



明興控股有限公司

MING HING HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號 : 402)



ANNUAL REPORT 2007

二零零七年年報

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公司資料 Corporate Information

董事

執行董事

原秋明先生(主席)

蘇耀祥先生(副主席)

原偉強先生(副主席兼行政總裁)

獨立非執行董事

孫伯全先生

何鍾泰博士

梁以德教授

張志文先生

授權代表

蘇耀祥先生

原偉強先生

公司秘書及合資格會計師

楊婉嫦女士(FCCA, CPA)

審核委員會

張志文先生(主席)(CPA (Aust), CPA)

何鍾泰博士

梁以德教授

提名委員會

原偉強先生(主席)

梁以德教授

張志文先生

薪酬委員會

原偉強先生(主席)

梁以德教授

張志文先生

DIRECTORS

Executive Directors

Mr. YUEN Chow Ming (Chairman)

Mr. SO Yiu Cheung (Deputy Chairman)

Mr. YUEN Wai Keung (Deputy Chairman and Chief Executive Officer)

Independent Non-Executive Directors

Mr. SUN Bo Quan

Dr. HO Chung Tai, Raymond

Professor LEUNG Yee Tak

Mr. CHEUNG Chi Man, Dennis

AUTHORISED REPRESENTATIVES

Mr. SO Yiu Cheung

Mr. YUEN Wai Keung

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Ms. YEUNG Yuen Sheung (FCCA, CPA)

AUDIT COMMITTEE

Mr. CHEUNG Chi Man, Dennis (Chairman) (CPA (Aust), CPA)

Dr. HO Chung Tai, Raymond

Professor LEUNG Yee Tak

NOMINATION COMMITTEE

Mr. YUEN Wai Keung (Chairman)

Professor LEUNG Yee Tak

Mr. CHEUNG Chi Man, Dennis

REMUNERATION COMMITTEE

Mr. YUEN Wai Keung (Chairman)

Professor LEUNG Yee Tak

Mr. CHEUNG Chi Man, Dennis

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

主要營業地點

香港
九龍灣
宏開道16號
德福大廈
1809-1812室

合規顧問

新加坡大華亞洲(香港)有限公司
香港
皇后大道中29號
怡安華人行
6樓601室

法律顧問

鄭黃林律師行
香港
中環
花園道1號
中銀大廈50樓

核數師

均富會計師行
執業會計師
香港
中環
畢打街11號
置地廣場
告羅士打大廈13樓

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

Units 1809-1812
Telford House
16 Wang Hoi Road
Kowloon Bay
Hong Kong

COMPLIANCE ADVISER

UOB Asia (Hong Kong) Limited
Suite 601, 6th Floor
Aon China Building
29 Queen's Road Central
Hong Kong

LEGAL ADVISERS

Cheng Wong Lam & Partners
50/F., Bank of China Tower
1 Garden Road
Central
Hong Kong

AUDITORS

Grant Thornton
Certified Public Accountants
13th Floor, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

公司資料 Corporate Information

主要往來銀行

三菱東京UFJ銀行
香港分行
香港
干諾道中1號
美國國際集團大廈8樓

滙生銀行有限公司
香港
德輔道中83號

中國銀行(香港)有限公司
香港
中環
花園道1號

大新銀行有限公司
香港
灣仔
告士打道108號
大新金融中心地下

主要股份登記處

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

股份登記分處

卓佳證券登記有限公司
香港
灣仔皇后大道東28號
金鐘匯中心26樓

股份代號

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PRINCIPAL BANKERS

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Hong Kong Branch
8/F., AIG Tower
1 Connaught Road Central
Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

Bank of China (Hong Kong) Limited
1 Garden Road
Central
Hong Kong

Dah Sing Bank, Limited
G/F., Dah Sing Financial Centre
108 Gloucester Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East, Wanchai
Hong Kong

STOCK CODE

402

主席報告 Chairman's Statement

本人謹代表明興控股有限公司(「本公司」)及連同其附屬公司統稱「本集團」或「明興」)董事會(「董事會」,各成員稱為「董事」)欣然提呈本集團截至二零零七年三月三十一日止年度之年度業績。

截至二零零七年三月三十一日止年度,本集團之收益約為519,900,000港元,較去年增長約97.1%。股東應佔純利約為34,300,000港元。每股本公司股份(「股份」)基本盈利約為5.362港仙。於二零零七年三月三十一日,本集團之總資產約達356,900,000港元,較去年上升約69.8%。董事會建議派付末期股息每股股份1.12港仙。

過去四十年以來,明興一直致力為香港市民提供優質供水服務。時至今日,明興已成為香港主要水務相關服務供應商,其超過92%之收益均來自水務相關服務。從水塘以至家居食水,本集團為香港這個大都會提供全面的供水服務。

本集團現時負責保養之供水系統分佈至香港超過55%之人口。於回顧年內,本集團成功以分包商身份獲得一份新的新界東區水務設施保養合約(合約編號:1/WSD/06(E));連同兩項正以總承包商身份為香港特別行政區政府水務署(「水務署」)分別在九龍區(合約編號:1/WSD/05(K))及大嶼山與離島區(合約編號:1/WSD/05(L))進行之水務保養工程,本集團一直積極為全港五份水務保養合約之其中三份提供服務。本集團之保養工作範疇包括產水量每日逾250萬噸的12個濾水廠項目及香港三大水塘,包括船灣淡水湖、萬宜水庫及石壁水塘。這些保養合約不僅為本集團之收益帶來穩定增長,更有助鞏固本集團在香港水務保養服務之領導地位。

On behalf of the board (the "Board") of directors (the "Directors") of Ming Hing Holdings Limited (the "Company", and together with its subsidiaries, the "Group" or "Ming Hing"), I am pleased to present the annual results of the Group for the year ended 31 March 2007.

For the year ended 31 March 2007, the Group's revenue amounted to approximately HK\$519.9 million, representing an increase of approximately 97.1 per cent as compared with the previous year. Net profit attributable to shareholders amounted to approximately HK\$34.3 million. Basic earnings per share of the Company (the "Share(s)") amounted to approximately HK5.362 cents. As at 31 March 2007, the Group's total assets reached approximately HK\$356.9 million, which was approximately 69.8 per cent higher than that in the previous year. The Board proposes to pay a final dividend of HK1.12 cents per Share.

For four decades now, Ming Hing has been dedicated to providing the highest quality water supply services to Hong Kong people. It is today a major water-related services provider in Hong Kong with over 92% of its revenue derived from water-related services. From impounding reservoirs to taps at home, the Group provides all-round water supply services to the metropolis.

The Group is currently responsible for maintaining the water supply system distributed to over 55% of the Hong Kong population. During the year under review, the Group successfully secured a new waterworks maintenance contract for the New Territories East district (contract number 1/WSD/06(E)) as a sub-contractor. Together with the two ongoing waterworks maintenance projects from the Water Supplies Department of the Government of the Hong Kong Special Administrative Region (the "WSD") as the main contractor in Kowloon district (contract number 1/WSD/05(K)) and Lantau and the outlying islands (contract number 1/WSD/05(L)), the Group has been actively providing services for three of the five waterworks maintenance contracts in Hong Kong. Our maintenance work has covered 12 water treatment projects, with output capacity over 2.5 million tons per day, and the three largest impounding reservoirs in Hong Kong, including Plover Cove Reservoir, High Island Reservoir and Shek Pik Reservoir. These maintenance contracts not only drive steady growth in the Group's revenue, but also fortify our leading position in waterworks maintenance service in Hong Kong.

主席報告 Chairman's Statement

展望未來，本集團將採取雙管齊下的策略，推動業務蒸蒸日上。本集團將憑藉其經驗及專業知識，致力維持於香港水務業之市場佔有率，同時密切注意於中國內地市場之擴充機會。

為了維持其香港主要水務服務供應商的地位，明興將繼續努力爭取本港水務市場之更多佔有率。根據二零零七至零八年度政府財政預算案，水務署於二零零七至二零零八財政年度之估計在建工程開支約為1,410,800,000港元。同時，水務署亦正在策劃及設計大量工程，所涉合約總值分別約達1,154,200,000港元及2,820,800,000港元。本集團預期於香港市場產生之可靠收益將支持其日後之發展。

經濟蓬勃發展，加上中國內地人民生活日益富裕，為水務市場帶來驚人潛力。全國第十一個五年規劃綱要頒佈後，中國政府就環境保護制定清晰目標，以致水務行業迅速增長，估計未來數年的資本開支逾人民幣10,000億元，其中約人民幣3,300億元預期將用於污水處理的基建項目。於二零零七年六月，《內地與香港關於建立更緊密經貿關係的安排》（「更緊密經貿關係安排」）進一步為香港企業開放這個潛力龐大的市場。據此，香港企業獲准在中國內地的中型城市設立獨資企業，以在當地從事供水及渠務的營運及建造。該等有利措施切實為香港參與者締造大量商機。

為充份把握中國內地市場之雄厚潛力，本集團已開始與現有業內翹楚合作。二零零七年四月，本公司與中國水務集團有限公司（「中國水務」，股份代號：855）訂立一份有關認購明興股份之股份認購協議，自此中國水務成為本公司之其中一位主要股東。中國水務在中國內地市場積累了豐富經驗，客戶網絡廣闊，地方關係穩固，可加快本集團打入中國龐大市場。管理層謹此對中國水務過去數

Going forward, the Group will apply a two-pronged strategy to drive prosperous development of its business. Building on its experience and expertise, the Group will strive to sustain its market share in the water services industry in Hong Kong, and at the same time, it is keeping close eyes on the China Mainland's market for expansion opportunities.

To maintain its position as a major water services provider in Hong Kong, Ming Hing will continue to strive to capture more share in the city's waterworks market. According to the 2007-08 budget, the estimated expenditure of works under construction by the WSD is approximately HK\$1,410.8 million for the fiscal year 2007-08. Meanwhile, there are numerous projects under planning and design with total contractual values reaching approximately HK\$1,154.2 million and HK\$2,820.8 million, respectively. In the future, the Group expects to generate reliable revenue in Hong Kong market that can support its growth in the future.

The booming economy and rising affluence of the people in the China Mainland points to water market with phenomenal potential for the Group. Following the National 11th Five-Year Plan, the PRC Government has established a clear vision on environmental protection issue. Under this vision, the water services industry grows swiftly with estimated capital expenditure of over RMB1,000 billion in the coming years. Around RMB330 billion is expected to be spent on infrastructure of sewage treatment. This great potential market has been further opened up to Hong Kong corporations in June 2007 by the Mainland and Hong Kong Closer Economic Partnership Arrangement ("CEPA") which Hong Kong corporations are allowed to set up wholly-owned enterprises for the operations and construction of water supply and drainage in the medium-sized city in the China Mainland. These favourable measures have definitely created ample opportunities for Hong Kong participants.

To quickly capture the tremendous potential in the China Mainland's market, the Group has started to co-operate with existing industry players. In April 2007, the Company entered into a share subscription agreement with China Water Affairs Group Limited ("China Water", stock code: 855) in relation to the subscription of Ming Hing's shares, following which, China Water has become one of the substantial shareholders of the Company. As an experienced player in the China Mainland's market, China Water has an extensive customer network and strong local connections that can facilitate the Group's entry

月為本集團進軍中國水務市場所給予之支持及建議致以衷心謝意。市場對於本集團與中國水務之合作反應良好，致使本集團近期股價表現理想，本集團對此感到欣喜。

二零零七年六月，本集團就組成合資企業公司與一獨立第三方訂立一份非約束性備忘錄。該合資企業公司將主要於中國廣西省從事供水業務。除廣西省外，本集團亦正就供水業務之潛在投資商機與其他高增長城市進行磋商。憑藉於供水業務之豐富經驗，本集團亦將物色機會於中國內地有潛力之省份發展污水處理廠，並提供其他水務相關服務，例如水務相關基礎設施之土木工程服務。

本集團之主要業務不但徧根香港，亦視中國內地市場為主要之長線增長動力，因此將竭盡所能拓展中國內地市場。本人深信本集團對中國內地市場之發展策略將為股東帶來可觀回報。

本人謹藉此機會對各董事為本集團所作出之貢獻，以及管理層和全體員工過去一年的鼎力支持及不懈努力，致以衷心謝意。本人亦謹此代表董事會感謝我們的客戶、業務夥伴及股東對本集團一直以來之支持。

主席

原秋明

二零零七年七月十九日

into the vast market. In particular, the management would like to thank China Water for its support and advice over the past few months on the Group's advancement into the PRC waterworks market. We are glad that the market responded positively to our collaboration, which is seen through the Group's satisfactory share price performance recently.

In June 2007, the Group has entered into a non-binding memorandum of understanding with an independent third party in relation to the formation of a joint venture company, which will be principally engaged in water supply business in Guangxi Province, the China Mainland. Apart from Guangxi Province, the Group is also under negotiation with other high growth cities for potential investment opportunities in water supply business. Riding on its experience in the water supply industry, the Group will also seek for any opportunities in developing sewage treatment plants in potential provinces in the China Mainland, as well as providing other water-related services such as civil engineering services for water-related infrastructures.

While our principal business takes root in Hong Kong, the Group sees the China Mainland as a major growth driver in the long run and hence will make every effort to develop the market. I am confident that our growth strategy for the China Mainland's market will bring in attractive returns to our shareholders.

I would like to take this opportunity to express my gratitude to my fellow Directors for their commitment to the Group, and the management and staff for their support and dedication in the past year. On behalf of the Board, I express our particular thanks as well to our customers, business partners and shareholders for their continuing support to the Group.

YUEN Chow Ming

Chairman

19 July 2007

管理層討論及分析

Management's Discussion and Analysis

財務摘要

截至二零零七年三月三十一日止年度，本集團的收益增加97.1%至519,900,000港元(二零零六年：263,800,000港元)。毛利增加13.3%至80,200,000港元(二零零六年：70,800,000港元)。本年度溢利為34,300,000港元(二零零六年：38,600,000港元)，乃扣除經確認之購股權開支3,300,000港元(二零零六年：無)後所得，而購股權開支乃根據本公司向若干顧問及分包商授出的購股權之公允值而釐定。未計入上述開支的本年度溢利為37,600,000港元。每股基本盈利為5.362港仙(二零零六年：7.916港仙(經重列))。董事會建議就截至二零零七年三月三十一日止年度派付末期股息每股1.12港仙。

業務回顧

於回顧年內，水務署之水務工程項目仍為本集團之主要收入來源。本集團約92%之收益來自其以總承包商或分包商身份進行的水務署水務工程項目。展望未來，本集團預期擴充業務至中國內地的水務市場可帶來更多收益。

收益

於回顧年內，來自保養工程合約之收益為438,400,000港元(二零零六年：189,300,000港元)，佔本集團總收益約84.3%(二零零六年：71.8%)。保養工程合約收益增加主要是由於新界東區一份為期三年的水務工程定期合約(合約編號：1/WSD/06(E))於年內開展。此外，九龍區(合約編號：1/WSD/05(K))及大嶼山及離島區(合約編號：1/WSD/05(L))之保養合約於回顧年內錄得全年收益。上述兩份保養合約僅於二零零五年九月開展，因此在上個財政年度只反映半年的收益。

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2007, the Group recorded revenue of HK\$519.9 million, representing an increase of 97.1% (2006: HK\$263.8 million). Gross profit increased by 13.3% to HK\$80.2 million (2006: HK\$70.8 million). Profit for the year amounted to HK\$34.3 million (2006: HK\$38.6 million) was arrived at after the recognition of share option expense of HK\$3.3 million (2006: nil) which was determined based on the fair value of the share options granted by the Company to certain consultants and sub-contractors. Profit for the year excluding such expense was HK\$37.6 million. Basic earnings per Share amounted to HK5.362 cents (2006: HK7.916 cents, as restated). The Board recommends the payment of final dividends of HK1.12 cents per Share for the year ended 31 March 2007.

BUSINESS REVIEW

Waterworks projects from WSD remained the major source of the Group's income during the year under review. Around 92% of the Group's revenue was generated from undertaking WSD's waterworks projects in the capacity as main contractor or sub-contractor. Moving forward, the Group is expecting more revenue contribution from its diversification of business into the China Mainland's waterworks market.

REVENUE

During the year under review, the revenue generated from maintenance contracts amounted to HK\$438.4 million (2006: HK\$189.3 million), contributing approximately 84.3% (2006: 71.8%) of the Group's total revenue. The increase in maintenance contracts revenue was mainly attributable to the commencement of a three-year term contract of waterworks installations in the New Territories East district (contract number 1/WSD/06(E)) during the year. In addition, there was a full year revenue contribution from the maintenance contracts in Kowloon district (contract number 1/WSD/05(K)) and Lantau and the outlying islands (contract number 1/WSD/05(L)) during the year under review. These two maintenance contracts only reflected half-year revenue last financial year since they had commenced in September 2005.

邊際利潤及成本控制

於回顧年內，本集團之毛利率為15.4%(二零零六年：26.8%)。雖然收益表現令人鼓舞，但隨着市況好轉及香港經濟增長，本集團須面對分包費用增加，以及物料成本(特別是鋼鐵及喉管)與地盤開支增加。此外，由於在市區施工時需要更多人力資源及設備，故有關的市區工程合約的邊際利潤有所縮減。儘管成本壓力高企，本集團在回顧年內仍致力為社會提供有效率及優質的服務(尤其是緊急維修工程)，並獲得水務署讚賞。此良好往績將有利本集團日後投得更多工程。管理層相信，在未來數個財政年度，新界東區之保養合約(合約編號：1/WSD/06(E))帶來之全年收益將為整體毛利率水平帶來貢獻。

為應付合約成本增加，本集團已致力實施嚴格的成本控制政策，在中國內地物色物料採購機會。本集團認為，逐漸將物料採購轉移至中國內地可減少物料成本，從而舒緩本集團邊際利潤的壓力。此外，本集團將透過改良其機器及提升員工技能以提高技術水平，從而提高效率。

經營開支

於回顧年內，本集團之行政開支為35,400,000港元(二零零六年：24,200,000港元)。本集團的行政開支主要包括顧問費用、法律及專業費用、員工成本(包括董事酬金)及折舊開支。行政開支增加，主要由於折舊開支及員工成本增加。折舊開支增加，主要由於為新項目添置物業、廠房及設備所致。由於本集團業務持續增長，對人力資源需求更大，導致員工成本上升。

資本開支

於回顧年內，本集團的資本開支為16,600,000港元(二零零六年：16,000,000港元)，主要用作為新合約工程購置廠房、機器及汽車。

PROFIT MARGIN AND COST CONTROL

During the year under review, the Group's gross profit margin was 15.4% (2006: 26.8%). Despite encouraging performance on revenue, the Group faced increased subcontracting charges and a surge in material costs (particularly in steel and pipework) and site overheads brought about by improvement in the market phenomenon and the Hong Kong economy. Furthermore, the profit margin for contract works carried out in urban districts were squeezed since more human resources and equipment are required. Despite this high cost pressure, the Group still committed to serve the community with efficient and high quality services, especially in emergency repair works, which have been appreciated by WSD during the year under review. Having such track records will probably increase the Group's chance of securing future tenders. The management believes the full year revenue contribution from the maintenance contract in the New Territories East district (contract number 1/WSD/06(E)) will contribute to the overall gross margin level in the coming financial years.

To cope with the increase in contract costs, the Group has been exerting efforts to implement a stringent cost control policy through exploiting materials sourcing opportunities in the China Mainland. The Group sees gradual transition of materials sourcing from China Mainland a solution to reduce material costs and ease the pressure on the Group's profit margins. In addition, in order to improve efficiency, the Group will endeavor to achieve technology advancement by upgrading its machinery and improving labour skills.

OPERATING EXPENSES

During the year under review, the Group's administrative expenses amounted to HK\$35.4 million (2006: HK\$24.2 million). The Group's administrative expenses mainly consisted of consultancy fees, legal and professional fees, staff costs (including Directors' emoluments) and depreciation expenses. The increase in administrative expenses was mainly due to the increase in depreciation expenses and staff costs. The increase in depreciation expenses was directly attributable to the increase in acquisition of property, plant and equipment for the new projects. Meanwhile, higher staff costs were incurred as more human resources were required to meet the continual growth in the Group's business.

CAPITAL EXPENDITURE

During the year under review, the Group's capital expenditure amounted to HK\$16.6 million (2006: HK\$16.0 million). The amount was mainly spent on the acquisition of plant and machinery, as well as motor vehicles for new contracts.

管理層討論及分析

Management's Discussion and Analysis

流動資金及財務資源

於回顧年內，本集團主要透過股東資金、內部產生之現金流量及銀行借貸，為業務提供資金。於二零零七年三月三十一日，總資產為356,900,000港元(二零零六年：210,200,000港元)，流動負債為171,600,000港元(二零零六年：58,400,000港元)，非流動負債為24,600,000港元(二零零六年：17,100,000港元)。本集團之資產淨值為160,800,000港元(二零零六年：134,700,000港元)。

於二零零七年三月三十一日，本集團之現金及現金等價物為11,500,000港元(二零零六年：97,100,000港元)。由於合約工程的數目增加和規模擴大，且客戶對申請工程款項之程序作出新增之行政規定，故應收客戶合約工程款項有所增長，為本集團的營運資金帶來壓力。為緩減有關壓力，本集團已獲得更多銀行融資，以鞏固其財務基礎。本集團之可動用信貸融資總額增加至146,700,000港元，而已動用的銀行融資已由已抵押存款24,200,000港元作出擔保。本集團於二零零七年三月三十一日之借貸總額為130,100,000港元(二零零六年：27,300,000港元)。須於一年內償還之借貸為108,600,000港元(二零零六年：12,300,000港元)。於二零零七年三月三十一日，本集團之資產與負債比率(按銀行借貸總額及融資租賃負債除以總資產乘以100%計算)為36.5%(二零零六年：13.0%)，主要是由於銀行借貸增加所致。於二零零七年三月三十一日，本集團之流動比率為1.9(二零零六年：3.2)。董事認為本集團於擴充業務同時，資產負債狀況仍然保持合理水平。

於年結日後，本公司進行兩項集資活動，發行合共256,000,000股(已就於二零零七年六月十二日生效的股份分拆之影響作出調整)新股份，所得總款項合共247,000,000港元。該等資本資源為本集團於中國內地水務市場開發投資機會提供重大支持。

LIQUIDITY AND FINANCIAL RESOURCES

During the year under review, the Group financed its operations mainly through a combination of shareholders equity, internally generated cashflows and bank borrowings. As at 31 March 2007, total assets amounted to HK\$356.9 million (2006: HK\$210.2 million), current liabilities amounted to HK\$171.6 million (2006: HK\$58.4 million) and non-current liabilities amounted to HK\$24.6 million (2006: HK\$17.1 million). The Group's net assets amounted to HK\$160.8 million (2006: HK\$134.7 million).

