

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

發揚光大精神
爭創環保名牌



Chairman's Statement 主席報告

The PRC economy achieved a rapid growth in 2005. Benefiting from the continuous growth in economy, the living standard of Chinese people has also been rising. The Central Government has formulated various environmental protection policies to encourage corporations to develop environmental protection business. Given the stable business environment and in the face of the said favorable opportunity, the Group, on the one hand, prudently managed and operated its infrastructure investment business and property investment business, and on the other hand, continued to create high quality environmental protection projects, so as to shift gradually from an investment management group to an investment group with more operational capabilities. The Group aims to expand its environmental protection business, making it one of its three main focuses of business development.

中國經濟於二零零五年保持高速增長，人民生活素質不斷提高。中央政府亦加大力度制定相關政策對環境保護，鼓勵企業開拓環保業務。面對上述的機遇及處身穩定的營商環境，本集團在穩步經營及管理基建及物業兩大投資業務的基礎上，不斷發展環保品牌項目，逐步從投資管理集團轉型為投資經營集團，將環保業務做强做大，成為三大業務發展支柱之一。

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During the year under review, the Group continued to achieve improvement in its operating results. The overall financial position of the Group was sound. Apart from registering strong cash flow, the Group also recorded an increase in return on asset. Profit attributable to equity shareholders of the Company for the year amounted to HK\$105,330,000, representing an increase of 21% over HK\$86,776,000 of the previous year. The increase was mainly attributable to the steady growth in traffic flow of Qingzhou Bridge and the increase in profits on property investments. In addition to Qingdao Waste Water Treatment Project ("Qingdao Project"), the newly acquired Zibo Waste Water Treatment Project ("Zibo Project") also started to make profit contribution to the Group in December 2005, which has further enhanced the earning base of the Group.

Given the Group's healthy financial position and as a token of gratitude to the support of the equity shareholders of the Company, the Board proposed to pay a final dividend of HK0.6 cent per share to the equity shareholders of the Company. Together with the interim dividend of HK0.6 cent per share for 2005, total dividends for the year amounted to HK1.2 cent per share (2004: HK1 cent per share).

Envisaging that there is enormous potential for the development of environmental protection business, the Group has decided to develop the same as its core business and undertaken several new projects during the year under review. In April 2005, the Group entered into an undertaking to construct a waste-to-energy plant in Yixing City of Jiangsu Province on BOT basis. In September 2005, the Group acquired two waste water treatment plants in Zibo City of Shandong Province on TOT basis. In October 2005, the foundation laying of the methane-to-energy plant ("Methane-to-energy Project") in Suzhou Everbright Environmental Protection Industrial Zone ("the Zone") completed. In December 2005, the foundation laying of the disposal centre for industrial solid waste ("Solid Waste Disposal Project") in the Zone completed. In January 2006, the Group successfully obtained the exclusive rights of operation for the waste-to-energy plant in Jiangyin City of Jiangsu Province. Through the abovementioned new investments, the Group has successfully established a strong strategic position in Jiangsu Province, while commanding a leading market position in the industry.

回顧年度內，本集團持續錄得經營業績增長，整體財務狀況健康，現金流強勁及資產收益率上升，全年股東應佔盈利港幣105,330,000元，較去年之港幣86,776,000元上升21%。股東應佔盈利錄得增長，主要由於青洲大橋車流量穩步上升及物業投資利潤增加。此外，繼青島污水處理項目（「青島項目」）後，新收購的淄博污水處理項目（「淄博項目」）亦於二零零五年十二月開始為本集團提供利潤，進一步擴闊本集團的盈利基礎。

為回饋股東的支持及經考慮本集團穩健的財務狀況，董事會建議向股東派發末期股息每股0.6港仙，連同二零零五年度中期股息每股0.6港仙，全年股息每股1.2港仙（二零零四年：每股1港仙）。

有見於環保產業擁有龐大發展潛力，本集團銳意將環保業務建設為核心業務。於回顧年度內，本集團成功推進了多個新項目。二零零五年四月簽約於江蘇省宜興市以BOT模式建設垃圾焚燒發電廠；九月，以TOT模式收購山東省淄博市兩個污水處理廠；十月，蘇州市光大環保產業園（「產業園」）沼氣發電項目（「沼氣項目」）奠基；十二月，產業園工業固體廢物安全填埋項目（「固廢項目」）奠基；二零零六年一月亦落實取得江蘇省江陰市垃圾焚燒發電廠特許經營權。通過上述新項目的投資，本集團目前已成功在江蘇省建立具策略性地域的投資，處於市場的領導地位。

