



蒙古投資集團有限公司
MONGOLIA INVESTMENT GROUP LIMITED

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code: 402

2012
Annual Report
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)
原偉強先生
(副主席兼行政總裁)
蘇耀祥先生(副主席)
張志文先生
林翔先生
黃德忠先生
(於二零一一年七月二十七日辭任)
ENEBISH Burenkhuu先生
梁仲德先生

非執行董事

何顯鴻先生
(於二零一一年四月二十八日
由執行董事調任為非執行董事，
並於二零一二年六月二十八日辭任)

獨立非執行董事

陳世杰先生
廖長天先生
譚子勤先生

授權代表

原偉強先生
梁仲德先生

公司秘書

張志文先生

審核委員會

譚子勤先生(主席)
陳世杰先生
廖長天先生

DIRECTORS

Executive Directors

Mr. YUEN Chow Ming (Chairman)
Mr. YUEN Wai Keung
(Deputy Chairman and Chief Executive Officer)
Mr. SO Yiu Cheung (Deputy Chairman)
Mr. CHEUNG Chi Man, Dennis
Mr. LIM Siong, Dennis
Mr. WONG Tak Chung
(Resigned on 27 July 2011)
Mr. ENEBISH Burenkhuu
Mr. LEUNG, Chung Tak Barry

Non-Executive Directors

Mr. HO Hin Hung, Henry
(Re-designated from executive director to non-executive director
on 28 April 2011, and resigned on 28 June 2012)

Independent Non-Executive Directors

Mr. CHAN, Sai Kit Kevin
Mr. LIAO Cheung Tin, Stephen
Mr. TAM Tsz Kan

AUTHORISED REPRESENTATIVES

Mr. YUEN Wai Keung
Mr. LEUNG, Chung Tak Barry

COMPANY SECRETARY

Mr. CHEUNG Chi Man, Dennis

AUDIT COMMITTEE

Mr. TAM Tsz Kan (Chairman)
Mr. CHAN, Sai Kit Kevin
Mr. LIAO Cheung Tin, Stephen

公司資料 CORPORATE INFORMATION

提名委員會

陳世杰先生
(於二零一二年三月二十八日獲委任為主席)
原偉強先生
譚子勤先生

薪酬委員會

陳世杰先生
(於二零一二年三月二十八日獲委任為主席)
原偉強先生
譚子勤先生

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

法律顧問

高蓋茨律師事務所
香港
中環皇后大道中15號
置地廣場公爵大廈44樓

NOMINATION COMMITTEE

Mr. CHAN, Sai Kit Kevin
(Appointed as Chairman on 28 March 2012)
Mr. YUEN Wai Keung
Mr. TAM Tsz Kan

REMUNERATION COMMITTEE

Mr. CHAN, Sai Kit Kevin
(Appointed as Chairman on 28 March 2012)
Mr. YUEN Wai Keung
Mr. TAM Tsz Kan

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

LEGAL ADVISERS

K&L Gates
44/F., Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

公司資料

CORPORATE INFORMATION

核數師

香港立信德豪會計師事務所有限公司
執業會計師
香港
中環干諾道中111號
永安中心25樓

主要往來銀行

花旗銀行(香港)有限公司
大新銀行有限公司
星展銀行(香港)有限公司
恒生銀行有限公司
三菱東京UFJ銀行
香港上海滙豐銀行有限公司
大華銀行有限公司

主要股份登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
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

402

網站

<http://www.migmgl.com>

AUDITORS

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL BANKERS

Citibank (Hong Kong) Limited
Dah Sing Bank, Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Hong Kong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

BRANCH SHARE REGISTRAR

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

STOCK CODE

402

WEBSITE

<http://www.migmgl.com>

主席報告 CHAIRMAN'S STATEMENT

引言

本人謹代表蒙古投資集團有限公司(「本公司」)董事(「董事」)會(「董事會」)及其附屬公司(統稱「本集團」)欣然提呈本集團截至二零一二年三月三十一日止年度之全年業績。

於年內，本集團繼續從水務工程業務錄得豐厚收益，同時亦致力進一步發展於蒙古國的採礦業務。於二零一一年年底，本集團亦公佈簽署諒解備忘錄，建議收購一家主要從事空中攝影、航天及宇宙空間遙感影像資料處理、提供地理信息系統軟件及解決方案的公司，以進一步擴大本集團業務至不同範疇，提升長遠的增長潛力。有關正式有條件收購協議已於二零一二年五月訂立，但須待股東批准後才正式生效。

隨著二零一零年收購現時持有位於蒙古國烏蘭巴托東南約170公里的Tugrug Valley煤礦(「TNE 礦場」)四個採礦牌照之Tugrugnuuriin Energy LLC(「TNE」)，本集團一直致力發展採礦業務。然而，由於出現有關抽水處理不可預見的技術問題以及低煤炭熱值產品市場的激烈競爭，整體生產計劃須進一步延遲，管理層已聘請獨立採礦專家進行審查，並給予建議提供可行性更強的採礦計劃，以確保商業投產後可保持盈利能力。

財務概要

截至二零一二年三月三十一日止年度，本集團錄得收益935,600,000港元，較去年微升6.9%(二零一一年：875,000,000港元)。收益增長主要來自二零零九年九月展開的兩項水務保養工程項目，以及同年年初展開的兩項主要更換及修復水管工程項目。

INTRODUCTION

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Mongolia Investment Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), I am pleased to present the results of the Group for the year ended 31 March 2012.

During the year, the Group continued to generate considerable revenue from its waterworks business, while devoting efforts to further develop its mining business in Mongolia. In late 2011, the Group also announced the signing of a memorandum of understanding regarding the proposed acquisition of an entity engaging in aerial photography, aviation and aerospace remote sensing image data processing, and provision of geographic information system software and solutions, with an aim of further diversifying the Group's business into areas with long term growth potential. The related formal conditional acquisition agreement was entered into in May 2012 and is subject to shareholders' approval.

Following the acquisition of Tugrugnuuriin Energy LLC (“**TNE**”), which holds four mining licenses for a coal mine in Tugrug Valley (the “**TNE Mine**”), located approximately 170 km southeast of Ulaanbaatar, Mongolia, in 2010, the Group has been working very hard on its mining operation. However, due to unforeseeable technical causes in dewatering processing and severe competition in marketing coal of lower calorific value, our overall production schedule has been further delayed. The management has engaged independent mining experts to review and advise on a more feasible mining plan, which can drive a profitable business when commercial production commences.

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2012, the Group recorded revenue of HK\$935.6 million, representing a slight increase of 6.9% over last year (2011: HK\$875.0 million). The growth was mainly due to revenue derived from two waterworks maintenance projects that started in September 2009, and two major water mains replacement and rehabilitation projects that commenced in early 2009.

主席報告

CHAIRMAN'S STATEMENT

毛利下跌32.6%至31,300,000港元(二零一一年: 46,500,000 港元), 原因是勞工成本及外判費用上升。股東應佔虧損為1,387,800,000港元(二零一一年: 股東應佔虧損為369,900,000港元), 主要由於TNE礦場開採權重新估值, 出現減值虧損1,268,100,000港元。其他虧損包括(i)發行承兌票據及可換股票據作為於二零一零年六月十七日收購蒙古投資集團有限公司(本公司於英屬處女群島註冊成立的間接全資附屬公司)(「收購事項」)之部份代價所產生的應歸利息開支85,900,000港元;及(ii)可換股票據衍生工具部份之公允值虧損800,000港元。減值虧損、應歸利息開支及公允值虧損全屬非現金項目, 故不會對本集團的現金狀況構成任何影響。每股基本虧損為15.223港仙(二零一一年: 每股基本虧損為6.676港仙)。

流動資金及財務資源

於二零一二年三月三十一日, 銀行結存及現金, 以及已抵押銀行存款共335,400,000港元(於二零一一年三月三十一日: 323,200,000港元)。於回顧年末, 借貸總額(包括二零一零年發行的承兌票據及可換股票據)為846,500,000港元(於二零一一年三月三十一日: 949,600,000港元)。本集團的流動比率(即流動資產相對流動負債的比率)為4.0倍(截至二零一一年三月三十一日: 3.4倍), 資本負債比率(按借貸總額減去銀行結存及現金以及已抵押銀行存款相對總權益計)為149.9%(二零一一年三月三十一日: 37.0%)。

外匯風險管理

本集團的交易主要以港元、美元及圖格里克計值。本集團並無採納正式的對沖政策, 但本集團不時檢討其外匯情況, 在認為適當及必須時將考慮以遠期外匯合約方法(如適用)對沖重大外匯風險。

Gross profit decreased by 32.6% to HK\$31.3 million (2011: HK\$46.5 million), owing to rising labour costs and subcontracting charges. Loss attributable to shareholders totalled HK\$1,387.8 million (2011: loss attributable to shareholders was HK\$369.9 million). This was due to an impairment loss of HK\$1,268.1 million on the revaluation of the mining right at the TNE Mine. Other losses include (i) imputed interest expenses of HK\$85.9 million on promissory note and convertible note issued as part of consideration for the acquisition of Mongolia Investment Group Limited, a company incorporated in the British Virgin Island and an indirect wholly-owned subsidiary of the Company, on 17 June 2010 (the “Acquisition”), and (ii) fair value loss on the derivative component of the convertible note amounted to HK\$0.8 million. The impairment loss, imputed interest expenses and fair value loss were all non-cash items and have no impact on the Group's cash position. Basic loss per share was HK15.223 cents (2011: Basic loss per share was HK6.676 cents).

Liquidity & Financial Resources

As at 31 March 2012, cash at banks and in hand and pledged bank deposits reached HK\$335.4 million (as at 31 March 2011: HK\$323.2 million). Total borrowings, including promissory note and convertible note issued in 2010, as at the end of the review year were HK\$846.5 million (as at 31 March 2011: HK\$949.6 million). The Group's current ratio, being the ratio of current assets to current liabilities, was 4.0 times (as of 31 March 2011: 3.4 times), and its gearing ratio, in terms of total borrowings net of cash at banks and in hand and pledged bank deposits to total equity, stood at 149.9% (31 March 2011: 37.0%).