As at 31 March 2007, cash and cash equivalents of the Group amounted to HK\$11.5 million (2006: HK\$97.1 million). With the increase in the number and the size of contracts and additional administrative requirements implemented by customers on payment application process, amounts due from customer of contract works has grown and this has exerted pressure on the Group's working capital. To mitigate this pressure, the Group has obtained more banking facilities to strengthen its financial base. The Group's total available credit facilities increased to HK\$146.7 million. The utilised banking facilities were secured by pledged deposits of HK\$24.2 million. The Group's total borrowings as at 31 March 2007 amounted to HK\$130.1 million (2006: HK\$27.3 million). The borrowings to be repayable within one year amounted to HK\$108.6 million (2006: HK\$12.3 million). As at 31 March 2007, the Group's gearing ratio (which is based on the amount of total bank borrowings and obligations under finance leases divided by total assets multiplied by 100%) amounted to 36.5% (2006: 13.0%) as a result of the increase in bank borrowings. As at 31 March 2007, the Group's current ratio was amounted to 1.9 (2006: 3.2). The Directors believe the Group's gearing is still maintained at a healthy level under the expansion of the Group.

Subsequent to the year-end date, the Company carried out two equity fund raising activities whereby a total of 256,000,000 new Shares (adjusted for the effect of the shares subdivision which became effective on 12 June 2007) were issued with total gross proceeds of HK\$247.0 million raised. These capital resources provide a substantial support for the Group to explore investment opportunities in the China Mainland's waterworks market.

人力資源

本集團於二零零七年三月三十一日聘用約400名僱員(於二零零六年三月三十一日：230名僱員)，其中逾半數為直接聘用之勞工。相關員工成本(包括董事酬金)為61,900,000港元(二零零六年：35,000,000港元)。

僱員薪酬乃根據工作性質及市場趨勢而釐定，並按本集團、個別董事及員工之表現酌情分發花紅。為協助執行若干工作職務，本集團亦提供在職及外部培訓計劃。董事相信，富競爭力之薪酬計劃及事業發展機會有助激勵僱員之個人發展及為本集團作出貢獻。

前景

憑藉本集團其在香港建立的穩固基礎，正在迅速轉型，以打入中國內地市場，擴充業務。隨著中國內地政府全國第十一個五年規劃綱要就環境保護及保護水資源提出巨額預算，加上更緊密經貿關係安排於二零零七年六月進一步開放公用服務市場，本集團認為應趁此良機，打進這個龐大市場。

本集團於年結後完成配股，與一家擁有豐富經驗的市場參與者 - 中國水務組成策略性聯盟，擴大其於中國內地的地方網絡。二零零七年六月，本集團就有關組成合資企業公司與一獨立第三方訂立一份非約束性備忘錄。該合資企業公司將於中國廣西省從事供水業務。管理層亦就本集團投資於其他具潛力的省份，正與地方機關及私人機構進行磋商。本集團將把握每個機會在中國內地參與水務相關之土木工程項目、投資於有關供水及污水處理業務。

隨著中港兩地的經濟不斷增長，董事會對本集團未來數年的發展感到樂觀，並將繼續竭盡所能物色回報理想的投資商機。

HUMAN RESOURCES

As at 31 March 2007, the Group employed approximately 400 employees (as at 31 March 2006: 230 employees) and over half of them are direct labour. The related staff costs, including Director's emoluments, amounted to HK\$61.9 million (2006: HK\$35.0 million).

Employees are remunerated according to the nature of the job and market trend with discretionary bonus, which is distributable based on the performance of the Group and the individual Directors and staff. The Group also provides in-house and external training programmes which are complementary to certain job functions. The Directors believe that a competitive remuneration scheme and career development opportunities provide incentives for employees' personal development and contributions to the Group.

PROSPECTS

Riding on its solid foundation in water services industry in Hong Kong, the Group is rapidly transforming itself to tap into the China Mainland market for expansion opportunities. Under the huge budget for environmental protection and water conservation as suggested in the National 11th Five-Year Plan of the China Mainland's Government and the further open-up of utility service market by CEPA in June 2007, the Group sees a great opportunity to expand into this vast market.

Following the completion of a share placement after year end, the Group has formed a strategic alliance with an experience market player, China Water and widen its local network in the China Mainland. In June 2007, the Group has entered into a memorandum of understanding to set up a joint venture company with an independent third party for its participation in water supply business in Guangxi Province, China. The management is also currently under negotiation with local authorities and private entities for the Group's investments in other potential provinces. The Group will seize every opportunity in securing water-related civil engineering projects, investing in water supply and sewage treatment business in the China Mainland.

With the growing economy in the China Mainland and Hong Kong, the Board is optimistic about the Group's development in the coming years and will continue to strive its best to seek for rewarding investment opportunities.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

執行董事

原秋明先生，70歲，執行董事，本公司及本集團主席兼創辦人。一九六七年，原先生與其他三位合夥人創立明興工程公司（「合夥公司」）。一九八七年一月，原先生與蘇耀祥先生及其他兩位合夥人共同創立明興水務渠務工程有限公司，彼為創始董事之一。原先生於六十年代早期在廣東省業餘科技大學攻讀工程科學，在水務工程領域擁有逾三十六年的經驗，其中大多數時間致力於發展及管理本集團的水務項目。原先生於二零零四年十月二十九日獲委任為執行董事。自開業以來，原先生一直負責本集團的市場推廣、企業策略的制定、業務規劃及整體管理。原先生為原偉強先生之父親。

蘇耀祥先生，55歲，執行董事兼副主席，負責本集團整體項目管理。蘇先生亦參與本集團企業計劃及策略的制定。蘇先生於一九七三年七月獲得香港理工學院結構工程學證書。彼亦為英國水務學會附屬會員。蘇先生在水務工程領域擁有逾三十一年之經驗。蘇先生於一九八五年加入本集團，成為合夥公司的合夥人，並於一九八七年成為明興水務渠務工程有限公司的創始合夥人之一。蘇先生於二零零四年十月二十九日獲委任為執行董事。

EXECUTIVE DIRECTORS

Mr. YUEN Chow Ming, aged 70, is an executive Director, the chairman and the founder of the Company and the Group. Mr. YUEN and three other partners found Ming Hing Engineering Company (the “Partnership”) in 1967. In January 1987, Mr. YUEN, together with Mr. SO Yiu Cheung and two other partners, established Ming Hing Waterworks Engineering Company Limited and he was one of the founding directors. Mr. YUEN studied engineering science at “廣東省業餘科技大學” in the early 1960s and has over 36 years’ experience in waterworks engineering, most time of which were devoted to developing and managing the Group’s waterworks projects. Mr. YUEN was appointed as an executive Director on 29 October 2004. Mr. YUEN has been since the inception of the business responsible for the marketing, formulation of corporate strategies, business planning and overall management of the Group. Mr. YUEN is the father of Mr. YUEN Wai Keung.

Mr. SO Yiu Cheung, aged 55, is an executive Director and the deputy chairman and is responsible for the overall project management of the Group. Mr. SO is also involved in the formulation of corporate plans and strategies of the Group. Mr. SO obtained his certificate in structural engineering from Hong Kong Polytechnic in July 1973. Mr. SO is also an associate member of the Institute of Plumbing in the UK. Mr. SO has over 31 years’ experience in waterworks engineering. Mr. SO joined the Group in 1985 as a partner to the Partnership and became one of the founding partners of Ming Hing Waterworks Engineering Company Limited in 1987. Mr. SO was appointed as an executive Director on 29 October 2004.

原偉強先生，40歲，本集團執行董事、副主席兼行政總裁，負責本集團整體業務管理及企業發展。原先生畢業於倫敦大學皇家科學、科技及醫藥學院，於一九九零年獲機械工程學學士學位。彼更於二零零零年獲得香港科技大學工商管理碩士學位。彼為香港工程師學會會員及英國機械工程師學會會員。原先生於一九九一年加入本集團，自此主要負責各類與本集團水務工程業務相關的工作，尤其是中國內地市場的發展。原先生於一九九六年成為明興水務渠務工程有限公司之董事。彼為原秋明先生之子。原先生於二零零四年六月二日獲委任為執行董事。

獨立非執行董事

孫伯全先生，56歲，於二零零六年十月一日獲委任為獨立非執行董事。孫先生持有研究生資格，並曾任職為天津公用局副局長兼副總經濟師。孫先生現為天津市燃氣集團有限公司(天津天聯公用事業股份有限公司(「天津天聯」)主要股東)董事長及天津天聯董事長，後者為於香港聯合交易所有限公司(「聯交所」)創業板上市之公司。

何鍾泰博士，SBS, MBE, S.B. St.J, JP, 68歲，於二零零五年十一月十一日獲委任為獨立非執行董事。何博士現任二零零四年至二零零八年第三屆立法會(工程界功能界別)議員，且為香港多間私人公司的董事及兩間香港上市公司(中國建築國際集團有限公司及迪臣發展國際集團有限公司)的獨立非執行董事。何博士現時亦任廣東大亞灣核電站及嶺澳核電站核安全諮詢委員會主席。

Mr. YUEN Wai Keung, aged 40, is an executive Director, the deputy chairman and the Chief Executive Officer of the Group and is responsible for the overall business management and corporate development of the Group. Mr. YUEN graduated from the Imperial College of Science, Technology and Medicine, University of London with a bachelor's degree in mechanical engineering in 1990. Mr. YUEN also holds a master's degree in business administration from the Hong Kong University of Science and Technology in 2000. Mr. YUEN is a member of The Hong Kong Institution of Engineers and a member of Institution of Mechanical Engineers (UK). Mr. YUEN joined the Group in 1991 and has since then been heavily involved in all aspects relating to the waterworks business of the Group, especially for the development of market in China Mainland. Mr. YUEN became a director of Ming Hing Waterworks Engineering Company Limited in 1996. Mr. YUEN is the son of Mr. YUEN Chow Ming. Mr. YUEN was appointed as an executive Director on 2 June 2004.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. SUN Bo Quan, aged 56, is an independent non-executive Director and was appointed on 1 October 2006. Mr. SUN is a postgraduate and he was formerly the Vice Bureau head and Deputy Chief Economist of Tianjin Public Utility Bureau. Mr. SUN is the Chairman of Tianjin Gas Group Company Limited (a substantial shareholder of Tianjin Tianlian Public Utilities Company Limited ("Tianjin Tianlian")) and the Chairman of Tianjin Tianlian, which is a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Dr. HO Chung Tai, Raymond, SBS, MBE, S.B. St.J, JP, aged 68, is an independent non-executive Director and was appointed on 11 November 2005. Dr. HO is currently a member of the third Legislative Council (Engineering Functional Constituency) from 2004 to 2008, a director of various private companies in Hong Kong and an independent non-executive director of the other two Hong Kong listed companies, namely China State Construction International Holdings Limited and Deson Development International Holdings Limited. Dr. HO is also currently chairman of Guangdong Daya Bay Nuclear Plant and Ling Ao Nuclear Plant Safety Consultative Committee.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

何博士持有英國倫敦城市大學土木工程學博士學位、香港城市大學榮譽工商管理學博士學位、英國曼徹斯特大學榮譽法律學博士學位、英國曼徹斯特大學(Victoria University of Manchester)岩土工程學研究院文憑及香港大學土木工程學學士學位。何博士曾擔任多項公職，如香港工程師學會會長、香港城市大學校董會主席、前香港城市理工學院校董會主席、第一屆及第二屆立法會議員(工程界功能界別)及臨時立法會議員、交通諮詢委員會主席、港事顧問、氣體安全諮詢委員會委員、新機場及有關工程諮詢委員會委員、工業及技術發展局香港科技委員會主席及工業及技術發展局委員。

梁以德教授，58歲，於二零零五年十一月十一日獲委任為獨立非執行董事。梁教授持有英國伯明翰阿斯顿大學理學碩士學位、理學博士學位及哲學博士學位。彼為英國皇家航空學會及英國皇家測量師學會資深會員，現任香港城市大學建築系講座教授。

張志文先生，39歲，於二零零五年十一月十一日獲委任為獨立非執行董事。張先生持有澳洲新南威爾斯大學商業碩士學位。彼在會計及財務管理領域擁有逾十一年的經驗，目前為美聯集團有限公司(一間於聯交所主板上市之公司)中國部的財務總監。彼為香港會計師公會會員及澳洲會計師公會會員。

Dr. HO holds a doctor of philosophy degree in civil engineering from the City University of London, the United Kingdom, an honorary doctorate degree in business administration from the City University of Hong Kong, an honorary doctorate degree in laws from the University of Manchester, the United Kingdom, a postgraduate diploma for advanced studies in engineering soil mechanics from The Victoria University of Manchester, the United Kingdom and a bachelor degree in engineering from the University of Hong Kong. Dr. HO was formerly president of certain organizations such as The Hong Kong Institution of Engineers, Council Chairman of the City University of Hong Kong, Council Chairman of the former City Polytechnic of Hong Kong, member of the first and second Legislative Council (Engineering Functional Constituency) and the Provisional Legislative Council, Chairman of the Transport Advisory Committee, member of Hong Kong Affairs Adviser, member of Gas Safety Advisory Committee, member of Consultative Committee on The New Airport and Related Projects, Chairman of Technology Committee of the Industry and Technology Development Council ("ITDC") and member of ITDC.

Professor LEUNG Yee Tak, aged 58, is an independent non-executive Director and was appointed on 11 November 2005. Professor LEUNG holds a master's degree of science, a doctorate degree of science and a doctorate degree of philosophy from the University of Aston in Birmingham in the UK. Professor LEUNG is a fellow of the Royal Aeronautical Society, a fellow of the Royal Institution of Chartered Surveyor, and he is currently the Chair Professor of the Department of Building and Construction of the City University of Hong Kong.

Mr. CHEUNG Chi Man, Dennis, aged 39, is an independent non-executive Director and was appointed on 11 November 2005. Mr. CHEUNG holds a master's degree in commerce from the University of New South Wales, Australia. Mr. CHEUNG has over eleven years of experience in accounting and financial management and is currently the chief financial officer of the China division of Midland Holdings Limited, a company listed on the Main Board of the Stock Exchange. Mr. CHEUNG is a member of the Hong Kong Institute of Certified Public Accountants and Australian Society of Certified Practicing Accountants.

高級管理人員

鄧晚成先生，45歲，本集團中國發展總經理。具有超過二十年的中國貿易、項目投資及合資企業管理經驗，曾為多家歐亞跨國企業常駐內地達七年，負責大型基建和工業項目的開發、建設及國際投標等工作。鄧先生具有十年的中國水務基建項目的發展和管理經驗，其中大部份時間為濶津中國有限公司服務(其為英國泰晤士水務投資的公司)。彼持有香港大學土木工程學士學位，皇家墨爾本科技大學系統工程學碩士學位及新南威爾斯大學環境工程學碩士學位。彼於二零零七年六月加入本集團。

蘇世坤先生，56歲，本集團高級項目經理，主要負責中國內地水務項目的管理及採購。彼持有英國曼徹斯特大學機械工程碩士學位，亦為英國機械工程師學會及香港工程師學會會員。蘇先生曾於水務署任職高級機電工程師，負責管理水務署於新界東區的運作。彼對水務行業，包括水廠及抽水站等水務設備的設計、運作及維修擁有著豐富的經驗。彼於二零零六年退休離開水務署及於二零零七年四月加入本集團。

蔡震威先生，53歲，本集團高級合約經理，負責本集團的工程管理。二零零四年十一月加入本集團之前，蔡先生曾擔任一間香港土木工程公司的高級項目經理。彼在香港土木工程領域擁有約三十年的經驗。蔡先生持有美國三藩市州立大學理學學士學位及澳洲南澳大學工商管理碩士學位。彼為美國土木工程師學會附屬會員及美國土木工程師學會建築協會成員。

SENIOR MANAGEMENT

Mr. TANG Man Shing, aged 45, is the General Manager of China Development of the Group. Mr. TANG has over 20 years of experience in China trade, project investment and joint venture management. He has stationed in China for seven years for multinational corporations of Europe and Asia origin for large infrastructure and industrial projects development, construction and international tendering. He has 10 years of experience in development and management of China water infrastructure projects and most of the time represented The China Water Company Limited, which was one of the investments of Thames Water Plc. Mr. TANG holds a bachelor's degree in civil engineering from the University of Hong Kong, a master's degree of systems engineering from the Royal Melbourne Institute of Technology University and a master's degree of environmental engineering from the University of New South Wales. Mr. TANG joined the Group in June 2007.

Mr. SO Sai Kwan, aged 56, is the senior project manager of the Group and is mainly responsible for the sourcing and management of the waterworks projects in the China Mainland. Mr. SO holds a Master degree in Mechanical Engineering from the University of Manchester in UK and is member of the Institution of Mechanical Engineers (UK) and the Hong Kong Institution of Engineers. Mr. SO was a former senior electrical and mechanical engineer in the WSD. He was responsible for the administration of the operational activities in the New Territories East Region. Mr. SO is well experienced in the waterworks activities including the design, operation and maintenance of waterworks installations, such as water treatment plant and pumping station. He retired from WSD in 2006 and joined the Group in April 2007.

Mr. CHOI Chun Wai, Eric, aged 53, is the senior contract manager of the Group and is responsible for the project management of the Group. Prior to joining the Group in November 2004, Mr. CHOI was a senior project manager of a civil engineering company in Hong Kong and has around 31 years of experience in the field of civil engineering in Hong Kong. Mr. CHOI holds a bachelor's degree of science from San Francisco State University in the US and a master's degree of business administration from the University of South Australia in Australia. Mr. CHOI is an associate member of the American Society of Civil Engineers and a member of the Construction Institute, American Society of Civil Engineers.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

黃俊雄博士，37歲，本集團合約經理，負責本集團的工程管理。一九九九年十二月加入本集團之前，彼在其流體動力學及聲學博士後研究期間曾任香港城市大學物理及材料科學系臨時講師。彼分別於一九九三年及一九九八年獲得香港大學工程學學士學位及工程學博士學位。

方文恩女士，32歲，本集團工料測量經理，負責本集團的工料測量工作。彼持有英國利物浦大學工業管理綜合工程學學士學位及香港大學建築項目管理碩士學位。方女士在建築領域擁有約九年的工料測量經驗。彼於二零零二年十月加入本集團。

馬詠豪先生，39歲，本集團高級項目經理，負責監督本集團的建築工程。馬先生在土木工程領域擁有逾十七年經驗。彼於一九九零年獲香港城市大學建造學高級文憑，於一九九九年獲英國赫爾大學工商管理碩士學位，並於二零零五年獲美國皇家百聖大學建築工程及管理學學士學位。彼亦為英國特許建造學會及美國建造師學會的特許會員。彼於二零零五年六月加入本集團。

楊婉嫦女士，32歲，本集團財務總監兼本公司公司秘書。楊女士在審計及會計領域擁有約九年的經驗。彼持有香港大學工商管理學學士(會計及財務)學位。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。彼於二零零四年六月加入本集團。

公司秘書

楊婉嫦女士，本公司公司秘書，有關楊女士的詳細資料載於上文。

Dr. WONG Chun Hung, aged 37, is the contract manager of the Group and is responsible for the project management of the Group. Prior to joining the Group in December 1999, Dr. WONG taught in the Department of Physics and Materials Science of the City University of Hong Kong as a temporary lecturer during his post-doctoral research in fluid dynamics and acoustics. Dr. WONG obtained his bachelor's degree in Engineering and doctorate degree of philosophy in engineering from the University of Hong Kong in 1993 and 1998, respectively.

Ms. FONG Man Yan, aged 32, is the quantity surveying manager of the Group and is responsible for quantity surveying works of the Group. Ms. FONG holds a bachelor's degree of engineering in integrated engineering with industrial management from the University of Liverpool in the UK and a master's degree of construction project management from the University of Hong Kong. Ms. FONG has about nine years of quantity surveying experience in the construction field. Ms. FONG joined the Group in October 2002.

Mr. MA Ving Hoo, aged 39, is the senior project manager of the Group and is responsible for the management of the Group's construction projects. Mr. MA has about 17 years' experience in the field of civil engineering. Mr. MA obtained a higher diploma in building from the City University of Hong Kong in 1990 and a master's degree of business administration from the University of Hull, the United Kingdom in 1999 and a bachelor's degree of science in construction engineering and management from the Queen's University of Brighton, the United States in 2005. Mr. MA is also the Chartered Member of Chartered Institute of Building (MCIOB) and American Institute of Constructors (MAIC). Mr. MA joined the Group in June 2005.

Ms. YEUNG Yuen Sheung, aged 32, is the financial controller of the Group and is the company secretary of the Company. Ms. YEUNG has about nine years of experience in the auditing and accounting field. Ms. YEUNG holds a bachelor's degree in business administration (Accounting and Finance) from the University of Hong Kong. Ms. YEUNG is a fellow member of the Association of Chartered Certified Accountants in the UK and a member of the Hong Kong Institute of Certified Public Accountants. Ms. YEUNG joined the Group in June 2004.

COMPANY SECRETARY

Ms. YEUNG Yuen Sheung, is the company secretary of the Company, particulars of whom are set forth above.

企業管治報告

Corporate Governance Report

企業管治常規守則

董事會認為，要提升公司對公眾投資者及其他股東的問責性和透明度，關鍵在於卓越的企業管治。因此，董事矢志秉持高水準的企業管治常規，不時進行檢討，以合符股東不斷提升的期望，同時履行本公司達到卓越企業管治的承諾。

於截至二零零七年三月三十一日止年度，本公司一直遵守上市規則附錄十四所載之企業管治常規守則(「守則」)之適用守則條文。

董事會

董事會目前由三名執行董事及四名獨立非執行董事組成。三名執行董事均負責根據所有適用規則及規例(包括但不限於上市規則)處理本集團之業務。全體董事(包括獨立非執行董事)已就本集團所有主要及重大事項進行磋商。

董事會之角色包括監察策略性發展、業務規劃、風險管理、全年及中期業績，以及本集團其他重大營運及財務事項。董事會特別委託管理層執行之主要企業事項，包括編製全年及中期財務報表並在公開匯報前提交董事會批核、執行已獲董事會採納之業務策略及工作、實行足夠之內部監控制度及風險管理程序，以及遵守相關法定規定、規則與規例。為履行其職責，董事會定期舉行會議，並以真誠、盡責及審慎之方式行事。

THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board considers that good corporate governance is essential for enhancing accountability and transparency of a company to the investment public and other shareholders. Therefore, the Directors are dedicated to maintain high standard corporate governance practices. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and to fulfill its commitment to excellence in corporate governance.

The Company has complied with the applicable code provisions set out in the Code of Corporate Governance Practices (the "Code") set out in appendix 14 to the Listing Rules for the year ended 31 March 2007.

BOARD OF DIRECTORS

The Board currently consists of three executive Directors and four independent non-executive Directors. All three executive Directors are responsible for dealing with the Group's business in accordance with all applicable rules and regulations, including, but not limited to, the Listing Rules. All Directors (including independent non-executive Directors) have been consulted on all major and material matters of the Group.

The role of the Board includes overseeing the strategic development, business planning, risk management, annual and interim results, and other significant operational and financial matters of the Group. Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual and interim financial statements to be approved by the Board before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and ensuring of compliance with relevant statutory requirements and rules and regulations. In discharging its responsibilities, the Board meets regularly and acts in good faith, with due diligence and care.

