



CHINA EVERBRIGHT INTERNATIONAL LIMITED

中國光大國際有限公司

China

Everbright
International

2005

INTERIM REPORT 中期報告

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Corporate Information

公司資料

Directors

Executive Directors

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

Independent Non-executive Directors

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

Qualified Accountant

WONG Kam Chung, Raymond

Company Secretary

POON Yuen Ling

Registered office

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

Principal bankers

CITIC Ka Wah Bank, Limited
Fubon Bank (Hong Kong) Limited
The Bank of East Asia, Limited
China Everbright Bank
China Minsheng Banking Corp., Ltd.
CITIC Industrial Bank
Industrial and Commercial Bank of China

董事

執行董事

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

獨立非執行董事

鍾逸傑爵士
李國星
馬紹援

合資格會計師

黃錦聰

公司秘書

潘婉玲

註冊辦事處

香港夏慤道十六號
遠東金融中心
二十七樓二七零三室

主要往來銀行

中信嘉華銀行有限公司
富邦銀行(香港)有限公司
東亞銀行有限公司
中國光大銀行
中國民生銀行
中信實業銀行
中國工商銀行

Solicitors

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

Auditors

KPMG

Registrars

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

Website

www.ebchinaintl.com

Stock Code

257

律師

胡關李羅律師行
國浩律師集團(北京)事務所

核數師

畢馬威會計師事務所

股份過戶登記處

登捷時有限公司
香港灣仔告士打道五十六號
東亞銀行港灣中心地下

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股份代號

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Financial Highlights

財務概況

		2005	2004	Percentage change 百分比 變動
		二零零五年	二零零四年	
		Six months ended 30 June		
		截至六月三十日止六個月		
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	
Results	業績			
Turnover	營業額	61,546	31,904	93%
Earnings before interest and tax	除利息及稅項前盈利	85,700	65,619	31%
Profit attributable to equity holders of the Company	本公司股東應佔盈利	62,005	44,837	38%
Basic earnings per share (<i>HK cents</i>)	每股基本盈利 (港仙)	2.43	1.76	38%
Return on shareholders' equity – half year (%)	股東資金回報率 – 半年 (%)	5.63	4.38	1.25%
Interest cover (%)	利息覆蓋比率 (%)	614	467	147%
		As at	As at	
		30 June	31 December	
		於六月三十日	於十二月三十一日	
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	
Financial Position	財務狀況			
Total assets	資產總額	2,284,329	2,050,821	11%
Total liabilities	負債總額	1,077,204	968,685	11%
Shareholders' equity	股東權益	1,123,550	1,078,942	4%
Net asset value per share (<i>HK\$</i>)	每股資產淨值 (港幣元)	0.440	0.423	4%
Gearing (%)	資產負債比率 (%)	47	47	–
Current ratio (%)	流動比率 (%)	896	716	180%

OPERATING RESULTS

The PRC economy maintained a steady growth during the first half of 2005. With the economy entering into a new growth cycle, the Central Government continued its efforts in pushing on the progress of urbanization. As the market of environmental protection industry in the PRC is developing rapidly and the PRC Government has extended greater support to such industry, there is enormous market potential for the development of environmental protection business. In order to seize the enormous business opportunities in the market and to maximize returns to shareholders, the Group has actively and prudently developed its environmental protection business during the period under review and has successfully established it as a new profit driver.

For the six months ended 30 June 2005, the Group achieved satisfactory results, registering increases in turnover and net profit. The infrastructure investment business and the property investment business continued to be the Group's major profit contributors, whose operating results increased as compared with the same period last year. As regards the environmental protection business, it has started to make profit contribution to the Group and there is much room for its future growth. During the period under review, profit attributable to equity holders of the Company amounted to HK\$62,005,000, representing an increase of 38% as compared with HK\$44,837,000 for the same period last year, amongst which: (i) Shenzhen Mawan Power Company Limited ("Mawan Power") contributed an attributable profit of HK\$30,442,000; (ii) the traffic flow of Qingzhou Bridge continued to grow, recording an attributable profit of HK\$15,818,000; (iii) the sewage treatment project in Qingdao ("Qingdao Project") contributed an attributable profit of HK\$7,595,000; (iv) property investments contributed a profit after taxation of HK\$7,489,000; (v) the pick-up of property prices brought about a surplus on revaluation of investment properties of HK\$21,000,000. Basic earnings per share for the first half of the year amounted to HK2.43 cents, representing an increase of HK0.67 cent as compared with HK1.76 cents for the same period last year. During the period under review, the Group's consolidated turnover amounted to HK\$61,546,000, representing an increase of 93% as compared with HK\$31,904,000 for the same period last year, which is mainly attributable to the charging of waste water treatment service charges upon the commencement of commercial operation of the Qingdao Project.

經營業績

二零零五年上半年，中國經濟持續穩健增長。隨著經濟發展進入新一輪的增長週期，中央政府亦不斷推進城市化進程。現時，中國環保產業市場迅速發展，加上國家加大了支持環保產業發展的力度，市場潛力龐大。為了進一步抓緊龐大的商機，並為股東爭取最佳回報，本集團於回顧期內繼續積極穩健地開拓環保業務，並已成功建立了新的利潤增長點。

截至二零零五年六月三十日止六個月，本集團取得理想的業績，營業額及盈利錄得升幅。基建與物業投資業務繼續為本集團之主要利潤來源，整體利潤貢獻較去年同期上升；環保業務亦已開始為本集團貢獻盈利，未來增長空間廣闊。回顧期內，本集團錄得股東應佔盈利港幣62,005,000元，較去年同期之港幣44,837,000元增加38%。其中i) 深圳媽灣電力有限公司（「媽灣電力」）貢獻應佔利潤港幣30,442,000元；ii) 青洲大橋車流量持續增長，錄得應佔利潤港幣15,818,000元；iii) 青島污水處理項目（「青島項目」）貢獻應佔利潤港幣7,595,000元；iv) 物業投資貢獻稅後利潤港幣7,489,000元；v) 物業價格回升錄得投資物業重估盈餘港幣21,000,000元。上半年每股基本盈利2.43港仙，較去年同期之1.76港仙增加0.67港仙。回顧期內，本集團綜合營業額為港幣61,546,000元，較去年同期之港幣31,904,000元上升93%，主要由於青島項目開始營運並收取污水處理費。

OPERATING RESULTS *(continued)*

Given the continual growth in the Group's operating results, as well as its healthy financial position, the Board resolved to declare an interim dividend for HK0.6 cent per share for the six months ended 30 June 2005 (2004: HK0.4 cent per share).

INFRASTRUCTURE INVESTMENT

Energy supply

During the period under review, Mawan Power continued to overhaul its machineries and facilities to enhance its operating efficiency. Apart from this, the maintenance period has also been shortened, which effectively extended the period for the sale of electricity. During the period, Mawan Power generated a total of 2.64 billion kilowatt-hour of electricity, representing an increase of 11% as compared with 2.38 billion kilowatt-hour for the same period last year. The ongoing surge in the prices of coal, charcoal and fuel in the PRC has brought pressure on the operating costs of Mawan Power. To deal with the situation, Mawan Power carried out strict cost control measures and exerted efforts to enhance production efficiency and operations management. In addition to the above-mentioned, with effect from May 2005, Mawan Power increased the up-loading electricity tariffs following the government approval of fuel-cost adjustment mechanism, which successfully relieved the adverse effects and pressure arising from the drastic surge in the prices of coal, charcoal and fuel. During the period, attributable profit after taxation from Mawan Power amounted to HK\$30,442,000. With a strong cash position and no banking borrowings, Mawan Power maintained a very sound financial position and continued to make high dividend payout. During the period, Mawan Power has resolved to pay a cash dividend of HK\$98,994,000 to the Group.

經營業績 *(續)*

鑒於本集團經營業績持續增長，財務狀況穩健，董事會議決派發截至二零零五年六月三十日止六個月之中期股息每股0.6港仙（二零零四年：每股0.4港仙）。

基建投資

能源供應

回顧期內，媽灣電力繼續檢修機組設備以提升營運效率，並將維修期限縮短，有效增加售電期。期內，媽灣電力共提供26.4億千瓦時電力，較去年同期之23.8億千瓦時電力上升11%。儘管國內煤炭及燃油價格持續上漲，導致經營成本受壓；然而媽灣電力實施嚴謹的成本控制措施，並致力提升生產效率，改善經營管理，加上二零零五年五月開始，根據國家批准的煤電聯動調解機制，媽灣電力之電價調增，每度上網電價增加，成功減輕煤炭燃油價格上漲所帶來的衝擊及影響。期內，本集團於媽灣電力的應佔稅後盈利為港幣30,442,000元。媽灣電力資金充裕，財務穩健，沒有任何銀行負債，並持續維持高派息政策。期內並議決向本集團派發現金股息約港幣98,994,000元。

INFRASTRUCTURE INVESTMENT (continued)**Energy supply** (continued)

As the second half of the year is the peak season for electricity sales, Mawan Power will make every endeavor to put operating costs under control and to increase the total electricity generated. It is expected that Mawan Power will continue to operate in full capacity to provide reliable, safe and efficient electricity supply, and will continue to serve as a major profit source for the Group.

Toll bridge

During the period under review, Qingzhou Bridge continued to have a healthy operation. Benefited from the continual growth in the traffic flow of the "Tungsan Expressway", the traffic flow of Qingzhou Bridge continued to rise every month. Average daily traffic flow during the first half of 2005 increased to 21,389 standard vehicles, representing an increase of 25% as compared with 17,083 standard vehicles for the same period last year. Operating profits before taxation for the period amounted to HK\$12,725,000, representing an increase of 70% over the same period last year. Taking into account the deferred tax credit and the share of profits of the minority shareholders, the Group's attributable profit after taxation for the first half of the year amounted to HK\$15,818,000, representing an increase of 73% as compared with HK\$9,164,000 for the same period last year. Looking forward, following the implementation of stricter control by the PRC Government to deal with overloading vehicles, as well as the charging of toll fee according to vehicle weight and the promotion of the production of environmentally friendly and energy-saving vehicles, it is expected that traffic flow will continue to grow, which will benefit the development of road and bridge infrastructure in the long run. The Group will increase promotional activities for Qingzhou Bridge to further increase its traffic flow, thereby enhancing its profit contribution for the Group.

基建投資 (續)**能源供應** (續)

鑒於每年度之下半年均為售電旺季，媽灣電力將繼續致力控制成本，提升發電量。本集團預計媽灣電力將可保持滿負荷發電，提供可靠、安全及有效率的電力供應，繼續為本集團之主要盈利來源。

收費橋樑

回顧期內，青洲大橋繼續穩健經營。隨著「同三綫」客貨運不斷增長，青洲大橋車流量亦持續按月上升。二零零五年上半年，青洲大橋之平均標準車流量已增加至21,389輛，較去年同期之17,083輛增加25%。期內之除稅前經營利潤為港幣12,725,000元，較去年同期增長70%。計及遞延稅項撥回與及少數股東應佔利潤的因素，上半年本集團錄得應佔稅後利潤港幣15,818,000元，較去年同期之港幣9,164,000元上升73%。展望未來，就全國治理公路車輛「超載超限」統一行動全面展開，實施公路車輛「計重收費」及鼓勵生產環保及馬力較小之汽車，預期車流量將持續增加，刺激路橋的長遠發展。本集團將繼續加強青洲大橋的宣傳活動，增加橋樑行車量，以提升其對本集團之盈利貢獻。

PROPERTY INVESTMENT

The PRC

Sino Villa Holdings Limited (“Sino Villa”) holds a four-storey commercial podium in Shenzhen Zhongshan Garden, which continues to generate steady rental income and cash flow to the Group. During the period under review, a total of 14,204 square metres of the property were leased to Walmart, Park’n Shop, McDonald and Agricultural Bank etc., generating a profit after taxation of HK\$3,661,000. On 31 July 2005, Sino Villa entered into a supplementary lease agreement with Walmart. Pursuant to which the monthly rental per square metre increased by RMB6 with effect from 1 August 2005. Besides, Shenzhen Zhongshan Property Management Limited, in which the Group holds 95% interest, recorded an attributable profit after taxation of HK\$152,000. And Shanghai Trade Square and International Apartments, in which the Group holds approximately 14% interest, has contributed a dividend income of HK\$1,135,000.

Hong Kong

Stimulated by the continuing recovery of Hong Kong’s economy and the development progress made by the finance, property and retail sectors during the period under review, the demand for office premises increased. Due to the inadequate supply of new commercial premises, the prices for Grade A office buildings rebounded drastically. Fuelled by the increase in rental and valuation, the Group recorded net rental income of HK\$1,616,000 and a surplus on revaluation of investment properties of HK\$21,000,000 during the period. During the period, the Group recorded a gain of HK\$925,000 on disposal of an investment property which has been held for many years.