Foreign Exchange Risk Management

The Group's transactions are primarily denominated in Hong Kong dollars, United States dollars and Mongolian Tughrig. The Group has not implemented any formal hedging policy. However, the Group monitors its foreign exchange exposure continuously and, when it considers appropriate and necessary, will consider hedging significant foreign exchange exposure by way of forward foreign exchange contracts where appropriate.

主席報告 CHAIRMAN'S STATEMENT

人力資源

於二零一二年三月三十一日，本集團聘用約720名僱員(截至二零一一年三月三十一日止年度：790名僱員)，近100%為永久聘用。員工成本總額(包括回顧年度內的董事酬金)為140,100,000港元(截至二零一一年三月三十一日止年度：145,900,000港元)。

本集團之薪酬政策主要基於現行市場薪資水平、本集團之業績及個人表現而釐定。除員工薪金外，其他員工福利包括表現花紅、教育津貼、公積金、醫療保險及購股權計劃，以確認及承認僱員對或可能對本集團業務發展所作之貢獻。

業務回顧

蒙古國採礦業務

作為全球增長最快的經濟體系之一，管理層相信蒙古國的經濟會持續增長。資源及採礦業乃蒙古國經濟增長的重要支柱，因此我們認為蒙古政府會繼續促進採礦業的發展。本集團將繼續致力在蒙古國發展此業務。

本集團的TNE礦場持有四個覆蓋面積共1,114公頃礦場的採煤牌照，亦於DundGobi省持有三個面積合共14,087公頃的煤礦勘探牌照、Gobi-Altai省持有兩個面積共44,016公頃的黃金及銅礦勘探牌照，以及Zavkhan省持有兩個面積合共15,517公頃的黃金及銅礦勘探牌照，全部均位於蒙古國境內。倘若發現大量豐富資源，本集團有計劃把這些勘探牌照轉換成採礦牌照。

Human Resources

As at 31 March 2012, the Group had approximately 720 employees (for the year ended 31 March 2011: 790 employees) with nearly 100% holding permanent positions. Total staff costs, including Director's emoluments for the year under review amounted to HK\$140.1 million (for the year ended 31 March 2011: HK\$145.9 million).

The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the Group and of the individuals concerned. In addition to salary payments, other staff benefits include performance bonuses, education subsidies, provident fund, medical insurance and the use of share option scheme to recognise and acknowledge contributions made or may make to the business development of the Group by its employees.

BUSINESS REVIEW

Mining Business in Mongolia

The management believes economic growth in Mongolia will sustain as the country remains one of the fastest growing economies in the world. Resources and mining has always been a major contributor to Mongolia's economic growth, thus it is believed the Mongolian government will continue to foster the development of the mining industry. The Group will continue to dedicate efforts to develop its mining business in the country.

The Group's TNE Mine holds four coal mining licences that cover a 1,114 hectares of mine site. It also holds three exploration licences in respect of coal deposits in DundGobi (14,087 hectares), two exploration licences in respect of gold and copper deposits in Gobi-Altai (44,016 hectares), and two exploration licences in respect of gold and copper in Zavkhan (15,517 hectares), all located in Mongolia. The Group will seek to convert these exploration licenses into mining licenses should there be abundance of resources discovered.

主席報告

CHAIRMAN'S STATEMENT

於回顧年內，本集團繼續進行採礦工作，TNE礦場之煤炭出產總量約為1,094公噸，顯著比預期少。主要原因乃煤產品的煤炭熱值範圍並不足夠為本集團帶來理想盈利貢獻；另一方面，蒙古國的採礦營運成本亦於年內顯著上升。因此管理層認為有需要即時調整採礦計劃，以減少整體生產成本，改善盈利及增強競爭優勢，所以已委聘獨立採礦專家進行審查，並為減省成本及改善生產方面提出專業意見。

由於Tugrugnuuriin Energy LLC經營的煤礦的生產進度不太理想，本集團需再就TNE礦場之採礦權作重新估值，因而確認進一步的減值虧損(除遞延稅項後) 1,268,100,000港元(二零一一年：300,600,000 港元)，以合併業績。

雖然全面投產有所延誤，但本集團於TNE礦場的準備工作進展順利。本集團的二零一二年採礦計劃及二零一二年環保計劃已於年內獲蒙古政府部門批准。在進行多項採礦可行性研究的同時，本集團的TNE礦場亦已取得礦場經營許可證。

年內，車壓運輸道路之建造工程已經完成。此路連接礦場與距離礦場約60公里的Maanit火車站(本集團運送煤產品的主要車站)之裝卸點。本集團亦在Maanit火車站進行環境影響評估，以有效應對發展可能對環保、社會及經濟方面造成的影響。

本集團繼續於持有七個勘探牌照的地區進行勘探活動，包括技術評估及地理物理工作。年度勘探報告已遞交相關監控機關，並已獲得批准。本集團亦已於年內支付所有年度牌照費用。

Mining activities continued during the review year, total output of coal from the TNE Mine was about 1,094 tonnes, which was significantly lower than expected. This was due mainly to the fact that the calorific value range of the coal products was not high enough for a profitable contribution, while mining production costs in Mongolia had greatly escalated in relation to the actual production. The management sees the immediate need to adjust the mining plan to reduce overall production costs to improve profitability and competitiveness. Hence, independent mining experts were engaged to review and advise ways to achieve cost reduction and improve production.

As a result of the unsatisfactory progress in production of the coal mine operated by Tugrugnuuriin Energy LLC, a further impairment loss net of deferred taxation amounting to HK\$1,268.1 million (2011: HK\$ 300.6 million) on the valuation of the mining rights of the TNE Mine is recognised to the consolidated result.

Despite the delay in commencement of production, the Group achieved stable progress on the TNE Mine preparatory work development. Our 2012 mine plan and 2012 environmental protection plan were approved by the Mongolian authorities during the year. In addition, several mining feasibility studies have been carried out, and the Group has already obtained a mine operation permit for its TNE Mine.

The construction of a compacted haul road has been completed during the year. This road connects the mine to the loading point at Maanit railway station, which is approximately 60 km from the mine site and the main railway station from which the Group's coal products will be transported. The Group also conducted an environmental impact assessment at Maanit railway station to better address the possible impact on environmental, social and economic aspects.

The Group continued exploration works at other regions for the seven exploration licenses. Exploration work including technical assessment and geophysical works continued. Annual exploration reports were submitted and approved by the relevant Control Agency. All the annual license payments were also settled during the year.

主席報告 CHAIRMAN'S STATEMENT

香港的水務業務

於回顧年內，水務業務的收益約達930,300,000港元(二零一一年：874,300,000港元)。水務保養工程項目的收益增加10.7%至約583,600,000港元，佔總收益62.7%。更換及修復水管工程項目的收益維持穩定，約為298,900,000港元，佔總收益32.1%。防止山泥傾瀉工程項目的收益達43,100,000港元，佔總收益4.6%。

水務保養工程合約

於回顧年度主要的收益源自兩份二零零九年九月開始的水務保養工程合約，分別為：

1. 水務工程定期合約－地區E－新界東(合約編號：1/WSD/09(E))；及
2. 水務工程定期合約－地區W－新界西(合約編號：1/WSD/09(W))。

更換及修復水管工程項目

本集團主要的兩個更換及修復水管工程項目自二零一零年財政年度開始動工：

1. 更換及修復東九龍水管(合約編號：7/WSD/08)，預計在二零一三年五月完工；及
2. 第二個項目涉及更換及修復港島南區及離島水管(合約編號：18/WSD/08)，預計在二零一三年九月完工。

Waterworks Business in Hong Kong

During the review year, waterworks business recorded revenue of approximately HK\$930.3 million (2011: HK\$874.3 million). Revenue from waterworks maintenance projects increased by 10.7% to approximately HK\$583.6 million, representing 62.7% of total revenue. Those from water mains replacement and rehabilitation projects remained steady at around HK\$298.9 million, making up 32.1% of total revenue. As for landslip prevention projects, HK\$43.1 million in revenue was recorded, equivalent to 4.6% of total revenue.

Waterworks Maintenance Contracts

A main source of revenue during the review year was derived from two waterworks maintenance projects that started in September 2009, specifically:

1. Term Contract for Waterworks District E – New Territories East (contract number: 1/WSD/09(E)); and
2. Term Contract for Waterworks District W – New Territories West (contract number: 1/WSD/09(W)).

Water Mains Replacement and Rehabilitation Projects

Two major water mains replacement and rehabilitation projects of the Group have been underway since the 2010 financial year:

1. Replacement and rehabilitation of water mains in East Kowloon (contract number: 7/WSD/08) – estimated completion in May 2013; and
2. The second contract concerns replacement and rehabilitation of water mains on Hong Kong Island South and outlying islands (contract number: 18/WSD/08) — Estimated completion in September 2013.

主席報告 CHAIRMAN'S STATEMENT

前景

展望未來，本集團將繼續整合資源，發展旗下各項業務。儘管令人期待的採礦業務以及空中攝影解決方案業務(有待股東批准及完成收購)尚處於發展初期，但管理層相信這兩個行業具有龐大且長遠的增長潛力。

本集團亦會繼續TNE礦場之商業生產發展。管理層將繼續密切監察營運流程，並在適當時候積極與客戶訂立承購協議。基於對商品市場的前景感到樂觀，本集團將繼續在許可地區進行勘探活動。

致謝

本人謹此代表董事會對管理層及全體員工在過去一年盡忠職守及竭誠努力，致以衷心謝意。我們將繼續整合現有業務，同時加快開拓新業務，致力提升股東的長遠價值。

PROSPECTS

Looking ahead, the Group will continue to consolidate resources and develop its various businesses. Although both the exciting mining business and, subject to shareholders' approval and acquisition completion, the aerial photography solutions business are at relatively initial stages, the management believes both sectors possess vast and long term growth opportunities.

Ongoing efforts will be placed at commercialising the TNE Mine. The management will continue to closely monitor operation flow and begin to work on securing off-take agreements with customers once the time is right. With the outlook of the commodities market remaining optimistic, the Group will also continue with exploration activities within the licensed areas.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to the management and staff for their diligence and dedication over the past year. Along the line, we will continue to consolidate our existing operations while ramping up development of new business ventures, with an aim of enhancing shareholders' value in the long run.