企業管治報告

Corporate Governance Report

截至二零零七年三月三十一日止年度，董事會之組成及其於定期舉行之董事會全體會議及其他委員會會議之相關出席率如下：

The composition of the Board and their respective attendance in the regular full Board meetings and other committee meetings for year ended 31 March 2007 are as follows:

		會議出席次數 / 舉行次數			
		No. of meetings attended/held			
		定期董事會 全體會議 Regular Full Board Meeting	審核委員會 會議 Audit Committee Meeting	提名委員會 會議 Nomination Committee Meeting	薪酬委員會 會議 Remuneration Committee Meeting
執行董事 <i>Executive Directors</i>					
原秋明先生 (主席)	Mr. YUEN Chow Ming (Chairman)	4/4	–	–	–
蘇耀祥先生	Mr. SO Yiu Cheung	4/4	–	–	–
原偉強先生	Mr. YUEN Wai Keung	4/4	–	1/1	2/2
獨立非執行董事 <i>Independent non-executive Directors</i>					
孫伯全先生	Mr. SUN Bo Quan	1/4	–	–	–
何鍾泰博士	Dr. HO Chung Tai, Raymond	4/4	3/3	–	–
梁以德教授	Professor LEUNG Yee Tak	4/4	3/3	1/1	1/2
張志文先生	Mr. CHEUNG Chi Man, Dennis	4/4	3/3	1/1	2/2

獨立非執行董事之數目符合上市規則之規定，而張志文先生具有適當的會計專業資格。本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。孫伯全先生於二零零六年十月一日獲委任為獨立非執行董事，而其他三名獨立非執行董事已獲重新委任，任期由二零零六年十一月一日起為期一年。所有獨立非執行董事之委任可於任何一方發出一個月書面通知書予以終止，另須根據本公司組織章程細則於本公司股東週年大會上輪席退任。董事認為，所有獨立非執行董事均符合上市規則第3.13條所載之獨立指引。

The number of independent non-executive Directors has met the requirements under the Listing Rules and Mr. CHEUNG Chi Man, Dennis has appropriate accounting professional qualifications. The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. Mr. SUN Bo Quan has been appointed as an independent non-executive Director on 1 October 2006, while the other three independent non-executive Directors have been re-appointed for a period of one year which commenced from 1 November 2006. All the appointments of independent non-executive Directors may be terminated by either party by giving one month's written notice and subject to retirement by rotation at the annual general meeting of the Company in accordance with the articles of association of the Company. The Directors are of the view that all independent non-executive Directors meet the independence guidelines set out in rule 3.13 of the Listing Rules.

於截至二零零七年三月三十一日止年度，舉行了四次董事會全體會議。董事會會議記錄由本公司公司秘書存置，以供本公司董事及核數師查閱。

主席及行政總裁之角色

主席及行政總裁由兩位不同人士擔任，各有不同的職責，以確保其相關的獨立性及問責性。主席原秋明先生負責領導及制定本集團之企業策略。行政總裁原偉強先生負責本集團之整體業務管理及企業發展。原秋明先生為原偉強先生之父親。董事資料已載於本報告第12至16頁之「董事及高級管理人員簡履」一節內。

董事證券交易之標準守則

本公司已採納上市規則附錄十的上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事買賣證券的行為守則。各執行董事服務合約及各獨立非執行董事委任書之條款已載有遵守上市規則之責任。本公司已向董事作出特定查詢，所有董事均已確認，於截至二零零七年三月三十一日止年度，彼等一直遵守標準守則所載之規定。

審核委員會

審核委員會由三名獨立非執行董事組成，分別為張志文先生、何鍾泰博士及梁以德教授。

張志文先生具有專業會計資格及相關之會計經驗，並為審核委員會主席。

During the year ended 31 March 2007, four full Board meetings were held. Minutes of the Board meetings are being kept by the company secretary of the Company and are available for inspection by the Directors and auditors of the Company.

THE ROLES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman and the Chief Executive Officer are held by two different persons and each of them plays a distinctive role to ensure their respective independence and accountability. The Chairman, Mr. YUEN Chow Ming, is responsible for the leadership and formulation of corporate strategies of the Group. The Chief Executive Officer, Mr. YUEN Wai Keung, is responsible for the overall business management and corporate development of the Group. Mr. YUEN Chow Ming is the father of Mr. YUEN Wai Keung. Further details on the Directors are set out on pages 12 to 16 under the section headed "Biographical Details of the Directors and Senior Management" of this report.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. The obligations to comply with the Listing Rules are set out in the terms of the service contract of each executive Director and the letter of appointment of each independent non-executive Director. The Company has made specific enquiries with the Directors, and all Directors have confirmed that they have complied with the requirements set out under the Model Code for the year ended 31 March 2007.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. CHEUNG Chi Man, Dennis, Dr. HO Chung Tai, Raymond and Professor LEUNG Yee Tak.

Mr. CHEUNG Chi Man, Dennis, who possesses a professional accounting qualification and relevant accounting experience, is the Chairman of the Audit Committee.

企業管治報告

Corporate Governance Report

根據審核委員會之職權範圍，其主要角色及功能為審閱本集團之財務資料、監察本集團之財務匯報及內部監控制度，並與本公司核數師維持良好關係。本集團截至二零零七年三月三十一日止年度之全年業績提交董事會批准前，已經過審核委員會審閱。

提名委員會

提名委員會由一名執行董事原偉強先生(主席)，以及兩名獨立非執行董事分別為梁以德教授及張志文先生組成。

提名委員會之主要功能是協助及向董事會提出建議，以確保所有提名均屬公平且具透明度。提名委員會之工作包括檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)、就任何擬作出的變動向董事會提出建議，以及釐定提名董事的政策。

薪酬委員會

薪酬委員會由一名執行董事原偉強先生(主席)，以及兩名獨立非執行董事分別為梁以德教授及張志文先生組成。

薪酬委員會之主要職責是就董事及高級管理人員之薪酬政策及架構作出檢討並向董事會提出建議，以及釐定董事及高級管理人員之薪酬待遇。

薪酬委員會已考慮及檢討全體董事及高級管理人員的現有薪酬條款。薪酬委員會已根據同類公司支付的薪酬、董事及高級管理人員須付出的時間及職責，以及是否應該按表現釐訂薪酬等，考慮及檢討本集團之薪酬政策。薪酬委員會認為各董事及高級管理人員現行之薪酬條款公平合理。

Under its terms of reference, the main role and functions of the Audit Committee are to review the Group's financial information, to supervise the Group's financial reporting and internal control systems, and to maintain relations with the auditors of the Company. The Group's final results for the year ended 31 March 2007 have been reviewed by the members of the Audit Committee before submission to the Board for approval.

NOMINATION COMMITTEE

The Nomination Committee consists of one executive Director, Mr. YUEN Wai Keung (Chairman), and two independent non-executive Directors, namely, Professor LEUNG Yee Tak and Mr. CHEUNG Chi Man, Dennis.

The main function of the Nomination Committee is to assist and make recommendations to the Board to ensure that all the nominations are fair and transparent. The work of the Nomination Committee includes reviewing the structure, size and composition (including skills, knowledge and experience) of the Board and making recommendations to the Board regarding any proposed change and determining the policy for the nomination of Directors.

REMUNERATION COMMITTEE

The Remuneration Committee comprises one executive Director, Mr. YUEN Wai Keung (Chairman), and two independent non-executive Directors, namely, Professor LEUNG Yee Tak and Mr. CHEUNG Chi Man, Dennis.

The key responsibilities of the Remuneration Committee are to review and make recommendations to the Board on the policy and structure for remuneration of the Directors and the senior management and determining the remuneration package of the Directors and the senior management.

The Remuneration Committee has considered and reviewed the existing terms of remuneration of all the Directors and the senior management. The Remuneration Committee has considered and reviewed the Group's remuneration policy in relation to that of comparable companies, time commitment and responsibilities of the Directors and the senior management and desirability of performance-based remuneration. The Remuneration Committee considered that the existing terms of remuneration of the Directors and the senior management were fair and reasonable.

內部監控

本集團董事會及管理層維持穩健妥善而且有效率之內部監控，以確保本集團的經營成效和效率，從而達到既定的企業目標、保障本集團資產、提供可靠的財務報告及遵守適用的法律及規例。

董事會亦負責斷定財務匯報的內部監控是否足夠及披露監控與程序是否有效。董事會透過審核委員會檢討此等制度的成效。

本公司於本年度聘用一名外聘專業顧問檢討其內部監控制度的成效。本集團將分階段實行該顧問提出的有關適用建議，進一步改善本集團的內部監控政策、程序及常規。

企業傳訊

本公司致力與其股東及投資者維持長遠關係，遵從誠信、規範及高透明度的原則，同時根據上市規則披露所需資料。為確保與投資者、分析員及基金經理的溝通有效而清晰，執行董事及指定高級行政人員須根據本公司既定的常規安排及舉行會議。本公司已根據上市規則所載之規定，適時公佈其截至二零零七年三月三十一日止年度之年度業績。

INTERNAL CONTROL

The Board and the management of the Group maintain a sound and effective system of internal control of the Group so as to ensure the effectiveness and efficiency of operations of the Group in achieving the established corporate objectives, safeguarding assets of the Group, rendering reliable financial reporting and complying with the applicable laws and regulations.

The Board is also responsible for making appropriate assertions on the adequacy of internal controls over financial reporting and the effectiveness of disclosure controls and procedures. Through the Audit Committee, the Board reviews the effectiveness of these systems.

During the year, the Company has engaged an external professional adviser to review the effectiveness of its system of internal control. Relevant applicable recommendations made by such adviser would be implemented by the Group in stages to further enhance its internal control policies, procedures and practices.

CORPORATE COMMUNICATION

The Company endeavors to maintain a long-term relationship with its shareholders and investors with an adherence to the principles of integrity, regularity and high transparency and disclose the required information in compliance with the Listing Rules. To ensure effective and clear communications with the investors, analysts and fund manager, meetings are arranged and conducted by the executive Directors and designated senior executives according to established practices of the Company. The Company has announced its annual results for the year ended 31 March 2007 in a timely manner, which is in accordance with the requirement set out in the Listing Rules.

企業管治報告

Corporate Governance Report

董事及核數師於財務報表之責任

董事確認須負責監管就每個財政期間編製的財務報表，均能真實及公正地反映本集團之財務狀況、期內業績與現金流量。在編製截至二零零七年三月三十一日止年度之賬目時，董事已選擇並貫徹採用合適的會計政策；採納合適的香港財務報告準則及香港會計準則；作出審慎而合理的判斷和估計，以及按持續營運基準編製會計賬目。董事亦保證本集團之財務報表將會適時發表。

本公司核數師在有關本集團財務報表中就彼等的申報責任作出的聲明已載於本報告第36至37頁之「獨立核數師報告」一節內。

核數師薪酬

本公司核數師均富會計師行已獲聘於截至二零零七年三月三十一日止年度向本集團提供審計服務。本公司於截至二零零七年三月三十一日止年度內就審計服務及非審計服務（包括稅務合規費用及審閱中期業績）已付或應付均富會計師行的費用分別為520,000港元及109,000港元。

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibilities for overseeing the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group, and of results and cash flow for the period. In preparing the accounts for the year ended 31 March 2007, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made prudent and reasonable judgements and estimates and have prepared the accounts on the going concern basis. The Directors also warrant that the Group's financial statements will be published in a timely manner.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements of the Group is set out in the section headed "Independent Auditors' Report" on pages 36 to 37 of this report.

AUDITORS' REMUNERATION

The auditors of the Company, Grant Thornton, have been employed to provide audit services to the Group for the year ended 31 March 2007. The remuneration paid or payable to Grant Thornton in respect of audit services and non-audit services (including taxation compliance fee and review of interim results) for the year ended 31 March 2007 amounted to HK\$520,000 and HK\$109,000 respectively.

董事會報告 Directors' Report

董事欣然提呈彼等之年度報告連同本公司及本集團截至二零零七年三月三十一日止年度之經審核財務報表。

主要業務

本公司為投資控股公司。本集團各成員公司之主要業務詳情載於財務報表附註14。

本集團之主要業務為向香港公營機構提供水務工程、道路、渠務及斜坡加固工程之土木工程合約的保養及建造工程服務。

更改本公司名稱

根據一項於二零零七年六月十一日舉行之股東特別大會所通過的特別決議案，本公司英文名稱將由「Ming Hing Holdings Limited」更改為「Ming Hing Waterworks Holdings Limited」。而本公司中文名稱將由「明興控股有限公司」更改為「明興水務控股有限公司」。於本報告日期，開曼群島公司註冊處已發出公司更改名稱註冊證書，並已在香港公司註冊處辦妥更改公司名稱之登記手續。

業績及盈利分配

本集團截至二零零七年三月三十一日止年度之業績及本集團與本公司於當日之財務狀況載於第36至95頁之財務報表。

董事建議就截至二零零七年三月三十一日止年度派付末期股息每股1.12港仙。待董事之建議於二零零七年八月二十三日舉行之股東週年大會（「股東週年大會」）上獲本公司股東批准後，末期股息將於二零零七年九月五日或前後派付予在二零零七年八月二十三日營業時間結束時名列本公司股東名冊之股東。該等股息總額約為10,400,000港元。

The Directors are pleased to present their annual report together with the audited financial statements of the Company and the Group for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Details of the principal activities of each member of the Group are set forth in note 14 to the financial statements.

The Group is principally engaged in the provision of maintenance and construction works on civil engineering contracts in respect of waterworks engineering, road works and drainage and slope upgrading for the public sector in Hong Kong.

CHANGE OF THE COMPANY'S NAME

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 11 June 2007, it was approved that the Company's name to be changed from "Ming Hing Holdings Limited" to "Ming Hing Waterworks Holdings Limited". Accordingly, the Chinese name of the Company will be changed from "明興控股有限公司" to "明興水務控股有限公司". As at the date hereof, the Certificate of Incorporation on Change of Name has been issued by the Registrar of Companies in the Cayman Islands and the change of name has also been registered with the Registrar of Companies in Hong Kong.

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2007 and the state of affairs of the Group and the Company at that date are set out in the financial statements on pages 36 to 95.

The Directors recommend the payment of a final dividend of HK1.12 cents per Share for the year ended 31 March 2007. Subject to the approval of the Directors' recommendation by shareholders of the Company at the Annual General Meeting to be held on 23 August 2007 (the "AGM"), the final dividend will be paid on or about 5 September 2007 to shareholders whose names appear on the register of members of the Company as at the close of business on 23 August 2007. The total amount of such dividend is approximately HK\$10.4 million.

董事會報告 Directors' Report

集團財務概要

本集團過去五個財政年度之業績及資產負債概要載於第96頁。

物業、廠房及設備

本集團於截至二零零七年三月三十一日止年度之物業、廠房及設備變動詳情載於財務報表附註13。

股本

本公司於截至二零零七年三月三十一日止年度之股本變動詳情載於財務報表附註22。

儲備

本集團及本公司於截至二零零七年三月三十一日止年度之儲備變動詳情分別載於綜合權益變動表及財務報表附註24。

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 96.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year ended 31 March 2007 are set out in note 13 to the financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 March 2007 are set out in note 22 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year ended 31 March 2007 are set out in the consolidated statement of changes in equity and note 24 to the financial statements respectively.

上市所得款項用途

本公司首次公開發售之所得款項淨額約達43,000,000港元。於二零零六年三月十四日至二零零七年三月三十一日期間，該等所得款項淨額部份已經應用，而有關應用與本公司於二零零六年三月三日刊發的售股章程(「售股章程」)所載之建議所得款項淨額用途一致，而所得款項淨額之未用餘款則存放於本集團在香港之附息銀行戶口。售股章程所載所得款項淨額37,000,000港元之建議用途及於截至二零零七年三月三十一日止年度之實際用途詳情如下：

USE OF PROCEEDS FROM LISTING

The net proceeds from the Company's initial public offering amounted to approximately HK\$43.0 million. These net proceeds were partially applied during the period from 14 March 2006 to 31 March 2007 and such application is consistent with the proposed usage of the net proceeds set forth in the Company's prospectus dated 3 March 2006 (the "Prospectus"). The unused balance of the net proceeds was kept in the Group's interest-bearing bank accounts in Hong Kong. Details of the proposed use of the net proceeds of HK\$37.0 million set forth in the Prospectus and the actual application thereof during the year ended 31 March 2007 are as follows:

		於二零零六年 四月一日 的餘額 Remaining balance as at 1 April 2006 百萬港元 HK\$'M	於二零零七年 三月三十一日 止年度的所得 款項用途 Use of proceeds during the year ended 31 March 2007 百萬港元 HK\$'M	於二零零七年 三月三十一日 的餘額 Remaining balance as at 31 March 2007 百萬港元 HK\$'M
就以下工程購買機器 及設備：	Acquisition of machinery and equipment for the following projects:			
- 水管更換及 修復工程	- Water mains replacement and rehabilitation projects	16.0	16.0	9.3
- 道路、渠務以及 斜坡加固工程	- Roads and drainage and slope upgrading projects	6.5	6.5	2.7
為本集團的現有及新項目 以及業務拓展聘用員工	Hiring staff for current and new projects and the expansion of the Group	4.0	4.0	4.0
開拓及發展中國水務 工程商機	Exploring and developing waterworks business opportunities in the PRC	2.5	2.5	0.2
償還銀行貸款	Repayment of bank loan	5.0	4.0	4.0
本集團一般營運資金	General working capital of the Group	3.0	3.0	3.0
		37.0	36.0	23.2
				12.8

董事會報告 Directors' Report

上市所得款項用途(續)

由於每股發售價訂為0.72港元而產生的額外所得款項淨額6,000,000港元已在回顧年內用作本集團之一般營運資金。

優先購買權

本公司之組織章程細則或開曼群島法例並無列明有關本公司須按比例向現有股東發售新股份之優先購買權之規定。

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司於本年度內概無購買或出售任何股份。本公司於本年度並無贖回任何股份。

購買股份或債券之安排

本公司、其控股公司或附屬公司於本年度內並無訂立任何安排，能使董事可藉收購本公司或任何公司團體之股份或債券而獲益。另外，董事、彼等之配偶及18歲以下之子女於本年度內並無獲授可認購本公司證券之權利，亦無行使該等權利。

USE OF PROCEEDS FROM LISTING (continued)

The additional net proceeds of HK\$6.0 million as a result of the offer price per Share determined as HK\$0.72 has been fully utilized for the general working capital of the Group during the year under review.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association, or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased or sold any of the Shares during the year. The Company has not redeemed any of the Shares during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company or subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, none of the Directors, their spouse or children under the age of 18 were granted any right to subscribe for the securities of the Company or had exercised any such right during the year.

董事

本年度之董事如下：

執行董事

原秋明先生(主席)
蘇耀祥先生(副主席)
原偉強先生(副主席兼行政總裁)

獨立非執行董事

孫伯全先生(於二零零六年十月一日獲委任)
何鍾泰博士
梁以德教授
張志文先生

根據本公司之組織章程細則(「組織章程細則」)第86(3)條，於二零零六年十月一日獲董事會委任為本公司獨立非執行董事的孫伯全先生將留任直至應屆股東週年大會，並合資格膺選連任。

根據本公司之組織章程細則第87條，原偉強先生、梁以德教授及張志文先生將於應屆股東週年大會輪席退任，並合資格膺選連任。其他所有董事將留任。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之獨立性確認書。董事會認為所有獨立非執行董事均屬獨立。

董事及高級管理人員簡歷

董事及本集團高級管理人員簡歷載於第12至16頁。

DIRECTORS

The Directors during the year were as follows:

Executive Directors

Mr. YUEN Chow Ming (*Chairman*)
Mr. SO Yiu Cheung (*Deputy Chairman*)
Mr. YUEN Wai Keung (*Deputy Chairman and Chief Executive Officer*)

Independent non-executive Directors

Mr. SUN Bo Quan (*appointed on 1 October 2006*)
Dr. HO Chung Tai, Raymond
Professor LEUNG Yee Tak
Mr. CHEUNG Chi Man, Dennis

In accordance with Article 86(3) of the Articles of Association of the Company (the "Articles"), Mr. SUN Bo Quan, who was appointed by the Board as an independent non-executive Director of the Company on 1 October 2006, shall hold office until the forthcoming annual general meeting and, being eligible, shall offer himself for re-election.

In accordance with Article 87 of the Articles, Mr. YUEN Wai Keung, Professor LEUNG Yee Tak and Mr. CHEUNG Chi Man, Dennis will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election. All the other directors will continue in office.

The Company has received, from each of the independent non-executive Director, a confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Board considers that all the independent non-executive Directors are independent.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

The biographical details of the Directors and the senior management of the Group are set out on pages 12 to 16.

董事會報告

Directors' Report

董事之服務合約

各執行董事已與本公司訂立服務合約，初始任期自二零零六年三月一日(「開始日」)起計為期三年，其後將予續期，而本公司或執行董事均可於開始日起一年後透過向另一方發出不少於六個月之書面通知或支付代通知金，以終止執行董事之委任。

孫伯全先生為本公司獨立非執行董事，已與本公司於二零零六年九月二十二日訂立委任書，任期由二零零六年十月一日起計為期一年，並可由任何一方發出一個月書面通知予以終止。其他獨立非執行董事已各自與本公司訂立委任書，任期由二零零六年十一月一日起計為期一年，並可由任何一方發出一個月書面通知予以終止。除上文所披露者外，董事與本公司、其控股公司或其任何附屬公司之間並無訂立任何於毋須賠償(法定賠償除外)情況下可於一年內終止之服務合約。

本公司有關董事酬金之政策如下：

- (i) 酬金金額按有關董事之經驗、責任、工作量及向本集團付出之時間釐定；
- (ii) 可根據董事之酬金安排，向彼等提供非現金利益；及
- (iii) 董事會可酌情根據本公司所採納之購股權計劃授予董事購股權，作為彼等酬金安排之一部份。

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing on 1 March 2006 (the "Commencement Date"), which will continue thereafter provided that either the Company or the executive Director may, after one year of the Commencement Date, terminate the appointment of the executive Director by giving to the other party not less than six months' written notice of termination or by payment in lieu of such notice.

Mr. SUN Bo Quan, an independent non-executive Director, has entered into a letter of appointment with the Company on 22 September 2006 for a term of one year commencing on 1 October 2006 and may be terminated by either party by giving one month's written notice. For the rest of the independent non-executive Directors, each of them has entered into a letter of appointment with the Company for a term of one year commencing on 1 November 2006 and may be terminated by either party by giving one month's written notice. Save as disclosed above, none of the Directors has a contract of service with the Company, its holding company or any of its subsidiaries not determinable by the employing company within one year without payment of compensation (except for statutory compensation).

The Company's policies concerning emoluments of the Directors are as follows:

- (i) the amount of remuneration is determined on the basis of the relevant Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided to the Directors under their remuneration package; and
- (iii) the Directors may be granted, at the discretion of the board of Directors, options pursuant to the share option scheme adopted by the Company, as part of their remuneration package.

董事及五位最高薪人士之酬金

董事及五位本集團最高薪人士之酬金詳情載於財務報表附註12。

DIRECTORS' AND THE FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Details of the emoluments of the Directors and of the five highest paid individuals of the Group are set out in note 12 to the financial statements.