物業投資

中國

Sino Villa Holdings Limited (「Sino Villa」) 持有位於深圳中山花園之四層裙樓，繼續為本集團帶來穩定的租金收入及現金流量。回顧期內，物業約14,204平方米之面積分別租予沃爾瑪、百佳、麥當勞及中國農業銀行等，為本集團帶來稅後盈利港幣3,661,000元。二零零五年七月三十一日，Sino Villa與沃爾瑪簽署房屋租賃補充協議。自二零零五年八月一日開始，每月每平方米租金上升人民幣6元。此外，本集團持有95%權益之深圳中山物業管理有限公司於回顧期內錄得應佔稅後盈利港幣152,000元。至於本集團持有約14%權益之上海商貿大廈與國際公寓則為本集團提供股息收入港幣1,135,000元。

香港

回顧期內，香港整體經濟持續復甦，金融、地產、零售各行業的發展勢頭良好，帶動對寫字樓需求的增加。由於寫字樓新供應短缺，期內甲級商廈之價格大幅反彈。因應物業租金及估值的增長，本集團於期內分別錄得淨租金收入港幣1,616,000元及投資物業重估盈餘港幣21,000,000元。此外，本集團於期內出售一項持有多年之投資物業，並錄得出售利潤港幣925,000元。

ENVIRONMENTAL PROTECTION BUSINESS

During the period under review, the environmental protection business has shown good development progress. With the full determination to construct high quality projects, the Group, on the one hand, closely monitored and strictly controlled the progress of projects during the construction stage, and on the other hand, restructured the management structure of the environmental protection business, so as to further consolidate the foundation of its environmental protection division. During the first half of 2005, Everbright Environmental Protection Industry (Shenzhen) Company Limited, a wholly-owned subsidiary of the Company, was renamed as Everbright Environmental Protection Engineering (Shenzhen) Company Limited (“Everbright Environmental Engineering”). Everbright Environmental Engineering has become the official contractor for the Group’s environmental protection projects. At present, the Group has established its own professional, efficient and dedicated technical management team, fully capable of handling environmental protection projects independently. During the first half of the year, Everbright Environmental Engineering recorded a net profit of HK\$3,579,000. Given that Everbright Environmental Engineering is the main contractor for the Group’s projects, the environmental protection project management and consultancy fee income is only an inter-company revenue. Therefore, this revenue is treated as a reduction of construction costs of the project instead of crediting to the consolidated income statement as a revenue. Besides, through active participation in tendering for the environmental protection projects in the PRC, China Everbright Environmental Energy Limited (“Everbright Environmental Energy”) and China Everbright Water Investments Limited (“Everbright Water Investments”) have built up good reputation and business network in the industry. The Group believes that the separate establishment of Everbright Environmental Engineering, Everbright Environmental Energy and Everbright Water Investments will help create the Group’s sustainable core competitive edge in the environmental protection business.

環保業務

回顧期內，環保業務發展成績理想。本集團繼續以建設精品示範項目作為發展目標，一方面加強項目建設期的管理和控制，另一方面調整了環保業務的管理架構，使環保業務基礎更加穩固。二零零五年上半年，本公司之全資附屬公司光大環保實業（深圳）有限公司更名為光大環保工程技術（深圳）有限公司（「光大環保工程」），正式確立其作為本集團投資環保項目的工程總包角色。光大環保工程目前已成功建立了一支專業、高效、敬業的工程技術管理團隊，完全具備獨立運作環保項目的能力。本年度上半年，光大環保工程錄得淨利潤港幣3,579,000元。惟目前光大環保工程為本集團投資建設環保項目之總承包，故有關環保項目管理及顧問收入為本集團內部收入，只可以沖減項目建設成本，而不能在綜合損益表內體現為收入。此外，中國光大環保能源有限公司（「光大環保能源」）及中國光大水務投資有限公司（「光大水務投資」）亦已開始積極參與國內環保項目的招標，逐漸在市場及同業中建立良好的聲譽與網絡。本集團相信光大環保工程、光大環保能源與光大水務投資的分立，有利於培養本集團環保業務的可持續核心競爭力。

ENVIRONMENTAL PROTECTION BUSINESS

(continued)

During the period under review, the construction works of Suzhou Project, which is the first wholly-owned environmental protection project to be constructed by the Group, have been progressing satisfactorily. Foundation works of the main plant were completed on 20 March 2005. Defects inspection for the boiler was formally completed on 30 June 2005 and the on-site installation work of the same has been progressing. As regards operational staff, the recruitment exercise has already been completed and the recruits are now under training. It is expected that test running will be carried out upon completion of the project's construction works and installation works by the end of 2005, and commercial operation is expected to commence in the first half of 2006.

On 26 April 2005, the Group and the Construction Bureau of Yixing City entered into an undertaking in respect of the exclusive right to provide waste incineration service in Yixing City of Jiangsu Province. Pursuant to which a waste-to-energy plant will be constructed in Yixing City in 18 months on "BOT" basis. The total investment cost of the project will be approximately HK\$224,669,000 and the Group will have an exclusive right of operation for 25 years. The power plant will be constructed by Everbright Environmental Engineering in the capacity of main contractor pursuant to a turnkey contract. With the goal of establishing Yixing project as a waste-to-energy pioneer project with daily handling capacity of 500 tonnes by domestic techniques developed from imported technology, the Group strives to build up the brand name of "Everbright Environmental Protection" and to consolidate its leading position in the waste-to-energy field in Jiangsu Province as well as in the PRC. A working team responsible for the preparation of the project has been stationed in Yixing City since May 2005, and the preparation works have been progressing satisfactorily. The necessary preliminary steps of the project such as environmental review, feasibility review, project proposal, preliminary design and main equipment purchase have already been completed, and the construction works will begin on 28 September 2005.

環保業務 (續)

回顧期內，本集團第一個全資投資及建設的環保項目 - 蘇州項目的建設工程進展理想，主廠房工程已於二零零五年三月二十日基礎出零米。二零零五年六月三十日，汽機基礎亦正式通過驗收安裝。目前現場安裝工作正如火如荼進行中，而運營人員的招聘工作亦已完成並在進行培訓。預計此項目可於二零零五年年底完成土建、安裝工程，並進入點火調試，計劃於二零零六年上半年進入正式運行。

二零零五年四月二十六日，本集團與江蘇宜興市建設局簽訂了有關江蘇宜興市垃圾處理服務特許權承諾書，計劃以「BOT」模式於宜興市建設垃圾焚燒發電廠。項目總投資額約港幣224,669,000元。建設期18個月，特許經營權25年。此項目將由光大環保工程以交鑰匙方式作為項目總承包建設。本集團的目標是將宜興項目建設為一項日處理「500噸」規模的垃圾發電引進技術國產化的示範工程項目，進一步打造「光大環保」的品牌，鞏固其於江蘇省以及全國垃圾發電項目的領先地位。自二零零五年五月派駐工作隊伍到現場開始籌備工作，目前工作進度理想，已完成項目的環評、可研、立項、初步設計和主體設備採購等開工的各項準備，並定於二零零五年九月二十八日開始動工建設。

ENVIRONMENTAL PROTECTION BUSINESS*(continued)*

On 28 March 2005, the Group entered into a framework letter of intent with Suzhou Municipal Government for the development of a methane-to-energy project. Preparation works of the project have been progressing satisfactorily. According to the result of the methane exploratory test, the methane reserve of the site is better than expected. The parties intended to install two generators with generation capacity of 1,250 kilowatt each. The Group plans to commence construction works by the end of October 2005 and commercial operation in June 2006.

During the period, Qingdao Project, another highlight of the Group's environmental protection business, has shown encouraging progress. Commenced commercial operation on 1 January 2005, Qingdao Project processed 27,620,000 cubic meters of sewage water and contributed an attributable profit of HK\$7,595,000 to the Group during the first half of the year. As at 30 June 2005, the Group has completed its share of capital injection to the registered capital of Qingdao Project. Regarding the construction of the Maidao Extension Facilities, the project company entered into the engineering, procurement and construction contract, the equipment supply contract and the service contract with the consortium led by Veolia Water Systems on 3 March 2005. The total consideration for the aforesaid contracts amounted to approximately RMB206,268,000. The transaction contemplated under the aforementioned contracts constituted connected transactions for the Company under the Listing Rules. An announcement in respect of these transactions was made on 10 March 2005. After repeated negotiations and extensive preparations, the construction of the Maidao Extension Facilities commenced in June 2005. Civil works and equipment installation of the project are expected to complete by the end of 2006. It is expected that its daily treatment capacity will increase from 150,000 tonnes to 220,000 tonnes upon completion of the extension facilities.

環保業務 (續)

二零零五年三月二十八日，本集團與江蘇省蘇州市政府就垃圾填埋沼氣發電項目的開發建設簽署框架合作意向書。該項目之前期工作進展順利，採氣工作已經完成，沼氣量較預期佳。該項目計劃配置兩台1,250千瓦發電機組，計劃於本年底動工，二零零六年六月正式運行。

本集團的另一重點環保項目 - 青島項目於期內進度理想。二零零五年一月一日，青島項目正式開始營運，上半年處理污水2,762萬立方米，為本集團帶來應佔利潤港幣7,595,000元。於二零零五年六月三十日，本集團於青島項目之註冊資本已全部到位。就青島項目之麥島擴建設施工程，已於二零零五年三月三日與以威立雅水務為首之聯合體分別簽署工程、採購及建築合同、設備供應合同與服務合同。該等合同之總代價約為人民幣206,268,000元。按照上市規則，該等合同所載之交易構成本公司之關連交易。有關交易已於二零零五年三月十日對外公佈。經過多輪磋商與籌備，麥島擴建設施工程已於二零零五年六月開工，預計可於二零零六年年底完成土建工程及設備安裝並實現通水。擴建工程完成後，此項目之污水處理規模將會由現時之日處理15萬噸增至22萬噸。

ENVIRONMENTAL PROTECTION BUSINESS

(continued)

The Group is committed to build up its environmental protection business and to expand its regional investment coverage. In view of the satisfactory progress of Suzhou Project, the Group strengthened its cooperation with Suzhou Municipal Government. On 28 July 2005, the Group and Suzhou Municipal Government entered into a framework letter of intent in respect of the construction of Suzhou Environmental Protection Industrial Zone, which will be the first composite waste management zone for solid waste in the PRC. The parties aim at establishing the area as a beautiful industrial zone, making it a base for environmental education and promotion. With a total area of approximately 2.5 square kilometres, the zone will comprise a number of environmental protection projects, including, inter alia, the waste-to-energy plant under construction (Suzhou Project), the aforesaid methane-to-energy project, a leachate treatment plant, a disposal centre for hazardous waste, a sludge treatment centre, a centre for the research, development and manufacturing of environmental equipment, a pretreatment plant for solid waste and a household waste reclamation station. The whole project will be implemented in phases over 3 to 5 years at an estimated investment of HK\$1,500,000,000. The project companies will be granted an exclusive right of operation to run the businesses on "BOT" basis by Suzhou Municipal Government. A working team has been stationed in Suzhou to carry out preliminary investigations and studies in preparation for the projects. The Group intends to carry out the projects one by one and will finalize the terms of cooperation with Suzhou Municipal Government once a project is ripe for execution.

環保業務 (續)

本集團一直致力發展環保業務，擴闊投資地域。鑒於蘇州項目的建設進度理想，本集團與蘇州市政府之合作默契亦進一步加強。二零零五年七月二十八日，本集團與蘇州市政府就興建蘇州市環保產業園區簽署框架性合作意向書。該園區將為全國首個集中處理城市固體廢棄物的環保綜合產業園，目標是建成蘇州市環保宣傳教育基地，建成環境優美的工業景觀園區。產業園總面積約佔地2.5平方公里，園內包含了多個環保項目，其中包括已在興建中的生活垃圾焚燒發電廠（蘇州項目）、前述的沼氣發電項目；尚有垃圾滲濾液處理、危險廢物安全處置中心、污泥處置中心、環保設備研發製造中心、固體廢棄物預處理中心、生活垃圾填埋場等項目。整個項目將分三至五年實施，預期總投資約港幣15億元。蘇州市政府將賦予項目公司特許經營權，以「BOT」方式運營。本集團目前已派遣專職人員長駐蘇州進行前期調研，待項目成熟一個推進一個，並與蘇州市政府落實合作條款。

ENVIRONMENTAL PROTECTION BUSINESS*(continued)*

On 7 June 2005, the Group entered into a framework agreement of cooperation with Zibo Municipal Government. Pursuant to which both parties will cooperate thoroughly in the areas of waste water treatment, waste-to-energy, reusable water generation and flue gas desulphurization. Given the fact that Zibo City is the third largest industrial city in Shandong Province, there is very good potential for the development of environmental protection business in Zibo City. The Group has already set up a working team with Zibo Municipal Government to try to formulate a concrete proposal for the cooperation. On 16 August 2005, the Group entered into a framework agreement of cooperation with Jinan Municipal Government, with a view to enhancing their investment and cooperation in such areas as urban environmental protection and municipal infrastructural development. Regarding the proposed environmental protection projects under negotiation, the Group will strictly comply with its relevant disclosure obligations under the Listing Rules.

Committed to build up the environmental protection business as its long-term business focus, the Group strives to enhance its market recognition and corporate image. Following its success in co-organizing the 2004 Beijing International Environment Forum, the Group, as the sole co-organizer, will jointly organize the 2005 PRC Environmental Cultural Festival (“Cultural Festival”) under the lead of the National Environmental Protection Agency. Events of the Cultural Festival include “Everbright Environmental Protection Trophy: The First Environmental Arts, Photo and Calligraphy Exhibition in the PRC” and a soiree for award presentation – “Everbright Environmental Protection Soiree”. Scheduled for November 2005 in Beijing, the soiree will be broadcasted over a network of more than seventy television stations in the PRC. Through the event, the Group shall project a favorable image of “Everbright Environmental Protection” and promote the corporate vision, which will be advantageous to the future development of the Group’s environmental protection business.

