group focused on 10 fields in R&D which were planned at the beginning of 2014 with a total budget of more than RMB44 million. Upholding the ideology of ‘production, teaching and research’, the Group continuously encouraged international technology cooperation, actively working with Tsinghua University, Chinese Academy of Sciences, Zhejiang University, Harbin Institute of Technology, Southeast University, and other domestic science research institutes in various technology fields. This included the research and production of the 750-tonne/day incinerator, the R&D of high efficiency anaerobic jars, gas treatment technology, and biomass integrated utilization, achieving a number of technology breakthroughs. These breakthroughs included the production of large scale grate furnaces, production line equipment for agricultural biomass and straw pellet fuel, purification systems for gas emitted from waste-to-energy plants, and leachate treatment technology.

During the year under review, the Group’s self-developed 750-tonne/day grate furnace was used successfully and reached international standards. It is now in the progress of patent application. In addition, the 500-tonne/day grate furnace was operated at the Nanjing Project Phase I and Ningbo Project Phase I. The product achieved great success in both electricity generation per tonne of waste and various parameters of operating systems. With the help of the advent of its new generation incinerator technology, the Group has entered the global ranks of advanced incinerator technology. In addition, it has commenced and promoted research in harmless treatment of household waste, agriculture and forestry biomass, hazardous waste incineration, gas emission purification, sludge treatment and disposal techniques, and environment remediation.

During the year under review, the Group was granted 3 software copyright licences and 17 patents, of which 7 were invention patents and 10 were utility invention patents. The Group will continue to strengthen its efforts in advancing R&D to develop its business, and to fuel the expansion of the Group’s business scope and sustainable development.

Environmental Protection Equipment Manufacturing

In 2014, the Group achieved new breakthroughs in environmental protection equipment manufacturing, which has gradually become a new business sector for the Group. The Group's production base for environmental protection equipment is located in Changzhou City of Jiangsu province ("Changzhou Environmental Protection Equipment Manufacturing Project"). It mainly manufactures incinerators, leachate treatment systems, gas emission purification equipment and other major equipment for use at the Group's waste-to-energy projects. Changzhou Environmental Protection Equipment Manufacturing Project is now expanding Phase II, which is expected to commence commercial operation in the first half of 2015. Upon completion, the project's production capacity will be doubled.

During the year under review, the Group completed the unit assembly and commissioning of 7 sets of incinerators (including 2 sets of 750-tonne/day prototypes). The Group also implemented an overhaul of the incinerators in the Changzhou Waste-to-energy Project, Suzhou Waste-to-energy Project Phase I and Phase II, and Zhenjiang Waste-to-energy Project, and advanced the centralized purchase and supply of backup products for operating projects. The Group's self-developed, multi-step hydraulic mechanical household waste grate furnace series received the EU's CE certificate. The outstanding results from the environmental protection equipment manufacturing have encouraged the Group to build high-quality projects and also helped it to further improve effectiveness and lower operational costs.

In addition to the projects within the Group, the Group has actively developed sales of its equipment and technical services. During the year under review, the Group signed a series of equipment supply and technical service contracts for both domestic and overseas markets, with a cumulative total value of contracts amounted to RMB141 million. The breakthrough into the sales market not only enhanced the Group's branding influence in terms of products and services but also added new bright opportunities for the Group's future profit growth.

Post-Results Events

The Group secured 2 biomass power generation projects and 2 waste-to-energy projects in January and February of 2015. The total investment in the Anhui Chuzhou Nanqiao Biomass Power Generation Project was approximately RMB320 million and the plant has a designed annual agricultural waste and straw processing capacity of approximately 280,000 tonnes. It is expected to generate green electricity of 200,000,000 kWh annually. With a total investment of approximately RMB320 million, Sichuan Mianzhu Biomass Power Generation Project is designed to have an annual agricultural waste and straw processing capacity of approximately 300,000 tonnes and is expected to generate green electricity of 200,000,000 kWh annually. Sichuan Mianzhu Waste-to-energy Project Phase I has a daily household waste processing capacity of 300 tonnes with a total investment of approximately RMB180 million, generating 32,500,000 kWh of green electricity annually. Shandong Pingdu Household Waste-to-energy Project Phase I has a designed daily household waste processing capacity of 600 tonnes, commanding a total investment of approximately RMB360 million. It is expected to generate 70,000,000 kWh of green electricity annually.