持續關連交易及關連交易

本年度內關連交易(同時構成關聯方交易)之詳情載於財務報表附註28。獨立非執行董事認為該等獲豁免上市規則項下之申報、公告及獨立股東批准規定之交易乃本集團：

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of continuing connected transactions which also constitute related party transactions for the year are set out in note 28 to the financial statements. In the opinion of the independent non-executive Directors, such transactions which are exempted from reporting, announcement and independent shareholders' approval requirements under the Listing Rules were entered into by the Group:

- | | |
|--|--|
| (a) 於日常及一般業務過程中訂立； | (a) in the ordinary and usual course of business; |
| (b) 按照一般商業條款或不遜於本集團向獨立第三方提供 / 自獨立第三方取得 (倘適用) 之條款訂立；及 | (b) on normal commercial terms or on terms no less favourable to the Group than terms available to/from (as appropriate) independent third parties; and |
| (c) 根據規範條款公平合理並符合本公司股東整體利益之交易之有關協議條款訂立。 | (c) in accordance with the terms of the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. |

截至二零零六年三月三十一日，本集團若干銀行融資已由本集團之銀行存款、執行董事所提供之個人擔保及君明有限公司(原秋明先生、蘇耀祥先生及原偉強先生分別擁有該公司之34%、33%及33%股權)所擁有物業之法定押記作抵押。於截至二零零七年三月三十一日止年度，該等本公司關連人士為上述銀行融資提供的抵押已由本公司的公司擔保及抵押存款代替。無論如何，根據上市規則第14A.65(4)條，該項交易構成本公司之獲豁免持續關連交易，並獲豁免遵守上市規則第十四A章所載列之申報、公告及獨立股東批准之規定。

As at 31 March 2006, certain banking facilities of the Group were secured by the bank deposits of the Group and the personal guarantees given by the executive Directors and the legal charges on a property owned by Grand Media Limited, which is owned by Mr. YUEN Chow Ming, Mr. SO Yiu Cheung and Mr. YUEN Wai Keung as to 34%, 33% and 33%, respectively. The securities provided by these connected persons of the Company for the aforesaid banking facilities were replaced by the Company's corporate guarantee and pledged deposits during the year ended 31 March 2007. In any event, this transaction constitutes an exempted continuing connected transaction for the Company under rule 14A.65(4) of the Listing Rules and is exempted from the reporting, announcement and independent shareholders' approval requirements set forth under chapter 14A of the Listing Rules.

董事會報告

Directors' Report

董事於合約之權益

除財務報表附註28所披露外，各董事概無擁有本公司、其控股公司或其任何附屬公司於本年度所訂立且與本集團業務有關連之重大合約之直接或間接重大權益。

董事於本公司及其相聯法團之股份及相關股份之權益

於二零零七年三月三十一日，董事於本公司或其相聯法團之股份及相關股份中擁有根據證券及期貨條例(「證券及期貨條例」)第352條將須列入本公司所存置之股東名冊之權益，或根據標準守則須知會本公司及聯交所之權益如下：

於本公司每股面值0.10港元之普通股之長倉

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 28 to the financial statements, no Director had a material interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2007, the Directors had the following interests in the Shares and underlying Shares of the Company and its associated corporations which were recorded in the register required to be kept by the Company pursuant to section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Long position in ordinary shares of HK\$0.10 each in the Company

董事姓名 Name of Director	身份 / 權益性質 Capacity/Nature of Interest	股份數目 Number of Shares	於本公司之 股權概約百分比 Approximate percentage of shareholding in the Company
原秋明先生 Mr. YUEN Chow Ming	受控制法團權益(附註1) Interest of controlled corporation (Note 1)	240,000,000	75%
蘇耀祥先生 Mr. SO Yiu Cheung	受控制法團權益(附註2) Interest of controlled corporation (Note 2)	240,000,000	75%
原偉強先生 Mr. YUEN Wai Keung	受控制法團權益(附註3) Interest of controlled corporation (Note 3)	240,000,000	75%

董事於本公司及其相聯法團之股份及相關股份之權益(續)

於本公司每股面值0.10港元之普通股之長倉(續)

附註：

- (1) 此 240,000,000 股股份以 Robinhoods Development Limited(「**Robinhoods**」)之名義登記，其中 Able Promise Holdings Limited(「**Able Promise**」)有權於股東大會上行使或控制行使三分之一投票權。Able Promise 由原秋明先生全資擁有。原秋明先生根據證券及期貨條例因而被視為擁有該等股份中的權益。
- (2) 此 240,000,000 股股份以 Robinhoods 之名義登記，其中 Group Honour Assets Limited(「**Group Honour**」)有權於股東大會上行使或控制行使三分之一投票權。Group Honour 由蘇耀祥先生全資擁有。蘇耀祥先生根據證券及期貨條例因而被視為擁有該等股份中的權益。
- (3) 此 240,000,000 股股份以 Robinhoods 之名義登記，其中 Foremost Time Holdings Limited(「**Foremost Time**」)有權於股東大會上行使或控制行使三分之一投票權。Foremost Time 由原偉強先生全資擁有。原偉強先生根據證券及期貨條例因而被視為擁有該等股份中的權益。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (continued)

Long position in ordinary shares of HK\$0.10 each in the Company (continued)

Notes:

- (1) The 240,000,000 Shares are registered in the name of Robinhoods Development Limited (“**Robinhoods**”), of which Able Promise Holdings Limited (“**Able Promise**”) is entitled to exercise, or control the exercise, of one-third of the voting power at general meetings. Able Promise is wholly-owned by Mr. YUEN Chow Ming. Mr. YUEN Chow Ming is therefore deemed to be interested in these Shares under the SFO.
- (2) The 240,000,000 Shares are registered in the name of Robinhoods, of which Group Honour Assets Limited (“**Group Honour**”) is entitled to exercise, or control the exercise, of one-third of the voting power at general meetings. Group Honour is wholly-owned by Mr. SO Yiu Cheung. Mr. SO Yiu Cheung is therefore deemed to be interested in these Shares under the SFO.
- (3) The 240,000,000 Shares are registered in the name of Robinhoods, of which Foremost Time Holdings Limited (“**Foremost Time**”) is entitled to exercise, or control the exercise, of one-third of the voting power at general meetings. Foremost Time is wholly-owned by Mr. YUEN Wai Keung. Mr. YUEN Wai Keung is therefore deemed to be interested in these Shares under the SFO.

董事會報告 Directors' Report

董事於本公司及其相聯法團之股份及相關股份之權益(續)

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (continued)

於相聯法團股份之實益權益

Beneficial interests in the shares of associated corporations

董事姓名 Name of Director	相聯法團名稱 Name of associated corporations	於相聯法團持有之股份數目 Number of shares held in the associated corporation		股權概約百分比 Approximate percentage of shareholding
原秋明先生 Mr. YUEN Chow Ming	Robinhoods Able Promise	四股(附註1) 一股	four (note 1) one	33.33% 100%
蘇耀祥先生 Mr. SO Yiu Cheung	Robinhoods Group Honour	四股(附註2) 一股	four (note 2) one	33.33% 100%
原偉強先生 Mr. YUEN Wai Keung	Robinhoods Foremost Time	四股(附註3) 一股	four (note 3) one	33.33% 100%

附註：

Notes:

(1) 此四(4)股股份由Able Promise持有，而Able Promise為原秋明先生全資擁有之公司。因此，原先生被視為擁有Robinhoods此四股股份中的權益。

(1) The four (4) shares are held by Able Promise, a company wholly-owned by Mr. YUEN Chow Ming. Accordingly, Mr. YUEN is deemed to be interested in such four shares in Robinhoods.

(2) 此四(4)股股份由Group Honour持有，而Group Honour為蘇耀祥先生全資擁有之公司。因此，蘇先生被視為擁有Robinhoods此四股股份中的權益。

(2) The four (4) shares are held by Group Honour, a company wholly-owned by Mr. SO Yiu Cheung. Accordingly, Mr. SO is deemed to be interested in such four shares in Robinhoods.

(3) 此四(4)股股份由Foremost Time持有，而Foremost Time為原偉強先生全資擁有之公司。因此，原先生被視為擁有Robinhoods此四股股份中的權益。

(3) The four (4) shares are held by Foremost Time, a company wholly-owned by Mr. YUEN Wai Keung. Accordingly, Mr. YUEN is deemed to be interested in such four shares in Robinhoods.

董事於本公司及其相聯法團之股份及相關股份之權益(續)

除上文所披露者外，於二零零七年三月三十一日，董事或彼等之聯繫人概無於本公司或其任何相聯法團之股份及相關股份中擁有根據證券及期貨條例第352條須予備存或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

主要股東於本公司股份及相關股份之權益

據董事所知，根據證券及期貨條例第XV部336條須予存置之主要股東名冊顯示，於二零零七年三月三十一日佔本公司已發行股本的5%或以上之主要股東權益，詳情如下：

於本公司每股面值0.10港元之普通股之長倉

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (continued)

Save as disclosed above, as at 31 March 2007, none of the Directors and their associates, had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 March 2007, so far as the Directors are aware of, the following substantial shareholders had interests in 5% or more of the Company's issued share capital:

Long position in ordinary shares of HK\$0.10 each in the Company

主要股東名稱 Name of Substantial Shareholders	身份 / 權益性質 Capacity/Nature of Interest	股份數目 Number of Shares	於本公司之 股權概約百分比 Approximate percentage of shareholding in the Company
Robinhoods	實益擁有人 Beneficial owner	240,000,000	75%
Able Promise	受控制法團權益 Interest of controlled corporation	240,000,000	75%
Group Honour	受控制法團權益 Interest of controlled corporation	240,000,000	75%
Foremost Time	受控制法團權益 Interest of controlled corporation	240,000,000	75%

董事會報告

Directors' Report

董事於競爭業務之權益

概無董事於任何業務中擁有任何競爭權益，或於任何可能與本集團構成直接或間接競爭之業務中擁有任何權益。

購股權

本公司之購股權計劃詳情載於財務報表附註23。

主要供應商及客戶

本集團主要客戶、分包商及供應商應佔本年度營業額、分包費用總額及購買物料之百分比如下：

營業額	
- 最大客戶	57.7%
- 五大客戶合計	100.0%
分包費用	
- 最大分包商	11.2%
- 五大分包商合計	36.2%
購買物料	
- 最大供應商	9.7%
- 五大供應商合計	37.3%

概無董事或彼等任何聯繫人或任何股東(就董事所知悉，擁有本公司已發行股本逾5%)於本集團上述之主要客戶、分包商及供應商擁有任何實益權益。

企業管治

本公司之企業管治原則及常規載於本報告第17至22頁。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors has any competing interests in any business or has any interest in any business that may constitute direct or indirect competition with the Group.

SHARE OPTIONS

Details of the Company's share option scheme are set out in note 23 to the financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of turnover, total sub-contracting costs and purchases of materials for the year attributable to the Group's major customers, sub-contractors and suppliers are as follows:

Turnover	
- the largest customer	57.7%
- five largest customers combined	100.0%
Sub-contracting costs	
- the largest sub-contractor	11.2%
- five largest sub-contractors combined	36.2%
Purchases of materials	
- the largest supplier	9.7%
- five largest suppliers combined	37.3%

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's major customers, sub-contractors or suppliers noted above.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out on pages 17 to 22 of this report.

足夠公眾持股量

按照本公司從公開途徑可得之資料並就董事所知悉，於本報告日期，本公司已發行股本總額之最少25%由公眾人士持有。

慈善捐款

本集團於本年度內作出慈善捐款達211,000港元。

審核委員會

為遵守上市規則第3.21條，董事會於二零零五年十一月十一日成立審核委員會（「審核委員會」）。審核委員會之職權範圍乃採用香港會計師公會所頒佈之「審核委員會成立指引」所載列之書面職權範圍。審核委員會之基本職責為審閱財務匯報程序及內部監控，並提供有關指引。審核委員會成員由三名獨立非執行董事組成，包括張志文先生（審核委員會主席）、何鍾泰博士及梁以德教授。審核委員會已審閱截至二零零七年三月三十一日止年度之業績。

結算日後事項

本集團的重大結算日後事項詳情載於財務報表附註31。

核數師

本公司之核數師均富會計師行將於本公司應屆股東週年大會上退任，並合資格且願意接受重新委任。

代表董事會

主席
原秋明

香港，二零零七年七月十九日

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public at the date of this report.

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounted to HK\$211,000.

AUDIT COMMITTEE

In compliance with rule 3.21 of the Listing Rules, the Board established an audit committee (the "Audit Committee") on 11 November 2005, with written terms of reference set out in "A Guide For The Formation Of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants adopted as the terms of reference of the Audit Committee. The primary duties of the Audit Committee are to review the financial reporting procedures and internal control and provides guidance in relation thereto. The Audit Committee comprises three independent non-executive Directors, namely, Mr. CHEUNG Chi Man, Dennis (as Chairman of the Audit Committee), Dr. Ho Chung Tai, Raymond and Professor LEUNG Yee Tak. The annual results for the year ended 31 March 2007 have been reviewed by the Audit Committee.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 31 to the financial statements.

AUDITORS

The Company's auditors, Grant Thornton who retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

YUEN Chow Ming
Chairman

Hong Kong, 19 July 2007

獨立核數師報告 Independent Auditors' Report

致明興控股有限公司全體股東
(於開曼群島註冊成立之有限公司)

本核數師已完成審核第38至第95頁所載明興控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,包括於二零零七年三月三十一日之綜合及公司資產負債表、截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策摘要與其他附註說明。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則以及香港公司條例的披露規定編製及真實公平地呈列該等綜合財務報表。該責任包括就編製及真實公平地呈列財務報表而設計、實施及維持相關的內部監控,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況作出合理的會計估計。

核數師的責任

本核數師之責任是根據審核之結果,對該等財務報表作出意見,並僅向整體股東報告,除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

本核數師已根據香港會計師公會頒佈之香港審計準則進行審核工作。該等準則要求本核數師遵守道德規範,並策劃及執行審核工作,以合理確定該等財務報表是否不存有任何重大錯誤陳述。

To the members of Ming Hing Holdings Limited
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Ming Hing Holdings Limited (the "Company") and its subsidiaries (collectively referred as the "Group") set out on pages 38 to 95, which comprise the consolidated and company balance sheets as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

審核工作涉及執程序以獲取財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮就編製及真實公平地呈列財務報表的相關內部監控，以設計在該情況下適當的審核程序，但並非為對該公司實體的內部監控效能發表意見。審核亦包括評估董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評核財務報表的整體呈列方式。

本核數師相信，所得到的審核憑證足夠及適當，可為我們的審核意見建立合理基礎。

意見

本核數師認為，該等綜合財務報表已根據香港財務報告準則，真實及公平地反映 貴公司及 貴集團於二零零七年三月三十一日之財務狀況及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

均富會計師行
執業會計師
香港
皇后大道中15號
置地廣場
告羅士打大廈13樓

二零零七年七月十九日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Grant Thornton
Certified Public Accountants
13th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

19 July 2007

綜合收益表 (截至二零零七年三月三十一日止年度)

Consolidated Income Statement (For the year ended 31 March 2007)

		附註 NOTES	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
收益	Revenue	5	519,944	263,768
收益成本	Cost of revenue		(439,725)	(192,997)
毛利	Gross profit		80,219	70,771
其他收入	Other income	5	1,575	1,131
行政開支	Administrative expenses		(35,371)	(24,172)
經營溢利	Operating profit	6	46,423	47,730
融資成本	Finance costs	7	(4,453)	(822)
扣除所得稅前溢利	Profit before income tax		41,970	46,908
所得稅開支	Income tax expense	8	(7,654)	(8,289)
本年度溢利	Profit for the year	9	34,316	38,619
股息	Dividends	10	10,426	11,520
			HK cents	HK cents
			港仙	港仙
每股盈利	Earnings per share	11		
- 基本	- Basic		5.362	7.916*
- 攤薄	- Diluted		5.361	7.916*

* 經重列

* restated

(於二零零七年三月三十一日) 綜合資產負債表

(As at 31 March 2007) Consolidated Balance Sheet

		附註 NOTES	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
資產與負債	ASSETS AND LIABILITIES			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	13	29,333	19,560
應收保留款項	Retention receivables	16	4,706	1,567
已抵押銀行存款	Pledged bank deposit	17	5,000	5,096
			39,039	26,223
流動資產	Current assets			
應收客戶合約工程款項	Amounts due from customers of contract works	15	236,348	63,007
貿易及其他應收款項	Trade and other receivables	16	50,871	17,778
已抵押銀行存款	Pledged bank deposits	17	19,229	6,131
現金及現金等價物	Cash and cash equivalents	18	11,461	97,067
			317,909	183,983
流動負債	Current liabilities			
貿易及其他應付款項	Trade and other payables	19	59,458	44,494
借貸	Borrowings	20	108,593	12,252
稅項撥備	Provision for tax		3,585	1,653
			171,636	58,399
流動資產淨值	Net current assets		146,273	125,584
總資產減流動負債	Total assets less current liabilities		185,312	151,807
非流動負債	Non-current liabilities			
借貸	Borrowings	20	21,493	15,000
遞延稅項	Deferred tax	21	3,067	2,133
			24,560	17,133
資產淨值	Net assets		160,752	134,674
權益	EQUITY			
股本	Share capital	22	32,000	32,000
擬派末期股息	Proposed final dividend	10	10,426	11,520
儲備	Reserves	24	118,326	91,154
總權益	Total equity		160,752	134,674

董事
Director
蘇耀祥
SO Yiu Cheung

董事
Director
原偉強
YUEN Wai Keung

資產負債表 (於二零零七年三月三十一日)

Balance Sheet (As at 31 March 2007)

		附註 NOTES	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
資產與負債	ASSETS AND LIABILITIES			
非流動資產	Non-current assets			
於附屬公司之投資	Investments in subsidiaries	14	76,261	76,261
流動資產	Current assets			
預付款項	Prepayments		174	641
應收附屬公司款項	Amounts due from subsidiaries	14	58,744	29,195
現金及現金等價物	Cash and cash equivalents	18	66	28,592
			58,984	58,428
流動負債	Current liabilities			
應計費用及其他應付款項	Accruals and other payables		591	2,884
稅項撥備	Provision for tax		506	–
			1,097	2,884
流動資產淨值	Net current assets		57,887	55,544
資產淨值	Net assets		134,148	131,805
權益	EQUITY			
股本	Share capital	22	32,000	32,000
擬派末期股息	Proposed final dividend	10	10,426	11,520
儲備	Reserves	24	91,722	88,285
總權益	Total equity		134,148	131,805

董事
Director
蘇耀祥
SO Yiu Cheung

董事
Director
原偉強
YUEN Wai Keung

(截至二零零七年三月三十一日止年度) 綜合權益變動表

(For the year ended 31 March 2007) Consolidated Statement of Changes in Equity

		股本	股份溢價*	合併儲備*	購股權儲備*	保留溢利*	擬派末期股息	總權益
		Share capital	Share premium*	Merger reserve*	Share option reserve*	Retained profits*	Proposed final dividend	Total equity
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零五年四月一日	At 1 April 2005	12	-	13,805	-	38,240	-	52,057
本年度溢利 / 本年度 已確認收入 及開支總額	Profit for the year/Total recognised income and expense for the year	-	-	-	-	38,619	-	38,619
就上市發行股份 (附註 22(e))	Issue of shares in connection with the Listing (note 22(e))	8,000	49,600	-	-	-	-	57,600
股份溢價賬資本化 (附註 22(d))	Capitalisation of share premium account (note 22(d))	23,988	(23,988)	-	-	-	-	-
股份發行開支	Share issue expenses	-	(13,602)	-	-	-	-	(13,602)
擬派末期股息 (附註 10)	Proposed final dividend (note 10)	-	-	-	-	(11,520)	11,520	-
於二零零六年三月三十一日及 二零零六年四月一日	At 31 March 2006 and 1 April 2006	32,000	12,010	13,805	-	65,339	11,520	134,674
本年度溢利 / 本年度 已確認收入 及開支總額	Profit for the year/Total recognised income and expense for the year	-	-	-	-	34,316	-	34,316
已付股息	Dividend paid	-	-	-	-	-	(11,520)	(11,520)
已授出購股權 (附註 23(b))	Share options granted (note 23(b))	-	-	-	3,282	-	-	3,282
擬派末期股息 (附註 10)	Proposed final dividend (note 10)	-	-	-	-	(10,426)	10,426	-
於二零零七年三月三十一日	At 31 March 2007	32,000	12,010	13,805	3,282	89,229	10,426	160,752

* 該等結餘之總額即綜合資產負債表內之儲備。

* The total of these balances represents reserves in the consolidated balance sheet.

綜合現金流量表 (截至二零零七年三月三十一日止年度)

Consolidated Cash Flow Statement (For the year ended 31 March 2007)

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
經營活動之現金流量	Cash flows from operating activities		
扣除所得稅前溢利	Profit before income tax	41,970	46,908
調整：	Adjustments for:		
利息收入	Interest income	(1,499)	(1,110)
利息開支	Interest expenses	4,453	822
出售物業、廠房及 設備之虧損	Loss on disposal of property, plant and equipment	325	75
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	6,452	3,440
以權益結算之購股權開支	Equity settled share option expense	3,282	-
未計營運資金變動前之經營溢利	Operating profit before working capital changes	54,983	50,135
應收客戶合約工程款項增加	Increase in amounts due from customers of contract works	(173,341)	(54,226)
貿易及其他應收款項增加	Increase in trade and other receivables	(33,093)	(5,811)
應收保留款項增加	Increase in retention receivables	(3,139)	(1,215)
貿易及其他應付款項 增加 / (減少)	Increase/ (Decrease) in trade and other payables	14,964	(11,371)
經營業務所動用之現金	Cash used in operations	(139,626)	(22,488)
銀行貸款之已付利息	Interest paid on bank loans	(4,085)	(819)
融資租賃付款之利息部份	Interest element of finance lease payments	(368)	(3)
已收利息	Interest received	1,499	1,110
已付香港利得稅(淨額)	Hong Kong profits tax paid (net)	(4,788)	(7,996)
經營活動所動用之現金淨額	Net cash used in operating activities	(147,368)	(30,196)
投資活動之現金流量	Cash flows from investing activities		
已抵押銀行存款增加	Increase in pledged bank deposits	(13,002)	(10,121)
購買物業、廠房及 設備所付款項	Payments to acquire property, plant and equipment	(10,245)	(15,987)
出售物業、廠房及 設備所得款項	Proceeds from disposal of property, plant and equipment	-	199
投資活動所動用之現金淨額	Net cash used in investing activities	(23,247)	(25,909)

(截至二零零七年三月三十一日止年度) 綜合現金流量表

(For the year ended 31 March 2007) Consolidated Cash Flow Statement

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
融資活動之現金流量	Cash flows from financing activities		
發行股份所得款項， 扣除上市費用	Proceeds from issuance of shares, net of listing expenses	–	49,981
新借銀行貸款	New bank loans raised	213,679	24,337
償還銀行貸款	Repayment of bank loans	(121,970)	(1,085)
融資租賃安排所得款項淨額	Net proceeds from finance lease arrangements	7,122	–
融資租賃付款之資本部份	Capital element of finance lease payments	(2,302)	(22)
已付股息	Dividend paid	(11,520)	–
融資活動所產生之現金淨額	Net cash generated from financing activities	85,009	73,211
現金及現金等價物(減少) / 增加淨額	Net (decrease)/ increase in cash and cash equivalents	(85,606)	17,106
財政年度初之現金及 現金等價物	Cash and cash equivalents at beginning of financial year	97,067	79,961
財政年度末之現金及 現金等價物	Cash and cash equivalents at end of financial year	11,461	97,067

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

1. 一般資料

明興控股有限公司(「本公司」)為一間於二零零四年五月二十五日於開曼群島註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)主板上市。本公司之主要營業地點位於香港九龍灣宏開道16號德福大廈1809-1812室。

本公司及其附屬公司(統稱「本集團」)之主要業務為向香港公營機構提供水務工程、道路、渠務及斜坡加固工程之土木工程合約的保養及建造工程服務。

董事認為，本公司之最終控股公司為Robinhoods Development Limited(一間於英屬處女群島註冊成立之公司)。

第38頁至95頁所載之財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)編製，而該等準則包括所有適用的個別香港財務報告準則、香港會計準則及詮釋。另外，該等財務報表亦包括香港公司條例及聯交所證券上市規則(「上市規則」)之適用披露規定。

截至二零零七年三月三十一日止年度之財務報表已於二零零七年七月十九日獲董事會批准。

1. GENERAL INFORMATION

Ming Hing Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 25 May 2004 as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its principal place of business is Units 1809-1812, Telford House, 16 Wang Hoi Road, Kowloon Bay, Hong Kong.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of maintenance and construction works on civil engineering contracts in respect of waterworks engineering, road works and drainage and slope upgrading for the public sector in Hong Kong.