環保業務 (續)

二零零五年六月七日，本集團與淄博市政府簽署了合作框架協議，雙方將在淄博市的污水處理，生活垃圾焚燒發電、中水回用、煙氣脫硫等方面進行全面合作。淄博市目前是山東省第三大工業城市，對環保產業有很大的發展潛力。就有關具體合作方案，本集團目前已與淄博市政府成立合作小組作進一步研究。二零零五年八月十六日，本集團與濟南市政府簽署了合作框架協議，雙方計劃在濟南市加強城市環境保護和市政基礎設施建設等領域投資合作。就上述正在磋商可能進行的新環保項目，本集團將會於落實後嚴格遵守上市規則作出適當的披露。

本集團堅持以發展環保業務為長期目標，積極加強對外宣傳，擴大影響，以提升公司市場形象。繼去年成功協辦二零零四年北京國際環境研討會，本年度本集團成功爭取獨家協辦由國家環保總局牽頭的二零零五中國環境文化節（「文化節」）。文化節的內容包括「光大環保杯首屆全國環保藝術、書法、攝影展」與「光大環保之夜」頒獎晚會。頒獎晚會將於二零零五年十一月在北京舉行，全國超過七十家電視台將會安排聯播，此活動將可展示「光大環保」實業形象，宣傳企業經營理念，有利於環保業務的長遠發展。

HK CONSTRUCTION

Upon completion of the debt restructuring of Hong Kong Construction (Holdings) Limited (“HK Construction”), the Group’s interest in HK Construction has further reduced. In June 2005, HK Construction made application for capital reduction and share premium cancellation. The said proposal will, if approved, further improve the financial position of HK Construction, which will be beneficial to the business development of HK Construction in the long run.

BUSINESS OUTLOOK

The PRC economy is in an upward trend of the economic cycle. The steady pace of PRC’s industrialization and urbanization, coupled with the fast growing pace of consumer spending, have led to a change in the spending pattern of the residents in the PRC. At present, “shelter and transportation” rank higher on the spending priority list than “food and clothing”. Not only will this change be the long-term trend, it will also be the intrinsic power for economic growth. Apart from the above, with the increasing support of the PRC Government to promote and implement technological development, the promotion of harmony between economic development and ecosystems, and the increasing awareness of the importance of environmental protection, it is expected that the prospects of the Group’s core businesses, namely infrastructure investment, property investment and environmental protection businesses, will be promising.

香港建設

隨著香港建設（控股）有限公司（「香港建設」）債務重組完成後，本集團目前持有香港建設的權益已逐步降低。二零零五年六月，香港建設申請進行股本削減及股份溢價注銷。有關事項如獲通過可進一步改善香港建設的財務狀況，並有利其長遠業務發展。

業務展望

中國經濟現時仍然處在增長周期的上升階段。從總需求看，當前中國經濟正處在工業化、城市化穩步發展、消費結構加快升級的時期。居民消費正從以吃穿用為主向以往行為主的方向轉變，而這是一種長期趨勢，也是支撐經濟增長的內在動力，再加上政府全面落实科學發展觀，推進經濟發展與環境的協調，對環保意識不斷加強，本集團之三大業務，包括基建、物業投資以及環保將從中受惠。

BUSINESS OUTLOOK *(continued)*

The Group has full confidence in the future development of its core businesses and has set clear targets for the same. By capitalizing on the upcoming business opportunities in the PRC, the Group will strive to further consolidate the foundation of its infrastructure investment, property investment and environmental protection businesses, with a view to creating significant and stable income sources for the Group. And given the facts that market potential of environmental protection business in the PRC is great, the development of environmental protection business in the PRC is rapid, and Beijing Olympic Games and Shanghai Expo will be held in 2008 and 2010 respectively, investments in environmental planning and the demand for advanced environmental technology are expected to increase substantially. The Group will continue to build up the brand name of “Everbright Environmental Protection” by the principles of honesty, advanced technology, high quality and fair price, and will endeavor to create its sustainable core competitive edge. Regarding the development strategy of the environmental protection business, the Group will first focus on the Yangtze River Delta, the Pearl River Delta Regions and Bohai Bay Area, and will keep on improving its business management. The Group will continue to develop itself into an investment operation company with outstanding core business and high economic efficiency according to the Group’s aggressive business plans, so as to realize its target of becoming a leading infrastructure investment and environmental protection conglomerate.

業務展望 *(續)*

本集團對三項主要業務的未來發展充滿信心，亦已定下了清晰的目標。本集團將抓緊中國蓬勃的發展商機，致力鞏固基建、物業投資業務的基礎，為集團提供可觀而穩定的收入。至於環保業務的發展，有見中國環保市場潛力雄厚，內地環保產業發展迅速，產業規模不斷擴大，二零零八年北京奧運會和二零零九年上海世博會，都將大幅增加對環境規劃的投資和現代化環保科技的需求；本集團將堅持以誠信、技術、質量及價格進一步打造「光大環保」的品牌，建立可持續的核心競爭力，並會先專注於長江三角洲、珠江三角洲及環渤海灣等地發展環保業務，不斷加強管理，以配合整體發展。本集團將繼續以積極進取的計劃，發展為一家具市場影響力，主業突出，效益良好的投資經營公司，以實踐本集團成為一家具領先地位的基建投資和綠色環保產業集團的目標。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL RESULTS

During the first half of 2005, the Group's consolidated turnover amounted to HK\$61,546,000, representing an increase of 93% as compared with HK\$31,904,000 for the same period last year. The increase is mainly attributable to the commencement of profit contribution from Qingdao Project and the continual increase in the toll bridge revenue from Qingzhou Bridge. Profit attributable to the equity holders of the Company for the first half of the year amounted to HK\$62,005,000, representing an increase of 38% as compared with HK\$44,837,000 for the same period last year. During the period, basic earnings per share amounted to HK2.43 cents, representing an increase of HK0.67 cent as compared with HK1.76 cents for the same period last year.

FINANCIAL POSITION

As at 30 June 2005, the Group had total assets of HK\$2,284,329,000. Net assets amounted to HK\$1,207,125,000 and the net assets per share attributable to the equity holders of the Company were HK\$0.44. As at 30 June 2005, the gearing ratio (calculated by dividing total liabilities by total assets) was 47%.

The Group generally finances its operations with internally generated cash flow and loan facilities from banks and from its ultimate holding company. As at 30 June 2005, the Group had an aggregate cash balance of approximately HK\$629,810,000, representing an increase of HK\$44,686,000 as compared with HK\$585,124,000 as at the end of last year. At present, the Group has ample cash on hand. The Group will be able to fulfil its contracted capital commitments of approximately HK\$349,259,000 while maintaining its flexibility in capital deployment to prepare for the aforesaid environmental protection projects under negotiation. As at 30 June 2005, the Group had outstanding borrowings of approximately HK\$1,020,348,000, representing an increase of HK\$107,854,000 as compared with HK\$912,494,000 as at the end of last year. The borrowings comprised secured bank loans of HK\$486,104,000 and loans from ultimate holding company of HK\$534,244,000. With respect to foreign exchange exposure, the risk is minimal as all of the Group's foreign currency assets and borrowings are denominated in Renminbi and US dollars, and the exchange rate of which are relatively stable against Hong Kong dollars. The impact of exchange rate fluctuations of these currencies is insignificant to the Group.

財務業績

二零零五年上半年，本集團錄得綜合營業額港幣61,546,000元，較去年同期之港幣31,904,000元上升93%。營業額增加，主要由於青島項目開始貢獻利潤，加上青洲大橋車費收益持續上升。本年上半年本公司股東應佔盈利為港幣62,005,000元，較去年同期之港幣44,837,000元上升38%。期內，每股基本盈利為2.43港仙，較去年同期之1.76港仙上升0.67港仙。

財務狀況

於二零零五年六月三十日，本集團之總資產約為港幣2,284,329,000元。淨資產則為港幣1,207,125,000元，而本公司股東應佔每股資產淨值為港幣0.44元。於二零零五年六月三十日，資產負債比率（以總負債除以總資產計算所得）為47%。

本集團基本以其內部現金流量及往來銀行與最終控股公司提供之貸款為其業務提供資金。於二零零五年六月三十日，本集團持有現金結餘總額約為港幣629,810,000元，較去年底之港幣585,124,000元增加港幣44,686,000元。本集團目前之手持現金相對充裕，一方面由於需儲備資金應付已訂約之資本承擔約港幣349,259,000元，另一方面亦可保持靈活性為前述正在磋商的新環保項目作出充份準備。於二零零五年六月三十日，本集團尚未償還借款總額約港幣1,020,348,000元，較去年底之港幣912,494,000元增加港幣107,854,000元。借款包括有抵押銀行貸款港幣486,104,000元及最終控股公司貸款港幣534,244,000元。就外匯風險而言，由於本集團所有的外幣資產及借款均以人民幣及美元結算，兩者與港幣之兌換率相對穩定，故面對之風險較微。對本集團而言，此等貨幣之匯率波動影響相對較輕。

PLEDGE OF ASSETS

As at 30 June 2005, the Group pledged cash, and fixed assets, with an aggregate net book value of approximately HK\$400,937,000 to secure general banking facilities granted to the Group. In addition, the shares of a subsidiary of the Group, the Group's toll bridge revenue and the Group's revenue and franchise right of a waste-to-energy plant (which the construction has yet to be completed) have been pledged.

CAPITAL COMMITMENTS

As at 30 June 2005, the Group had capital commitments contracted for amounted to HK\$349,259,000.

CONTINGENT LIABILITIES

As at 30 June 2005, the Group had no contingent liabilities.

RISK MANAGEMENT

"People-oriented, honesty, practicality, creativity and management standardization" are the unchanged management principles of the Group. The Group strives to establish a solid risk management culture. The Group has already set up a series of measures on risk management, with an aim to strengthen the examination and supervision over internal control measures and investments. Besides, the Group has formed its risk management divisions both in Hong Kong and Shenzhen responsible for regular risk control and inspection, as well as risk assessment and review for investments. In addition to the aforesaid, the Group has carried out regular internal audit on investment projects to enhance its management standard.

資產抵押

於二零零五年六月三十日，本集團將賬面淨值總額約港幣400,937,000元之現金及固定資產抵押，作為本集團獲授一般銀行融資之抵押品。此外，本集團一家附屬公司之股份、本集團收費橋樑收益，以及垃圾發電廠（建設工程仍未完成）收益及專營權亦已予以抵押。

資本承擔

於二零零五年六月三十日，本集團已訂約的資本承擔為港幣349,259,000元。

或有負債

於二零零五年六月三十日，本集團並沒有任何或有負債。

風險管理

本集團一直奉行「以人為本、求真務實、開拓創新、規範管理」的管理理念，並致力建立健全的風險管理文化。本集團目前已建立了一系列風險管理制度，加強對內控措施和投資項目的監督和檢查。本集團並於香港及深圳分別設置風險管理部，專職負責日常風險防範和檢查，以及項目投資的風險評估和審核等工作。本集團亦定期對投資項目進行內部審核，不斷提升管理水平。

HUMAN RESOURCES

The Group devotes much attention to human resources management, striving to establish a high quality team to support its business development in the long run. As at 30 June 2005, the Group had a total of approximately 150 employees in Hong Kong and the PRC. Employees are remunerated according to their qualification, experience, job nature, performance, as well as market conditions. Apart from discretionary performance bonus, the Group also provides other benefits such as medical insurance and provident fund scheme to employees in Hong Kong. According to the share option scheme approved at the Company's extraordinary general meeting held on 26 May 2003, the board of directors of the Company ("the Board") were authorized to grant share options to any employees, including directors, as incentives. No option has been granted to any employee during the period under review.

人力資源

本集團高度重視人力資源管理，致力建設高質素的團隊，以配合業務的長遠發展。於二零零五年六月三十日，本集團在香港及中國合共僱用約150名員工。僱員之薪酬乃根據資歷、經驗、工作性質、表現以及市場情況計算釐定。除了酌情花紅外，本集團亦提供其他福利予香港僱員，包括醫療保險及公積金計劃。此外，根據本公司於二零零三年五月二十六日舉行的股東特別大會上批准的購股權計劃，本公司董事會（「董事會」）獲授權可授出購股權予任何僱員（包括董事）作為獎勵。於回顧期內，未有任何僱員獲授購股權。

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

As at 30 June 2005, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company, its holding company, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' and chief executives' interests and short positions required to be kept under section 352 of the SFO are as follows:

董事及主要行政人員持有之股份、相關股份及債券權益及淡倉

於二零零五年六月三十日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條規定須予存置之董事及主要行政人員權益及淡倉登記冊所載記錄顯示，本公司各董事及主要行政人員於本公司、其控股公司、附屬公司及其他聯繫公司（定義見證券及期貨條例）之股份、相關股份及債券中所擁有之權益及淡倉如下：

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

(i) 於本公司相關股份股本衍生工具之好倉

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

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

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

董事及主要行政人員持有之股份、相關股份及債券權益及淡倉
(續)

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

Name of director 董事姓名	Nature of interest 權益性質	Number of equity derivatives held (share options) 持有股本 衍生工具數目 (購股權)		Number of underlying shares (ordinary shares) 相關股份數目 (普通股)	Percentage 百分比	
Wang Mingquan	王明權	Personal	個人	10,920,000	10,920,000	0.70%
Chen Shuang	陳爽	Personal	個人	2,030,000	2,030,000	0.13%

All the above underlying shares of equity derivatives (being unlisted and physically settled) were beneficially owned by the directors concerned. The percentage shown was calculated based on the respective number of issued shares of the Company and CEL as at 30 June 2005.

上述所有相關股份股本衍生工具(非上市及實物結算)均由有關董事實益擁有。上表顯示之百分比以本公司及光大控股於二零零五年六月三十日各自已發行股份數目計算。

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

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

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

除上文所述者外，按本公司根據證券及期貨條例第352條規定須予存置之登記冊所載記錄顯示，本公司各董事及主要行政人員或任何彼等之配偶或十八歲以下之子女概無在本公司、其任何控股公司、附屬公司或其他聯繫公司之股份、相關股份或債券中擁有任何權益或淡倉，或根據上市公司董事進行證券交易的標準守則已知會本公司之權益或淡倉。

SHARE OPTION SCHEME

(i) The Company

As at 30 June 2005, the directors and employees of the Company had the following interests in options to subscribe for shares of the Company granted at nominal consideration under the share option scheme of the Company adopted on 26 May 2003 ("Share Option Scheme"). The options are unlisted. Each option gives the holder the right to subscribe for one ordinary share of HK\$0.1 each of the Company.