Business Prospects

The year 2014 was another year of “setting sails” for the Group. Due to its successful development in the environmental protection business over the last decade, the Group has built a solid business foundation, multi-business strategic layout, and a leading management team. In order to grasp new market opportunities, the Group has adhered to the principle that an Enterprise is not only a Creator of Wealth, but also the Safeguard of Environmental and Social Responsibility, with a focus on environmental protection and alternative energy. The Group has developed a series of first class quality projects with high standards, advanced technology, and outstanding efficiency, and in doing so, has become a leading one-stop integrated environmental solution provider in China and abroad.

2014 was the first year that China deepened its economic reform and it was also a bumper harvest year for the environmental protection industry. The central government and the public paid close attention to environmental protection with a series of related policies which were implemented gradually. The National People’s Congress approved the refined Environmental Protection Law, another milestone for the legislative history of China’s environmental protection. As controlling and strictly enforcing the law on pollution becomes the ‘New Normal’ in the environmental protection sector, the industry’s market demand will grow accordingly.

The Chinese economy is in the ‘New Normal’ development stage, encouraging the development of the environmental protection industry. In addition to the implementation of the new Environment Protection Law, there are other new trends that will definitively and largely change the industry’s operational system and business model, for example, the gradual improvement of emission trading, public demand for the Regulations on the Implementation of the Environmental Protection Law, and the PPP model’s third party regulations. According to the 13th Five-Year Plan, China’s investment in environmental protection will reach RMB6 trillion during the period between 2016 and 2020, with continuous large scale growth in the environmental protection industry. This ambitious goal has brought about lucrative market opportunities. The Group will implement forward-looking strategic plans to explore the opportunities, making the best of the enterprise’s management resources, as well as closely following market trends in order to grow its business healthily and steadily and increase its operational efficiency.

While strengthening its two traditional core business segments, environmental energy and environmental water, the Group is now actively expanding into other advantageous business segments including biomass integrated utilization projects, environmental protection industrial parks and environmental protection equipment manufacturing, and will implement the segment’s cooperative development with an innovative business model, integration of business segments, and flexible cooperating models. The Group will continue to adopt a clear market position and strategy, focusing on technological innovation and R&D, and will constantly enhance its core competitiveness through portfolio diversification in various regional markets, creating synergies and strong brand influence to expand market share.

As market trends change, the Group believes that more market opportunities and challenges lie ahead in 2015. The Group will monitor and discover the market direction in real-time in order to capture the best opportunities while paying attention to risk control and strengthening the foundations of the business. Against a complicated and ever-changing international and domestic economic backdrop, the Group will monitor the possibility of market risk more and analyse market demand so as to ensure the steady development of the Group's business and create maximum value for shareholders.

The Group is confident about its future development which will ride on the nation's long-term support for the environmental protection industry, be guided by the national policy of ecological civilization and strongly supported by China Everbright Group. As one of the leaders in China's environmental protection industry, the Group will adhere to its visions, gather collective wisdom, and leverage advanced operating and management skills and strategic plans to develop its business and make new achievements. The Group will pursue comprehensive development of its business, and at the same time fulfill its commitment to environmental sustainability and responsibility to the community in order to further contribute to social development, economic growth and the well-being of society.

Management Discussion and Analysis

Financial Position

As at 31 December 2014, the Group had assets totalling HK$31,199,794,000 and net assets amounting to HK$17,842,970,000. Net asset value per share attributable to equity shareholders of the Company amounted to HK$3.627 per share, an increase of 22% compared with HK$2.983 per share at the end of 2013. As at 31 December 2014, gearing ratio (total liabilities over total assets) of the Group was 43%, 2 percentage points higher than the 41% as at the end of 2013.