In the opinion of the Directors, the ultimate holding company of the Company is Robinhoods Development Limited, which was incorporated in the British Virgin Islands.

The financial statements on pages 38 and 95 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The financial statements for the year ended 31 March 2007 were approved for issue by the board of directors on 19 July 2007.

2. 採納新訂及經修訂之香港財務報告準則

(a) 於本年度生效之新訂及經修訂香港財務報告準則

本集團已採納於本財政年度首次生效的所有新訂及經修訂香港財務報告準則。採納該等新訂及經修訂的香港財務報告準則並無導致本集團之會計政策出現重大變動。

(b) 已頒布但未生效之新訂及經修訂香港財務報告準則

以下為已頒佈但未於本財政年度生效之新訂及經修訂香港財務報告準則：

香港會計準則第1號 (經修訂)	財務報表的呈列 - 資本披露 ¹
香港會計準則第23號 (經重訂)	借貸成本 ⁷
香港財務報告準則 第7號	金融工具：披露 ¹
香港財務報告準則 第8號	經營分部 ⁷
香港(國際財務報告 準則詮釋委員會) - 詮釋第8號	香港財務報告準則 第2號之範圍 ²
香港(國際財務報告 準則詮釋委員會) - 詮釋第9號	重估內含衍生工具 ³
香港(國際財務報告 準則詮釋委員會) - 詮釋第10號	中期財務報告及減值 ⁴
香港(國際財務報告 準則詮釋委員會) - 詮釋第11號	集團及庫存股份交易 ⁵
香港(國際財務報告 準則詮釋委員會) - 詮釋第12號	服務特許權安排 ⁶

- ¹ 於二零零七年一月一日或以後開始之年度期間生效
- ² 於二零零六年五月一日或以後開始之年度期間生效
- ³ 於二零零六年六月一日或以後開始之年度期間生效
- ⁴ 於二零零六年十一月一日或以後開始之年度期間生效
- ⁵ 於二零零七年三月一日或以後開始之年度期間生效
- ⁶ 於二零零八年一月一日或以後開始之年度期間生效
- ⁷ 於二零零九年一月一日或以後開始之年度期間生效

2. ADOPTION OF NEW AND AMENDED HKFRSs

(a) New and amended HKFRSs effective during the year

The Group has adopted all the new and amended HKFRSs which are first effective during the current financial year. The adoption of these new and amended HKFRSs did not result in any significant changes in the Group's accounting policies.

(b) New and amended HKFRSs that have been issued but are not yet effective

The followings are new and amended HKFRSs which are issued but not yet effective in the current financial year:

Amendment to HKAS 1	Presentation of Financial Statements – Capital Disclosures ¹
HKAS 23 (Revised)	Borrowing Cost ⁷
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ⁷
HK(IFRIC) – Int 8	Scope of HKFRS 2 ²
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives ³
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment ⁴
HK(IFRIC) – Int 11	Group and Treasury Share Transactions ⁵
HK(IFRIC) – Int 12	Service Concession Arrangements ⁶

- ¹ Effective for annual periods beginning on or after 1 January 2007
- ² Effective for annual periods beginning on or after 1 May 2006
- ³ Effective for annual periods beginning on or after 1 June 2006
- ⁴ Effective for annual periods beginning on or after 1 November 2006
- ⁵ Effective for annual periods beginning on or after 1 March 2007
- ⁶ Effective for annual periods beginning on or after 1 January 2008
- ⁷ Effective for annual periods beginning on or after 1 January 2009

財務報表附註 (截至二零零七年三月三十一日止年度)**Notes to the Financial Statements** (For the year ended 31 March 2007)**2. 採納新訂及經修訂之香港財務報告準則(續)****(b) 已頒布但未生效之新訂及經修訂香港財務報告準則(續)**

本集團並無提早採納上述香港財務報告準則。本集團正在評估首次應用該等新訂及經修訂香港財務報告準則之影響。在本階段，本集團認為採納香港會計準則第1號(經修訂)、香港財務報告準則第7號及香港財務報告準則第8號或會導致須作出新披露或修訂披露資料，而該等新訂及經修訂香港財務報告準則應不會對本集團的財務報表有重大影響。

3. 主要會計政策摘要

編製本綜合財務報表所採用之主要會計政策列載於下文。除另有說明者外，該等政策已貫徹應用於所有呈報年度。

(a) 編製基準

財務報表乃根據歷史成本常規編製。計量基準於下文之會計政策詳述。

謹請注意，編製財務報表已運用會計估計及假設。雖然該等估計及假設乃按照管理層對當時事項及行動之最深入瞭解而作出，惟實際結果最終可能與該等估計及假設有所出入。涉及較高程度的判斷或複雜性的範疇，或所作假設及估計對財務報表有重大影響之範疇，已於附註4「重要會計估計及判斷」中披露。

2. ADOPTION OF NEW AND AMENDED HKFRSs (continued)**(b) New and amended HKFRSs that have been issued but are not yet effective (continued)**

The Group has not early adopted the above HKFRSs. The Group is in the process of making an assessment of the impact of these new and amended HKFRSs upon initial application. At this stage the Group has concluded that while the adoption of Amendment to HKAS 1, HKFRS 7 and HKFRS 8 may result in new or amended disclosures, these new and amended HKFRSs are unlikely to have a significant impact on the Group's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions have been used in preparing these financial statements. Although these estimates and assumptions are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4 "Critical Accounting Estimates and Judgements".

3. 主要會計政策摘要(續)

(b) 綜合基準

綜合財務報表包括本集團截至每年三月三十一日之財務報表。附屬公司業績由收購日期(即本公司取得控制權當日)起綜合入賬,直至控制權終止當日終止入賬。本集團內公司間之所有重大交易、結餘及本集團內部交易之未變現收益均在綜合賬目時撇銷。未變現虧損亦予撇銷,惟有關交易可提供憑證顯示所轉讓資產有所減值則除外,而在此情況下,未變現虧損須即時於收益表確認。

(c) 附屬公司

附屬公司指本公司有權控制其財務及營運政策而從其業務中獲取利益之實體(包括特殊目的實體)。於評估本公司是否控制另一實體時,會考慮是否存在目前可行使或轉換之潛在投票權及其影響。

附屬公司之業績乃根據已收及應收股息於本公司收益表列賬。本公司於附屬公司之投資乃按成本值扣除任何減值虧損列賬。

(d) 收益確認

當土木工程合約之結果能被可靠估計時,土木工程合約之保養或建造工程產生之收益將根據個別合約於結算日之完成百分比確認(詳情見下文附註3(i))。

利息收入乃參照未償還之本金及適用實際利率按時間比例而確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group made up to 31 March each year. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. All material intercompany transactions, balances and unrealised gains on transactions within the Group are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred, in which case they are recognised immediately in the income statement.

(c) Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Company has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The results of the subsidiaries are included in the Company's income statement to the extent of dividend received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

(d) Revenue recognition

When the outcome of civil engineering contracts can be estimated reliably, revenue from maintenance or construction works on civil engineering contracts is recognised according to the percentage of completion of individual contract at the balance sheet date (see note 3(i) below for details).

Interest income is recognised on a time-proportion basis by reference to the principal outstanding and at the effective interest rate applicable.

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

3. 主要會計政策摘要(續)

(e) 物業、廠房及設備

物業、廠房及設備乃按成本(包括購入價格及任何使該項資產達到其擬定用途之運作狀況及地點之直接應佔成本)減累計折舊及任何減值虧損列賬。其後之成本僅於與該項目有關之未來經濟利益可能流入本集團,而該項目成本能被可靠計算時,計入資產之賬面值,或確認為一項獨立資產(倘適用)。維修及保養等其他所有成本乃於產生之財政期間內在收益表扣除。

物業、廠房及設備乃按其估計可使用年期,以結餘遞減法按下列年率撇銷成本作出折舊:

傢俬、裝置及設備	20%
租賃物業裝修	30%
汽車	20%
機器及工具	30%

資產之可使用年期於各結算日予以檢討及調整(倘適用)。

出售物業、廠房及設備產生之收益或虧損乃按出售所得款項淨額與資產賬面值之差額釐定,並於收益表中確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, which comprise purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, less accumulated depreciation and any impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs such as repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, using the reducing balance method, at the following rates per annum:

Furniture, fixtures and equipment	20%
Leasehold improvements	30%
Motor vehicles	20%
Machinery and tools	30%

The assets' useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Gain or loss arising on disposal of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in the income statement.

3. 主要會計政策摘要(續)

(f) 非財務資產之減值

每當有跡象顯示物業、廠房及設備以及於附屬公司之投資之賬面值未必能收回時，須就該等資產進行減值測試。

就評估減值而言，倘資產未能產生大致上獨立於其他資產之現金流入，則可收回金額將按能單獨產生現金流入之最小資產類別(即現金產生單位)釐定。因此，部份資產乃個別進行減值測試，部份資產則以現金產生單位之水平進行測試。

當減值虧損按資產或現金產生單位之賬面值超過其可收回金額之部份時，便即時確認為開支。可收回金額則為反映市況之公允值及減去出售成本，與使用值兩者之中的較高者。於評估使用值時，估計未來現金流量乃採用反映當時市場對貨幣價值及資產特定風險之評估的除稅前貼現率，貼現至其現值。

如用以釐定資產可收回金額之估計發生有利變化，減值虧損需予回撥，惟有關資產之賬面值不得超出假設過往年度該資產未確認減值虧損的情況下本該釐定的賬面值(扣除折舊或攤銷後)。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Impairment of non-financial assets

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there are indications that the assets' carrying amount may not be recoverable.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised as an expense immediately for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, which reflects market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

財務報表附註 (截至二零零七年三月三十一日止年度)**Notes to the Financial Statements** (For the year ended 31 March 2007)**3. 主要會計政策摘要(續)****(g) 租賃**

就包含一項交易或連串交易之安排而言，倘本集團決定有關安排是在協定期限內將一項或多項特定資產之使用權出讓，以換取一筆或一連串的付款，則該項安排乃屬租賃或包括一項租賃。此決定乃基於對有關安排的實質內容之評估，而不論該項安排是否一項採用法律形式的租賃。

經營租賃開支(作為承租人)

倘本集團以經營租賃持有資產使用權，則根據該等租賃之付款須於租賃期內以直線法在收益表扣除；倘有其他方法更能反映有關租賃資產衍生之利益模式則除外。所獲租賃減免在收益表確認為已付總租金淨額之組成部份。或然租金於其產生之會計期間於收益表扣除。

以融資租賃購置的資產

倘本集團以融資租賃購置資產使用權，則該等資產中相等於租賃資產公允值或最低租金現值(以較低者為準)的金額須計入物業、廠房及設備內，而相關負債於扣除財務費用後入賬列為融資租賃責任。

對根據融資租賃協議持有之資產之其後會計處理與可資比較的收購資產所應用者一致。相應之融資租賃負債須減去扣除財務費用後之租金。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Leases**

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Operating leases charges as the lessee

Where the Group has the right to use the assets held under operating leases, payments made under the leases are charged to the income statement on a straight-line basis over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

Assets acquired under finance leases

Where the Group acquires the right to use the assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligation under finance leases.

Subsequent accounting for assets held under finance lease agreements corresponds to those applied to comparable acquired assets. The corresponding finance lease liability is reduced by lease payments less finance charges.

3. 主要會計政策摘要(續)

(g) 租賃(續)

以融資租賃購置的資產(續)

租金包含的財務費用於租賃期內於收益表扣除，藉以使各會計期間有關責任的未償還結餘以相若固定週期比率計算開支。

(h) 財務資產

本集團之財務資產主要包括貸款及應收款項。所有財務資產僅於本集團訂立有關工具的合約條文時確認。

倘收取投資所產生現金流量之權利期滿或被轉讓，且擁有權之絕大部份風險及回報已經轉移，須取消確認財務資產。

貸款及應收款項為具固定或可予釐定付款金額之非衍生財務資產，在活躍市場中並無報價。貸款及應收款項初步按公允值確認，其後以實際利率法按攤銷成本，減任何減值虧損計量。攤銷成本之計算經計及任何收購時產生之折讓或溢價，包括構成實際利率及交易成本之費用。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Leases (continued)

Assets acquired under finance leases (continued)

Finance charges implicit in the lease payments are charged to income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(h) Financial assets

The Group's financial assets mainly comprise loans and receivables. All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

財務報表附註 (截至二零零七年三月三十一日止年度)**Notes to the Financial Statements** (For the year ended 31 March 2007)**3. 主要會計政策摘要(續)****(h) 財務資產(續)**

貸款及應收款項須於每個結算日檢討，以釐定有否客觀跡象顯示減值。倘有該等跡象，則有關減值虧損為資產之賬面值與估計日後現金流量(不包括尚未產生之日後信貸虧損)按該項資產原本實際利率(即初步確認時計算之實際利率)貼現計算至現值間之差額計量。虧損金額於減值產生之期間在收益表確認。

倘於其後期間，減值虧損金額減少，而有關減少客觀地關乎於確認減值後之事件，則早前確認之減值虧損將予撥回，惟於撥回減值當日貸款及應收款項之賬面值不得超逾倘無確認減值而原應釐定之攤銷成本。撥回金額於撥回產生之期間在收益表確認。

(i) 土木工程合約

當土木工程合約之結果能可靠地估計時(即建造工程之完成百分比最少達30%(倘適用))，土木工程合約之保養或建造工程產生之收益將根據個別合約於結算日之完成百分比確認。完成百分比乃參照已履行工程之價值釐定。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(h) Financial assets** (continued)

At each balance sheet date, loans and receivables are reviewed to determine whether there is any objective evidence of impairment. If such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in the income statement of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the loans and receivables exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the income statement of the period in which the reversal occurs.

(i) Civil engineering contracts

When the outcome of civil engineering contracts can be estimated reliably (i.e. where applicable, the percentage of completion of the individual construction work is at least 30%), revenue from maintenance or construction works on civil engineering contracts is recognised according to the percentage of completion of individual contract at the balance sheet date. The percentage of completion is determined by reference to the value of works performed.

3. 主要會計政策摘要(續)

(i) 土木工程合約(續)

任何可預見虧損於被識別時計提撥備，並即時於收益表中確認為開支。當合約工程、申索及獎金之變動於獲得客戶核准且能可靠計量時，方確認為收益。

倘無法可靠估計土木工程合約之結果，收益僅以將可收回之已產生合約成本為限，或以經客戶核證之工程價值為限予以確認。

應收客戶合約工程款項乃指所產生之合約成本加上已確認溢利，減去進度款項及任何可預見虧損。應付客戶合約工程款項乃指進度款項超出所產生合約成本之款項加上已確認溢利，減去任何可預見虧損之款項。成本主要包括物料、直接聘用之勞工及分包商費用。本年度就有關合約之未來活動所引致之成本，確認為應收客戶合約工程款項。就已履行工程已出具賬單，但客戶尚未支付之款項，均列入資產負債表「貿易及其他應收款項」項下。

當所承接合約中規定之條件實現時，保留款項(即應付予分包商之進度款項)或應收客戶款項，分別列入資產負債表「貿易及其他應付款項」及「貿易及其他應收款項」項下。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Civil engineering contracts (continued)

Provisions are made for any foreseeable losses when they are identified and recognised immediately as an expense in the income statement. Variations in contract work, claims and incentive payments are recognised as revenue when they are approved by customers and can be measured reliably.

When the outcome of civil engineering contracts cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that would probably be recoverable or to the extent of the value of works certified by the customers.

Amounts due from customers of contract works represent contract costs incurred plus recognised profits less progress billings and any foreseeable losses. Amounts due to customers of contract works represent the excess of progress billings over contract costs incurred plus recognised profits less any foreseeable losses. Costs mainly comprise materials, direct labour and sub-contractors' fees. Costs incurred during the year in connection with future activity of a contract are recognised as amounts due from customers of contract works. Amounts billed for works performed but not yet paid by the customers are included in the balance sheet under trade and other receivables.

Retentions, representing amounts of progress billings which are payable to sub-contractors or receivables from customers when conditions specified in the contracts undertaken are satisfied, are included in the balance sheet under trade and other payables and trade and other receivables respectively.

財務報表附註 (截至二零零七年三月三十一日止年度)**Notes to the Financial Statements** (For the year ended 31 March 2007)**3. 主要會計政策摘要(續)****(j) 所得稅之會計處理**

所得稅包括當期及遞延稅項。

當期所得稅資產及 / 或負債包括有關當前或過往呈報期間對財政機關之責任或來自財政機關之申索，而該等責任或申索於結算日均未支付，並按相關財政期間適用之稅率及稅法並根據年內之應課稅溢利計算。當期稅項資產或負債之所有變動均於收益表確認為稅項開支之部份。

遞延稅項乃在結算日使用負債法計算財務報表中資產及負債的賬面值與相應稅基之間的暫時差額。一般就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產乃就所有可扣減暫時差額、可結轉稅項虧損及其他未動用稅項抵免確認，惟須有應課稅溢利可用作抵銷可扣減暫時差額、未動用稅項虧損及未動用稅項抵免。

若於一項交易中，因初步確認(業務合併除外)資產及負債而引致之暫時差額不會影響應課稅或會計溢利或虧損，則不會確認遞延稅項資產及負債。

遞延稅項負債乃按於附屬公司之投資所產生之應課稅暫時差額而確認；倘本集團可控制暫時差額之撥回而暫時差額或未必於可見將來撥回則除外。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Accounting for income taxes**

Income tax comprises current and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiaries except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

3. 主要會計政策摘要(續)

(j) 所得稅之會計處理(續)

遞延稅項乃不作貼現按預期於結清負債或變現資產之期間之稅率計算，惟該等稅率於結算日須為已實施或實際上實施。

遞延稅項資產或負債變動於收益表確認；如涉及直接於權益扣除或計入權益之項目，則於權益確認。

(k) 現金及現金等價物

現金及現金等價物包括銀行結存及現金以及短期銀行存款，扣除須於通知時償還並構成本集團現金管理不可分割部份之銀行透支。

(l) 僱員福利

界定供款計劃

本集團已為所有合資格僱員設立根據強制性公積金計劃條例成立之界定供款強制性公積金退休福利計劃(「強積金計劃」)。供款額乃根據僱員基本薪金之若干百分比計算，並根據強積金計劃之規則，在應付該等供款時在收益表扣除。強積金計劃之資產由獨立管理基金持有，獨立於本集團之資產。本集團之僱主供款於僱主向強積金計劃作出供款時全數撥歸僱員所有。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Accounting for income taxes (continued)

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

(k) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand as well as short-term bank deposits, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(l) Employee benefits

Defined contribution plan

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

財務報表附註 (截至二零零七年三月三十一日止年度)**Notes to the Financial Statements** (For the year ended 31 March 2007)**3. 主要會計政策摘要(續)****(I) 僱員福利(續)****僱傭條例之長期服務金**

本集團若干僱員已在本集團任職若干年數，符合資格在終止僱用後領取香港僱傭條例規定之長期服務金。倘若終止僱用符合僱傭條例規定之情況，則本集團須負責支付有關長期服務金。

本集團已就預期未來可能支付之長期服務金作出撥備。撥備乃根據僱員截至結算日向本集團提供服務可能賺取之未來款項的最佳估計。

短期僱員福利

短期僱員福利於應計予僱員時確認，並就僱員於截至結算日止提供服務而產生之年假之估計負債作出撥備。病假及產假等非累計補假於支取時方予確認。

以股份支付之僱員補償

有關以股份支付之僱員補償的會計政策詳情載於下文附註3(m)。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(I) Employee benefits (continued)****Employment Ordinance long service payments**

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

Short-term employee benefits

Short-term employee benefits are recognised when they accrue to employees. In particular, a provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Share-based employee compensation

Details about the accounting policy on share-based employee compensation are set out in note 3(m) below.

3. 主要會計政策摘要(續)

(m) 以股份支付之補償

本集團已設立一項購股權計劃，以肯定及承認合資格參與者對本集團所作出之貢獻。合資格參與者為本集團或任何聯屬公司之員工(包括董事)、客戶、供應商、代理、合夥人、顧問、諮詢人、股東或承包商，彼等以股份支付之補償方式收取酬金，並提供服務作為獲取股本工具之代價(「權益結算交易」)。

與僱員進行權益結算交易之成本參照於購股權授出日期之公允值(不計任何非市場歸屬條件之影響)計量。與僱員以外人士進行權益結算交易之成本乃參照所提供貨品或服務之公允值計量。

權益結算交易之成本按照預期將歸屬之購股權數目之最佳估計於歸屬期內以直線法於收益表確認為開支。有關預期成為可行使購股權的數目之假設已包括於非市場歸屬條件。如有跡象顯示預期歸屬之購股權數目偏離原先估計，則有關估計其後將予修訂。如最終獲行使之購股權數目少於原來估計，則不會對於過往期間確認之開支作出調整。

購股權獲行使時，原先於購股權儲備內確認之數額將撥入股份溢價。當購股權被沒收或於到期日仍未獲行使時，原先於購股權儲備中確認之數額將撥入保留溢利。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Share-based compensation

The Group operates a share option scheme for the purpose of recognising and acknowledging the contributions that the eligible participants have made to the Group. Eligible participants including employees (including directors), customers, suppliers, agents, partners, consultants, advisers, shareholders of or contractors to the Group or any affiliate receive remuneration in the form of share-based compensation, whereby eligible participants render services as consideration for equity instrument (“**equity-settled transactions**”).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date the options are granted excluding the impact of any non-market vesting conditions. The cost of equity-settled transactions with parties other than employees is measured by reference to the fair value of the goods or services provided.