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，75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四十年經驗，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。

原偉強先生，45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。彼現為中國人民政治協商會議長沙市第十屆委員會委員。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，並於二零零四年六月二日獲委任為本集團執行董事。原先生為原秋明先生之子。

EXECUTIVE DIRECTORS

Mr. YUEN Chow Ming, aged 75, 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 40 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. YUEN Wai Keung, aged 45, 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. He is a member of The 10th Committee of Changsha City Chinese People’s Political Consultative Conference. Mr. YUEN became a director of Ming Hing Waterworks Engineering Company Limited in 1996 and was appointed as an executive Director of the Group on 2 June 2004. Mr. YUEN is the son of Mr. YUEN Chow Ming.

董事及高級管理人員簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

蘇耀祥先生，60歲，本集團執行董事兼副主席，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三十五年的經驗。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。

張志文先生，44歲，執行董事、財務總監兼公司秘書。張先生於會計及財務管理領域擁有逾十七年之經驗。彼於二零一零年九月二十七日起擔任香港聯合交易所有限公司創業板上市公司宏峰太平洋集團有限公司之獨立非執行董事。於擔任本公司上述職位前，彼曾於一間於香港聯合交易所有限公司（「聯交所」）主板上市公司美聯集團有限公司擔任中國區域之財務總監。張先生持有澳洲新南威爾斯大學商業碩士學位。張先生為香港會計師公會會員及澳洲會計師公會會員。張先生於二零零八年十月十五日獲委任為執行董事。

林翔先生，45歲，執行董事。林先生於一九九零年畢業於香港理工大學酒店管理系。林先生於蒙古國勘探及開採業具有豐富經驗。林先生亦曾於一間美國跨國公司工作，熟悉亞太區的消費品及銷售及市場推廣業務。林先生於二零一零年六月十七日獲委任為執行董事。

Mr. SO Yiu Cheung, aged 60, is an executive Director and the Deputy Chairman of the Group 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 35 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.

Mr. CHEUNG Chi Man, Dennis, aged 44, is an executive Director, Chief Financial Officer and Company Secretary. Mr. CHEUNG has over 17 years of experience in accounting and financial management. He has been an independent non-executive director of Powerwell Pacific Holdings Limited, a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, since 27 September 2010. Prior to taking up the above-mentioned posts of the Company, he has been the chief financial officer of the China division of Midland Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Mr. CHEUNG holds a Master's degree in Commerce from the University of New South Wales, Australia. Mr. CHEUNG is a member of the Hong Kong Institute of Certified Public Accountants and Australian Society of Certified Practising Accountants. Mr. CHEUNG was appointed as an executive Director on 15 October 2008.

Mr. LIM Siong, Dennis, aged 45, is an executive Director. Mr. LIM is a graduate of the Hong Kong Polytechnic University in hospitality management in 1990. He has substantial experience in the exploration and mining industry in Mongolia. Mr. LIM also possesses a wealth of experience in consumer products and sales and marketing in Asia Pacific Region as he worked for a USA multinational corporation before. Mr. LIM was appointed as an executive Director on 17 June 2010.

董事及高級管理人員簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

ENEBISH Burenkhuu先生，51歲，執行董事。ENEBISH先生於一九八四年畢業於蒙古工業大學地質系，並擁有地質工程學學位。ENEBISH先生於蒙古國處理銅礦藏及其他礦藏評估及採礦勘探工程方面擁有逾二十五年經驗。ENEBISH先生於二零一零年六月十七日獲委任為執行董事。

Mr. ENEBISH Burenkhuu, aged 51, is an executive Director. Mr. ENEBISH graduated from the Geological Faculty of Mongolian Polytechnic University with a degree in geological engineering in 1984. Mr. ENEBISH has over 25 years of experience in dealing with copper and other deposits evaluation and mining exploration works in Mongolia. Mr. ENEBISH was appointed as an executive Director on 17 June 2010.

梁仲德先生，49歲，於一九九七年獲得美國三藩市大學McLaren School of Business工商管理碩士學位，主修金融及銀行學。梁先生於香港一家上市紅籌公司擔任管理職位逾十年，負責管理合併及收購交易及企業融資活動，並與中華人民共和國多個省政府緊密合作。梁先生於二零零六年一月二十日起至二零零七年六月四日止期間擔任國華集團控股有限公司(其股份於聯交所上市，股份代號：370，從事煤炭生產相關業務)之非執行董事。梁先生亦於二零零六年十月二十日獲委任為中聚雷天電池有限公司(現稱中聚電池有限公司且其股份於聯交所上市，股份代號：729)之非執行董事，並於二零零六年十一月二十二日調任為執行董事，其後於二零零九年六月一日調任為非執行董事。梁先生已於二零一零年七月一日辭任中聚雷天電池有限公司(現稱中聚電池有限公司)之非執行董事職務。梁先生於二零一一年三月十四日獲委任為執行董事。

Mr. LEUNG, Chung Tak Barry, aged 49, obtained his master degree of business administration, majoring in finance and banking from McLaren School of Business, the University of San Francisco in the United States of America in 1997. Mr. LEUNG has over 10 years' experience in taking management role for a Hong Kong listed red-chip company, managing the transactions for mergers and acquisitions and corporate finance activities and working closely with various provincial governments in the People's Republic of China. From 20 January 2006 to 4 June 2007, Mr. LEUNG was a non-executive director of China Best Group Holding Limited (the shares of which are listed on the Stock Exchange; stock code: 370), which has coal and coke manufacturing related businesses. Mr. LEUNG was also appointed as a non-executive director of Thunder Sky Battery Limited (now known as Sinopoly Battery Limited and the shares of which are listed on the Stock Exchange; stock code: 729) on 20 October 2006, re-designated as an executive director on 22 November 2006 and then re-designated as a non-executive director on 1 June 2009. Mr. LEUNG has resigned as a non-executive director of Thunder Sky Battery Limited (now known as Sinopoly Battery Limited) on 1 July 2010. Mr. LEUNG was appointed as an executive Director on 14 March 2011.

董事及高級管理人員簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

非執行董事

何顯鴻先生，55歲，於二零一零年三月十五日至二零一一年四月二十七日出任執行董事並於二零一一年四月二十八日調任為非執行董事。何先生於投資管理、投資銀行及研究方面擁有逾二十七年經驗。於過去十年，何先生曾任職於數間國際著名之投資銀行並領導該等銀行之研究部門。彼於二零零九年三月二十四日起擔任天津天士力制藥股份有限公司之董事，該公司為一間在上海證券交易所上市之公司。於一九九四年至一九九九年期間，何先生擔任香港特別行政區中央政策組之非全職顧問。何先生持有英國蘭卡斯特大學(University of Lancaster)之文學(會計及金融)碩士學位。何先生於二零一零年三月十五日獲委任為執行董事。

獨立非執行董事

陳世杰先生，56歲，於一九七九年在英國白金漢大學畢業並獲得法律學士學位，隨後於一九八零年在倫敦大學國王學院獲得法律碩士資格。彼分別於一九八零年及一九八一年獲認許為英國大律師及香港大律師。彼為香港大律師公會會員，自一九八一年起以大律師身份在香港執業。陳先生於二零一零年十一月一日獲委任為獨立非執行董事。

廖長天先生，50歲，於二零零九年二月二十日獲委任為獨立非執行董事。廖先生於商貿界擁有逾二十四年之經驗。廖先生現為Sky Holdings Group Limited企業發展部總經理。廖先生持有倫敦大學之化學及管理學聯合榮譽學位。廖先生於一九八五年回流香港，其後曾擔任國際及本地上市及私人公司之高級管理層職位。廖先生亦於多個非牟利機構工作，並為廣西欽州市政協委員、

NON-EXECUTIVE DIRECTOR

Mr. HO Hin Hung, Henry, aged 55, is an executive Director from 15 March 2010 to 27 April 2011 and re-designated as non-executive Director on 28 April 2011. Mr. HO has over 27 years of experience in investment management, investment banking and research. In the past ten years, Mr. HO worked for several internationally prestigious investment banks heading their research departments. He has been a director of 天津天士力制藥股份有限公司 (Tianjin Tasly Pharmaceutical Joint Stock Company Limited), a company listed on the Shanghai Stock Exchange, since 24 March 2009. During the period from 1994 to 1999, Mr. HO served as a part-time member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region. Mr. HO holds a degree of Master of Arts in Accounting and Finance from the University of Lancaster, United Kingdom. Mr. HO was appointed as an executive Director on 15 March 2010.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAN, Sai Kit Kevin, aged 56, graduated from the Buckingham University of United Kingdom in 1979 with L.L.B. and further obtained L.L.M. qualification at King's College London, University of London in 1980. He was called to the Bar of the United Kingdom and the Bar of Hong Kong in 1980 and 1981 respectively. He is a member of the Hong Kong Bar Association and has been practising as a barrister in Hong Kong since 1981. Mr. CHAN was appointed as an independent non-executive Director on 1 November 2010.

Mr. LIAO Cheung Tin, Stephen, aged 50, is an independent non-executive Director and was appointed on 20 February 2009. Mr. LIAO has over 24 years' experience in the trade and commerce industry. Mr. LIAO is currently the general manager of the corporate development division of Sky Holdings Group Limited. Mr. LIAO holds a Joint-honors degree in Chemistry with Management Studies from the University of London. Mr. LIAO returned back to Hong Kong in 1985 and had held senior management positions in both international

董事及高級管理人員簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

廣西青年企業家協會副會長、廣西桂林青年聯合會副主席、廣西欽州市海外聯誼會常務理事及廣西青年聯合會委員。

譚子勤先生，44歲，於審計、稅務、會計及財務管理方面擁有豐富經驗。彼現時為一間本地企業會計公司之董事總經理。在此之前，譚先生曾於兩間國際會計師行工作約5年及於一間私人公司擔任財務總監約6年。譚先生為英國特許公認會計師公會資深會員及香港會計師公會及香港稅務學會會員。譚先生持有英國密德薩斯大學(Middlesex University)會計及金融學士學位。譚先生於二零一零年十月一日獲委任為獨立非執行董事。

and local listed and private companies since then. Mr. LIAO also serves in various non-profit organizations and is the member of Guangxi Qinzhou Chinese People's Political Consultative Conference, the Vice-President of Guangxi Youth Entrepreneur Association, the Vice-Chairman of Guangxi Guilin Youth Federation, the Executive Member of Guangxi Qinzhou Overseas Friendship Association and the Committee Member of Guangxi Youth Federation.