購股權計劃

(i) 本公司

於二零零五年六月三十日，本公司董事及僱員在可認購本公司股份之購股權中擁有下列權益。有關購股權乃根據本公司於二零零三年五月二十六日採納之購股權計劃（「購股權計劃」），按象徵式代價授出。有關購股權並無上市。每股購股權賦予持有人認購一股本公司每股面值港幣0.1元普通股之權利。

		No. of options outstanding as at 1 January 2005 於二零零五年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2005 於二零零五年 六月三十日 尚未行使之 購股權數目	Date of grant 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Directors							
董事							
Wang Mingquan	王明權	12,700,000	12,700,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零零三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		12,700,000	12,700,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零零三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Li Xueming	李學明	9,000,000	9,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零零三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		9,000,000	9,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零零三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

Disclosure of Interests

披露權益資料

SHARE OPTION SCHEME (continued)

(i) The Company (continued)

購股權計劃 (續)

(i) 本公司 (續)

		No. of options outstanding as at 1 January 2005 於二零零五年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2005 於二零零五年 六月三十日 尚未行使之 購股權數目	Date of grant 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Directors							
董事							
Chen Xiaoping	陳小平	9,000,000	9,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		9,000,000	9,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Fan Yan Hok, Philip	范仁鶴	5,000,000	5,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		5,000,000	5,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

SHARE OPTION SCHEME (continued)

(i) The Company (continued)

購股權計劃 (續)

(i) 本公司 (續)

		No. of options outstanding as at 1 January 2005 於二零零五年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2005 於二零零五年 六月三十日 尚未行使之 購股權數目	Date of grant 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Directors							
董事							
Huang Chaochua	黃朝華	4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Wong Kam Chung, Raymond	黃錦聰	4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

Disclosure of Interests

披露權益資料

SHARE OPTION SCHEME (continued)

(i) The Company (continued)

購股權計劃 (續)

(i) 本公司 (續)

		No. of options outstanding as at 1 January 2005 於二零零五年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2005 於二零零五年 六月三十日 尚未行使之 購股權數目	Date of grant 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Directors							
董事							
Chen Shuang	陳爽	2,000,000	2,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		2,000,000	2,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Zhang Weiyun	張衛云	2,000,000	2,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		2,000,000	2,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

SHARE OPTION SCHEME (continued)

(i) The Company (continued)

購股權計劃 (續)

(i) 本公司 (續)

		No. of options outstanding as at 1 January 2005 於二零零五年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2005 於二零零五年 六月三十日 尚未行使之 購股權數目	Date of grant 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Directors							
董事							
Sir David Akers-Jones	鍾逸傑 爵士	500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Li Kwok Sing, Aubrey	李國星	500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

Disclosure of Interests

披露權益資料

SHARE OPTION SCHEME (continued)

(i) The Company (continued)

購股權計劃 (續)

(i) 本公司 (續)

		No. of options outstanding as at 1 January 2005 於二零零五年 一月一日 尚未行使之 購股權數目	No. of options outstanding as at 30 June 2005 於二零零五年 六月三十日 尚未行使之 購股權數目	Date of grant 授出日期	Period during which options exercisable 購股權 之行使期	No. of shares acquired on exercise of options during the period 期內行使購股權 購入之股份數目	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*	Market value per share on exercise of options* 購股權行使時 之每股市值*
Employees	僱員	4,500,000	3,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	1,500,000	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$0.45 港幣0.45元
		4,500,000	3,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	1,500,000	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元	HK\$0.45 港幣0.45元

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

授予董事之購股權乃以董事之姓名登記，而彼等亦為實益擁有人。本公司普通股在緊接購股權授出日期前之收市價為港幣0.29元。

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

* 即緊接購股權授出／行使日期本公司普通股之加權平均收市價。

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

期內，並無任何購股權根據購股權計劃獲授出、失效或註銷。

SHARE OPTION SCHEME (continued)**(ii) CEL**

As at 30 June 2005, the directors of the Company had the following interests in options to subscribe for shares of CEL which were granted under the share option scheme of CEL.

購股權計劃 (續)**(ii) 光大控股**

於二零零五年六月三十日，本公司董事擁有下列根據光大控股購股權計劃授出可認購光大控股股份之購股權權益。

		No. of options outstanding as at 1 January 2005 於二零零五年 一月一日 尚未行使之 購股權數目	No. of options granted during the period 期內授出之 購股權數目	No. of options outstanding as at 30 June 2005 於二零零五年 六月三十日 尚未行使之 每股行使價	Date of grant 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價
Wang Mingquan	王明權	6,000,000	-	6,000,000	26 June 2002 二零零二年 六月二十六日	27 June 2003 to 26 December 2005 二零零三年 六月二十七日至 二零零五年 十二月二十六日	HK\$4.36 港幣4.36元
		3,000,000	-	3,000,000	7 July 2003 二零零三年 七月七日	8 July 2004 to 7 January 2007 二零零四年 七月八日至 二零零七年 一月七日	HK\$2.375 港幣2.375元
		-	1,920,000	1,920,000	3 May 2005 二零零五年 五月三日	4 May 2006 to 3 May 2010 二零零六年 五月四日至 二零一零年 五月三日	HK\$2.85 港幣2.85元
Chen Shuang	陳爽	750,000	-	750,000	3 September 2004 二零零四年 九月三日	4 September 2005 to 3 March 2008 二零零五年 九月四日至 二零零八年 三月三日	HK\$3.225 港幣3.225元
		-	1,280,000	1,280,000	3 May 2005 二零零五年 五月三日	4 May 2006 to 3 May 2010 二零零六年 五月四日至 二零一零年 五月三日	HK\$2.85 港幣2.85元

SHARE OPTION SCHEME (continued)

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

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2005, the interests or short positions of the person or corporation in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

China Everbright Holdings Company Limited ("CEH") (Note)	中國光大集團有限公司 （「光大集團」）（附註）
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Note: Out of the 1,758,595,910 shares, 1,758,215,910 shares are held by Guildford Limited ("Guildford"). Guildford is owned as to 55% by Datten Investments Limited ("Datten") and the remaining 45% by CEH. Datten is wholly-owned by CEH. The remaining 380,000 shares are held by Everbright Investment & Management Limited ("EIM"), a wholly-owned subsidiary of CEH. Accordingly, CEH is deemed to be interested in the 1,758,215,910 shares held by Guildford and the 380,000 shares held by EIM.

Apart from the foregoing, as at 30 June 2005, no other person or corporation has any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

購股權計劃 (續)

除上文所述者外，於期內任何時間，本公司、其任何控股公司、附屬公司或同系附屬公司並無參與任何安排，致使本公司之董事或主要行政人員或任何彼等之配偶或未滿十八歲之子女可藉購買本公司或任何其他法人團體之股份或債券而取得利益。

主要股東

於二零零五年六月三十日，按本公司根據證券及期貨條例第336條須予存置之登記冊所載記錄顯示，於本公司股份及相關股份中擁有權益或淡倉之人士或法團如下：

Long position

**in ordinary
shares held**
所持普通股
之好倉

**Percentage of total
issued shares**
佔全部已發行
股份百分比

1,758,595,910	approximately 69% 約69%
---------------	---------------------------

附註：在1,758,595,910股股份中，其中1,758,215,910股乃由Guildford Limited（「Guildford」）持有。Guildford乃由Datten Investments Limited（「Datten」）擁有55%股權，其餘45%則由光大集團持有。Datten由光大集團全資擁有。其餘380,000股股份則由光大集團之全資附屬公司光大投資管理有限公司（「光大投資管理」）持有。故此，光大集團被視為擁有Guildford所持有之1,758,215,910股股份及光大投資管理所持有之380,000股股份權益。

除上文所述者外，於二零零五年六月三十日，按本公司根據證券及期貨條例第336條須予存置之登記冊所載記錄顯示，概無任何其他人士或公司於本公司股份或相關股份中擁有任何權益或淡倉。

The Group strives to strengthen corporate governance and to increase corporate transparency. To achieve this, the Board has established four committees namely, the Executive Committee, the Audit Committee, the Remuneration Committee and the Management Committee. The Management of the Company believes that good corporate governance will be beneficial to the business development of the Company and to the protection of shareholders' interest.

The Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules has been adopted by the Board in March 2005 as the corporate governance practices of the Company. For the six months ended 30 June 2005, the Company has met the code provisions (those which became effective for accounting period beginning on 1 January 2005) as set out in the Code except that Mr. Wang Mingquan, the Chairman of the Company, was unable to attend the 2005 Annual General Meeting of the Company. However, appropriate arrangements have been made accordingly before the holding of the Annual General Meeting.

本集團一直致力提升企業管治水平，增加對市場的透明度。董事會下設執行董事委員會、審核委員會、薪酬委員會及管理委員會。本公司管理層相信良好的企業管治有利於本公司的業務發展及保障本公司股東的利益。

二零零五年三月，董事會通過採納上市規則附錄十四所載之企業管治常規守則（「該守則」）作為本公司的企業管治常規守則。截至二零零五年六月三十日止六個月內，本公司一直遵守載列於該守則的守則條文（該等條文於二零零五年一月一日或之後開始的會計期間生效）。惟本公司主席王明權先生未克出席本公司二零零五年年度股東週年大會。但已於會前對股東週年大會做了具體的部署。

AUDIT COMMITTEE

The Audit Committee, comprising all three independent non-executive directors of the Company namely, Sir David Akers-Jones, Mr. Aubrey Li Kwok Sing and Mr. Selwyn Mar, is primarily responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing the internal control and financial reporting matters of the Company. The terms of reference of the Audit Committee are disclosed on the website of the Company. The Audit Committee has reviewed the unaudited interim financial report for the six months ended 30 June 2005 with the management. At the request of the Board, KPMG, the Company's auditors, has carried out a review of the unaudited interim financial report in accordance with SAS 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants. The independent review report from the auditors is set out on pages 61 and 62 of this interim report.

REMUNERATION COMMITTEE

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the model code for securities transactions by directors set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of the directors, all directors have complied with the required standard of dealings as set out therein during the six months ended 30 June 2005.

審核委員會

審核委員會由全數三位獨立非執行董事包括鍾逸傑爵士、李國星先生及馬紹援先生組成，其主要職責包括審閱本集團所採納之會計原則及慣例、討論及檢討內部監控及財務申報等事宜，有關審核委員會的職權範圍書已載列於本公司的網站內。審核委員會已與管理層審閱本集團截至二零零五年六月三十日止六個月之未經審核中期財務報告。應董事會之要求，本公司核數師畢馬威會計師事務所已根據香港會計師公會頒佈之核數準則第700號「審閱中期財務報表的委聘」審閱未經審核中期財務報告，核數師之獨立審閱報告已載於本中期報告之第61至第62頁。

薪酬委員會

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

董事進行證券交易之標準守則

本集團採納上市規則附錄十所載有關董事進行證券交易的《標準守則》作為董事進行本公司證券交易事宜的指引。經向所有董事作出特定查詢後，截至二零零五年六月三十日止六個月，本公司所有董事一直遵守標準守則所載之規定。

INTERIM DIVIDEND

The Board has declared an interim dividend of HK0.6 cent per share for the six months ended 30 June 2005 (2004: HK0.4 cent per share) to shareholders whose names appear on the register of members of the Company on Thursday, 20 October 2005. Dividend warrants will be despatched to shareholders on or about Monday, 31 October 2005.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 17 October 2005 to Thursday, 20 October 2005 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied with the relevant share certificates must be lodged with the Company's share registrars, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 14 October 2005.

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 period.

By Order of the Board
Chen Xiaoping
Chief Executive Officer

Hong Kong, 15 September 2005

中期股息

董事會宣佈派發截至二零零五年六月三十日止六個月之中期股息每股0.6港仙(二零零四年:每股0.4港仙),給予於二零零五年十月二十日(星期四)名列在本公司股東名冊之股東。股息單將於二零零五年十月三十一日(星期一)左右寄出。

截止過戶日期

本公司將於二零零五年十月十七日(星期一)至二零零五年十月二十日(星期四)(包括首尾兩天在內),暫停辦理股份過戶登記手續。為確保享有中期股息,所有過戶文件連同有關股票,最遲須於二零零五年十月十四日(星期五)下午四時前送達本公司股份過戶登記處登捷時有限公司,地址為香港灣仔告士打道五十六號東亞銀行港灣中心地下,以便辦理有關手續。

買賣或贖回本公司之上市證券

期內,本公司或其任何附屬公司概無購回、出售或贖回任何本公司之上市證券。

承董事會命
陳小平
行政總裁

香港,二零零五年九月十五日

Interim Financial Report

中期財務報告

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2005
– unaudited
(Expressed in Hong Kong dollars)

綜合損益表

截至二零零五年六月三十日止六個月
– 未經審核
(以港幣計算)

		Six months ended 30 June		
		截至六月三十日止六個月		
		2005	2004	
		二零零五年	二零零四年	
		\$'000	\$'000	
		千元	千元	
	Note 附註			
Turnover	營業額	3	61,546	31,904
Direct costs and operating expenses	直接成本及經營費用		(20,509)	(6,906)
Other revenue	其他收入		41,037	24,998
Administrative expenses	行政費用		7,008	1,478
Other operating expenses	其他經營費用		(20,576)	(16,433)
Surplus on revaluation of investment properties	投資物業重估盈餘		-	(675)
			21,000	8,000
Profit from operations	經營盈利		48,469	17,368
Finance costs	財務費用	5	(13,956)	(14,045)
Share of profits of associates	所佔聯營公司盈利	4	34,513	3,323
			30,441	39,742
Profit before taxation	除稅前盈利	5	64,954	43,065
Income tax	所得稅	6	6,038	2,070
Profit after taxation	除稅後盈利		70,992	45,135
Attributable to:	應佔部份：			
Equity holders of the Company	本公司股東		62,005	44,837
Minority interests	少數股東權益		8,987	298
Profit after taxation	除稅後盈利		70,992	45,135
Earnings per share	每股盈利			
Basic	基本	8	2.43 cents 仙	1.76 cents 仙
Diluted	攤薄	8	2.39 cents 仙	1.73 cents 仙

The notes on pages 39 to 60 form part of this interim financial report.