The cost of equity-settled transactions is recognised as an expense in income statement on straight-line basis over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally estimated.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

財務報表附註 (截至二零零七年三月三十一日止年度)**Notes to the Financial Statements** (For the year ended 31 March 2007)**3. 主要會計政策摘要(續)****(n) 財務負債**

本集團之財務負債包括貿易及其他應付款項、銀行貸款及融資租賃負債，並計入資產負債表之「貿易及其他應付款項」及「借貸」。財務負債於本集團參與訂立有關工具之合約協議時確認。所有利息相關開支均於收益表中確認為融資成本開支。財務負債於負債責任獲履行或註銷或到期時終止確認。

財務負債均歸類為流動負債，除非本集團有權將有關債務之清償，無條件遞延至結算日後最少十二個月。

貿易及其他應付款項初步按其公允價值確認，其後則採用實際利率法按攤銷成本計量。

銀行貸款初步按公允價值確認，並扣除已產生之交易成本，而其後按攤銷成本列賬。如所得款項(扣除交易成本)與贖回價值出現任何差額，則於銀行貸款的借貸期內以實際利率法在收益表確認。

融資租賃負債按初始價值減租賃還款之資本部份計算(見附註3(g))。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(n) Financial liabilities**

The Group's financial liabilities comprise trade and other payables, bank loans and finance lease liabilities which are included as "trade and other payables" and "borrowings" in the balance sheet. Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in the income statement. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Bank loans are recognised initially at fair value, net of transaction costs incurred, and subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the bank loans using the effective interest method.

Finance lease liabilities are measured at initial value less the capital element of lease repayments (see note 3(g)).

3. 主要會計政策摘要(續)

(o) 撥備及或然負債

倘本集團因過往事件而須承擔現有法律責任或推定責任，且履行該責任時很可能導致經濟利益流出，並能可靠地估計所須承擔之金額，則須確認撥備。倘金錢之時間價值重大，則撥備須就履行責任預期所需支出之現值列賬。

所有撥備均於各個結算日審閱並作調整以反映當時之最佳估計值。

在未能肯定是否會導致經濟利益的流出，或有關金額未能可靠地估量時，則除非該經濟利益流出的可能性極低，否則有關責任須披露為或然負債。而可能承擔的責任(其存在與否只能藉一項或多項未來事件的發生與否才可確定)亦須披露為或然負債；除非導致經濟利益流出的可能性極低，則作別論。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

財務報表附註 (截至二零零七年三月三十一日止年度)**Notes to the Financial Statements** (For the year ended 31 March 2007)**3. 主要會計政策摘要(續)****(p) 作出財務擔保**

財務擔保合約為要求發行人(或擔保人)作出特定付款,以付還持有人因特定欠款人未能按照債務文據條款於到期時還款所產生損失之合約。

倘本集團作出財務擔保,擔保之公允值初步於貿易及其他應付款項確認為遞延收入。倘就作出擔保已收或應收代價,有關代價須按適用於該類資產之本集團政策確認。倘無收取或應收代價,則於初步確認遞延收入時即時於收益表確認為開支。

初步確認為遞延收入之擔保金額按擔保年期於收益表攤銷為所作出財務擔保之收入。此外,倘擔保持有人可能要求本集團履行擔保及有關向本集團索償金額預期超出當時賬面值(即初步確認之金額減累計攤銷(倘適用)),則確認撥備。

(q) 借貸成本

所有借貸成本於產生時列作開支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(p) Financial guarantee issued**

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in income statement on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in income statement over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where applicable.

(q) Borrowing costs

All borrowing costs are expensed as incurred.

3. 主要會計政策摘要(續)

(r) 關連人士

在下列情況下，有關方被視為與本集團有關連之人士：

- (i) 有關方直接或間接地透過一名或多名中介人(1)控制本公司／本集團，或受本公司／本集團所控制，或與本公司／本集團受共同控制；(2)擁有本公司之權益，以至足以對本公司／本集團產生重大影響；或(3)擁有本公司／本集團之共同控制權；
- (ii) 有關方為聯營公司；
- (iii) 有關方為共同控制實體；
- (iv) 有關方為本公司或其母公司之主要管理人員；
- (v) 有關方為第(i)或(iv)項所述之任何人士之近親；
- (vi) 有關方為第(iv)或(v)項所述之任何人士直接或間接控制、共同控制或能對其有重大影響力或於其中擁有重大投票權之實體；或
- (vii) 有關方為就本公司／本集團或就屬於本公司／本集團關連人士之任何實體之員工福利而設的退休福利計劃。

(s) 股本

普通股列作權益。股本按已發行股份之面值釐定。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Related parties

A party is considered to be related to the Group if:

- (i) directly, or indirectly through one or more intermediaries, the party (1) controls, is controlled, or is under common control with, the Company/Group; (2) has an interest in the Company that gives it significant influence over the Company/Group; or (3) has joint control over the Company/Group;
- (ii) the party is an associate;
- (iii) the party is a jointly-controlled entity;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company/Group, or of any entity that is a related party of the Company/Group.

(s) Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

財務報表附註 (截至二零零七年三月三十一日止年度)**Notes to the Financial Statements** (For the year ended 31 March 2007)**4. 重要會計估計及判斷**

本集團持續評估估計及判斷，並以過往經驗及其他因素作為依據，包括在當時情況下對未來事件之合理預期。

本集團對未來作出估計及假設，因此而作出之會計估計顧名思義很少與有關之實際結果完全一致。具有重大風險而會導致下一個財政年度內資產及負債賬面值須作出重大調整之有關估計及假設詳述如下：

(a) 土木工程合約

土木工程合約之保養及建造工程之收益，乃根據個別合約之完成百分比確認，而計算完成百分比時須估計各合約之毛利率。個別合約之毛利率乃根據本集團管理層制定之合約預算而釐定。為確保估計合約總成本為準確及最新從而得以可靠估計毛利率，管理層經常審閱迄今所產生之成本及直至完成之成本，尤其是任何成本超支及客戶更改指示，並於有需要時檢討估計合約成本。倘實際毛利率偏離管理層之估計，則將於下一個財政年度確認之合約收益作出調整。

(b) 應收款項之減值撥備

應收款項之減值撥備由管理層根據其客戶過往之信貸記錄及當時市場狀況而釐定。此估計可因客戶財政狀況之變動而有重大改變。管理層將於每個結算日重新評估應收款項之減值撥備金額(如有)。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Civil engineering contracts

Revenue from maintenance and construction works on civil engineering contracts is recognised according to the percentage of completion of individual contract which requires the estimation of gross profit margin of each contract. The gross profit margin of individual contract is determined based on budget of the contract which was prepared by the management of the Group. In order to ensure that the total estimated contract costs are accurate and up-to-date such that gross profit margin can be estimated reliably, management reviews the costs incurred to date and costs to completion frequently, in particular any costs over-runs and the variation orders from customers, and revise the estimated contract costs where necessary. If the actual gross profit margin differs from the management's estimates, the contract revenue to be recognised in the next financial year will be adjusted accordingly.

(b) Provision for impairment of receivables

Provision for impairment of receivables is determined by management based on the credit history of its customers and the current market condition. It could change significantly as a result of changes in the financial position of the customers. Management would re-assess the amount of impairment provision of receivables, if any, at each balance sheet date.

5. 收益、其他收入及分部資料

收益(亦即本集團之營業額)為土木工程合約之保養及建造工程之合約收益。收益及其他收入之分析如下：

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
收益	Revenue	519,944	263,768
其他收入：	Other income:		
銀行利息收入	Bank interest income	1,499	1,110
雜項收入	Sundry income	76	21
		1,575	1,131
		521,519	264,899

本集團主要在香港從事水務工程承包業務，且本集團之所有營運設施均位於香港，故並無呈列業務及地區分部分析。

5. REVENUE, OTHER INCOME AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents contract revenue from maintenance and construction works on civil engineering contracts. An analysis of revenue and other income is as follows:

The Group is principally engaged in the waterworks engineering contracting business in Hong Kong and all of the Group's operating facilities are located in Hong Kong. Accordingly, no business and geographical segment analyses are presented.

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

6. 經營溢利

6. OPERATING PROFIT

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
經營溢利乃經扣除下列各項後得出：	Operating profit is arrived at after charging:		
核數師酬金	Auditors' remuneration	525	608
物業、廠房及設備之折舊	Depreciation of property, plant and equipment		
- 自有資產	- owned assets	4,828	3,440
- 租賃資產	- leased assets	1,624	-
		6,452	3,440
出售物業、廠房及設備之虧損	Loss on disposal of property, plant and equipment	325	75
員工成本(包括董事酬金)	Staff costs (including directors' emoluments)	61,868	35,026
確認為退休福利計劃開支之金額(列入員工成本)	Amount recognised as expense for retirement benefits scheme (included in staff costs)	2,449	1,377
經營租賃費用	Operating lease charges		
- 土地及樓宇	- land and buildings	984	920
- 廠房及機器	- plant and machinery	5,447	1,591
		6,431	2,511
以權益結算之購股權開支(附註 23(b))	Equity settled share option expense (note 23(b))	3,282	-

7. 融資成本

7. FINANCE COSTS

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
以下各項之利息費用：	Interest charges on:		
應於五年內悉數償還之銀行貸款	Bank loans wholly repayable within five years	4,085	819
融資租賃付款之利息部份	Interest element of finance lease payments	368	3
		4,453	822

8. 所得稅開支

香港利得稅乃根據本年度估計應課稅溢利，按稅率 17.5% (二零零六年：17.5%) 作出撥備。

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year.

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
香港利得稅	Hong Kong profits tax		
- 本年度	- current year	7,167	7,120
- 往年度之超額撥備	- over provision in prior years	(447)	(49)
遞延稅項(附註 21)	Deferred tax (note 21)	934	1,218
所得稅開支	Income tax expense	7,654	8,289

按適用稅率計算之稅務開支及會計溢利之對賬表如下：

Reconciliation between tax expense and accounting profit at applicable tax rate is as follows:

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
扣除所得稅前溢利	Profit before income tax	41,970	46,908
按適用稅率 17.5% 計算之 稅項(二零零六年：17.5%)	Tax at applicable tax rate of 17.5% (2006: 17.5%)	7,345	8,209
毋須課稅收入之稅務影響	Tax effect of non-taxable income	(155)	(165)
不可扣減開支之稅務影響	Tax effect of non-deductible expenses	402	186
早前未確認的暫時性 差額之稅務影響	Tax effect of temporary differences previously not recognised	248	-
往年度之超額撥備	Over provision in prior years	(447)	(49)
其他	Others	261	108
所得稅開支	Income tax expense	7,654	8,289

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

9. 本年度溢利

本年度綜合溢利為 34,316,000 港元(二零零六年：38,619,000 港元)，其中 10,581,000 港元(二零零六年：11,546,000 港元)之溢利已於本公司之財務報表內處理。

10. 股息

擬派末期股息每股 1.12 港仙 Proposed final dividend of HK1.12 cents per share

附註：

於二零零七年七月十九日，董事建議就截至二零零七年三月三十一日止年度派付末期股息每股 1.12 港仙，將派付予在二零零七年八月二十三日(「截止過戶日期」)營業時間結束時名列本公司股東名冊之股東。擬派末期股息須待本公司股東於應屆股東週年大會上批准，方可作實。往年度之擬派末期股息每股 3.60 港仙(假設附註 22(f) 所詳述於二零零七年六月十二日生效之股份分拆已於二零零五年四月一日發生，則為每股 1.80 港仙)已於年內派付。

於年結日後直至本財務報表獲通過當日，已根據附註 31(a) 及附註 31(c) 所詳述的股份認購，以及按附註 23 所詳述的本公司購股權計劃所授出的購股權獲行使，而發行合共 290,860,000 股本公司普通股(「新股份」)。新股份持有人可獲派擬派末期股息。本年度擬派末期股息 10,426,000 港元乃根據於二零零七年三月三十一日的已發行股份數目 640,000,000 股(已計入股份分拆的影響)及新股份數目計算。所派付末期股息之實際金額須視乎日後本公司購股權(如有)於截止過戶日期前之行使情況而定。

9. PROFIT FOR THE YEAR

Of the consolidated profit for the year of HK\$34,316,000 (2006: HK\$38,619,000), a profit of HK\$10,581,000 (2006: HK\$11,546,000) has been dealt with in the financial statements of the Company.

10. DIVIDENDS

	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
擬派末期股息每股 1.12 港仙 Proposed final dividend of HK1.12 cents per share	10,426	11,520

Notes:

On 19 July 2007, the directors proposed a final dividend of HK1.12 cents per share for the year ended 31 March 2007 which will be paid to shareholders whose names appear on the register of members of the Company as at the close of business on 23 August 2007 (the "Book Close Date"). The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. The final dividend proposed for last year of HK3.60 cents per share (or HK1.80 cents per share assuming the Shares Subdivision which took effect on 12 June 2007 as detailed in note 22(f) had occurred on 1 April 2005) was paid during the year.

Subsequent to the year end and up to the date of approval of these financial statements, an aggregate of 290,860,000 ordinary shares (the "New Shares") of the Company were issued pursuant to the share subscriptions as detailed in note 31(a) and note 31(c) and the exercise of the share options granted under the share option scheme of the Company as detailed in note 23. The holders of the New Shares are also entitled to the proposed final dividend. The proposed final dividend for the year of HK\$10,426,000 was determined based on the number of shares in issue as at 31 March 2007 of 640,000,000 (after considering the effect of the Shares Subdivision) and the New Shares. The actual amount of final dividend paid is subject to future exercise of the Company's share options, if any, prior to the Book Close Date.

11. 每股盈利

每股基本盈利乃基於本年度溢利 34,316,000 港元(二零零六年: 38,619,000 港元)及年內已發行普通股的加權平均數 640,000,000 股(二零零六年: 487,890,000 股(經重列))計算,而該加權平均數已經調整,以反映附註 22(f)所詳述之股份分拆。截至二零零六年三月三十一日止年度的已發行普通股加權平均數已經重列,猶如股份分拆於二零零五年四月一日已經發生。

每股攤薄盈利乃基於本年度溢利 34,316,000 港元(二零零六年: 38,619,000 港元)及年內已發行普通股加權平均數(已就假設本公司所有尚未行使之購股權視作行使為普通股而按零代價發行之普通股加權平均數作出調整)計算,計算方法如下:

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year of HK\$34,316,000 (2006: HK\$38,619,000) and the weighted average number of ordinary shares in issue during the year of 640,000,000 (2006: 487,890,000, as restated), as adjusted to reflect the Shares Subdivision as detailed in note 22(f). The weighted average number of ordinary shares in issue for the year ended 31 March 2006 was restated as if the Shares Subdivision had occurred on 1 April 2005.

The calculation of diluted earnings per share is based on the profit for the year of HK\$34,316,000 (2006: HK\$38,619,000) and the weighted average number of ordinary shares in issue during the year adjusted for the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all outstanding share options of the Company into ordinary shares which is calculated as follows:

		二零零七年 2007	二零零六年 2006
用作計算每股基本盈利之本年度已發行普通股加權平均數	Weighted average number of ordinary shares in issue during the year used in the calculation of basic earnings per share	640,000,000	487,890,000
於二零零七年三月二十六日授出的購股權所涉潛在攤薄普通股之影響(附註23)	Effect of dilutive potential ordinary shares in respect of the share options granted on 26 March 2007 (note 23)	108,000*	–
用作計算每股攤薄盈利之普通股加權平均數	Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	640,108,000	487,890,000

* 已就股份分拆之影響作出調整

* adjusted for the effect of the Shares Subdivision

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

12. 董事及高級管理人員酬金

12. DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS

(i) 董事酬金

(i) Directors' emoluments

		薪金、 津貼及 實物福利 Salaries, allowances and benefits in kind 千港元 HK\$'000	退休福利 計劃供款 Retirement benefits scheme contributions 千港元 HK\$'000	總額 Total 千港元 HK\$'000
二零零七年	2007			
執行董事	Executive Directors			
原秋明先生	Mr. YUEN Chow Ming	-	1,014	1,014
蘇耀祥先生	Mr. SO Yiu Cheung	-	1,014	1,026
原偉強先生	Mr. YUEN Wai Keung	-	1,014	1,026
獨立非執行董事	Independent Non-Executive Directors			
孫伯全先生	Mr. SUN Bo Quan	50	-	50
何鍾泰博士	Dr. HO Chung Tai, Raymond	120	-	120
梁以德教授	Professor LEUNG Yee Tak	120	-	120
張志文先生	Mr. CHEUNG Chi Man, Dennis	96	-	96
		386	3,042	3,452

12. 董事及高級管理人員酬金(續)

12. DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS (continued)

(i) 董事酬金(續)

(i) Directors' emoluments (continued)

		薪金、 津貼及 實物福利 Salaries, allowances and benefits	退休福利 計劃供款 Retirement benefits scheme contributions	袍金 Fees	總額 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
二零零六年	2006				
執行董事	Executive Directors				
原秋明先生	Mr. YUEN Chow Ming	-	1,014	-	1,014
蘇耀祥先生	Mr. SO Yiu Cheung	-	1,014	12	1,026
原偉強先生	Mr. YUEN Wai Keung	-	1,014	12	1,026
非執行董事	Non-Executive Director				
黃富基先生	Mr. WONG Fu Kei	-	-	-	-
獨立非執行董事	Independent Non-Executive Directors				
何鍾泰博士	Dr. HO Chung Tai, Raymond	10	-	-	10
梁以德教授	Professor LEUNG Yee Tak	10	-	-	10
張志文先生	Mr. CHEUNG Chi Man, Dennis	8	-	-	8
		28	3,042	24	3,094

概無董事放棄或同意放棄於截至二零零七年及二零零六年三月三十一日止年度之任何酬金。

No director waived or agreed to waive any emoluments in respect of the years ended 31 March 2007 and 2006.

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

12. 董事及高級管理人員酬金(續)

12. DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS (continued)

(ii) 五名最高薪人士

本集團於兩個年度之五名最高薪人士包括三名董事，其酬金已於上文披露。已付予其餘兩名最高薪非董事人士之酬金如下：

薪金、津貼及實物福利	Salaries, allowances and benefits in kind
退休福利計劃供款	Retirement benefits scheme contributions

上述兩名最高薪非董事人士每人於兩個年度之酬金總額均少於1,000,000港元。

(iii) 於截至二零零七年及二零零六年三月三十一日止年度內，本集團並無向董事或任何五名最高薪人士支付任何酬金，作為招攬彼等加入本集團或彼等加入本集團後之獎勵或作為離職補償。

(ii) Five highest paid individuals

The five highest paid individuals in the Group for both years included three directors whose emoluments have been disclosed above. The emoluments paid to the remaining two highest paid, non-director individuals are as follows:

	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
薪金、津貼及實物福利	990	987
退休福利計劃供款	24	24
	1,014	1,011

The aggregate emoluments of each of the above two highest paid, non-director individuals were less than HK\$1,000,000 for both years.

(iii) During the years ended 31 March 2007 and 2006, no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. 物業、廠房及設備

13. PROPERTY, PLANT AND EQUIPMENT

		傢俬、 裝置及設備 Furniture, fixtures and equipment 千港元 HK\$'000	租賃物業 裝修 Leasehold improvements 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	機器及 工具 Machinery and tools 千港元 HK\$'000	合計 Total 千港元 HK\$'000
於二零零五年三月三十一日	At 31 March 2005					
成本	Cost	1,835	656	5,816	6,772	15,079
累計折舊	Accumulated depreciation	(680)	(181)	(2,550)	(4,381)	(7,792)
賬面淨額	Net book amount	1,155	475	3,266	2,391	7,287
賬面淨額	Net book amount					
於二零零五年四月一日	At 1 April 2005	1,155	475	3,266	2,391	7,287
添置	Additions	894	1,209	10,000	3,884	15,987
出售	Disposals	(4)	-	(270)	-	(274)
折舊	Depreciation	(327)	(298)	(1,652)	(1,163)	(3,440)
於二零零六年三月三十一日	At 31 March 2006	1,718	1,386	11,344	5,112	19,560
於二零零六年三月三十一日	At 31 March 2006					
成本	Cost	2,718	1,864	15,351	10,656	30,589
累計折舊	Accumulated depreciation	(1,000)	(478)	(4,007)	(5,544)	(11,029)
賬面淨額	Net book amount	1,718	1,386	11,344	5,112	19,560
賬面淨額	Net book amount					
於二零零六年四月一日	At 1 April 2006	1,718	1,386	11,344	5,112	19,560
添置	Additions	583	1,403	7,167	7,397	16,550
出售	Disposals	-	-	(325)	-	(325)
折舊	Depreciation	(377)	(541)	(2,853)	(2,681)	(6,452)
於二零零七年三月三十一日	At 31 March 2007	1,924	2,248	15,333	9,828	29,333
於二零零七年三月三十一日	At 31 March 2007					
成本	Cost	3,266	3,267	21,627	18,053	46,213
累計折舊	Accumulated depreciation	(1,342)	(1,019)	(6,294)	(8,225)	(16,880)
賬面淨額	Net book amount	1,924	2,248	15,333	9,828	29,333

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

13. 物業、廠房及設備(續)

於二零零七年三月三十一日，以融資租賃方式持有之資產的賬面淨額已計入汽車與機器及工具總額，分別為8,025,000港元及2,971,000港元。於二零零六年三月三十一日，並無物業、廠房及設備以融資租賃持有。

13. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 March 2007, the net book amount of assets held under finance leases included in the total amount of motor vehicles and machinery and tools amounted to HK\$8,025,000 and HK\$2,971,000 respectively. As at 31 March 2006, no property, plant and equipment were held under finance lease.