Mr. TAM Tsz Kan, aged 44, has extensive experience in auditing, taxation, accounting and financial management. He is currently the managing director of a local corporate accounting firm. Prior to that, Mr. TAM has worked for two international accounting firms for about 5 years and a private company as a financial controller for about 6 years. Mr. TAM is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants and The Taxation Institute of Hong Kong. Mr. TAM holds a Bachelor degree in Accounting and Finance from the Middlesex University, United Kingdom. Mr. TAM was appointed as an independent non-executive Director on 1 October 2010.

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二零一二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16。

本集團之主要業務為向香港公營機構提供有關水務工程、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，在中國內地從事供水服務，及於蒙古國從事礦產資源開採及勘探業務。

業績及盈利分配

本集團截至二零一二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41至179頁之財務報表。

董事會並無建議派付截至二零一二年三月三十一日止年度之任何股息。

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180頁。

物業、廠房及設備

本集團於截至二零一二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14。

借貸

本集團於二零一二年三月三十一日之銀行借貸之詳情載於財務報表附註27。

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 2012.

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 16 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, the provision of water supply services in Mainland China as well as the mining and exploration of mineral resources in Mongolia.

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2012 and the state of affairs of the Group and the Company at that date are set out in the financial statements on pages 41 to 179.

No dividend has been recommended by the Board for the year ended 31 March 2012.

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 180.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year ended 31 March 2012 are set out in note 14 to the financial statements.

BORROWINGS

Details of bank borrowings of the Group as at 31 March 2012 are set out in note 27 to the financial statements.

董事會報告 DIRECTORS' REPORT

股本

本公司於截至二零一二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30。

或然負債

本集團於二零一二年三月三十一日之或然負債詳情載於財務報表附註35。

資產抵押

本集團於二零一二年三月三十一日之資產抵押詳情載於財務報表附註24。

分部資料

本集團於截至二零一二年三月三十一日止年度之分部資料詳情載於財務報表附註6。

儲備

本集團及本公司於截至二零一二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32。

優先購買權

本公司組織章程細則(「**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本公司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

於回顧年內，本公司或其任何附屬公司概無購買、贖回或出售任何股份。

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 31 March 2012, are set out in note 30 to the financial statements.

CONTINGENT LIABILITIES

Details of the contingent liabilities of the Group as at 31 March 2012 are set out in note 35 to the financial statements.

PLEDGE OF ASSETS

Details of the pledge of assets of the Group as at 31 March 2012 are set out in note 24 to the financial statements.

SEGMENT INFORMATION

Details of the segment information of the Group for the year ended 31 March 2012 are set out in note 6 to the financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the year ended 31 March 2012 are set out in the consolidated statement of changes in equity and note 32 to the financial statements respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company (the "**Articles**") or the laws of the Cayman Islands which would oblige the Company to offer new shares of the Company on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year under review, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Shares.

董事會報告 DIRECTORS' REPORT

董事

本年度及截至本報告日期之董事如下：

執行董事

原秋明先生(主席)
原偉強先生
(副主席兼行政總裁)
蘇耀祥先生(副主席)
張志文先生
林翔先生
黃德忠先生
(於二零一一年七月二十七日辭任)
ENEbish Burenkhuu先生
梁仲德先生

非執行董事

何顯鴻先生(於二零一一年四月二十八日
從執行董事調任為非執行董事，
於二零一二年六月二十八日辭任)

獨立非執行董事

陳世杰先生
廖長天先生
譚子勤先生

根據組織章程細則第87條，原秋明先生、蘇耀祥先生、林翔先生及ENEbish Burenkhuu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聯交所證券上市規則(「上市規則」)第3.13條發出之獨立性確認書。本公司認為所有獨立非執行董事均屬獨立。

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors

Mr. YUEN Chow Ming (Chairman)
Mr. YUEN Wai Keung
(Deputy Chairman and Chief Executive Officer)
Mr. SO Yiu Cheung (Deputy Chairman)
Mr. CHEUNG Chi Man, Dennis
Mr. LIM Siong, Dennis
Mr. WONG Tak Chung
(Resigned on 27 July 2011)
Mr. ENEbish Burenkhuu
Mr. LEUNG, Chung Tak Barry

Non-Executive Directors

Mr. HO Hin Hung, Henry (Re-designated from executive Director to non-executive Director on 28 April 2011, and resigned on 28 June 2012)

Independent non-executive Directors

Mr. CHAN, Sai Kit Kevin
Mr. LIAO Cheung Tin, Stephen
Mr. TAM Tsz Kan

In accordance with article 87 of the Articles, Mr. YUEN Chow Ming, Mr. SO Yiu Cheung, Mr. LIM Siong, Dennis and Mr. ENEbish Burenkhuu 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 Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). The Company considers that all the independent non-executive Directors are independent.

董事會報告

DIRECTORS' REPORT

董事之服務協議

原秋明先生、原偉強先生及蘇耀祥先生已各自與本公司訂立服務協議，任期自二零一二年三月一日起計為期三年。本公司或執行董事可於彼等各自之協議開始日期一年後向另一方發出不少於六個月書面終止通知或支付代通知金，予以終止執行董事之委任。

張志文先生已與本公司訂立服務協議，任期自二零一一年十月十五日起計為期三年。本公司或執行董事可於協議開始日期一年後向另一方發出不少於三個月書面終止通知或支付代通知金，予以終止執行董事之委任。

林翔先生及ENEbish Burenkhuu先生已各自與本公司訂立服務協議，任期由二零一零年六月十七日起計為期三年。梁仲德先生已與本公司訂立服務協議，任期自二零一一年三月十四日起計為期三年。本公司或執行董事可於彼等各自之協議開始日期一年後向另一方發出不少於三個月書面終止通知或支付代通知金，予以終止執行董事之委任。何顯鴻先生已與本公司訂立服務協議，任期自二零一零年三月十五日起計為期三年，並可由任何一方向另一方發出三個月書面終止通知或支付代通知金而予以終止。

DIRECTORS' SERVICE AGREEMENTS

Mr. YUEN Chow Ming, Mr. YUEN Wai Keung and Mr. SO Yiu Cheung, each of them has entered into a service agreement with the Company for a term of three years commencing on 1 March 2012. Either the Company or the executive Director may, after one year of the commencement date of their respective agreements, 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. CHEUNG Chi Man, Dennis has entered into a service agreement with the Company for a term of three years commencing on 15 October 2011. Either the Company or the executive Director may, after one year of the commencement date of the agreement, terminate the appointment of the executive Director by giving to the other party not less than three months' written notice of termination or by payment in lieu of such notice.

Mr. LIM Siong, Dennis and Mr. ENEbish Burenkhuu, each of them has entered into a service agreement with the Company for a term of three years commencing on 17 June 2010. Mr. LEUNG, Chung Tak Barry has entered into a service agreement with the Company for a term of three years commencing on 14 March 2011. Either the Company or the executive Director may, after one year of the commencement date of their respective agreements, terminate the appointment of the executive Director by giving to the other party not less than three months' written notice of termination or by payment in lieu of such notice. Mr. HO Hin Hung, Henry has entered into a service agreement with the Company for a term of three years commencing on 15 March 2010 and may be terminated by either party by giving the other three months' written notice of termination or by payment in lieu of such notice.

董事會報告 DIRECTORS' REPORT

董事之服務協議 (續)

陳世杰先生為獨立非執行董事，已與本公司訂立委任書，固定任期由二零一一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。廖長天先生為獨立非執行董事，已與本公司訂立委任書，固定任期由二零一零年八月一日起計為期兩年，並可由任何一方發出一個月書面通知予以終止。譚子勤先生為獨立非執行董事，已與本公司訂立委任書，固定任期由二零一一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。

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) 薪酬之金額乃按有關董事之經驗、職責、工作量及為本集團付出之時間之基準而釐定；
- (ii) 董事之薪酬待遇或包括向彼等提供之非現金利益；及
- (iii) 董事會可酌情決定根據本公司採納之購股權計劃向董事授出購股權，作為彼等薪酬待遇之一部份。

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13。

DIRECTORS' SERVICE AGREEMENTS

(Continued)

Mr. CHAN, Sai Kit Kevin, an independent non-executive Director, has entered into a letter of appointment with the Company for a fixed term of one year commencing on 1 November 2011 and may be terminated by either party by giving one month's written notice. Mr. LIAO Cheung Tin, Stephen, an independent non-executive Director, has entered into a letter of appointment with the Company for a fixed term of two years commencing on 1 August 2010 and may be terminated by either party by giving one month's written notice. Mr. TAM Tsz Kan, an independent non-executive Director, has entered into a letter of appointment with the Company for a fixed term of one year commencing on 1 October 2011 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 Directors' experience, responsibilities, 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, options pursuant to the share option scheme adopted by the Company, as part of their remuneration package.

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 13 to the financial statements.

董事會報告 DIRECTORS' REPORT

持續關連交易

本年度之持續關連交易亦構成關連方交易，有關詳情載於財務報表附註37。

於二零零五年十一月十六日，明興水務渠務工程有限公司(承租人)與君明有限公司(出租人)就位於香港九龍灣宏開道16號德福大廈18樓1809-1812室的物業簽訂租賃協議(「租賃協議」)。租賃協議於二零一一年五月九日續期，條件與條款不變，惟租期為二零一一年四月一日起至二零一四年三月三十一日止，月租為82,000港元。原秋明先生、原偉強先生及蘇耀祥先生均為本公司之執行董事，於君明有限公司分別擁有34%、33%及33%之股權。因此，君明有限公司為本公司三名董事之聯繫人，租賃協議之續期相當於一項持續關連交易，惟可獲豁免上市規則有關申報、公佈及獨立股東批准之規定。

獨立非執行董事認為該等交易乃由本集團：

- (a) 於一般及日常業務過程中訂立；
- (b) 按一般商業條款或不遜於本集團向／由(如適當)獨立第三方所提出之條款訂立；及
- (c) 按規管有關交易之協議條款訂立，條款屬公平合理，符合本公司股東整體之利益。

CONTINUING CONNECTED TRANSACTIONS

Details of continuing connected transactions which also constitute related party transactions for the year are set out in note 37 to the financial statements.