Financial Resources

The Group adopts a prudent approach to cash and financial management to ensure proper risk control and low cost of funds. It finances its operations primarily with internally generated cash flow and loan facilities from banks and the holding company. As at 31 December 2014, the Group had cash and bank balances of HK$5,150,149,000, representing a decrease of HK$664,457,000 as compared to HK$5,814,606,000 at the end of 2013. Currently, most of the Group's cash, representing 99%, is denominated in Hong Kong dollars and Renminbi.

Borrowings

The Group is striving to increase its banking facilities to reserve sufficient funds for the development of its environmental protection business. As at 31 December 2014, the Group had outstanding borrowings of HK$9,136,511,000, representing an increase of HK$2,215,390,000 as compared to HK$6,921,121,000 at the end of 2013. The borrowings comprised secured interest-bearing borrowings of HK$5,961,222,000 and unsecured interest-bearing borrowings of HK$3,175,289,000. The borrowings are mainly denominated in Renminbi, representing about 57%, with the remainder denominated in US dollars and Hong Kong dollars. Most of the borrowings are at floating rates. As at 31 December 2014, the Group had banking facilities of HK$13,715,016,000, of which HK$4,859,601,000 have not been utilized. The banking facilities are for one to ten year terms.

Foreign Exchange Risk

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

Pledge of Assets

Certain banking facilities of the Group were secured by certain revenue and receivables in connection with the Group's service concession arrangements, bank deposits, mortgages on fixed assets and equity interests of certain subsidiaries of the Company. As at 31 December 2014, the aggregate net book value of assets and equity interests in subsidiaries pledged amounted to approximately HK$13,801,583,000.

Commitments

As at 31 December 2014, the Group had purchased commitments of HK$1,844,637,000 outstanding in connection with construction contracts.

Contingent Liabilities

As at 31 December 2014, the Company had issued financial guarantees to 5 wholly-owned subsidiaries. The directors do not consider it probable that a claim will be made against the Company under the guarantees. The maximum liability of the Company as at 31 December 2014 under the guarantees issued is the facilities drawn up by the subsidiaries of HK$1,375,024,000.

Internal Management

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

During the year under review, the Group held Management Committee meetings on a monthly basis to review all the projects under construction and operation. The Group also strictly enforced the compliance of various systems to improve internal management. In addition, in order to refine the Group's rules and regulations, it issued 3 corporate standards for waste-to-energy projects, including technology standards, management standards and work standards, with a view to strengthening operations through systematic management. By following the relevant standards, newly commenced projects would be able to enhance management standards in the fastest possible way. Given the expansion of new businesses this year (wind power, hazardous waste incineration, biomass straw integrated utilization), the Group is currently forming a set of relevant operation procedures and business management measures in order to cope with the forthcoming commissioning of completed projects.

With its continuous business development, the Group has a number of investments in environmental protection projects in a single region to achieve greater synergies. The Group started a pilot scheme in Changzhou, where it carried out integrated management on the existing personnel and properties of the equipment company, energy company and hazardous waste treatment company. Back-office supporting units such as administration, human resources and finance will be merged in order to centralize coordination work and enhance overall management efficiency. In addition, to further increase the efficiency of preparation work, the Group formed assessment methods for projects under preparation. The preparation period for new projects will be determined according to their actual situation, so as to facilitate assessment and provide a basis for awards or penalties.

Committed to Maintaining Safe and Stable Operations in compliance with Discharge Standards, and with the goal of ensuring no major safety and environmental accidents, the Group embarked on several projects to save expenses, increase income sources and efficiency, reduce energy consumption, and lower costs. The comprehensive auxiliary power consumption rate of waste-to-energy, biomass power generation and photovoltaic energy projects as well as the unit operating cost of waste water treatment projects decreased as compared with 2013, contributing to an improvement in efficiency.