載於第39頁至第60頁之附註為本中期財務報告之一部份。

CONSOLIDATED BALANCE SHEET

at 30 June 2005
– unaudited
(Expressed in Hong Kong dollars)

綜合資產負債表

於二零零五年六月三十日
– 未經審核
(以港幣計算)

		At 30 June 2005		At 31 December 2004	
		二零零五年六月三十日		二零零四年十二月三十一日	
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
	Note				
	附註				
Non-current assets		非流動資產			
Fixed assets		固定資產			
– Investment properties			251,054		230,054
– Other property, plant and equipment			832,830		658,338
	9		1,083,884		888,392
Goodwill			46,133		45,453
Interest in associates	10		416,038		435,479
Other financial assets			44,639		46,462
Deferred tax assets			6,245		–
			1,596,939		1,415,786
Current assets		流動資產			
Debtors, other receivables, deposits and prepayments		應收賬款、其他應收款項、按金及預付款項			
	11	57,580		49,911	
Pledged bank deposits		5,034		6,912	
Deposits with bank		49,864		5,854	
Cash and cash equivalents	12	574,912		572,358	
			687,390		635,035
Current liabilities		流動負債			
Secured bank loans		45,046		62,450	
Amount due to associate		2,746		–	
Amounts due to minority shareholders		9,232		7,962	
Other payables and accrued expenses		18,959		18,123	
Current taxation		718		98	
			76,701		88,633
Net current assets		流動資產淨額			
			610,689		546,402
Total assets less current liabilities carried forward		總資產減流動負債轉後			
			2,207,628		1,962,188

CONSOLIDATED BALANCE SHEET (continued)

at 30 June 2005

– unaudited

(Expressed in Hong Kong dollars)

綜合資產負債表 (續)

於二零零五年六月三十日

– 未經審核

(以港幣計算)

	Note 附註	At 30 June 2005 二零零五年六月三十日		At 31 December 2004 二零零四年十二月三十一日	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Total assets less current liabilities brought forward			2,207,628		1,962,188
Non-current liabilities					
Secured bank loans			441,058		304,838
Loans from ultimate holding company			534,244		545,206
Amount due to ultimate holding company			5,648		9,186
Deferred tax liabilities			19,553		20,822
			1,000,503		880,052
NET ASSETS			1,207,125		1,082,136
CAPITAL AND RESERVES					
Share capital	13		255,181		254,881
Reserves			868,369		824,061
Total equity attributable to equity holders of the Company			1,123,550		1,078,942
Minority interests	13		83,575		3,194
TOTAL EQUITY	13		1,207,125		1,082,136

The notes on pages 39 to 60 form part of this interim financial report.

載於第39頁至第60頁之附註為本中期財務報告之一部份。

**CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY**

for the six months ended 30 June 2005
– unaudited
(Expressed in Hong Kong dollars)

綜合權益變動表

截至二零零五年六月三十日止六個月
– 未經審核
(以港幣計算)

		Six months ended 30 June 2005 截至二零零五年 六月三十日止六個月		Six months ended 30 June 2004 截至二零零四年 六月三十日止六個月	
	Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Total equity at 1 January:	於一月一日之權益總額:				
Attributable to equity holders of the Company (as previously reported at 31 December)	本公司股東應佔部份 (如前於十二月三十一日呈報)	13	1,078,942		1,000,396
Minority interests (as previously presented separately from liabilities and equity at 31 December)	少數股東權益 (如前於十二月三十一日報告中, 與債務及權益分開呈報)	13	3,194		-
			1,082,136		1,000,396
Opening balance adjustments arising from changes in accounting policies	會計政策變動所引致之期初結餘調整	2(a) & (b), 13	(2,662)		-
At 1 January, after opening balance adjustments	於一月一日, 作出期初結餘調整後		1,079,474		1,000,396
Net (expense)/income for the period recognised directly in equity:	直接於權益確認之 本期間淨(開支)/ 收入:				
Share of exchange reserves of associates	所佔聯營公司匯兌儲備	13	(386)		1,363
Exchange differences on translation of financial statements of subsidiaries and associates	換算附屬公司及聯營公司財務報表產生之匯兌差額	13	(1,667)		1,167
Changes in fair value of available-for-sale securities	待售證券公允值之變動	13	1,519		-
Net (expense)/income for the period recognised directly in equity carried forward	直接於權益確認之 本期間淨(開支)/ 收入轉後		(534)		2,530

**CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY** (continued)

for the six months ended 30 June 2005
– unaudited
(Expressed in Hong Kong dollars)

綜合權益變動表 (續)

截至二零零五年六月三十日止六個月
– 未經審核
(以港幣計算)

			Six months ended 30 June 2005 截至二零零五年 六月三十日止六個月		Six months ended 30 June 2004 截至二零零四年 六月三十日止六個月	
	Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	
Net (expense)/income for the period recognised directly in equity brought forward	直接於權益確認之 本期間淨(開支)/ 收入承前		(534)		2,530	
Net profit for the period:	本期間淨盈利:					
Attributable to equity holders of the Company (as previously reported)	本公司股東應佔部分 (如前呈報)			44,837		
Minority interests (as previously presented separately in the income statement)	少數股東權益 (如前在損益表中 分開呈報)			298		
Net profit for the period	本期間淨盈利	13	70,992		45,135	
Capital reserve realised on liquidation of subsidiary	清算附屬公司而變現 之資本儲備	13	-		(555)	
Total recognised income and expense for the period	本期間已確認收入及 開支總額		70,458		47,110	
Attributable to:	應佔部份:					
– equity holders of the Company	– 本公司股東		61,675	46,812		
– minority interests	– 少數股東權益		8,783	298		
			70,458	47,110		
Dividends declared:	宣派股息:					
– by Company to equity holders	– 本公司支付予 股東	7&13	(15,293)	-		
– by non-wholly owned subsidiary to minority shareholder	– 非全資附屬公司 支付予少數 股東	13	(281)	(282)		
			(15,574)	(282)		

**CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY** (continued)

for the six months ended 30 June 2005
– unaudited
(Expressed in Hong Kong dollars)

綜合權益變動表 (續)

截至二零零五年六月三十日止六個月
– 未經審核
(以港幣計算)

		Six months ended 30 June 2005 截至二零零五年 六月三十日止六個月		Six months ended 30 June 2004 截至二零零四年 六月三十日止六個月	
	Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Movements in shareholders' equity arising from capital transactions with equity holders of the Company:	與本公司股東進行資本交易而產生之股東權益變動：				
– shares issued under share option scheme	– 根據購股權計劃發行股份	13	888		–
Movements in shareholders' equity arising from transactions between non-wholly owned subsidiaries and their minority shareholders:	非全資附屬公司與其少數股東進行交易而產生之股東權益變動：				
– acquisition of non-wholly owned subsidiary	– 收購非全資附屬公司	13	–	47	
– capital contribution received by non-wholly owned subsidiary from minority shareholder	– 非全資附屬公司收取少數股東作出之注資	13	47,602	4,280	
– additional contribution received by non-wholly owned subsidiary from minority shareholder	– 非全資附屬公司收取少數股東作出之進一步注資	13	24,277	–	
			71,879	4,327	
Total equity at 30 June	於六月三十日之權益總額		1,207,125	1,051,551	

The notes on pages 39 to 60 form part of this interim financial report.

載於第39頁至第60頁之附註為本中期財務報告之一部份。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2005
– unaudited
(Expressed in Hong Kong dollars)

簡明綜合現金流量表

截至二零零五年六月三十日止六個月
– 未經審核
(以港幣計算)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		\$'000	\$'000
		千元	千元
		Note	
		附註	
Net cash generated from/ (used in) operating activities	經營活動所產生／(動用)之現金淨額		
		12,703	(87,605)
Net cash (used in)/generated from investing activities	投資活動所(動用)／產生之現金淨額		
		(178,266)	106,350
Net cash generated from/ (used in) financing activities	融資活動所產生／(動用)之現金淨額		
		167,746	(27,345)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額	2,183	(8,600)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	12	164,115
Effect of foreign exchange rates changes	匯率變動之影響	371	554
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	12	156,069

The notes on pages 39 to 60 form part of this interim financial report.

載於第39頁至第60頁之附註為本中期財務報告之一部份。

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

1. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issuance by the Board of Directors on 15 September 2005.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2004 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2005 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2004 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700, Engagements to review interim financial reports, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on pages 61 and 62.

未經審核中期財務報告附註

(以港幣計算)

1. 編製基準

本中期財務報告乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）的適用披露規定編製而成，包括遵從香港會計師公會（「香港會計師公會」）頒佈之《香港會計準則》（「香港會計準則」）第34號－「中期財務報告」之規定。董事會於二零零五年九月十五日授權刊發。

除了預期在二零零五年度財務報表反映之會計政策變動外，中期財務報告已按照二零零四年度財務報表所採用之同一會計政策編製。有關該等會計政策變動之詳情載於附註2。

管理層在編製符合《香港會計準則》第34號規定之中期財務報告時所作之判斷、估計及假設，會影響會計政策之應用以及按目前情況為基準計算之經匯報資產與負債、收入及支出之金額。實際結果可能與估計金額有異。

本中期財務報告包括簡明綜合財務報表及部分說明附註。附註闡述了自二零零四年度財務報表刊發以來，在瞭解本集團之財務狀況變動及表現方面確屬重要之事件及交易。此簡明綜合中期財務報表及附註並不包括按照《香港財務報告準則》（「香港財務報告準則」）規定編製完整財務報表所需之所有資料。

本中期財務報告雖未經審核，惟已由畢馬威會計師事務所按照香港會計師公會頒佈之《核數準則》第700號－「審閱中期財務報告之委聘」進行了審閱。畢馬威會計師事務所致董事會之獨立審閱報告載於第61頁至第62頁。

1. BASIS OF PREPARATION (continued)

The financial information relating to the financial year ended 31 December 2004 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2004 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 14 April 2005.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA issued a number of new and revised HKFRSs, (which term collectively includes HKASs and Interpretations) that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. The Board of Directors has determined the accounting policies to be adopted in the preparation of the Group's annual financial statements for the year ending 31 December 2005, on the basis of HKFRSs currently in issue.

The HKFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 31 December 2005 may be affected by the issue of additional interpretation(s) or other changes announced by the HKICPA subsequent to the date of issuance of this interim report. Therefore the policies that will be applied in the Group's financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 January 2005 which have been reflected in this interim financial report.

1. 編製基準 (續)

中期財務報告所載有關截至二零零四年十二月三十一日止財政年度之財務資料並不構成本公司於該財政年度之法定財務報表，惟有關財務資料均取自該等財務報表。截至二零零四年十二月三十一日止年度之法定財務報表可於本公司之註冊辦事處索取。核數師已於日期為二零零五年四月十四日之核數師報告就該等財務報表發表無保留意見。

2. 會計政策之變動

香港會計師公會頒佈了多項新訂及經修訂之《香港財務報告準則》，(包括《香港會計準則》及詮釋)。有關準則自二零零五年一月一日或以後開始之會計期間生效或可供提前採用。董事會已根據已頒佈之《香港財務報告準則》訂立於編製本集團截至二零零五年十二月三十一日止年度之年度財務報表時將予以採用之會計政策。

在中期財務報告刊發日後，該等對截至二零零五年十二月三十一日止年度之年度財務報表有效或可自選提早採用之《香港財務報告準則》或會受到香港會計師公會頒佈額外詮釋或作出其他修訂所影響。因此，於本中期財務報告刊發日期，本公司仍未能完全確定本集團將就有關期間財務報表所採用之會計政策。

與二零零五年一月一日開始之年度會計期間有關，並已在本中期財務報告中反映之會計政策變動詳情如下：

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(a) Amortisation of positive and negative goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets)

In prior periods:

- positive or negative goodwill which arose prior to 1 January 2001 was taken directly to reserves at the time it arose, and was not recognised in the income statement until disposal or impairment of the acquired business;
- positive goodwill which arose on or after 1 January 2001 was amortised on a straight line basis over its useful life and was subject to impairment testing when there were indications of impairment; and
- negative goodwill which arose on or after 1 January 2001 was amortised over the weighted average useful life of the depreciable/amortisable non-monetary assets acquired, except to the extent it related to identified expected future losses as at the date of acquisition. In such cases it was recognised in the income statement as those expected losses were incurred.

With effect from 1 January 2005, in accordance with HKFRS 3 and HKAS 36, the Group no longer amortises positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds its recoverable amount.