On 16 November 2005, Ming Hing Waterworks Engineering Company Limited, as Lessee, and Grand Media Limited, as Lessor, entered into a lease agreement (the “**Lease Agreement**”) regarding the premises of Units 1809-1812, 18th Floor, Telford House, No. 16 Wang Hoi Road, Kowloon, Hong Kong. The Lease Agreement was renewed on 9 May 2011 with identical terms and conditions except for a lease term from 1 April 2011 to 31 March 2014 at a monthly rental of HK\$82,000. Mr. Yuen Chow Ming, Mr. Yuen Wai Keung and Mr. So Yiu Cheung, all being executive Directors of the Company, have equity interest of 34%, 33% and 33% respectively in Grand Media Limited. Therefore, Grand Media Limited is an associate of the three Directors of the Company and the renewal of the Lease Agreement amounted to a continuing connected transaction exempt from reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

In the opinion of the independent non-executive Directors, such transaction was entered into by the Group:

- (a) in the ordinary and usual course of business;
- (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) 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.

董事會報告 DIRECTORS' REPORT

董事於合約之權益

除財務報表附註37所披露外，各董事概無擁有本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實益權益。

董事及最高行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉

於二零一二年三月三十一日，董事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益（包括根據證券及期貨條例相關條文彼等被當作或視為擁有之權益或淡倉），或記錄於本公司根據證券及期貨條例第352條須置存之登記冊，或根據上市規則所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益如下：

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 37 to the financial statements, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2012, the Directors and the chief executive had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) which were notified to the Company and Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken of deemed to have under such provisions of the SFO) which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in the Listing Rules:

董事會報告 DIRECTORS' REPORT

董事及最高行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉
(續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(Continued)

(a) 於本公司每股面值0.05港元之普通股(「股份」)之長倉

(a) Long position in the ordinary shares of HK\$0.05 each of the Company (“Shares”)

董事姓名	Name of Director	附註 Note	身份／權益性質 Capacity/ Nature of interest	持有股份數目 Number of Shares held	於本公司股權 概約百分比 Approximate percentage of shareholding in the Company
原秋明先生	Mr. YUEN Chow Ming		個人權益 Personal	120,000,000	1.30%
原偉強先生	Mr. YUEN Wai Keung	1	受控制法團之權益 Interest of controlled corporation	93,888,000	1.02%
			個人權益 Personal	125,704,000	1.37%
蘇耀祥先生	Mr. SO Yiu Cheung		個人權益 Personal	123,000,000	1.34%
張志文先生	Mr. CHEUNG Chi Man, Dennis		個人權益 Personal	8,000,000	0.09%
林翔先生	Mr. LIM Siong, Dennis		個人權益 Personal	206,850,000	2.25%

附註：

(1) 此93,888,000股股份以Success Token Holdings Limited(「**Success Token**」)之名義登記，其中原偉強先生有權於Success Token股東大會上行使或控制行使五分之四投票權。因此，Success Token為原偉強先生之受控制法團(定義見證券及期貨條例)。故此根據證券及期貨條例，原偉強先生被視為擁有該等股份中的權益。

Note:

(1) The 93,888,000 Shares are registered in the name of Success Token Holdings Limited (“**Success Token**”), of which Mr. YUEN Wai Keung is entitled to exercise, or control the exercise of, forth-fifths of the voting power at general meetings of Success Token. Hence Success Token is a controlled corporation (within the meaning of the SFO) of Mr. YUEN Wai Keung, who is therefore deemed to be interested in these Shares under the SFO.

董事會報告 DIRECTORS' REPORT

董事及最高行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉
(續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(Continued)

(b) 於相聯法團之股份之實益權益

(b) Beneficial interests in the shares of associated corporations

董事姓名	Name of Director	附註 Note	相聯法團名稱 Name of associated corporation	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
原偉強先生	Mr. YUEN Wai Keung	1	Sucess Token	800	80%

附註：

(1) 此800股股份由原偉強先生持有。

Note:

(1) The 800 shares are held by Mr. YUEN Wai Keung.

(c) 於本公司相關股份及債券之長倉

(c) Long position in the underlying shares and debentures of the Company

購股權

根據本公司於二零零六年二月二十五日採納的購股權計劃(有關詳情載於財務報表附註31)，若干董事獲授可認購股份的購股權，而於二零一二年三月三十一日尚未行使及可予行使的購股權詳情如下：

Share Options

Pursuant to the share option scheme adopted by the Company on 25 February 2006 (details are set out in note 31 to the financial statements), certain Directors were granted share options to subscribe for Shares, details of share options outstanding and exercisable as at 31 March 2012 were as follows:

董事會報告 DIRECTORS' REPORT

董事及最高行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉
(續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(Continued)

(c) 於本公司相關股份及債券之長倉 (續)

(c) Long position in the underlying shares and debentures of the Company (Continued)

購股權 (續)

Share Options (Continued)

董事姓名	Name of Director	授出日期 Date of grant	身份 Capacity	購股權涉及 的相關股份數目 Number of underlying shares comprised in the share options	行使期 Exercisable period	每股行使價 Exercise price per share
原秋明先生	Mr. YUEN Chow Ming	二零零九年八月二十五日 25 August 2009	實益擁有人 Beneficial owner	1,000,000	二零零九年八月二十五日至 二零一二年八月三十一日 25 August 2009 to 31 August 2012	0.385港元 HK\$0.385
原偉強先生	Mr. YUEN Wai Keung	二零零九年八月二十五日 25 August 2009	實益擁有人 Beneficial owner	1,000,000	二零零九年八月二十五日至 二零一二年八月三十一日 25 August 2009 to 31 August 2012	0.385港元 HK\$0.385
		二零一零年十月二十五日 25 October 2010	實益擁有人 Beneficial owner	85,000,000	二零一一年四月二十五日至 二零二零年十月二十四日 25 April 2011 to 24 October 2020	0.171港元 HK\$0.171
何顯鴻先生	Mr. HO Hin Hung, Henry	二零一零年十月二十五日 25 October 2010	實益擁有人 Beneficial owner	40,000,000	二零一一年四月二十五日至 二零二零年十月二十四日 25 April 2011 to 24 October 2020	0.171港元 HK\$0.171
林翔先生	Mr. LIM Siong, Dennis	二零一零年十月二十五日 25 October 2010	實益擁有人 Beneficial owner	85,000,000	二零一一年四月二十五日至 二零二零年十月二十四日 25 April 2011 to 24 October 2020	0.171港元 HK\$0.171
譚子勤先生	Mr. TAM Tsz Kan	二零一零年十月二十五日 25 October 2010	實益擁有人 Beneficial owner	5,000,000	二零一一年四月二十五日至 二零二零年十月二十四日 25 April 2011 to 24 October 2020	0.171港元 HK\$0.171
廖長天先生	Mr. LIAO Cheung Tin, Stephen	二零零九年八月二十五日 25 August 2009	實益擁有人 Beneficial owner	600,000	二零零九年八月二十五日至 二零一二年八月三十一日 25 August 2009 to 31 August 2012	0.385港元 HK\$0.385
		二零一零年十月二十五日 25 October 2010	實益擁有人 Beneficial owner	5,000,000	二零一一年四月二十五日至 二零二零年十月二十四日 25 April 2011 to 24 October 2020	0.171港元 HK\$0.171

董事會報告 DIRECTORS' REPORT

董事及最高行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉
(續)

(c) 於本公司相關股份及債券之長倉 (續)

可換股票據

本金額為41,905,500港元、兌換價為0.22港元之零息可換股票據已發行予林翔先生，作為於二零一零年六月收購蒙古投資集團有限公司(前稱Well Delight Holdings Limited)之全部已發行股本之部份代價。該等可換股票據可於二零一二年三月三十一日兌換為190,479,545股股份。

除上文披露者外，於二零一二年三月三十一日，董事或最高行政人員概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有根據證券及期貨條例第352條須作記錄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。

董事收購股份或債券之權利

除上文「董事及最高行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉」各段及財務報表附註31所披露者外，於年內任何時間概無向任何董事或彼等各自之配偶或未滿18歲之子女授出可藉收購本公司之股份或債券而獲益之權利，或彼等概無行使有關權利；本公司或其任何附屬公司亦無訂立任何安排，致使董事或彼等各自之配偶或未滿18歲之子女可於任何其他法人團體獲得有關權利。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(Continued)

(c) Long position in the underlying shares and debentures of the Company (Continued)

Convertible Note

Zero coupon convertible note in the principal amount of HK\$41,905,500 at the conversion price of HK\$0.22 which can be converted to 190,479,545 shares as at 31 March 2012 was issued to Mr. LIM Siong, Dennis as part of the consideration for the acquisition of the entire issued share capital of Mongolia Investment Group Limited (formerly known as Well Delight Holdings Limited) in June 2010.

Save as disclosed above, as at 31 March 2012, none of the Directors or chief executive, had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed "Directors' and chief executive's interests and short positions in Shares, underlying shares and debentures of the Company and its associated corporations" above and note 31 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or minor children to acquire such rights in any other body corporate.