14. 附屬公司

14. SUBSIDIARIES

本公司

Company

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
於附屬公司之投資	Investments in subsidiaries		
非上市股份，按成本	Unlisted shares, at cost	76,261	76,261
應收附屬公司款項	Amounts due from subsidiaries	58,744	29,195

應收附屬公司款項乃無抵押、免息及須於通知時償還。

The amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

14. 附屬公司 (續)

本公司(續)

於二零零七年三月三十一日之附屬公司詳情如下：

14. SUBSIDIARIES (continued)

Company (continued)

Particulars of the subsidiaries as at 31 March 2007 are as follows:

名稱 Name	註冊成立/ 註冊之地點 Place of incorporation/ registration	已發行及繳足股本 Issued and fully paid share capital	所持應佔股權 Attributable equity interests held	主要業務及經營地點 Principal activities and place of operation
直接持有權益 <i>Interests held directly</i>				
裕途控股有限公司 Rich Path Holdings Limited	英屬處女群島 British Virgin Islands	1美元普通股 US\$1 ordinary share	100%	在香港從事投資控股業務 Investment holding in Hong Kong
間接持有權益 <i>Interests held indirectly</i>				
明興水務渠務工程有限公司 Ming Hing Waterworks Engineering Company Limited	香港 Hong Kong	13,800,000港元普通股 HK\$13,800,000 ordinary shares	100%	在香港從事土木工程承包業務 Civil engineering contracting business in Hong Kong
明興土木工程有限公司 Ming Hing Civil Contractors Limited	香港 Hong Kong	15,000港元普通股 HK\$15,000 ordinary shares	100%	在香港從事土木工程承包業務 Civil engineering contracting business in Hong Kong
明力科研有限公司 Dominic Science & Technology Limited	香港 Hong Kong	2,100港元普通股 HK\$2,100 ordinary shares	100%	為香港土木工程承包業務 提供技術支援服務 Provision of technical support services on civil engineering contracting business in Hong Kong
DST Engineering Supplies Limited	香港 Hong Kong	100港元普通股 HK\$100 ordinary shares	100%	暫無營業 Inactive
中明管道修復有限公司 DST Pipe Rehab Limited	香港 Hong Kong	100港元普通股 HK\$100 ordinary shares	100%	暫無營業 Inactive
明興永富聯營 Ming Hing – INFO JV	香港 Hong Kong	不適用 N/A	95%	在香港從事土木工程承包業務 Civil engineering contracting business in Hong Kong

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

15. 土木工程合約

15. CIVIL ENGINEERING CONTRACTS

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
迄今所產生之成本加已 確認溢利	Costs incurred to date plus recognised profits	756,160	436,792
減：迄今之進度款項	Less : Progress billings to date	(519,812)	(373,785)
減：可預見虧損	Less : Foreseeable losses	-	-
		236,348	63,007
應收客戶合約工程款項	Amounts due from customers of contract works	236,348	63,007

16. 貿易及其他應收款項

16. TRADE AND OTHER RECEIVABLES

貿易及其他應收款項(包括貿易應收款項之賬齡分析)之詳情如下：

Details of the trade and other receivables including ageing analysis of trade receivables are as follows:

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
貿易應收款項(附註(a))	Trade receivables (note (a))		
三個月內	Within 3 months	32,149	4,116
四至六個月	4 to 6 months	-	-
七至九個月	7 to 9 months	-	-
十至十二個月	10 to 12 months	181	-
		32,330	4,116
應收保留款項(附註(b))	Retention receivables (note (b))	8,808	3,660
預付款項	Prepayments	8,117	3,914
按金	Deposits	1,026	898
其他應收款項	Other receivables	5,296	6,757
		55,577	19,345
減：列入非流動資產項下 之應收保留款項	Less: Retention receivables included under non-current assets	(4,706)	(1,567)
		50,871	17,778

16. 貿易及其他應收款項(續)

附註：

- (a) 給予合約工程客戶之信貸期一般介乎30日至60日。合約工程之進度款項乃定期提出申請。
- (b) 合約工程客戶預扣之保留金於相關合約之保養期結束後支付或根據相關合約規定之條款支付。
- (c) 貿易及其他應收款項(包括應收保留款項)於結算日之賬面值與彼等之公允值相若。

16. TRADE AND OTHER RECEIVABLES (continued)

Notes:

- (a) Credit period granted to customers of contract works is normally 30 days to 60 days. Application for progress payments of contract works is made on a regular basis.
- (b) Retention monies withheld by customers of contract works are released after the completion of maintenance period of the relevant contract or in accordance with the terms specified in the relevant contract.
- (c) The carrying amounts of trade and other receivables including the retention receivables approximate their fair values at the balance sheet date.

17. 已抵押銀行存款

17. PLEDGED BANK DEPOSITS

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
作為就若干土木工程合約 發出履約保證抵押之 銀行存款(附註25(a))	Bank deposit pledged against issuance of performance bonds in respect of certain civil engineering contracts (note 25(a))	-	5,096
用作若干銀行貸款抵押之 銀行存款(附註20(a))	Bank deposits pledged against certain bank loans (note 20(a))	24,229	6,131
		24,229	11,227
減：計入非流動資產 項下之已抵押 銀行存款	Less: Pledged bank deposit included under non-current assets	(5,000)	(5,096)
計入流動資產項下之 已抵押銀行存款	Pledged bank deposits included under current assets	19,229	6,131

已抵押銀行存款以港元(「港元」)為單位，並按固定年利率3.0厘至4.0厘(二零零六年：3.3厘至3.9厘)賺取利息，一般為三個月到期。該等銀行存款於結算日之賬面值與彼等之公允值相若。

Pledged bank deposits, denominated in Hong Kong dollars ("HK\$"), earn interest at fixed rate ranged from 3.0% to 4.0% (2006: 3.3% to 3.9%) per annum and have maturity period of 3 months in general. The carrying amounts of these bank deposits approximate their fair values at the balance sheet dates.

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Notes to the Financial Statements (For the year ended 31 March 2007)

18. 現金及現金等價物

18. CASH AND CASH EQUIVALENTS

本集團

Group

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
銀行結存及現金	Cash at banks and in hand	11,461	54,067
短期銀行存款	Short-term bank deposits	-	43,000
		11,461	97,067

本公司

Company

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
銀行結存及現金	Cash at banks and in hand	66	3,592
短期銀行存款	Short-term bank deposits	-	25,000
		66	28,592

銀行結存按每日銀行存款利率計算之浮動利率賺取利息。

Cash at banks earns interest at floating rates based on daily bank deposit rates.

19. 貿易及其他應付款項

貿易及其他應付款項(包括根據發票日期之貿易應付款項之賬齡分析)之詳情如下：

19. TRADE AND OTHER PAYABLES

Details of the trade and other payables including ageing analysis of trade payables (based on invoice date) are as follows:

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
貿易應付款項	Trade payables		
三個月內	Within 3 months	36,732	26,201
四至六個月	4 to 6 months	5,607	1,343
七至九個月	7 to 9 months	748	429
十至十二個月	10 to 12 months	268	1,062
十二個月以上	Over 12 months	818	707
		44,173	29,742
應付保留款項(附註(a))	Retention payables (note (a))	479	479
其他應付款項及應計費用	Other payables and accruals	14,806	14,273
		59,458	44,494

附註：

- (a) 本集團預扣之保留金於相關合約之保養期結束後支付。
- (b) 貿易及其他應付款項於結算日之賬面值與彼等之公允值相若。

Notes:

- (a) Retention monies withheld by the Group are released after the completion of maintenance period of the relevant contract.
- (b) The carrying amounts of trade and other payables approximate their fair values at the balance sheet dates.

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

20. 借貸

20. BORROWINGS

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
流動	Current		
銀行貸款(附註(a))	Bank loans (note (a))	103,961	12,252
融資租賃負債(附註(b))	Finance lease liabilities (note (b))	4,632	–
		108,593	12,252
非流動	Non-current		
銀行貸款(附註(a))	Bank loans (note (a))	15,000	15,000
融資租賃負債(附註(b))	Finance lease liabilities (note (b))	6,493	–
		21,493	15,000
借貸總額	Total borrowings	130,086	27,252
分析如下：	Analysed into:		
於以下年期償還之銀行貸款	Bank loans repayable		
於一年內	Within one year	103,961	12,252
於第二年	In the second year	15,000	15,000
		118,961	27,252
其他應償還之借貸	Other borrowings repayable		
於一年內	Within one year	4,632	–
於第二年	In the second year	4,396	–
於第三至第五年 (包括首尾兩年)	In the third to fifth years, inclusive	2,097	–
		11,125	–
		130,086	27,252

20. 借貸(續)

附註：

- (a) 所有銀行貸款均由本公司發出的企業擔保作抵押(附註27)，其中108,961,000港元以銀行存款24,229,000港元之押記作抵押(附註17)。此外，其中一項銀行貸款39,925,000港元由一份於二零零八年八月三十一日期滿的土木工程合約之收入作抵押。
- (b) 本集團租賃若干汽車及機器，而該等租賃歸類為融資租賃，剩餘租賃期由一至三年不等。於二零零七年三月三十一日，融資租賃項下之未來最低租金總額及其現值如下：

20. BORROWINGS (continued)

Notes:

- (a) All bank loans are secured by the corporate guarantees issued by the Company (note 27) and of which HK\$108,961,000 are secured by charges over bank deposits amounting to HK\$24,229,000 (note 17) in addition. Apart from this, one of the bank loans amounting to HK\$39,925,000 is secured by the proceeds on a civil engineering contract which expires on 31 August 2008.
- (b) The Group leases certain of its motor vehicles and machinery and these leases are classified as finance leases having remaining lease terms ranging from 1 to 3 years. As at 31 March 2007, the total future minimum lease payments under financial leases and their present values were as follows:

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
未來最低租金總額	Total minimum lease payments		
於一年內到期	Due within one year	5,183	—
於第二年到	Due in the second year	4,665	—
於第三至第五年到	Due in the third to fifth years, inclusive	2,135	—
(包括首尾兩年)			
		11,983	—
減：融資租賃之未來財務費用	Less: future finance charges on finance leases	(858)	—
融資租賃負債之現值	Present value of finance lease liabilities	11,125	—
融資租賃負債之現值	Present value of finance lease liabilities		
於一年內到期	Due within one year	4,632	—
於第二年到	Due in the second year	4,396	—
於第三至第五年到	Due in the third to fifth years, inclusive	2,097	—
(包括首尾兩年)			
		11,125	—
減：列入流動負債而於一年內到期之部份	Less: portion due within one year included under current liabilities	(4,632)	—
列入非流動負債之非即期部份	Non-current portion included under non-current liabilities	6,493	—

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

20. 借貸(續)

附註：(續)

(c) 有關借貸之其他資料：

20. BORROWINGS (continued)

Notes: (continued)

(c) Other information about the borrowings:

		於結算日的實際年利率 Effective interest rate per annum at balance sheet dates				
		二零零七年 2007		二零零六年 2006		
原有貨幣 Original currency		浮動利率 Floating rate	固定利率 Fixed rate	浮動利率 Floating rate	固定利率 Fixed rate	
銀行貸款	Bank loans	港元 HK\$ 5.2% – 6.0%	5.8%	5.7% – 7.3%	–	
融資租賃負債	Finance lease liabilities	港元 HK\$ 5.8% – 5.9%	–	–	–	

借貸於結算日之賬面值與彼等之公允值相若。

The carrying amounts of the borrowings approximate their fair values at the balance sheet dates.

(d) 於二零零七年三月三十一日，本集團之可動用銀行融資額為 146,660,000 港元 (二零零六年：70,403,000 港元)，其中 23,733,000 港元 (二零零六年：19,593,000 港元) 並無動用。

(d) As at 31 March 2007, the Group had available bank facilities of HK\$146,660,000 (2006: HK\$70,403,000), out of which HK\$23,733,000 (2006: HK\$19,593,000) was not utilised.

21. 遞延稅項

遞延稅項負債變動如下：

21. DEFERRED TAX

The movement of the deferred tax liabilities is as follows:

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
於二零零六年 / 二零零五年四月一日	At 1 April 2006/2005	2,133	915
於收益表內扣除(附註 8)	Charged to income statement (note 8)	934	1,218
於二零零七年 / 二零零六年三月三十一日	At 31 March 2007/2006	3,067	2,133

遞延稅項負債指因稅務折舊撥備超逾會計折舊而產生之應課稅暫時差額之稅務影響。

The deferred tax liabilities represent the tax effects of taxable temporary differences arising as a result of tax depreciation allowances being in excess of the accounting depreciation.

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

22. 股本(續)

附註：

- (a) 於二零零六年二月十四日，本公司股本中每股面值1港元之已發行及未發行股份，分拆為10股每股面值0.1港元之股份。因此，當日已發行之三股每股面值1港元之股份成為30股每股面值0.1港元之股份。本公司之法定股本已於其後改為3,800,000股每股面值0.1港元之股份。
- (b) 於二零零六年二月十四日，本公司藉增設996,200,000股股份將法定股本由380,000港元增至100,000,000港元。
- (c) 為準備本公司股份於聯交所上市(「上市」)，本集團進行重組(「重組」)以整頓架構。根據於二零零六年二月二十五日簽訂之換股契據並作為重組之一部份，已按每股面值0.1港元向Robinhoods Development Limited(「Robinhoods」)配發及發行合共119,970股入賬列作已繳足之本公司普通股，作為收購Robinhoods當時所持裕途控股有限公司全部已發行股本之代價。
- (d) 根據本公司於二零零六年二月二十五日通過之書面決議案，本公司透過將股份溢價賬其中23,988,000港元之進賬資本化，按每股面值0.1港元向本公司當時之股東Robinhoods配發及發行239,880,000股入賬列作已繳足之股份。有關配發及資本化須待本公司之股份溢價賬因下文附註(e)所述就上市發行新股而取得進賬後，方可進行。
- (e) 於二零零六年三月十三日，本公司就上市而發行80,000,000股每股面值0.72港元之普通股，並籌集所得款項總額約57,600,000港元。於發行80,000,000股普通股後，本公司股份已於二零零六年三月十四日在聯交所上市。
- (f) 根據於二零零七年六月十一日獲通過之本公司決議案，本公司每股面值0.1港元之已發行及未發行普通股，分拆為兩股每股面值0.05港元之新普通股(「股份分拆」)。股份分拆於二零零七年六月十二日生效。倘股份分拆於二零零七年三月三十一日發生，本公司之法定股本應為100,000,000港元，分為2,000,000,000股每股面值0.05港元之普通股，而於二零零七年三月三十一日的已發行股本則由32,000,000港元(分為320,000,000股每股面值0.1港元之普通股)改為32,000,000港元(分為640,000,000股每股面值0.05港元之普通股)。

22. SHARE CAPITAL (continued)

Notes:

- (a) On 14 February 2006, every issued and unissued share of HK\$1 each in the share capital of the Company was subdivided into 10 shares of HK\$0.1 each. Hence, the three shares of HK\$1 each in issue on that date became 30 shares of HK\$0.1 each. The authorised share capital of the Company was then changed to 3,800,000 shares of HK\$0.1 each.
- (b) On 14 February 2006, the authorised share capital of the Company was increased from HK\$380,000 to HK\$100,000,000 by the creation of additional 996,200,000 shares.
- (c) Pursuant to the share exchange deed signed on 25 February 2006 as part of the reorganisation (the "Reorganisation") to rationalise the structure of the Group for the purpose of listing of the Company's shares on the Stock Exchange (the "Listing"), a total of 119,970 ordinary shares of the Company were allotted and issued, credited as fully paid at par value of HK\$0.1 each, to Robinhoods Development Limited ("Robinhoods") in consideration for the entire issued share capital of Rich Path Holdings Limited then held by Robinhoods.
- (d) According to the written resolutions of the Company passed on 25 February 2006, 239,880,000 shares of the Company were allotted and issued, credited as fully paid at par value of HK\$0.1 each, to Robinhoods, the then shareholder of the Company, by the capitalisation of the sum of HK\$23,988,000 from the share premium account. Such allotment and capitalisation were conditional on the share premium account being credited as a result of the new shares issued in connection with the Listing as further explained in note (e) below.
- (e) On 13 March 2006, the Company issued 80,000,000 ordinary shares of HK\$0.72 per share in connection with the Listing, and raised gross proceeds of approximately HK\$57,600,000. Subsequent to the issuance of 80,000,000 ordinary shares, the shares of the Company were listed on the Stock Exchange on 14 March 2006.
- (f) Pursuant to the resolution of the Company passed on 11 June 2007, every issued and unissued ordinary share of HK\$0.1 each of the Company was subdivided into two new ordinary shares of HK\$0.05 each (the "Shares Subdivision"). The Shares Subdivision became effective on 12 June 2007. Had the Shares Subdivision occurred on 31 March 2007, the authorised share capital of the Company would become HK\$100,000,000 divided into 2,000,000,000 ordinary shares of HK\$0.05 each and the issued share capital as at 31 March 2007 would change from HK\$32,000,000 divided into 320,000,000 ordinary shares of HK\$0.1 each to HK\$32,000,000 divided into 640,000,000 ordinary shares of HK\$0.05 each.

23. 以股份支付之補償

本公司根據當時全體股東於二零零六年二月二十五日通過之書面決議案採納一項購股權計劃(「該計劃」)。該計劃旨在肯定及承認合資格參與者對本集團業務發展所作出或可作出之貢獻。該計劃之合資格參與者包括(i)本公司之執行、非執行或獨立非執行董事或本集團於其中擁有權益之實體(「聯屬公司」)之董事；(ii)本集團或任何聯屬公司之其他僱員或主管人員；(iii)本集團或任何聯屬公司之客戶、供應商、代理、合夥人、顧問、諮詢人、股東或承包商；(iv)任何信託或全權委託信託之受託人，而該等信託或全權委託信託之受益人或任何全權信託對象，包括第(i)、(ii)及(iii)項下之人士；及(v)第(i)、(ii)及(iii)項下之任何人士實益擁有之公司。

該計劃之主要條款概述如下：

- (1) 承授人接納購股權時必須向本公司支付1港元作為承授代價。
- (2) 該計劃項下每股股份之認購價不得低於下列三者中之最高者：(i)本公司之股份面值；(ii)於授予合資格參與者當日(須為香港持牌銀行營業之日及聯交所可進行證券交易業務之日(「交易日」))每股股份於聯交所每日報價表所列之收市價；及(iii)緊接授予合資格參與者當日前連續五個交易日每股股份於聯交所每日報價表所列之平均收市價。
- (3) 購股權可根據該計劃之條款，於購股權被視為經已授出之營業日計起不超過10年之期間內隨時行使。概無規定行使購股權前必須持有之最短時限。

23. SHARE-BASED COMPENSATION

The Company has adopted a share option scheme (the "Scheme") pursuant to a written resolution of all the then shareholders passed on 25 February 2006. The purpose of the Scheme is to recognise and acknowledge the contributions that the eligible participants have made or may make to the business development of the Group. Eligible participants of the Scheme include (i) the Company's executive, non-executive or independent non-executive directors or a director of an entity in which the Group holds an interest (the "Affiliate"); (ii) other employee or officer of the Group or any Affiliate; (iii) customer, supplier, agent, partner, consultant, adviser, shareholder of or contractor to the Group or any Affiliate; (iv) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include persons under (i), (ii) and (iii); and (v) a company beneficially owned by any persons under (i), (ii) and (iii).

The principal terms of the Scheme are summarised as follows:

- (1) Upon acceptance of the option, the grantee shall pay HK\$1 to the Company as consideration for the grant.
- (2) The subscription price in respect of each share under the Scheme shall not be less than the highest of (i) the nominal value of the Company's shares; (ii) the closing price of each share as stated in the Stock Exchange's daily quotations sheet on the date of offer to the eligible participant, which must be a day on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for business for dealing in securities ("Trading Day"); and (iii) the average closing price of each share as stated in the Stock Exchange's daily quotations sheets for the five consecutive Trading Days immediately preceding the date of offer to the eligible participant.
- (3) An option may be exercised in accordance with the terms of the Scheme at any time during the period which shall not be more than 10 years from the business day on which the option is deemed to have been granted. There is no minimum period for which an option must be held before it can be exercised.

財務報表附註 (截至二零零七年三月三十一日止年度)**Notes to the Financial Statements** (For the year ended 31 March 2007)**23. 以股份支付之補償(續)**

- (4) 於購股權行使期屆滿、本集團或任何聯屬公司之僱員終止聘約、或本集團或任何聯屬公司與客戶、供應商、代理、合夥人、諮詢人、顧問、股東或承包商之關係終止時，購股權將失效。
- (5) 本公司根據該計劃或本公司任何其他計劃將授出之所有購股權獲行使時可予發行之最高股份數目合共不得超過本公司股份於聯交所上市當日本公司已發行股本之10%。股東可不時於股東大會上更新該計劃授權上限，惟經更新之該計劃授權上限不得超過股東於股東大會上批准該項更新當日之已發行股份總數之10%。

在不影響該計劃任何其他條文之情況下，本公司根據該計劃及本公司任何其他計劃所有已授出而尚未行使之購股權獲行使時可予發行之股份最高數目，合共不得超過不時已發行股份總數之30%。

除非取得股東批准，否則於任何12個月期間內授予任何合資格參與者之購股權(包括已行使、已註銷及尚未行使之購股權)獲行使時發行及將予發行之股份最高數目不得超過不時已發行股份總數之1%。

- (6) 該計劃由採納日期(即二零零六年二月二十五日)起計於十年內有效及生效。
- (7) 購股權並不賦予持有人收取股息或於股東大會投票的權利。

23. SHARE-BASED COMPENSATION (continued)

- (4) An option will lapse on expiry of the exercise period of the option, on cessation of employment, or on cessation to be customer, supplier, agent, partner, consultant, adviser, shareholder of or contractor to the Group or any Affiliate.
- (5) The maximum number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other scheme of the Company shall not in aggregate exceed 10% of the issued share capital of the Company as at the date of listing of the Company's shares on the Stock Exchange. The Scheme mandate limit may be refreshed by the shareholders in general meeting from time to time provided always that the Scheme mandate limit so refreshed must not exceed 10% of the total number of shares in issue as at the date of approval of such refreshment by the shareholders in general meeting.

Notwithstanding any other provisions of the Scheme, the maximum number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time.

Unless approved by the shareholders, the maximum number of shares issued and to be issued upon exercise of the options granted to any eligible participants (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue from time to time.

- (6) The Scheme shall be valid and effective for a period of ten years commencing on the date of adoption of the Scheme, i.e. 25 February 2006.
- (7) Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

23. 以股份支付之補償(續)

23. SHARE-BASED COMPENSATION (continued)

年內根據該計劃尚未行使的購股權如下：

The following share options were outstanding under the Scheme during the year:

承授人	Grantees	於二零零六年	年內授出	年內行使	年內沒收	於二零零七年
		四月一日				三月三十一日
		At	Granted	Exercised	Forfeited	At
		1 April	during	during	during	31 March
		2006	the year	the year	the year	2007
服務供應商	Suppliers of services	-	19,200,000	-	-	19,200,000

附註：

Notes:

(a) 於本年度內，本公司根據該計劃向若干分包商及顧問授出19,200,000股購股權(「購股權」)。所有該等購股權均於二零零七年三月二十六日授出及歸屬，並可於二零零七年三月二十六日至二零零九年五月三十一日期間按行使價每股0.89港元行使。本公司股份於授出購股權日期及緊接授出購股權日期前的交易日之收市價分別為0.89港元及0.83港元。

(a) During the year, the Company issued 19,200,000 share options (the "Share Options") under the Scheme to certain sub-contractors and consultants. All the share options were granted and vested on 26 March 2007. The options are exercisable during the period from 26 March 2007 to 31 May 2009 at the exercise price of HK\$0.89 per share. The closing market price of the Company's share on the date of grant of the share options and on the Trading Day immediately prior to the date of grant of the share options was HK\$0.89 and HK\$0.83 respectively.

於附註22(f)所述的股份分拆後，本公司尚未獲行使之購股權數目經調整後為38,400,000股，行使價為每股0.445港元。

As a result of the Shares Subdivision as explained in note 22(f), the number of outstanding share options of the Company is adjusted to 38,400,000 at the exercise price of HK\$0.445 per share.

(b) 授出購股權所產生的購股權開支合共約為3,282,000港元，已於截至二零零七年三月三十一日止年度的綜合收益表確認為開支。就授予分包商之購股權所涉購股權開支1,094,000港元確認為收益成本，而就授予顧問之購股權所涉購股權開支2,188,000港元確認為行政開支。相關款額3,282,000港元已撥入購股權儲備。由於該等交易屬於以股份支付的權益結算交易，故並無確認負債。

(b) The share option expense arising from granting the Share Options was approximately HK\$3,282,000 in aggregate which was recognised as expense in the consolidated income statement for the year ended 31 March 2007. The share option expense in respect of the share options granted to the sub-contractors amounting to HK\$1,094,000 was recognised as cost of revenue while the share option expense in respect of the share options granted to the consultants amounting to HK\$2,188,000 was recognised as administrative expenses. The corresponding amount of HK\$3,282,000 has been credited to the share option reserve. No liabilities were recognised as those are equity settled share-based payment transactions.