2. 會計政策之變動 (續)

(a) 正商譽及負商譽之攤銷(《香港財務報告準則》第3號「業務合併」及《香港會計準則》第36號「資產耗損」)

在過往期間:

- 就二零零一年一月一日之前產生之正商譽或負商譽而言,其於產生時直接計入儲備內,並於所收購之業務被出售或出現耗損後方在損益表中確認;
- 就二零零一年一月一日或之後產生之正商譽而言,其按直線法於可使用年期內攤銷,並於出現耗損跡象時作出耗損測試;及
- 就二零零一年一月一日或之後產生之負商譽而言,其按所收購應計折舊/攤銷之非貨幣資產之加權平均可使用年期攤銷;惟如負商譽關乎在收購日已確定之預計未來虧損,便會按預計虧損在損益表中確認。

由二零零五年一月一日起,按照《香港財務報告準則》第3號及《香港會計準則》第36號,本集團不再攤銷正商譽。正商譽須每年評估耗損,包括在初始確認之年度及當有跡象顯示可能耗損時。當分配為該商譽之現金生產單位之賬面值超過其可收回數額時,需確認耗損產生之虧損。

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(a) Amortisation of positive and negative goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets) (continued)

Also with effect from 1 January 2005 and in accordance with HKFRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous accounting policy), the excess is recognised immediately in the income statement as it arises.

The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under HKFRS 3. As a result, comparative amounts have not been restated, the cumulative amount of amortisation as at 1 January 2005 has been offset against the cost of the goodwill and no amortisation charge for goodwill has been recognised in the income statement for the six months ended 30 June 2005. This has increased the Group's profit after taxation for the six months ended 30 June 2005 by \$1,221,000.

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

According to HKFRS 3, the amount which would have been known as negative goodwill under the previous accounting policy is recognised immediately in the income statement as it arises. The carrying amount of negative goodwill existing at 1 January 2005 shall be derecognised, with a corresponding adjustment to the opening balance of retained profits. These have decreased the Group's profit after taxation for the six months ended 30 June 2005 by \$25,000 and net assets of the Group at 30 June 2005 have increased by \$655,000.

2. 會計政策之變動 (續)

(a) 正商譽及負商譽之攤銷(《香港財務報告準則》第3號「業務合併」及《香港會計準則》第36號「資產耗損」)(續)

此外，由二零零五年一月一日起及按照《香港財務報告準則》第3號，如在業務合併中購入之資產淨額之公允值超過所付代價(即按照以往會計政策稱為負商譽者)，超出之金額於產生時即時在損益表中確認。

有關正商譽之新會計政策已按照《香港財務報告準則》第3號之過渡條文應用於往後的期間。因此，比較數字並無重報；截至二零零五年一月一日之商譽累計攤銷金額已與成本沖銷；並無在截至二零零五年六月三十日止六個月之損益表中確認商譽攤銷支出。此變動導致本集團截至二零零五年六月三十日止六個月之除稅後盈利增加1,221,000元。

此外，根據《香港財務報告準則》第3號之過渡條文，當所收購業務被出售或出現耗損時，或在任何其他情況下，以往直接計入儲備之商譽(即二零零一年一月一日之前產生之商譽)也不會在損益表中確認。

根據《香港財務報告準則》第3號，在過往會計政策下稱為「負商譽」之金額於產生時即時在損益表中確認。於二零零五年一月一日已存在之負商譽賬面值須予以沖銷，而期初保留盈利餘額則作出相應調整。此變動導致本集團截至二零零五年六月三十日止六個月之除稅後盈利減少25,000元及本集團於二零零五年六月三十日之資產淨值增加655,000元。

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(b) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement)

In prior years, equity investments held on a continuing basis for an identifiable long-term purpose were classified as investment securities and stated at cost less provision.

With effect from 1 January 2005, and in accordance with HKAS 39, all non-trading investments are classified as available-for-sale securities and carried at fair value. Changes in fair value are recognised in equity, unless there is objective evidence that an individual investment has been impaired. If there is objective evidence that an individual investment has been impaired, any amount held in the fair value reserve in respect of the investment is transferred to the income statement for period in which the impairment is identified. Any subsequent increase in the fair value of available-for-sale equity securities is recognised directly in equity.

This change was adopted by way of an adjustment to the opening balance of the retained profits as at 1 January 2005 and net assets of the Group have decreased by \$3,342,000. Comparative amounts have not been restated nor has the opening balance of the fair value reserve been restated as this is prohibited by the transitional arrangements in HKAS 39.

As a result of this new policy, there is no material impact on the Group's profit before taxation for the six months ended 30 June 2005 and net income recognised directly in equity for the six months ended 30 June 2005 has increased by \$1,519,000.

2. 會計政策之變動 (續)

(b) 金融工具(《香港會計準則》第32號「金融工具：披露及呈報」及《香港會計準則》第39號「金融工具：確認及計量」)

於過往年度，持續持有作既定長期用途之股本投資列作投資證券，並按成本值減撥備列賬。

由二零零五年一月一日起，並根據《香港會計準則》第39號，所有非貿易性投資歸類為待售證券，並按公允值列賬。公允值之變動於權益中確認，但如有客觀證據證明個別投資項目出現耗損則除外。如有客觀證據證明個別投資項目出現耗損，則會於確定出現耗損之期間，把公允值儲備中有關該項投資之金額轉撥至損益表。而待售股本證券公允值其後出現之任何增幅將直接於權益中確認。

是項變動之採納是於二零零五年一月一日之期初保留盈利結餘作出調整導致本集團之資產淨額減少3,342,000元。比較數字並無重報，亦無重報公允值儲備之期初結餘，原因為《香港會計準則》第39號之過渡條文禁止作出此舉。

採納此項新政策，並無對本集團截至二零零五年六月三十日止六個月之除稅前盈利構成任何重大影響，而截至二零零五年六月三十日止六個月直接於權益中確認之收入淨額則增加1,519,000元。

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(c) Employee share option scheme (HKFRS 2, Share-based payment)

In prior years, no amounts were recognised when employees (which term includes directors) were granted share options over shares in the Company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

With effect from 1 January 2005, in order to comply with HKFRS 2, the Group adopts a policy to recognise the fair value of such share options as an expense in the income statement, or as an asset, if the cost qualifies for recognition as an asset under the Group's accounting policies. A corresponding increase is recognised in a capital reserve within equity.

Where the employees are required to meet vesting conditions before they become entitled to the options, the Group recognises the fair value of the options granted over the vesting period. Otherwise, the Group recognises the fair value in the period in which the options are granted.

If an employee chooses to exercise options, the related capital reserve is transferred to share capital and share premium, together with the exercise price. If the options lapse unexercised the related capital reserve is transferred directly to retained earnings.

The Group has taken advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 under which the new recognition and measurement policies have not been applied to the following grants of options:

- (a) all options granted to employees on or before 7 November 2002; and
- (b) all options granted to employees after 7 November 2002 but which had vested before 1 January 2005.

2. 會計政策之變動 (續)

(c) 僱員購股權計劃 (《香港財務報告準則》第2號「以股份償付」)

於過往年度，於僱員(包括董事)獲授可認購本公司股份之購股權時，並無確認任何金額。如僱員選擇行使購股權，僅以購股權之應收行使價計入股本(面值)及股份溢價。

根據《香港財務報告準則》第2號之規定，由二零零五年一月一日起，本集團採納相關政策，在損益表中把有關購股權之公允值確認為開支，或如有關的成本能按照本集團之會計政策確認為資產，則列作資產。權益中的資本儲備亦相應增加。

在僱員必須於符合生效條件後方可獲得購股權之情況下，本集團會根據購股權之生效期，確認已授出購股權之公允值。而在其他情況下，本集團會根據購股權之授出期間，確認其公允值。

如僱員選擇行使購股權，有關資本儲備及行使價將會轉撥至股本及股份溢價。如購股權於失效之時仍未獲行使，則有關資本儲備將會直接轉撥至保留盈利。

本集團採納了《香港財務報告準則》第2號第53段所載之過渡條文。據此，下述授出之購股權並無按照新政策來確認及計算：

- (a) 於二零零二年十一月七日或之前授予僱員之所有購股權；及
- (b) 於二零零二年十一月七日之後授予僱員惟於二零零五年一月一日之前生效之所有購股權。

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(c) Employee share option scheme (HKFRS 2, Share-based payment) *(continued)*

As the Group's options were granted to employees after 7 November 2002 but which had vested before 1 January 2005, the adoption of HKFRS 2 has no impact on the Group's net assets and results for the current and prior years.

Details of the employee share option scheme can be found in the Company's annual report for the year ended 31 December 2004 and note 13(b) on this interim financial report.

(d) Investment properties (HKAS 40, Investment property, and HK(SIC) Interpretation 21, Income taxes – Recovery of revalued non-depreciable assets)

Changes in accounting policies relating to investment properties are as follows.

(i) Timing of recognition of movements in fair value in the income statement

In prior years movements in the fair value of the Group's investment properties were recognised directly in the investment properties revaluation reserve except when, on a portfolio basis, the reserve was insufficient to cover a deficit on the portfolio, or when a deficit previously recognised in the income statement had reversed, or when an individual investment property was disposed of. In these limited circumstances movements in the fair value were recognised in the income statement.

2. 會計政策之變動 (續)

(c) 僱員購股權計劃 (《香港財務報告準則》第2號「以股份償付」) (續)

由於本集團之購股權均於二零零二年十一月七日之後授予僱員並於二零零五年一月一日之前生效，故採納《香港財務報告準則》第2號並無對本集團本年度及過往年度之資產淨值及業績構成任何影響。

有關僱員購股權計劃之詳情已載於本公司截至二零零四年十二月三十一日止年度之年報及本中期報告附註13(b)。

(d) 投資物業 (《香港會計準則》第40號「投資物業」及《香港會計準則》詮釋第21號「所得稅 – 收回重估不作折舊資產」)

有關投資物業之會計政策變動如下：

(i) 於損益表確認公允值變動之時間

於過往年度，本集團投資物業之公允值變動直接於投資物業重估儲備中確認，惟按個別投資組合而言，儲備不足以抵銷該組合之虧損，或先前已於損益表中確認之虧損予已回撥，或個別投資物業已出售，此等公允值之變動則在損益表內確認。

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(d) Investment properties (HKAS 40, Investment property, and HK(SIC) Interpretation 21, Income taxes – Recovery of revalued non-depreciable assets) (continued)

(i) Timing of recognition of movements in fair value in the income statement (continued)

Upon adoption of HKAS 40 as from 1 January 2005, all changes in the fair value of investment properties are recognised directly in the income statement in accordance with the fair value model in HKAS 40. As the Group had no investment properties revaluation reserve and deficits were recognised in the income statement previously, the adoption of this new policy has no impact on the Group's net assets and results for the current and prior years.

(ii) Measurement of deferred tax on movements in fair value

In prior years the Group was required to apply the tax rate that would be applicable to the sale of investment properties to determine whether any amounts of deferred tax should be recognised on the revaluation of investment properties.

As from 1 January 2005, in accordance with HK(SIC) Interpretation 21, the Group recognises deferred tax on movements in the value of an investment property using tax rates that are applicable to the property's use, if the Group has no intention to sell it and the property would have been depreciable had the Group not adopted the fair value model. The adoption of this new policy has no impact on the Group's net assets and results for the current and prior years.

2. 會計政策之變動 (續)

(d) 投資物業(《香港會計準則》第40號「投資物業」及《香港會計準則》詮釋第21號「所得稅－收回重估不作折舊資產」)(續)

(i) 於損益表確認公允值變動之時間(續)

於二零零五年一月一日採納《香港會計準則》第40號後，投資物業公允值之所有變動均按《香港會計準則》第40號之公允值模式，直接於損益表中確認。由於本集團並無投資物業重估儲備，而過往虧損均於損益表中確認，故採納此項新會計政策並無對本集團本年度及過往年度之資產淨值及業績構成任何影響。

(ii) 計算公允值變動所產生之遞延稅項

於過往年度，本集團須按適用於出售投資物業之稅率釐定於重估投資物業時須確認之遞延稅項。

由二零零五年一月一日起，按照《香港會計準則》詮釋第21號，如本集團並無計劃出售投資物業，及假設本集團並無採用公允值模式入賬以致該等物業需要折舊，本集團須採用適用於該物業用途之稅率以確認該等投資物業在價值變動時所產生之遞延稅項。採納此項新會計政策並無對本集團本年度及過往年度之資產淨值及業績構成任何影響。

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(e) Leasehold land and buildings held for own use (HKAS 17, Leases)

In prior years, leasehold land and buildings held for own use were stated at cost less accumulated depreciation and accumulated impairment losses.

With the adoption of HKAS 17 as from 1 January 2005, the leasehold interest in the land held for own use is accounted for as being held under an operating lease where the fair value of the interest in any buildings situated on the leasehold land could be separately identified from the fair value of the leasehold interest in the land at the time the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later. In case the two elements cannot be allocated reliably, the entire lease is classified as a finance lease and carried at cost less accumulated depreciation and accumulated impairment losses. The adoption of this new policy has no impact on the Group's net assets and results for the current and prior years.

(f) Retranslation of goodwill relating to a net investment in a foreign operation (HKAS 21, The effects of changes in foreign exchange rates)

In prior years, goodwill was recognised directly in equity or carried at cost less amortisation and impairment as described in note 2(a).

With effect from 1 January 2005, in order to comply with HKAS 21, any goodwill arising on the acquisition of a foreign operation is treated as an asset of the foreign operation. Thus it is expressed in the functional currency of that foreign operation and is retranslated at the closing rate at each balance sheet date. Any resulting exchange difference is taken directly to the exchange reserves, together with any other differences arising from the retranslation of the net assets of the foreign operation.