董事會報告 DIRECTORS' REPORT

主要股東於本公司股份及相關股份之權益及淡倉

據本公司董事及最高行政人員所知，根據證券及期貨條例第XV部第336條須予存置之主要股東登記冊顯示，於二零一二年三月三十一日下列人士或法團（本公司董事或最高行政人員除外）於本公司之股份及相關股份中擁有佔本公司已發行股本5%或以上的權益或淡倉：

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE 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 2012, so far as the Directors and the chief executive of the Company are aware, the following persons or corporations (other than the Directors or chief executive of the Company) had interests or short positions in the Shares and underlying shares of the Company of 5% or more of the Company's issued share capital:

主要股東名稱 Name of substantial shareholder	身份／權益性質 Capacity/ Nature of interest	附註 Notes	持有股份／ 相關股份數目 Number of Shares/underlying shares held	於本公司股權 概約百分比 Approximate percentage of shareholding in the Company
王正平 Wong Ching Ping Alex	實益擁有人 Beneficial owner	1	1,919,127,272	20.86%
Gomes Maria Da Silva Rubi Angela	實益擁有人 Beneficial owner	2	1,919,127,272	20.86%
Diamond Wealth Holdings Limited	受控制法團之權益 Interest of controlled corporation	1	1,852,727,272	20.14%
Tan Kah Hock	實益擁有人 Beneficial owner	3	1,343,352,272	14.60%
Shu Tjai Yun	實益擁有人 Beneficial owner	4	1,343,352,272	14.60%
Mashbat Bukhbat	實益擁有人 Beneficial owner	5	1,135,227,272	12.34%
Balbold Orgilsuren	實益擁有人 Beneficial owner	6	1,135,227,272	12.34%
Lim Tang Wai Ting	實益擁有人 Beneficial owner	7	482,329,545	5.24%

董事會報告 DIRECTORS' REPORT

主要股東於本公司股份及相關股份之權益 (續)

除上文所披露者外，於二零一二年三月三十一日，本公司概不知悉任何其他人士或法團於本公司股份及相關股份中直接或間接擁有須向本公司及聯交所披露且記錄於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉。

附註：

1. 該等1,919,127,272股股份包括：(i)王正平作為實益擁有人持有之66,000,000股股份；(ii)Diamond Wealth Holdings Limited (「**Diamond Wealth**」)持有之750,000,000股股份；(iii)Bright Mark Investments Limited (「**Bright Mark**」)持有之400,000股股份及(iv)非上市實物結算衍生工具，可兌換1,102,727,272股股份，相當於本公司於二零一二年三月三十一日已發行股本總額的約11.99%。Diamond Wealth由王正平全資擁有。因此，王正平被視為擁有Diamond Wealth所持同一批股份及相關股份之權益。Bright Mark由王正平全資擁有。因此，王正平被視為擁有Bright Mark所持同一批股份之權益。
2. 根據證券及期貨條例第XV部，王正平之配偶Gomes Maria Da Silva Rubi Angela被視為擁有王正平所持同一批股份及相關股份之權益。
3. Tan Kah Hock擁有之權益包括：(i)699,350,000股股份；及(ii)非上市實物結算衍生工具，可兌換644,002,272股股份，相當於本公司二零一二年三月三十一日已發行股本總額約7.00%。
4. 根據證券及期貨條例第XV部，Tan Kah Hock之配偶Shu Tjai Yun被視為擁有Tan Kah Hock所持同一批股份及相關股份之權益。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Save as disclosed above, at 31 March 2012, the Company has not been notified of any other person or corporation who had an interest directly or indirectly or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange and were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Notes:

1. These 1,919,127,272 Shares comprise (i) 66,000,000 Shares held by Wong Ching Ping Alex as beneficial owner, (ii) 750,000,000 Shares held by Diamond Wealth Holdings Limited (“**Diamond Wealth**”), (iii) 400,000 Shares held by Bright Mark Investments Limited (“**Bright Mark**”) and (iv) unlisted physically settled derivatives that may be converted into 1,102,727,272 Shares, representing approximately 11.99% of the total issued share capital of the Company as at 31 March 2012. Diamond Wealth is wholly owned by Wong Ching Ping Alex. Accordingly, Wong Ching Ping Alex was deemed to be interested in the same parcel of those Shares and underlying shares held by Diamond Wealth. Bright Mark is wholly owned by Wong Ching Ping Alex. Accordingly, Wong Ching Ping Alex was deemed to be interested in the same parcel of those Shares held by Bright Mark.
2. Under Part XV of the SFO, Gomes Maria Da Silva Rubi Angela, the spouse of Wong Ching Ping Alex, was deemed to be interested in the same parcel of those Shares and underlying shares held by Wong Ching Ping Alex.
3. Tan Kah Hock is interested in (i) 699,350,000 Shares and (ii) unlisted physically settled derivatives that may be converted into 644,002,272 Shares, representing approximately 7.00% of the total issued share capital of the Company as at 31 March 2012.
4. Under Part XV of the SFO, Shu Tjai Yun, the spouse of Tan Kah Hock, was deemed to be interested in the same parcel of those Shares and underlying shares held by Tan Kah Hock.

董事會報告 DIRECTORS' REPORT

主要股東於本公司股份及相關股份之權益 (續)

附註：(續)

5. Mashbat Bukhbat擁有之權益包括：(i)591,000,000股股份；及(ii)非上市實物結算衍生工具，可兌換為544,227,272股股份，相當於本公司二零一二年三月三十一日已發行股本總額約5.92%。
6. 根據證券及期貨條例第XV部，Mashbat Bukhbat之配偶Balbold Orgilsuren被視為擁有Mashbat Bukhbat所持同一批股份及相關股份之權益。
7. 根據證券及期貨條例第XV部，林翔之配偶Lim Tang Wai Ting被視為擁有林翔所持同一批股份及相關股份(於本年報「董事及最高行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉」一節披露)之權益。
8. 上文所載之全部權益均為長倉。

董事於競爭業務之權益

年度內，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31。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Notes: (Continued)

5. Mashbat Bukhbat is interested in (i) 591,000,000 Shares and (ii) unlisted physically settled derivatives that may be converted into 544,227,272 Shares, representing approximately 5.92% of the total issued share capital of the Company as at 31 March 2012.
6. Under Part XV of the SFO, Balbold Orgilsuren, the spouse of Mashbat Bukhbat, was deemed to be interested in the same parcel of those Shares and underlying shares held by Mashbat Bukhbat.
7. Under Part XV of the SFO, Lim Tang Wai Ting, the spouse of Lim Siong, Dennis, was deemed to be interested in the same parcel of those Shares and underlying shares held by Lim Siong, Dennis disclosed in the section headed "Directors and chief executive's interests and short positions in Shares, underlying shares and debentures of the Company and its associated corporations" in this Annual Report.
8. All interests stated above represented long positions.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, 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 31 to the financial statements.

董事會報告 DIRECTORS' REPORT

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總收益、總分包費用及購買物料之百分比如下：

收益	
– 最大客戶	98%
– 五大客戶合計	100.0%

分包費用	
– 最大分包商	11%
– 五大分包商合計	36%

購買物料	
– 最大供應商	42%
– 五大供應商合計	62%

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、分包商或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32至38頁。

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為1,099,000港元。

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of total revenue, 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:

Revenue	
– the largest customer	98%
– five largest customers combined	100.0%

Sub-contracting costs	
– the largest sub-contractor	11%
– five largest sub-contractors combined	36%

Purchases of materials	
– the largest supplier	42%
– five largest suppliers combined	62%

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 32 to 38 of this report.

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\$1,099,000.

董事會報告 DIRECTORS' REPORT

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，包括譚子勤先生（審核委員會主席）、陳世杰先生及廖長天先生。審核委員會已審閱截至二零一二年三月三十一日止年度之年度業績。

呈報期末後事項

本集團呈報期末後之重大事項之詳情載於財務報表附註40。

核數師

由於均富會計師行（「**均富**」）與香港立信德豪會計師事務所有限公司（「**立信德豪**」）的業務合併，並以立信德豪執業（誠如本公司於二零一零年十一月二十六日所公佈），均富辭任而立信德豪獲委任為本公司核數師，自二零一零年十一月二十六日起生效。

於本公司之應屆股東週年大會上將提呈一項決議案，以重新委任立信德豪為本公司之核數師。

代表董事會
蒙古投資集團有限公司
副主席兼行政總裁
原偉強

香港，二零一二年六月二十九日

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. TAM Tsz Kan (as Chairman of the Audit Committee), Mr. CHAN, Sai Kit Kevin and Mr. LIAO Cheung Tin, Stephen. The annual results for the year ended 31 March 2012 have been reviewed by the Audit Committee.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Details of the significant events after the end of the reporting period of the Group are set out in note 40 to the financial statements.

AUDITORS

Due to a merger of the businesses of Grant Thornton (“**GTHK**”) and BDO Limited (“**BDO**”) to practice in the name of BDO as announced by the Company on 26 November 2010, GTHK resigned and BDO was appointed as auditor of the Company effective from 26 November 2010.

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO as auditor of the Company.

On behalf of the Board
Mongolia Investment Group Limited
YUEN Wai Keung
Deputy Chairman and Chief Executive Officer

Hong Kong, 29 June 2012

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，董事會不時檢討其企業管治常規，以符合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。

於截至二零一二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之適用守則條文。

董事會

於回顧年度，董事會由八名執行董事、一名非執行董事及三名獨立非執行董事組成。八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(包括非執行董事及獨立非執行董事)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，以及確保遵守相關法定規定、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 set out in appendix 14 to the Listing Rules for the year ended 31 March 2012.

BOARD OF DIRECTORS

During the year under review, the Board consists of eight executive Directors, one non-executive Director and three independent non-executive Directors. All eight 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 non-executive Director and 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

截至二零一二年三月三十一日止年度，董事會之組成及其於董事會全體定期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 the year ended 31 March 2012 are as follows:

		會議出席次數／舉行次數 No. of meetings attended/held			
		董事會 全體定期會議 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	Executive Directors				
原秋明先生(主席)	Mr. YUEN Chow Ming (Chairman)	1/12	-	-	-
原偉強先生 (副主席及行政總裁)	Mr. YUEN Wai Keung (Deputy Chairman and Chief Executive Officer)	11/12	-	1/1	2/2
蘇耀祥先生(副主席)	Mr. SO Yiu Cheung (Deputy Chairman)	1/12	-	-	-
張志文先生	Mr. CHEUNG Chi Man, Dennis	12/12	-	-	-
林翔先生	Mr. LIM Siong, Dennis	10/12	-	-	-
黃德忠先生	Mr. WONG Tak Chung	1/12	-	-	-
ENEbish Burenkhuu先生	Mr. ENEBISH Burenkhuu	3/12	-	-	-
梁仲德先生	Mr. LEUNG, Chung Tak Barry	12/12	-	-	-
非執行董事	Non-Executive Director				
何顯鴻先生	Mr. HO Hin Hung, Henry	10/12	-	-	-
獨立非執行董事	Independent non-executive Directors				
陳世杰先生	Mr. CHAN, Sai Kit Kevin	11/12	2/2	1/1	2/2
廖長天先生	Mr. LIAO Cheung Tin, Stephen	9/12	2/2	-	-
譚子勤先生	Mr. TAM Tsz Kan	11/12	2/2	1/1	2/2

董事會目前包括三名獨立非執行董事，其將於二零一二年十二月三十一日之前委任另外一名獨立非執行董事，以符合經修訂上市規則要求上市公司獨立非執行董事人數至少佔董事會人數三分之一之規定。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。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 Board currently consists of three independent non-executive Directors, and it will appoint one more independent non-executive Director by 31 December 2012 in order to meet the amended Listing Rules which require independent non-executive Directors to represent at least one-third of the Board of a listed company. 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. 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. 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.