Human Resources

The Group highly values its human resources and puts great emphasis on staff training. It believes that realizing the full potential of its employees is crucial to its long-term growth. The Group continued to improve its human resources through internal training as well as local, overseas and on-campus recruitment. During the year under review, the Group held training sessions on security and financial management to enhance the overall quality of its staff. To facilitate the integration of newly recruited staff, the Group held the 11th and 12th round of execution training for more than 450 participants. It also arranged for managers and senior technical staff to participate in a CEO Course (the 4th Session) and a Master in Engineering Course (the 3rd Session) at Tsinghua University. To ensure employees' development was in line with the

Group's sustainable development, the Group completed a competitive selection of middle management and support managerial personnel for the Mainland China headquarters, motivating staff and helping them to achieve greater success in their careers.

As at 31 December 2014, the Group had approximately 3,000 employees in Hong Kong and Mainland China. Employees of the Group are remunerated according to their qualifications, experience, job nature, performance and with reference to market conditions. Apart from a discretionary performance bonus, the Group also provides other benefits such as medical insurance and a provident fund scheme to employees in Hong Kong.

Corporate Governance

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

The Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") has been duly adopted by the Board as the code on corporate governance practices of the Company.

The Company has complied with the CG Code for the year ended 31 December 2014, except that the Chairman of the Board, was unable to attend the annual general meeting of the Company on 28 April 2014 due to other business engagements. This constitutes a deviation from the code provision E.1.2 of the CG Code which requires the Chairman of the Board to attend the annual general meeting.

Executive Committee

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

Audit Committee

The Audit Committee, currently comprising all 4 independent non-executive directors, namely Mr. Mar Selwyn (Chairman), Mr. Fan Yan Hok, Philip, Mr. Li Kwok Sing, Aubrey and Mr. Zhai Haitao, is primarily responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing internal control and financial reporting matters of the Group etc. The terms of reference of the Audit Committee are disclosed on the website of the Company.

During the year under review, the Audit Committee reviewed with the management and KPMG, the Company's auditors, the accounting principles and practices adopted by the Group and discussed the Group's internal control and financial reporting matters, including review of the annual results for the year ended 31 December 2013 and the interim results for the six months ended 30 June 2014.

Nomination Committee

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

Remuneration Committee

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

Disclosure Committee

The Disclosure Committee currently comprises Mr. Chen Xiaoping (Chairman), the Chief Executive Officer, Mr. Wang Tianyi, the General Manager, Mr. Wong Kam Chung, Raymond, the Chief Financial

Officer, the Chief Legal Officer and the Company Secretary. The Board has delegated the day-to-day execution of its continuous disclosure obligations to the Disclosure Committee to ensure the compliance of the Company with its disclosure obligations. The terms of reference for the Disclosure Committee have been established in writing.

Management Committee

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

Model Code for Securities Transactions by Directors

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions by directors of the Company. Having made specific enquiries to the directors of the Company, all directors confirmed that they had complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2014.

Final Dividend

The Board has proposed to pay a final dividend of HK6.0 cents per share (2013: HK5.0 cents per share) to the Shareholders whose names appear on the register of members of the Company on Friday, 5 June 2015. Subject to approval by the Shareholders of the final dividend at the forthcoming annual general meeting of the Company, dividend warrants will be dispatched to the Shareholders on or around Friday, 26 June 2015.

Closure of Register of Members

The register of members will be closed from Thursday, 21 May 2015 to Wednesday, 27 May 2015, both days inclusive, on which no transfer of shares will be effected. In order to qualify for attendance of the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Wednesday, 20 May 2015.

The register of members will also be closed from Wednesday, 3 June 2015 to Friday, 5 June 2015, both days inclusive, on which no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Tuesday, 2 June 2015.

Purchase, Sale or Redemption of the Company's Listed Securities

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

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

Hong Kong, 31 March 2015

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