2. 會計政策之變動 (續)

(e) 自用租賃土地及樓宇(《香港會計準則》第17號「租賃」)

在過往年度，自用租賃土地及樓宇乃以成本值減累計折舊及累計耗損虧損入賬。

由二零零五年一月一日採納《香港會計準則》第17號後，如果位於租賃土地之上任何建築物權益之公允值能夠與本集團首次訂立租賃時或自前度承租人接收時或有關建築物興建日(如為較遲之時間)之土地租賃權益公允值分開確定，則自用土地之租賃權益會列作經營租賃入賬。如未能可靠地分配上述兩者，則整個租賃會列作融資租賃處理，並按成本值減累計折舊及累計耗損虧損入賬。採納此項新政策並無對本集團本年度及過往年度之資產淨值及業績構成任何影響。

(f) 重新換算有關海外業務之淨投資之商譽(《香港會計準則》第21號「外幣匯率變動之影響」)

於過往年度，誠如附註2(a)所述，商譽直接於權益中確認，或按成本值減攤銷及耗損列賬。

由二零零五年一月一日起，為了符合《香港會計準則》第21號之規定，收購海外業務所產生之任何商譽會當作海外業務之資產處理，其會以該海外業務之功能性貨幣顯示，並以各結算日之結算匯率重新換算。所產生之任何匯兌差額，連同重新換算海外業務之淨資產所產生之任何其他差額，會直接在匯兌儲備中處理。

2. CHANGES IN ACCOUNTING POLICIES

(continued)

(f) Retranslation of goodwill relating to a net investment in a foreign operation (HKAS 21, The effects of changes in foreign exchange rates) (continued)

In accordance with the transitional provisions in HKAS 21, this new policy has not been adopted retrospectively and will only be applied to acquisitions occurring on or after 1 January 2005. As the Group has not acquired any new foreign operations since that date, the change in policy has had no impact on the interim financial report for the six months ended 30 June 2005.

(g) Minority interests (HKAS 1, Presentation of financial statements and HKAS 27, Consolidated and separate financial statements)

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 January 2005, in order to comply with HKAS 1 and HKAS 27, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the Company, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interests and the equity holders of the Company.

The presentation of minority interests in the consolidated balance sheet, income statement and statement of changes in equity for the comparative period has been restated accordingly.

2. 會計政策之變動 (續)

(f) 重新換算有關海外業務之淨投資之商譽(《香港會計準則》第21號「外幣匯率變動之影響」)(續)

根據《香港會計準則》第21號之過渡條文，此項新政策不會追溯應用，以及其僅適用於二零零五年一月一日或之後進行之收購事項。由於本集團自該日以後並無收購任何新的海外業務，故是項政策變動並無對截至二零零五年六月三十日止六個月之中期財務報告構成任何影響。

(g) 少數股東權益(《香港會計準則》第1號「財務報表之呈報」及《香港會計準則》第27號「綜合及獨立財務報表」)

在過往年度，於結算日之少數股東權益乃於綜合資產負債表內與負債分開呈報，並列作資產淨額之扣減。少數股東所佔集團年內業績亦會在損益表內分開呈報，並列作計算股東應佔盈利前作出之扣減。

根據《香港會計準則》第1號及《香港會計準則》第27號之規定，由二零零五年一月一日起，於結算日之少數股東權益會在綜合資產負債表之權益項目中，與本公司股東之應佔權益分開呈報。而少數股東所佔集團期內業績則會在綜合損益表中列作為本公司少數股東與本公司股東之間分配之本期盈利或虧損總額。

綜合資產負債表、損益表及權益變動表內呈報有關少數股東權益之二零零四年比較數據已因而相應重列。

3. SEGMENTAL INFORMATION

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

3. 分類資料

本公司及其附屬公司於本財政期內之主要業務分析如下：

	Infrastructure investment and operation 基建投資及營運		Property investment and management 物業投資及管理		Environmental protection investment and operation 環保項目投資及營運		Environmental protection project management and consultancy 環保項目管理及顧問		Inter-segment elimination 分部間抵銷		Consolidated 綜合	
	Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
Revenue from external customers 外界客戶收入	27,786	22,266	8,148	7,279	25,612	2,359	8,918	-	(8,918)	-	61,546	31,904
Other revenue from external customers 其他收入	126	392	939	28	213	78	80	-	-	-	1,358	498
Unallocated other revenue 未分配其他收入	-	-	-	-	-	-	-	-	-	-	5,650	980
Total 合計	27,912	22,658	9,087	7,307	25,825	2,437	8,998	-	(8,918)	-	68,554	33,382
Segment results 分類業績	18,888	14,615	26,597	12,638	12,233	(1)	1,493	-	(8,918)	-	50,293	27,312
Unallocated operating income and expenses 未分配經營收入及開支	-	-	-	-	-	-	-	-	-	-	(1,624)	(9,944)
Finance costs 財務費用	-	-	-	-	-	-	-	-	-	-	(13,956)	(14,045)
Share of profits of associates 所佔聯營公司盈利	30,442	34,969	-	4,111	(1)	662	-	-	-	-	30,441	39,742
Income tax 所得稅	-	-	-	-	-	-	-	-	-	-	6,038	2,070
Profit after taxation 除稅後盈利	-	-	-	-	-	-	-	-	-	-	70,992	45,135
Depreciation and amortisation for the period 本期間折舊及攤銷	6,766	6,402	1,115	1,091	1,618	251	481	-	-	-	-	-
Surplus on revaluation of investment properties 投資物業重估盈餘	-	-	(21,000)	(8,000)	-	-	-	-	-	-	-	-

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

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

4. SHARE OF PROFITS OF ASSOCIATES

		Six months ended 30 June	
		截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		\$'000	\$'000
		千元	千元
Share of profits of associates before taxation	所佔聯營公司除稅前盈利	37,231	48,251
Share of taxation of associates	所佔聯營公司稅項	(6,790)	(8,509)
		<u>30,441</u>	<u>39,742</u>

4. 所佔聯營公司盈利

5. PROFIT BEFORE TAXATION

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

		Six months ended 30 June	
		截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		\$'000	\$'000
		千元	千元
Interest on bank advances and other borrowings wholly repayable within five years	須於五年內全數償還之銀行貸款及其他借款之利息	7,200	6,647
Interest on other bank advances	其他銀行貸款之利息	8,417	7,398
		15,617	14,045
Less: Borrowing costs capitalised into construction in progress	減：已於在建工程資本化之借貸成本	(1,661)	-
		<u>13,956</u>	<u>14,045</u>
Amortisation of goodwill	商譽攤銷	-	675
Amortisation of negative goodwill included in share of profits of associates	負商譽攤銷(計入所佔聯營公司盈利)	-	(674)
Depreciation	折舊	10,148	7,225
Dividends and interest income	股息及利息收入	(4,580)	(331)
Gain on disposal of property	出售物業收益	(925)	-

5. 除稅前盈利

除稅前盈利已扣除/(計入):

6. INCOME TAX

6. 所得稅

		Six months ended 30 June	
		截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		\$'000	\$'000
		千元	千元
Current tax – Provision for the PRC income tax	即期稅項 – 中國所得稅撥備		
Tax for the period	本期間稅項	1,471	546
Over-provision in respect of prior years	過往年度超額撥備	–	(3,191)
		1,471	(2,645)
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	產生及撥回暫時差異	(7,509)	575
		(6,038)	(2,070)

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

由於期內本集團就香港利得稅而言錄得虧損，故此本集團並無在中期財務報告就香港利得稅作出撥備。中國業務之稅項按中國現行適用稅率計算。

7. DIVIDENDS

(a) Dividends attributable to the interim period

7. 股息

(a) 中期報告期間之股息

		Six months ended 30 June	
		截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		\$'000	\$'000
		千元	千元
Interim dividend declared after the interim period of 0.6 cent per share (2004: 0.4 cent per share)	於中期報告期間後宣佈派發之中期股息每股0.6仙 (二零零四年：每股0.4仙)	15,311	10,193

The interim dividend has not been recognised as a liability at the balance sheet date.

於結算日，中期股息並未確認為負債。

7. **DIVIDENDS** (continued)

(b) **Dividends attributable to the previous financial year, approved and paid during the interim period**

Final dividend in respect of the financial year ended 31 December 2004, approved and paid during the following interim period, of 0.6 cent per share (year ended 31 December 2003: \$Nil)

屬於截至二零零四年十二月三十一日止財政年度，並於其後之中期報告期間批准及支付之末期股息每股0.6仙（截至二零零三年十二月三十一日止年度：無）

7. **股息** (續)

(b) **屬於上一個財政年度，並於中期報告期間批准及支付之股息**

Six months ended 30 June

截至六月三十日止六個月

2005	2004
二零零五年	二零零四年
\$'000	\$'000
千元	千元

15,293

-

8. **EARNINGS PER SHARE**

(a) **Basic earnings per share**

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of \$62,005,000 (six months ended 30 June 2004: \$44,837,000) and the weighted average number of ordinary shares of 2,549,507,833 (2004: 2,548,311,700 ordinary shares).

(b) **Diluted earnings per share**

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the Company of \$62,005,000 (six months ended 30 June 2004: \$44,837,000) and the weighted average number of ordinary shares of 2,592,832,975 (2004: 2,591,893,814 ordinary shares) after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

8. **每股盈利**

(a) **每股基本盈利**

每股基本盈利乃按本公司股東應佔盈利62,005,000元（截至二零零四年六月三十日止六個月：44,837,000元）以及普通股的加權平均數2,549,507,833（二零零四年：2,548,311,700股普通股）計算。

(b) **每股攤薄盈利**

每股攤薄盈利乃按本公司股東應佔盈利62,005,000元（截至二零零四年六月三十日止六個月：44,837,000元）及已就在本公司購股權計劃下所有具潛在攤薄影響之普通股作出調整得出的普通股加權平均數2,592,832,975（二零零四年：2,591,893,814股普通股）計算。

9. **FIXED ASSETS**

During the six months ended 30 June 2005, the Group acquired items of property, plant and equipment with a cost of \$188,450,000 (six months ended 30 June 2004: \$3,473,000). Additions during the current period mainly represent wastewater treatment plants and construction in progress for a waste-to-energy plant.

9. **固定資產**

於截至二零零五年六月三十日止六個月，本集團收購物業、廠房及設備項目所需成本為188,450,000元（截至二零零四年六月三十日止六個月：3,473,000元）。本期間所增加之項目主要包括污水處理廠及有關垃圾發電廠之在建工程。

10. INTEREST IN ASSOCIATES

Unlisted investments

Share of net assets	應佔資產淨額	366,541	435,479
Dividend receivable from associate	應收聯營公司股息	49,497	-

**At 30 June
2005**
二零零五年
六月三十日
\$'000
千元

At 31 December
2004
二零零四年
十二月三十一日
\$'000
千元

416,038

435,479

11. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in debtors, other receivables, deposits and prepayments are trade debtors with the following ageing analysis:

Current	即期	9,288	4,571
1 to 3 months overdue	逾期一至三個月	4,368	-
Total trade debtors	應收貿易賬款總額	13,656	4,571
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	43,924	45,340

**At 30 June
2005**
二零零五年
六月三十日
\$'000
千元

At 31 December
2004
二零零四年
十二月三十一日
\$'000
千元

57,580

49,911

The trade debtors represent mainly toll bridge income and waste water treatment income which are settled on a monthly basis. The amount included under 1 to 3 months overdue has been fully settled after the balance sheet date.

應收貿易賬款主要為收費橋樑收入及污水處理收入，有關款項按月支付。在「逾期一至三個月」項下之款項已於結算日後悉數支付。

12. CASH AND CASH EQUIVALENTS

Deposits with banks	銀行存款	399,524	458,905
Cash at bank and in hand	銀行結餘及現金	175,388	113,453

**At 30 June
2005**
二零零五年
六月三十日
\$'000
千元

At 31 December
2004
二零零四年
十二月三十一日
\$'000
千元

574,912

572,358

10. 聯營公司權益

11. 應收賬款、其他應收款項、按金及預付款項

應收賬款、其他應收款項、按金及預付款項中包括應收貿易賬款，其賬齡分析如下：

12. 現金及現金等價物

13. CAPITAL AND RESERVES

13. 股本及儲備

Attributable to equity holders of the Company
本公司股東應佔

	Note 附註	Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Special reserve 特別儲備 \$'000 千元	Reserve/ (goodwill) arising on consolidation 綜合賬目	Exchange differences arising on translation 匯兌差額 \$'000 千元	Capital redemption reserve 贖回儲備 \$'000 千元	Revaluation reserves of land and buildings 土地及 樓宇之 重估儲備 \$'000 千元	Fair value reserve 公允價值 儲備 \$'000 千元	Retained profits 保留盈利 \$'000 千元	Total 總額 \$'000 千元	Minority interests 少數 股東權益 \$'000 千元	Total 權益總額 \$'000 千元
					產生之 儲備/ (商譽) \$'000 千元	換算 產生之 匯兌差額 \$'000 千元	資本 贖回儲備 \$'000 千元	土地及 樓宇之 重估儲備 \$'000 千元	公允價值 儲備 \$'000 千元				
At 1 January 2005	於二零零五年 一月一日	254,881	445,204	112,016	58,527	1,677	70	243	-	206,324	1,078,942	3,194	1,082,136
Opening balance	就下列各項作出												
adjustments in respect of:	之期初結餘 調整:												
- negative goodwill	2(a)	-	-	-	(71,141)	-	-	-	-	71,821	680	-	680
- financial instruments	2(b)	-	-	-	-	-	-	-	-	(3,342)	(3,342)	-	(3,342)
At 1 January 2005, after opening balance adjustments	於二零零五年 一月一日,在 作出期初結餘 調整後	254,881	445,204	112,016	(12,614)	1,677	70	243	-	274,803	1,076,280	3,194	1,079,474
Dividends approved in respect of the previous year	批准去年度股息 7(b)	-	-	-	-	-	-	-	-	(15,293)	(15,293)	-	(15,293)
Shares issued under share option scheme	根據購股權計劃 發行股份	300	588	-	-	-	-	-	-	-	888	-	888
Share of exchange reserves of associates	所佔聯營公司 匯兌儲備	-	-	-	-	(386)	-	-	-	-	(386)	-	(386)
Exchange differences on translation of financial statements of subsidiaries and associates	換算附屬公司及 聯營公司財務 報表產生之 匯兌差額	-	-	-	-	(1,667)	-	-	-	-	(1,667)	-	(1,667)
Changes in fair value of available-for-sale securities	待售證券公允價值 變動	-	-	-	-	-	-	-	1,519	-	1,519	-	1,519
Profit for the period	本期間盈利	-	-	-	-	-	-	-	-	62,005	62,005	8,987	70,992
Share of reserve by minority interests	少數股東所佔 儲備	-	-	-	-	204	-	-	-	-	204	(204)	-
Capital contribution received by non-wholly owned subsidiary from minority shareholder	非全資附屬公司 收取少數股東 作出之注資	-	-	-	-	-	-	-	-	-	-	47,602	47,602
Additional contribution received by non-wholly owned subsidiary from minority shareholder	非全資附屬公司 收取少數股東 作出之進一步 注資	-	-	-	-	-	-	-	-	-	-	24,277	24,277
Dividend paid to minority shareholder	支付予少數股東 之股息	-	-	-	-	-	-	-	-	-	-	(281)	(281)
Transfer from special reserve	轉撥自特別儲備	-	-	(686)	-	-	-	-	-	686	-	-	-
At 30 June 2005	於二零零五年 六月三十日	255,181	445,792	111,330	(12,614)	(172)	70	243	1,519	322,201	1,123,550	83,575	1,207,125