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

23. 以股份支付之補償(續)

23. SHARE-BASED COMPENSATION (continued)

附註：(續)

Notes: (continued)

- (c) 授予分包商之購股權所涉購股權開支乃基於授出日期的購股權公允值釐定。授出購股權予分包商是獎勵彼等對本集團一直作出的貢獻，難以釐定有關獎勵的公允值。有關購股權之公允值由獨立估值師採用二項式模式(「該模式」)計算。代入該模式之數據詳列如下：

- (c) The share option expense in respect of the share options granted to the sub-contractors was determined based on the fair value of the share options on the date of grant. The grant of the share options to the sub-contractors is an incentive to them for their continuing contribution to the Group and it is impractical to determine the fair value of such incentive. The fair value of the share options is determined by an independent valuer using the Binomial Model (the "Model"). Details of the inputs to the Model are as follows:

預期波幅(%)	Expected volatility (%)	38%
無風險利率(%)	Risk-free interest rate (%)	3.78%
股息收益率(%)	Dividend yield (%)	5%
預期購股權有效期(年)	Expected life of option (years)	1.8
股價(港元)	Share price (HK\$)	0.89

預期波幅乃參照若干經營同類行業之上市公司於授出日期前兩年內的每週股價統計分析而釐定，並假設該波幅在整個購股權有效期維持不變。預期購股權有效期乃根據管理層經考慮購股權之不可轉讓性、行使限制及行為因素之影響後所作出的最佳估計而釐定。在計量公允值時並無計入所授購股權的其他特色。

Expected volatility is determined by referring to the statistical analysis of the weekly share prices of certain listed companies engaging in similar industry for two years prior to the grant date. It is assumed that the volatility is constant throughout the option life. The expected life of option is based on management's best estimates for the effects of non-transferability of the options, exercise restrictions and behavioural considerations. No other feature of the options granted was incorporated into the measurement of fair value.

- (d) 授予顧問之購股權的公允值乃根據所提供服務的市價而釐定。
- (e) 股份分拆後，購股權之公允值總額維持不變。

- (d) The fair value of the share options granted to the consultants is determined based on the market price of the services provided.
- (e) The fair value of the Share Options in aggregate remains unchanged as a result of the Shares Subdivision.

於二零零七年三月三十一日，本公司根據該計劃尚未行使的購股權為19,200,000股，全部可予行使，佔本公司當日的已發行股份約6%。計入股份分拆之影響後，倘該等購股權全數獲行使，將導致本公司須額外發行38,400,000股普通股，並增加約1,920,000港元的股本及約15,168,000港元的股份溢價。

As at 31 March 2007, the Company had 19,200,000 share options outstanding under the Scheme which are all exercisable, which represented approximately 6% of the Company's shares in issue on that date. Taking into account the effect of the Shares Subdivision, the exercise in full of these share options would result in the issue of 38,400,000 additional ordinary shares of the Company including additional share capital of approximately HK\$1,920,000 and share premium of approximately HK\$15,168,000.

23. 以股份支付之補償(續)

於結算日後，本公司於二零零七年四月四日、二零零七年四月十七日及二零零七年五月十七日向本公司董事與本集團若干僱員、分包商及供應商，分別授出合共11,150,000股、1,200,000股及450,000股購股權。該等購股權於授出日期歸屬，可於授出日期至二零零九年五月三十一日期間分別按行使價每股1.20港元、每股1.95港元及每股2.84港元行使。本公司股份於該等購股權授出日期之收市價分別為1.20港元、1.95港元及2.84港元。本公司股份於緊接該等購股權授出日期前的交易日之收市價分別為1.17港元、1.84港元及2.85港元。

計入股份分拆之影響後，倘該等於結算日後授出的購股權全數獲行使，將導致本公司須額外發行25,600,000股普通股，並增加約1,280,000港元的股本及約15,718,000港元的股份溢價。

24. 儲備

本集團

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
股份溢價(附註(a))	Share premium (note (a))	12,010	12,010
合併儲備(附註(b))	Merger reserve (note (b))	13,805	13,805
購股權儲備(附註23(b))	Share option reserve (note 23(b))	3,282	–
保留溢利	Retained profits	89,229	65,339
		118,326	91,154

23. SHARE-BASED COMPENSATION (continued)

Subsequent to the balance sheet date, a total of 11,150,000, 1,200,000, and 450,000 share options were granted on 4 April 2007, 17 April 2007 and 17 May 2007 respectively, to the directors of the Company and certain employees, sub-contractors and suppliers of the Group. These share options, vested on the date of grant, are exercisable during the period from their respective dates of grant to 31 May 2009 at the exercise prices of HK\$1.20 per share, HK\$1.95 per share and HK\$2.84 per share respectively. The closing market prices of the Company's share on the date of grant of these share options were HK\$1.20, HK\$1.95 and HK\$2.84 respectively. The closing market prices of the Company's share on the Trading Day immediately prior to the date of grant of these share options were HK\$1.17, HK\$1.84 and HK\$2.85 respectively.

Taking into account the effect of the Shares Subdivision, the exercise in full of these share options granted after the balance sheet date would result in the issue of 25,600,000 additional ordinary shares of the Company including additional share capital of approximately HK\$1,280,000 and share premium of approximately HK\$15,718,000.

24. RESERVES

Group

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

24. 儲備(續)

24. RESERVES (continued)

本公司

Company

		股份溢價 Share premium 千港元 HK\$'000 (附註(a)) (note (a))	繳入盈餘 Contributed surplus 千港元 HK\$'000 (附註(c)) (note (c))	購股權儲備 Share option reserve 千港元 HK\$'000	保留溢利 Retained profits 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零五年四月一日	At 1 April 2005	-	-	-	-	-
就重組發行股份	Issue of shares in connection with the Reorganisation	-	76,249	-	-	76,249
股份溢價賬資本化	Capitalisation of share premium account	(23,988)	-	-	-	(23,988)
就上市發行股份	Issue of shares in connection with the Listing	49,600	-	-	-	49,600
股份發行開支	Share issue expenses	(13,602)	-	-	-	(13,602)
本年度溢利	Profit for the year	-	-	-	11,546	11,546
擬派末期股息	Proposed final dividend	-	-	-	(11,520)	(11,520)
於二零零六年三月三十一日及二零零六年四月一日	At 31 March 2006 and 1 April 2006	12,010	76,249	-	26	88,285
授出購股權(附註23(b))	Share options granted (note 23(b))	-	-	3,282	-	3,282
本年度溢利	Profit for the year	-	-	-	10,581	10,581
擬派末期股息(附註10)	Proposed final dividend (note 10)	-	-	-	(10,426)	(10,426)
於二零零七年三月三十一日	At 31 March 2007	12,010	76,249	3,282	181	91,722

24. 儲備(續)

附註：

- (a) 根據開曼群島公司法第22章(一九六一年第3條法例，經綜合及修訂)，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。
- (b) 本集團之合併儲備指根據重組所收購附屬公司之股本總額面值高於本公司以作交換之股本面值之差額。
- (c) 本公司之繳入盈餘指根據重組所收購於附屬公司之投資成本高於本公司以作交換之股本面值之差額。

25. 承擔**本集團**

- (a) 於截至二零零六年三月三十一日止年度，本集團承諾就若干土木工程合約向一名客戶採購建築材料。於二零零六年三月三十一日承擔下之未履行採購額約為16,992,000港元。於二零零七年三月三十一日，本集團就採購建築材料並無未履行之承擔。

就截至二零零六年三月三十一日之採購承擔而言，一間銀行已向該客戶發出23,543,000港元之履約保證(相等於本集團已承諾採購建築材料之原來款額)，以保證本集團妥當履行合約。有關履約保證已於截至二零零七年三月三十一日止年度內解除。

24. RESERVES (continued)

Notes:

- (a) Under the Companies Law Cap. 22, (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.
- (b) The merger reserve of the Group represents the difference between the nominal value of the aggregate share capital of subsidiaries acquired pursuant to the Reorganisation over the nominal value of the share capital of the Company issued in exchange.
- (c) Contributed surplus of the Company represents the difference between the costs of investments in subsidiaries acquired pursuant to the Reorganisation over the nominal value of the share capital of the Company in exchange.

25. COMMITMENTS**Group**

- (a) During the year ended 31 March 2006, the Group committed to purchase construction materials from a customer in respect of certain civil engineering contracts and the outstanding amount of purchases under commitment as at 31 March 2006 was approximately HK\$16,992,000. The Group had no outstanding commitment on purchasing construction materials as at 31 March 2007.

In respect of the purchase commitments as at 31 March 2006, performance bonds of HK\$23,543,000 which represented the original amount of the construction materials that the Group had committed to purchase were issued by a bank in favour of the customer for due performance of the contracts by the Group. The performance bonds were released during the year ended 31 March 2007.

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

25. 承擔(續)

本集團(續)

- (b) 於二零零七年三月三十一日，根據土地及樓宇之不可撤銷經營租賃而於日後應付之最低租金總額如下：

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
一年內	Within one year	984	984
第二年至第五年， (包括首尾兩年)	In the second to fifth years, inclusive	-	984
		984	1,968

本集團根據一項經營租賃租賃若干物業。該項租賃初步為期三年零八個月，於到期日有權重續租賃及重新磋商條款。該項租賃並不包括任何或然租金。

本公司

於二零零七年及二零零六年三月三十一日，本公司並無任何重大承擔。

26. 或然負債及訴訟

截至二零零七年三月三十一日，本集團於日常業務過程中遭提出數項訴訟及索償，且截至本公佈日期尚未解決。所申請之訴訟及索償並無訂明索償金額。雖然本集團就其中一項於年結後發生的訴訟所接獲的賠償評估為45,000港元，惟目前尚無可靠基準量化上述各項訟訴及索償可能產生之損失總額。董事認為已投購足夠之保險以就因該等訴訟及索償而產生之損失(如有)作出保障，因此，該等訴訟及索償項下之最終責任將不會對本集團之財務狀況造成重大不利影響。

25. COMMITMENTS (continued)

Group (continued)

- (b) As at 31 March 2007, the future aggregate minimum lease rental payable under a non-cancellable operating lease in respect of land and buildings was as follows:

The Group leases certain properties under an operating lease. The lease runs for an initial period of three years and eight months, with an option to renew the lease and renegotiate the terms at the expiry date. The lease does not include any contingent rentals.

Company

The Company did not have any significant commitments as at 31 March 2007 and 2006.

26. CONTINGENT LIABILITIES AND LITIGATIONS

As at 31 March 2007, a number of lawsuits and claims arising from the normal course of business were lodged against the Group which remain outstanding as at the date of these financial statements. Claim amounts are not specified in the applications of these lawsuits and claims. Despite the Group received a compensation assessment amounting to HK\$45,000 in respect of one of the lawsuits subsequent to the year end, at this stage there is no reliable basis to quantify the total amount of losses which may arise in respect of each of these lawsuits and claims. In the opinion of directors, sufficient insurance policies are maintained to cover the losses, if any, arising from these lawsuits and claims and therefore the ultimate liability under these lawsuits and claims would not have a material adverse impact on the financial position of the Group.

26. 或然負債及訴訟(續)

於本年度，本集團一家成員公司就兩項已完成工程遭一家分包商提出兩項索償，索償額合共約7,000,000港元。本集團之法律顧問就上述兩項索償認為本集團之有關成員公司理據充份，不僅可作出申辯，更可就多付款額(如有)提出反索償。因此，董事認為該等索償應不會對本集團之財務狀況造成重大不利影響。

27. 擔保

截至結算日，本公司作出的重大財務擔保如下：

26. CONTINGENT LIABILITIES AND LITIGATIONS
(continued)

During the year, a member of the Group received two claims from a sub-contractor in respect of two completed projects with claim amount of approximately HK\$7 million in aggregate. The legal advisers of the Group on these two claims are of the opinion that the relevant member of the Group has a good case not only to defend but also to counterclaim the overpaid amount, if any. On this basis, the directors consider that the claims will unlikely result in any material financial impact on the Group.

27. GUARANTEES

As at the balance sheet date, the Company had issued the following significant financial guarantees:

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
以下項目之擔保：	Guarantees in respect of:		
銀行授予若干附屬公司 之信貸融資	Credit facilities granted by banks to certain subsidiaries	118,961	12,267
若干附屬公司訂立 之融資租賃安排	Finance lease arrangements entered into by certain subsidiaries	11,125	–
		130,086	12,267

財務報表附註 (截至二零零七年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2007)

28. 關連方交易

本集團由Robinhoods(一間於英屬處女群島註冊成立及存置股東名冊之有限公司)控制。Able Promise Holdings Limited、Group Honour Assets Limited及Foremost Time Holdings Limited(三者均為於英屬處女群島註冊成立及存置股東名冊之有限公司)各自持有Robinhoods三份之一股權。

(i) 與一間關連公司之交易

	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
支付予君明有限公司之 辦公室租金(附註)	984	920

附註：

本公司董事原秋明先生、蘇耀祥先生及原偉強先生於君明有限公司分別擁有34%、33%及33%之股權。

(ii) 主要管理人員

員工成本包括以下各類之主要管理人員補償：

	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
薪金、津貼及實物利益	5,154	4,860
僱用後福利	84	72
	5,238	4,932

28. RELATED PARTY TRANSACTIONS

The Group is controlled by Robinhoods, a limited liability company incorporated and domiciled in the British Virgin Islands. Robinhoods is held as to one-third by each of Able Promise Holdings Limited, Group Honour Assets Limited and Foremost Time Holdings Limited, limited liability companies incorporated and domiciled in the British Virgin Islands.

(i) Transactions with a related company

	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
Rental expenses for office premises paid to Grand Media Limited (Note)	984	920

Note:

The directors of the Company, Mr. YUEN Chow Ming, Mr. SO Yiu Cheung and Mr. YUEN Wai Keung, have equity interests of 34%, 33% and 33% respectively in Grand Media Limited.

(ii) Key management personnel

Included in staff costs are key management personnel compensation which comprises the following categories:

29. 主要非現金交易

本集團於本年度就若干汽車與機器及工具訂立多項融資租賃安排，在有關租賃開始時的資本值為6,305,000港元。

30. 財務風險管理

本集團並無明文之風險管理政策及指引。然而，董事會定期召開會議，分析及制定措施，以管理本集團承受之市場風險，主要包括利率變動。一般而言，本集團就其風險管理採納一套穩健策略。由於本公司董事認為，本集團所承受之市場風險持續處於最低水平，故本集團並無使用任何衍生工具或其他工具作對沖用途。本集團並無持有或發行衍生金融工具作買賣用途。

本集團之財務資產主要包括應收保留款項、應收客戶合約工程款項、貿易及其他應收款項、現金及現金等價物。本集團之財務負債包括貿易及其他應付款項及借貸。

(a) 利率風險

除已抵押銀行存款與現金及現金等價物外，本集團並無重大附息資產。該等資產所產生的利率風險已分別於附註17及18披露。本集團因借貸產生之利率風險已於附註20披露。

(b) 外幣風險

本集團因外幣匯率變動而承受之風險十分輕微。

(c) 信貸風險

一般而言，財務資產之最大信貸風險為綜合資產負債表賬面所示財務資產之賬面值。因此，信貸風險僅在最大潛在虧損與財務資產之賬面值出現重大差異之情況下披露。

29. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into finance lease arrangements in respect of certain motor vehicles and machinery and tools with capital value at the inception of the lease of HK\$6,305,000.

30. FINANCIAL RISK MANAGEMENT

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to market risk, including principally changes in interest rates. Generally, the Group employs a conservative strategy regarding its risk management. As the directors of the Company consider that the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

The financial assets of the Group comprise primarily retention receivables, amounts due from customers of contract works, trade and other receivables, cash and cash equivalents. The financial liabilities of the Group comprise trade and other payables and borrowings.

(a) Interest rate risk

The Group has no significant interest-bearing assets apart from the pledged bank deposits and cash and cash equivalents. Interest rate risk arising from those assets is disclosed in notes 17 and 18 respectively. The Group's interest rate risk arising from borrowings are disclosed in note 20.

(b) Foreign currency risk

The Group's exposure to risk resulting from changes in foreign currency exchange rates is minimal.

(c) Credit risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated balance sheet. Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

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Notes to the Financial Statements (For the year ended 31 March 2007)

30. 財務風險管理(續)

(c) 信貸風險(續)

本集團積極監察應收保留款項、應收客戶合約工程款項、貿易及其他應收款項，以避免信貸風險過份集中。

(d) 流動資金風險

本集團保持充足之現金及遵守優質貸方規定之信貸上限，謹慎管理流動資金風險。

(e) 公允值

董事認為，綜合資產負債表所呈報財務資產及財務負債之公允值與彼等於結算日之賬面值相若。

31. 結算日後事項

除附註22(f)及附註23所披露者外，於二零零七年三月三十一日後直至本財務報表獲通過當日所發生的重大事項如下：

- (a) 於二零零七年四月十三日，本公司與中國水務集團有限公司(「中國水務」)及Oceanup Investments Limited(「Oceanup」)訂立認購協議。據此，中國水務同意透過Oceanup認購及本公司同意發行64,000,000股(因股份分拆調整至128,000,000股)本公司普通股，認購價為每股0.80港元(因股份分拆調整至每股0.40港元)。有關認購之所得款項淨額約50,500,000港元將用作於中華人民共和國(「中國」)發掘任何收購水務項目之商機及作為本集團之一般營運資金。認購於二零零七年六月一日完成。

30. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The Group's retention receivables, amounts due from customers of contract works and trade and other receivables are actively monitored to avoid significant concentrations of credit risk.

(d) Liquidity risk

The Group applies prudent liquidity risk management by maintaining sufficient amount of cash and keeping committed credit line available from high quality lenders.

(e) Fair value

The directors consider that the fair value of financial assets and financial liabilities reported in the consolidated balance sheet approximate their carrying amounts at the balance sheet date.

31. SUBSEQUENT EVENTS

Save as disclosed in note 22(f) and note 23, the following significant events have taken place subsequent to 31 March 2007 and up to the date of approval of these financial statements:

- (a) On 13 April 2007, the Company entered into a subscription agreement with China Water Affairs Group Limited ("China Water") and Oceanup Investments Limited ("Oceanup") under which China Water has agreed to subscribe, through Oceanup, and the Company has agreed to issue 64,000,000 ordinary shares of the Company (adjusted to 128,000,000 ordinary shares as a result of the Shares Subdivision) at the subscription price of HK\$0.80 per share (adjusted to HK\$0.40 per share as a result of the Shares Subdivision). The net proceeds generated from the subscription of approximately HK\$50.5 million will be used for exploring any acquisition opportunities for water projects in the People's Republic of China (the "PRC") and for the general working capital of the Group. The subscription was completed on 1 June 2007.

31. 結算日後事項(續)

- (b) 根據於二零零七年六月十一日所通過的決議案，本公司名稱將由「Ming Hing Holdings Limited 明興控股有限公司」更改為「Ming Hing Waterworks Holdings Limited 明興水務控股有限公司」。於本財務報表獲通過之日期，開曼群島公司註冊處已發出公司更改名稱註冊證書，並已在香港公司註冊處辦妥更改公司名稱之登記手續。此外，附註22(f)所詳述的股份分拆獲本公司股東批准，而將本公司每手股份數目由4,000股更改為2,000股亦獲董事會批准。
- (c) 於二零零七年六月十五日，本公司與本公司一名主要股東Robinhoods及一名配售代理訂立配售協議(「配售協議」)。據此，配售代理同意按每股1.53港元之價格向獨立第三方配售最多128,000,000股由Robinhoods持有之普通股。同日，本公司與Robinhoods訂立認購協議。據此，Robinhoods有條件同意按每股1.53港元之價格認購數目相當於配售代理實際出售之股份數目之普通股。於二零零七年六月二十一日，已向配售代理配售128,000,000股普通股，Robinhoods亦於二零零七年六月二十九日認購同等數量之普通股。
- (d) 二零零七年六月十九日，本集團與一獨立第三方就組成合資企業公司訂立一份非約束性備忘錄，而該合資企業公司將主要於中國廣西省從事供水業務。

31. SUBSEQUENT EVENTS (continued)

- (b) Pursuant to the resolutions passed on 11 June 2007, it was approved that the Company's name to be changed from "Ming Hing Holdings Limited 明興控股有限公司" to "Ming Hing Waterworks Holdings Limited 明興水務控股有限公司". As at the date of approval of these financial statements, the Certificate of Incorporation on Change of Name has been issued by the Registrar of Companies in the Cayman Islands and the change of name has also been registered with the Registrar of Companies in Hong Kong. In addition, the Shares Subdivision as detailed in note 22(f) was approved by the shareholders of the Company and the change of board lot size of the Company's shares from 4,000 shares to 2,000 shares was approved by the board of directors.
- (c) On 15 June 2007, the Company entered into a placement agreement (the "**Placement Agreement**") with Robinhoods, a substantial shareholder of the Company, and a placing agent. Pursuant to the Placement Agreement, the placing agent agreed to procure for the sale of up to 128,000,000 ordinary shares held by Robinhoods to independent third parties at HK\$1.53 per share. On the same day, the Company entered into a subscription agreement with Robinhoods, pursuant to which Robinhoods conditionally agreed to subscribe for the equivalent number of ordinary shares that were actually sold by the placing agent at HK\$1.53 per share. On 21 June 2007, 128,000,000 ordinary shares were placed to the placing agent and on 29 June 2007, the same number of ordinary shares was subscribed by Robinhoods.
- (d) On 19 June 2007, the Group entered into a non-legally binding memorandum of understanding with an independent third party in relation to the formation of a joint venture company which will be principally engaged in water supply business in Guangxi Province, the PRC.

財務概要

Financial Summary

以下載列之本集團過去五個財政年度之業績及資產負債概要乃摘錄自己刊發經審核財務報表。此概要並不構成經審核財務報表之一部份。

A summary of the results and the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is shown below. This summary does not form part of the audited financial statements.

業績

RESULTS

		截至三月三十一日止年度				
		For the year ended 31 March				
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		2003	2004	2005	2006	2007
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
收益	Revenue	287,944	267,369	207,196	263,768	519,944
本年度溢利	Profit for the year	17,728	29,837	35,651	38,619	34,316

資產及負債

ASSETS AND LIABILITIES

		於三月三十一日				
		As at 31 March				
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		2003	2004	2005	2006	2007
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
總資產	Total assets	169,867	151,830	113,010	210,206	356,948
總負債	Total liabilities	(132,503)	(115,629)	(60,953)	(75,532)	(196,196)
總權益	Total equity	37,364	36,201	52,057	134,674	160,752

附註：

Note:

本集團於二零零六年、二零零五年、二零零四年及二零零三年三月三十一日及截至該等日期止各財政年度之經營業績、資產負債概要乃根據現時之集團架構編製，猶如該架構於該等財政年度內一直存在。

The summary of the operating results, assets and liabilities of the Group as at and for the financial years ended 31 March 2006, 2005, 2004 and 2003 was prepared as if the current group structure had been in existence throughout these financial years.

明興控股有限公司

MING HING HOLDINGS LIMITED

香港九龍灣宏開道16號德福大廈1809-1812室
Units 1809-1812, Telford House, 16 Wang Hoi Road
Kowloon Bay, Hong Kong

電話 Tel: 2380 8265

傳真 Fax: 2397 5975