企業管治報告

CORPORATE GOVERNANCE REPORT

於截至二零一二年三月三十一日止年度，舉行了十二次董事會全體會議。董事會會議記錄由本公司之公司秘書存置，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，以確保權力與職權保持平衡。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。除原秋明先生為原偉強先生之父親之外，董事會成員之間概無財務、業務、家族或其他關係。董事之進一步資料已載於本年度報告第11至14頁之「董事及高級管理人員簡歷」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所載之標準守則，作為董事買賣證券的行為守則。各執行董事及非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，於截至二零一二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。

During the year ended 31 March 2012, 12 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 a balance of power and authority. 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. The Board members have no financial, business, family or other relationships with each other save for that Mr. YUEN Chow Ming is the father of Mr. YUEN Wai Keung. Further details on the Directors are set out on pages 11 to 14 under the section headed “Biographical Details of the Directors and Senior Management” of this annual report.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted 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 non-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 2012.

企業管治報告

CORPORATE GOVERNANCE REPORT

審核委員會

審核委員會由三名獨立非執行董事組成，分別為譚子勤先生、陳世杰先生及廖長天先生。譚子勤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。

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。董事會已透過審核委員會對本集團於截至二零一二年三月三十一日止年度內之內部監控制度成效、關連交易、截至二零一一年九月三十日止六個月之中期業績及截至二零一一年三月三十一日止年度之年度業績進行定期審閱，並已與管理層一同審閱本集團所採納之會計原則及慣例，以及討論本集團之審核、財務申報事宜及風險管理制度。

本集團截至二零一二年三月三十一日止年度之全年業績於提交董事會批准前，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，以及兩名獨立非執行董事分別為陳世杰先生及譚子勤先生組成。陳世杰先生任提名委員會主席。

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。年內，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。

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. TAM Tsz Kan, Mr. CHAN, Sai Kit Kevin and Mr. LIAO Cheung Tin, Stephen. Mr. TAM Tsz Kan, who possesses professional accounting qualifications and relevant accounting experience, is the Chairman of the Audit Committee.

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 relationship with the auditors of the Company. The Board has, through the Audit Committee, conducted regular reviews on the effectiveness of the internal control system of the Group during the year ended 31 March 2012 as well as connected transactions, the interim results for the six months ended 30 September 2011 and last year's annual results for the year ended 31 March 2011, and has reviewed with management the accounting principles and practices adopted by the Group and discussed the auditing, financial reporting matters and risk management systems of the Group.

The Group's final results for the year ended 31 March 2012 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, and two independent non-executive Directors, namely, Mr. CHAN, Sai Kit Kevin and Mr. TAM Tsz Kan. Mr. CHAN Sai Kit Kevin is the Chairman of the Nomination Committee.

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. During the year, the work of the Nomination Committee includes reviewing the structure, size and composition (including skills, knowledge and experience) of the Board, making recommendations to the Board regarding any proposed change and determining the policy for the nomination of Directors.

企業管治報告

CORPORATE GOVERNANCE REPORT

薪酬委員會

薪酬委員會由一名執行董事原偉強先生，以及兩名獨立非執行董事分別為陳世杰先生及譚子勤先生組成。陳世杰先生任薪酬委員會主席。

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。

薪酬委員會已於本年度考慮及檢討全體董事及高級管理人員的現有薪酬條款。薪酬委員會認為各董事及高級管理人員現行之薪酬條款公平合理。在達致其意見時，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、是否應該按表現釐訂薪酬以及董事會議決之企業目標及宗旨等，考慮及檢討本集團之薪酬政策。

本公司於二零零六年二月二十五日採納購股權計劃，其目的為肯定及承認合資格參與者（包括董事）對本集團業務發展所作出或可能作出之貢獻。有關購股權計劃之主要條款，請參閱財務報表附註31。

內部監控

本集團董事會及管理層維持本集團穩健妥善而且有效率的內部監控制度，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和規例。

REMUNERATION COMMITTEE

The Remuneration Committee comprises one executive Director, Mr. YUEN Wai Keung, and two independent non-executive Directors, namely, Mr. CHAN, Sai Kit Kevin and Mr. TAM Tsz Kan. Mr. CHAN, Sai Kit Kevin is the Chairman of the Remuneration Committee.

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 determine the remuneration package of the Directors and the senior management.

During the year, the Remuneration Committee has considered and reviewed the existing terms of remuneration of all the Directors and the senior management. The Remuneration Committee considered that the existing terms of remuneration of the Directors and the senior management were fair and reasonable. In forming its view, 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, desirability of performance-based remuneration and the Corporate goals and objectives resolved by the Board.

The Company adopted the share option scheme on 25 February 2006. Its purpose is to recognise and acknowledge the contributions that the eligible participants (including the Directors) have made or may make to the business development of the Group. Please refer to note 31 to the financial statements for the principal terms of the share option scheme.

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.

企業管治報告

CORPORATE GOVERNANCE REPORT

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。董事會已審閱本集團內部監控制度(包括財務經營、合規監控及風險管理功能)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，以改善本集團的內部監控政策、程序及常規。本集團將在獲得報告時檢討及採納該顧問的有關適用建議。

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。本公司網站處於不斷更新之中，為投資者及公眾提供有關本公司各個方面的最新資料。

股東權利

任何一位或以上於遞呈要求日期持有不少於本公司繳足股本(附有於本公司股東大會上投票之權利)十分之一之股東於任何時候有權透過向本公司董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明之任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而合理產生之所有開支應由本公司向要求人作出償付。任何為通過特別決議案而召開之股東特別大會須發出最少二十一個足日之通知，所有其他股東特別大會則發出最少十四個足日之通知後方可召開。

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. The Board has conducted a review of the effectiveness of the Group's internal control system, covering its financial operational, compliance control and risk management functions.

During the year, the Company has engaged an external professional adviser to review the effectiveness of its internal control system so as to enhance its internal control policies, procedures and practices. The Group will review and adopt relevant applicable recommendations of such adviser when the report is available.

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's website is updated continuously, providing up-to-date information regarding every aspect of the Company to investors and the public.

SHAREHOLDERS' RIGHTS

Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist himself may do so in the same manner, and all reasonable expenses incurred by the requisitionist as a result of the failure of the Board shall be reimbursed to the requisitionist by the Company. Any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by not less than twenty-one clear day's notice while all other extraordinary general meetings may be called by not less than fourteen clear days' notice.

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。在編製截至二零一二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39至40頁之「獨立核數師報告」一節內。

核數師薪酬

本公司核數師香港立信德豪會計師事務所有限公司已獲聘於截至二零一二年三月三十一日止年度向本集團提供審計服務。本公司於截至二零一二年三月三十一日止年度內就審計服務及非審計服務已付或應付香港立信德豪會計師事務所有限公司之費用分別約為1,440,000港元及99,000港元。非審計服務主要與稅務服務有關。

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 flows for the period. In preparing the accounts for the year ended 31 March 2012, 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 39 to 40 of this report.

AUDITORS' REMUNERATION

The auditors of the Company, BDO Limited, have been employed to provide audit services to the Group for the year ended 31 March 2012. The remuneration paid or payable to BDO Limited in respect of audit services and non-audit services for the year ended 31 March 2012 amounted to approximately HK\$1,440,000 and HK\$99,000 respectively. The non-audit services mainly related to taxation services.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT



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致蒙古投資集團有限公司全體股東
(於開曼群島註冊成立之有限公司)

To the shareholders of Mongolia Investment Group Limited
(incorporated in the Cayman Islands with limited liability)

本核數師(以下簡稱「我們」)已審計第41至第179頁所載蒙古投資集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,包括於二零一二年三月三十一日之綜合及公司財務狀況表、截至該日止年度之綜合收益表、綜合全面收益表、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註釋資料。

We have audited the consolidated financial statements of Mongolia Investment Group Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 41 to 179, which comprise the consolidated and company statements of financial position as at 31 March 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

董事就綜合財務報表須承擔的責任

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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》的披露規定編製真實公平之綜合財務報表,以及制訂其認為必要之內部控制措施,以使所編製之綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

核數師的責任

AUDITOR'S RESPONSIBILITY

我們的責任是根據我們的審計對該等綜合財務報表作出意見,並按照我們的委任條款僅向整體股東報告,除此之外本報告別無其他目的。我們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。

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

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。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綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編制綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對該公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，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 貴集團於二零一二年三月三十一日之財務狀況及 貴集團截至該日止年度之虧損及現金流量，並已按照香港《公司條例》之披露規定妥為編製。

香港立信德豪會計師事務所有限公司
執業會計師
招永祥
執業證書編號P04434

香港，二零一二年六月二十九日

BDO Limited
香港立信德豪會計師事務所有限公司

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 consolidated 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 2012 and of the Group's loss 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.