13. CAPITAL AND RESERVES (continued)

13. 股本及儲備 (續)

Attributable to equity holders of the Company
本公司股東應佔

		Share capital 股本	Share premium 股份溢價	Special reserve 特別儲備	Reserve/ (goodwill) arising on consolidation 綜合賬目 產生之 儲備/ (商譽)	Exchange differences arising on translation 換算 產生之 匯兌差額	Capital redemption reserve 資本 贖回儲備	Revaluation reserves of land and buildings 樓宇之 重估儲備	Fair value 公允價值 儲備	(Accumul- ated losses)/ retained profits (累計 虧損)/ 保留盈利	Minority interests 少數 股東權益	Total equity 權益總額	
					\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元			\$'000 千元
At 1 January 2004	於二零零四年 一月一日	254,831	2,817,279	-	58,177	212	70	243	-	(2,130,416)	1,000,396	-	1,000,396
Reduction of share premium	削減股份溢價	-	(2,372,173)	-	-	-	-	-	-	2,372,173	-	-	-
Share of exchange reserves of associates	所佔聯營公司 匯兌儲備	-	-	-	-	1,363	-	-	-	-	1,363	-	1,363
Exchange differences on translation of financial statements of subsidiaries and associates	換算附屬公司及 聯營公司財務 報表產生之 匯兌差額	-	-	-	-	1,167	-	-	-	-	1,167	-	1,167
Capital reserve realised on liquidation of subsidiary	清算附屬公司而 變現之資本 儲備	-	-	-	(555)	-	-	-	-	-	(555)	-	(555)
Profit for the period	本期間盈利	-	-	-	-	-	-	-	-	44,837	44,837	298	45,135
Acquisition of non-wholly owned subsidiary	收購非全資 附屬公司	-	-	-	-	-	-	-	-	-	-	47	47
Capital contribution received by non-wholly owned subsidiary from minority shareholder	非全資附屬公司 收取少數股東 作出之注資	-	-	-	-	-	-	-	-	-	-	4,280	4,280
Dividend paid to minority shareholder	支付予少數 股東之股息	-	-	-	-	-	-	-	-	-	-	(282)	(282)
Transfer to special reserve	轉撥至特別儲備	-	-	28,466	-	-	-	-	-	(28,466)	-	-	-
At 30 June 2004	於二零零四年六月三十日	<u>254,831</u>	<u>445,106</u>	<u>28,466</u>	<u>57,622</u>	<u>2,742</u>	<u>70</u>	<u>243</u>	<u>-</u>	<u>258,128</u>	<u>1,047,208</u>	<u>4,343</u>	<u>1,051,551</u>

(a) On 20 May 2005, options were exercised to subscribe for 3,000,000 ordinary shares in the Company at a consideration of \$888,000, of which \$300,000 was credited to share capital and the balance of \$588,000 was credited to the share premium account.

(a) 於二零零五年五月二十日，購股權持有人行使購股權，以888,000元代價認購3,000,000股本公司普通股。其中300,000元計入股本之內，而餘下588,000元則計入股份溢價賬。

13. CAPITAL AND RESERVES (continued)

(b) At 30 June 2005, the outstanding options of the Company were:

Date of options granted 購股權授出日期	Exercise period 行使期	Exercise price 行使價	Number of options outstanding 尚未行使購股權數目	
			At 30 June 2005 二零零五年 六月三十日	At 31 December 2004 二零零四年 十二月三十一日
29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年三月二十九日至 二零一三年五月二十五日	\$0.296 0.296元	52,700,000	54,200,000
29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年九月二十九日至 二零一三年五月二十五日	\$0.296 0.296元	52,700,000	54,200,000
			105,400,000	108,400,000

(c) Details of share option exercised during the period:

Exercise date 行使日期	Exercise price 行使價	Market value per share at exercise date 於行使日期之 每股市場價值	Proceeds received 已收取款項	Number 數目
20 May 2005 二零零五年 五月二十日	\$0.296 0.296元	\$0.45 0.45元	\$888,000 888,000元	3,000,000

13. 股本及儲備 (續)

(b) 於二零零五年六月三十日，尚未行使之本公司購股權如下：

Date of options granted 購股權授出日期	Exercise period 行使期	Exercise price 行使價	Number of options outstanding 尚未行使購股權數目	
			At 30 June 2005 二零零五年 六月三十日	At 31 December 2004 二零零四年 十二月三十一日
29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年三月二十九日至 二零一三年五月二十五日	\$0.296 0.296元	52,700,000	54,200,000
29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年九月二十九日至 二零一三年五月二十五日	\$0.296 0.296元	52,700,000	54,200,000
			105,400,000	108,400,000

(c) 期內已行使購股權詳情：

Exercise date 行使日期	Exercise price 行使價	Market value per share at exercise date 於行使日期之 每股市場價值	Proceeds received 已收取款項	Number 數目
20 May 2005 二零零五年 五月二十日	\$0.296 0.296元	\$0.45 0.45元	\$888,000 888,000元	3,000,000

14. MATERIAL RELATED PARTY TRANSACTIONS

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

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

Interest expense 利息支出

- (b) The Group entered into the following related party transactions with CEH and its subsidiaries:

Rental income for the 提供辦公室物業之
provision of office premises 租金收入

- (c) The Group entered into the following related party transactions with an associate:

Service fee paid for operation 就營運污水處理廠
of waste-water treatment 而支付之服務費
plants

14. 與關聯人士之重大交易

於本期間內，與關聯人士之重大交易如下：

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

Six months ended 30 June
截至六月三十日止六個月

2005	2004
二零零五年	二零零四年
\$'000	\$'000
千元	千元

6,829	5,440
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- (b) 本集團與光大集團及其附屬公司訂立以下關聯人士交易：

Six months ended 30 June
截至六月三十日止六個月

2005	2004
二零零五年	二零零四年
\$'000	\$'000
千元	千元

381	343
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- (c) 本集團與一家聯營公司訂立以下關聯人士交易：

Six months ended 30 June
截至六月三十日止六個月

2005	2004
二零零五年	二零零四年
\$'000	\$'000
千元	千元

9,219	-
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14. MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(d) The Group entered into the following related party transactions with the minority shareholders of the Group:

Waste-water treatment revenue	污水處理收益
Technical service fee paid	已付技術服務費
Operating lease charge in respect of waste-water treatment facilities	污水處理設施之經營租賃開支

(e) The Group paid key management personnel compensation as follows:

Salaries and other short-term employee benefits	薪金及其他短期僱員福利
Retirement scheme contributions	退休計劃供款

14. 與關聯人士之重大交易 (續)

(d) 本集團與其少數股東訂立以下關聯人士交易:

Six months ended 30 June	
截至六月三十日止六個月	
2005	2004
二零零五年	二零零四年
\$'000	\$'000
千元	千元

25,612	-
1,108	-
470	-
<u>470</u>	<u>-</u>

(e) 本集團已支付予主要管理人員之個人報酬如下:

Six months ended 30 June	
截至六月三十日止六個月	
2005	2004
二零零五年	二零零四年
\$'000	\$'000
千元	千元

4,063	2,792
49	48
<u>4,112</u>	<u>2,840</u>

14. MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(f) Included in the consolidated balance sheet are the following balances with related parties:

		At 30 June 2005 二零零五年 六月三十日 \$'000 千元	At 31 December 2004 二零零四年 十二月三十一日 \$'000 千元
Dividend receivable from associate	應收聯營公司股息	49,497	-
Amount due to associate	應付聯營公司款項	(2,746)	-
Deposits placed with related party bank (included in cash and cash equivalents)	存放於關聯人士銀行之存款(包括在現金及現金等價物內)	113,902	49,003
Loans from ultimate holding company	最終控股公司貸款	(534,244)	(545,206)
Amount due to ultimate holding company	應付最終控股公司款項	(5,648)	(9,186)
Amounts due to minority shareholders	應付少數股東款項	<u>(33,509)</u>	<u>(7,962)</u>

15. CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED IN THE INTERIM FINANCIAL REPORT

14. 與關聯人士之重大交易 (續)

(f) 包括在綜合資產負債表內有下列與關聯人士之結餘:

		At 30 June 2005 二零零五年 六月三十日 \$'000 千元	At 31 December 2004 二零零四年 十二月三十一日 \$'000 千元
Contracted for	已訂約	<u>349,259</u>	<u>235,630</u>

15. 未於中期財務報告作出撥備之資本承擔

		At 30 June 2005 二零零五年 六月三十日 \$'000 千元	At 31 December 2004 二零零四年 十二月三十一日 \$'000 千元
Contracted for	已訂約	<u>349,259</u>	<u>235,630</u>

16. OPERATING LEASE COMMITMENTS

At 30 June 2005, the total future minimum lease payments under a non-cancellable operating lease in respect of waste-water treatment facilities are payable as follows:

Within 1 year	一年內	
After 1 year but within 5 years	一年後但五年內	
After 5 years	五年後	

The Group leases waste-water treatment facilities from a minority shareholder under an operating lease. The lease runs for an initial period of twenty years, with an option to renew the lease. The lease does not include contingent rentals.

17. CONTINGENT LIABILITIES

At 31 December 2004, there were contingent liabilities in respect of guarantees given to banks by the Company for end user financing guarantees and undertakings executed by a disposed associate to banks amounting to \$745,000. Such contingent liabilities were released as at 30 June 2005.

18. PLEDGE OF ASSETS

At 30 June 2005, the Group pledged cash, and fixed assets, with an aggregate net book value of approximately \$400,937,000 (at 31 December 2004: \$300,607,000) to secure general banking facilities granted to the Group. In addition, the shares of a subsidiary of the Group, the Group's toll bridge revenue and the Group's revenue and franchise right of a waste-to-energy plant (which the construction has yet to be completed) have been pledged.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified as a result of the adoption of new HKFRSs.

16. 經營租賃承擔

於二零零五年六月三十日，根據污水處理設施之不可解除經營租賃協議，在日後應付的最低租賃付款總額如下：

At 30 June 2005 二零零五年 六月三十日 \$'000 千元	At 31 December 2004 二零零四年 十二月三十一日 \$'000 千元
939	-
3,758	-
13,621	-
18,318	-

本集團根據經營租賃協議向一名少數股東租賃污水處理設施，有關租賃初步為期二十年，本集團可選擇續約。有關租賃並無或有租金。

17. 或有負債

於二零零四年十二月三十一日，本公司因一家已出售聯營公司向銀行簽立最終用戶融資擔保與保證書而向有關銀行提供擔保所承擔之或有負債為745,000元。截至二零零五年六月三十日，有關或有負債經已解除。

18. 資產抵押

於二零零五年六月三十日，本集團將賬面淨值總額約400,937,000元（二零零四年十二月三十一日：300,607,000元）之現金及固定資產抵押，作為本集團獲授一般銀行融資之抵押品。此外，本集團一家附屬公司之股份、本集團收費橋樑收益，以及垃圾發電廠（建設工程仍未完成）收益及專營權亦已予以抵押。

19. 比較數字

由於採納了新訂香港財務報告準則，故若干比較數字已重新分類。

TO THE BOARD OF DIRECTORS OF CHINA EVERBRIGHT INTERNATIONAL LIMITED

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 32 to 60.

Respective responsibilities of directors and auditors

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, Interim financial reporting issued by the Hong Kong Institute of Certified Public Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

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

Review work performed

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

致中國光大國際有限公司董事會

引言

我們已應 貴公司指示，審閱刊於第32頁至60頁的中期財務報告。

董事及核數師的各自責任

根據《香港聯合交易所有限公司證券上市規則》之規定，上市公司必須以符合上市規則中相關規定及香港會計師公會頒佈的《香港會計準則》第34號「中期財務報告」的規定編製中期財務報告。中期財務報告由董事負責，並由董事核准通過。

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

審閱工作

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

Review conclusion

On the basis of our review, which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2005.

KPMG

Certified Public Accountants

Hong Kong, 15 September 2005

審閱結論

根據這項不構成審核的審閱工作，我們並沒有察覺截至二零零五年六月三十日止六個月的中期財務報告需要作出任何重大的修訂。

畢馬威會計師事務所

執業會計師

香港，二零零五年九月十五日