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Leveraging on its experience and expertise, the Group commenced to construct the first comprehensive environmental protection industrial zone for all types of urban solid waste in the PRC, i.e. the Zone, during the year under review. The Zone will comprise the first wholly-owned environmental protection project to be constructed by the Group, i.e. SuNeng Waste-to-energy Project ("SuNeng Project"), the said Methane-to-energy Project and Solid Waste Disposal Project which completed the foundation laying during the year and some other projects. Among which, SuNeng Project and Methane-to-energy Project are expected to commence commercial operation in the second half of 2006, while the commercial operation of Solid Waste Disposal Project is expected to start in the beginning of 2007. The Group believes that the Zone, which is expected to become the base for environmental education and promotion in Suzhou, will be the model for the development of related projects in the future.

The development of the Group's waste water treatment business has been satisfactory. Following the commencement of commercial operation of Qingdao Project during the year and the construction for the extension to Qingdao Maidao Waste Water Treatment Plant, the Group entered into an acquisition agreement with Zibo Municipal Government in September 2005 and formally took charge of Zibo Project in December 2005. Through investing in Qingdao Project and Zibo Project, the Group successfully established a solid business base in Shandong Province. The Group is now under negotiation with Jinan Municipal Government for cooperation in environmental protection projects, which is expected to further expand the business development of the Group in the region.

憑藉以往的寶貴經驗，本集團在回顧年度內興建中國首個集中處置整個城市所有固體廢物的綜合環保產業園—「產業園」。這個項目包括本集團首個全資投資及建設的環保項目—蘇能垃圾焚燒發電項目（「蘇能項目」）、以及年內已奠基之沼氣項目及固廢項目和其他項目等等。其中蘇能項目及沼氣項目俱預計可於二零零六年下半年投入運行，至於固廢項目則計劃於二零零七年初開始運行。本集團相信此產業園區將成為蘇州市的環保宣傳教育基地，為本集團未來發展相關項目起了示範的作用。

此外，本集團的環保水務業務亦取得理想的發展。繼青島項目於年內投入營運及開始建設麥島擴建工程後，本集團於二零零五年九月與淄博市政府簽署收購協議，並於十二月正式接管淄博項目。通過投資青島項目與淄博項目，本集團已於山東省建立穩固的業務基礎。本集團目前亦正與濟南市政府商洽於環保領域的合作計劃，有關合作將可進一步拓大本集團於此區域的業務發展。

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In 2004, China Everbright Holdings Company Limited (“CEH”) duly positioned the environmental protection business as one of its three main focuses of business development. In compliance with the objective of building a compassionate society under the Eleventh Five-year plan implemented by the Central Government and to comply with the “Decision on the promotion of technological development and the enhancement of environmental protection” published by the State Council, the Group will, by leveraging on its strong competitiveness in the waste-to-energy, waste water treatment and other environmental-related areas and the strong support from CEH, continue to produce quality projects. While striving to develop itself as a leader in the environmental protection business and infrastructure investment in the PRC, the Group steadfastly endeavors to create an appealing communal living environment for the society.

Finally, on behalf of the Group, I would like to express my heartfelt gratitude for the unfailing support, trust and effort of all our equity shareholders, members of the Board, the management and staff members. With our persistent effort, I have full confidence that the Group will achieve steady growth in the future and provide satisfactory return for all shareholders.

Wang Mingquan

Chairman

Hong Kong, 28 March 2006

二零零四年度，中國光大集團有限公司（「光大集團」）正式確立環保業務為其三大業務發展支柱之一，為環保業務清晰定位。展望未來，配合中央政府致力建設和諧社會所下達的第十一個五年計劃，以及國務院《關於落實科學發展觀加強環境保護的決定》，本集團將利用此契機，透過在垃圾焚燒發電、污水處理及其他環保相關項目的獨特競爭優勢，加上「光大集團」強大的支持，貫徹打造精品項目，致力成為中國具領導地位的綠色環保及基建投資產業集團，為社會創造理想的生活環境服務。

最後，本人謹此向全體股東、董事會成員、管理層及所有員工致以衷心謝意，感謝他們一直以來對本集團的支持、信任及貢獻。本人深信，憑藉我們的不懈努力，本集團業務將持續穩定增長，並為股東帶來豐碩的回報。

王明權

主席

香港，二零零六年三月二十八日