BDO Limited
Certified Public Accountants
Chiu Wing Cheung Ringo
Practising Certificate no. P04434

Hong Kong, 29 June 2012

綜合收益表

CONSOLIDATED INCOME STATEMENT

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

		附註 Notes	二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
收益	Revenue	5	935,574	874,961
收益成本	Cost of revenue		(904,228)	(828,423)
毛利	Gross profit		31,346	46,538
其他收入及收益	Other income and gains	5	34,875	38,511
行政開支	Administrative expenses		(90,651)	(76,595)
物業、廠房及 設備減值虧損	Impairment loss of property, plant and equipment	14	(40,432)	(1,776)
商譽減值虧損	Impairment loss of goodwill	17	–	(35,506)
採礦牌照減值虧損	Impairment loss of mining licences	18	(1,646,083)	(353,399)
經營虧損	Operating loss	7	(1,710,945)	(382,227)
融資成本	Finance costs	8	(88,145)	(76,158)
扣除所得稅前虧損	Loss before income tax		(1,799,090)	(458,385)
所得稅抵免	Income tax credit	9	411,044	87,799
本年度虧損	Loss for the year		(1,388,046)	(370,586)
分配於：	Attributable to:			
本公司權益持有人	Owners of the Company	10	(1,387,784)	(369,890)
非控制性權益	Non-controlling interests		(262)	(696)
			(1,388,046)	(370,586)
每股虧損	Loss per share	12	港仙 HK cents	港仙 HK cents
– 基本及攤薄	– Basic and diluted		(15.223)	(6.676)

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
本年度虧損	Loss for the year	(1,388,046)	(370,586)
其他全面收益	Other comprehensive income		
換算海外業務所產生之 匯兌差額	Exchange difference arising from translation of overseas operations	(137,079)	243,724
本年度其他全面收益	Other comprehensive income for the year	(137,079)	243,724
本年度全面收益總額	Total comprehensive income for the year	(1,525,125)	(126,862)
分配於：	Attributable to:		
本公司權益持有人	Owners of the Company	(1,524,970)	(126,204)
非控制性權益	Non-controlling interests	(155)	(658)
		(1,525,125)	(126,862)

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一二年三月三十一日 As at 31 March 2012

			二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
		附註 Notes		
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	14	78,725	112,425
預付土地租賃款項	Prepaid land lease payments	15	351	630
商譽	Goodwill	17	–	–
採礦牌照	Mining licences	18	542,912	2,377,648
勘探及評估資產	Exploration and evaluation assets	19	28,261	28,139
預付款項及按金	Prepayments and deposits	20	–	4,038
衍生財務資產	Derivative financial asset			
– 可換股票據之 衍生工具部份	– Derivative Component of the Convertible Note	27(d)	63,734	80,342
			713,983	2,603,222
流動資產	Current assets			
存貨	Inventories	21	53,339	58,976
應收客戶合約工程款項	Amounts due from customers of contract works	22	227,316	238,124
貿易及其他應收款項、 預付款項及按金	Trade and other receivables, prepayments and deposits	23	102,117	100,466
可收回稅項	Tax recoverable		1,696	–
已抵押銀行存款	Pledged bank deposits	24	24,417	32,501
銀行結存及現金	Cash at banks and in hand	25	311,000	290,666
			719,885	720,733
流動負債	Current liabilities			
貿易及其他應付款項	Trade and other payables	26	98,166	75,529
應付稅項	Tax payable		9	117
借貸	Borrowings	27	83,031	138,004
			181,206	213,650
流動資產淨值	Net current assets		538,679	507,083
總資產減流動負債	Total assets less current liabilities		1,252,662	3,110,305

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一二年三月三十一日 As at 31 March 2012

			二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
		附註 Notes		
非流動負債	Non-current liabilities			
借貸	Borrowings	27	763,470	811,605
政府補助	Government subsidies	28	7,008	7,740
遞延稅項負債	Deferred tax liabilities	29	141,260	599,976
			911,738	1,419,321
資產淨值	Net assets		340,924	1,690,984
權益	EQUITY			
股本	Share capital	30	459,899	356,399
儲備	Reserves	32	(118,424)	1,334,981
本公司權益持有人 應佔權益	Equity attributable to owners of the Company		341,475	1,691,380
非控制性權益	Non-controlling interests		(551)	(396)
總權益	Total equity		340,924	1,690,984

董事
Director
原偉強
YUEN Wai Keung

董事
Director
梁仲德
LEUNG, Chung Tak Barry

財務狀況表

STATEMENT OF FINANCIAL POSITION

於二零一二年三月三十一日 As at 31 March 2012

	附註 Notes	二零一二年 2012 千港元 HK\$'000	二零一一年 2011 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	16	562,310	1,946,680
衍生財務資產			
– 可換股票據之 衍生工具部份	27(d)	63,734	80,342
		626,044	2,027,022
流動資產			
Current assets			
預付款項及其他應收款項		780	796
應收附屬公司款項	16	472,377	424,410
銀行結存及現金	25	136	126
		473,293	425,332
流動負債			
Current liabilities			
其他應付款項及應計費用		247	288
應付附屬公司款項	16	6,757	6,757
		7,004	7,045
流動資產淨值		466,289	418,287
Net current assets			
總資產減流動負債		1,092,333	2,445,309
Total assets less current liabilities			
非流動負債			
Non-current liabilities			
借貸	27	763,470	811,592
		763,470	811,592
資產淨值		328,863	1,633,717
Net assets			
權益			
EQUITY			
股本	30	459,899	356,399
儲備	32	(131,036)	1,277,318
總權益		328,863	1,633,717
Total equity			

董事

Director

原偉強

YUEN Wai Keung

董事

Director

梁仲德

LEUNG, Chung Tak Barry

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

		本公司權益持有人應佔權益 Equity attributable to owners of the Company										
		股本	股份溢價*	合併儲備*	購股權儲備*	資本贖回儲備*	匯兌儲備*	可換股票據權益儲備*	保留溢利 / (累計虧損)*	合計	非控制性權益	總權益
		Share capital	Share premium*	Merger reserve*	Share option reserve*	Capital redemption reserve*	Translation reserve*	Convertible note equity reserve*	(Accumulated profits/ losses)*	Total	Non-controlling interests	Total equity
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
於二零一零年四月一日	At 1 April 2010	41,294	213,742	13,805	3,132	6,629	575	-	84,829	364,006	262	364,268
本年度虧損	Loss for the year	-	-	-	-	-	-	-	(369,890)	(369,890)	(696)	(370,586)
其他全面收益：	Other comprehensive income:											
換算海外業務所產生之匯兌差額	Exchange difference arising from translation of overseas operations	-	-	-	-	-	243,686	-	-	243,686	38	243,724
本年度全面收益總額	Total comprehensive income for the year	-	-	-	-	-	243,686	-	(369,890)	(126,204)	(658)	(126,862)
發行配售股份(附註30(b))	Shares issued under placing (note 30(b))	190,000	266,000	-	-	-	-	-	-	456,000	-	456,000
股份發行開支(附註30(b))	Share issue expenses (note 30(b))	-	(4,560)	-	-	-	-	-	-	(4,560)	-	(4,560)
發行代價股份(附註30(c))	Issue of Consideration Shares (note 30(c))	98,500	334,900	-	-	-	-	-	-	433,400	-	433,400
本年度授出之購股權(附註31)	Share options granted in current year (note 31)	-	-	-	14,711	-	-	-	-	14,711	-	14,711
因行使購股權而發行之股份	Shares issued upon exercise of share options	105	1,006	-	(302)	-	-	-	-	809	-	809
發行可換股票據(附註27(d))	Issue of Convertible Note (note 27(d))	-	-	-	-	-	-	494,565	-	494,565	-	494,565
兌換可換股票據(附註27(d)(ii)及30(d))	Conversion of Convertible Note (notes 27(d)(ii) & 30(d))	26,500	92,594	-	-	-	-	(60,441)	-	58,653	-	58,653
與權益持有人之交易	Transactions with owners	315,105	689,940	-	14,409	-	-	434,124	-	1,453,578	-	1,453,578
沒收已歸屬之購股權(附註31)	Vested share options forfeited (note 31)	-	-	-	(79)	-	-	-	79	-	-	-
於二零一一年三月三十一日及二零一一年四月一日	At 31 March 2011 and 1 April 2011	356,399	903,682	13,805	17,462	6,629	244,261	434,124	(284,982)	1,691,380	(396)	1,690,984
本年度虧損	Loss for the year	-	-	-	-	-	-	-	(1,387,784)	(1,387,784)	(262)	(1,388,046)
其他全面收益：	Other comprehensive income:											
換算海外業務所產生之匯兌差額	Exchange difference arising from translation of overseas operations	-	-	-	-	-	(137,186)	-	-	(137,186)	107	(137,079)
本年度全面收益總額	Total comprehensive income for the year	-	-	-	-	-	(137,186)	-	(1,387,784)	(1,524,970)	(155)	(1,525,125)
發行配售股份(附註30(b))	Shares issued under placing (note 30(b))	66,000	22,440	-	-	-	-	-	-	88,440	-	88,440
股份發行開支(附註30(b))	Share issue expenses (note 30(b))	-	(1,776)	-	-	-	-	-	-	(1,776)	-	(1,776)
以股份支付之補償(附註31)	Share-based compensation (note 31)	-	-	-	4,710	-	-	-	-	4,710	-	4,710
兌換可換股票據(附註27(d)(ii)及30(d))	Conversion of Convertible Note (notes 27(d)(ii) & 30(d))	37,500	131,720	-	-	-	-	(85,529)	-	83,691	-	83,691
與權益持有人之交易	Transactions with owners	103,500	152,384	-	4,710	-	-	(85,529)	-	175,065	-	175,065
沒收已歸屬之購股權(附註31)	Vested share options forfeited (note 31)	-	-	-	(1,113)	-	-	-	1,113	-	-	-
於二零一二年三月三十一日	At 31 March 2012	459,899	1,056,066	13,805	21,059	6,629	107,075	348,595	(1,671,653)	341,475	(551)	340,924

* 該等結餘之總額即綜合財務狀況表內之儲備。

* The total of these balances represents reserves in the consolidated statement of financial position.

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
經營活動之現金流量	Cash flows from operating activities		
扣除所得稅前虧損	Loss before income tax	(1,799,090)	(458,385)
調整：	Adjustments for:		
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	241	279
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	12,329	11,217
利息收入	Interest income	(285)	(2,067)
融資成本	Finance costs	88,145	76,158
可換股票據衍生工具 部份之公允值變動	Fair value change on the Derivative Component of the Convertible Note	780	(22,821)
延長承兌票據產生之收益	Gain arising from extension of the Promissory Note	(34,497)	–
物業、廠房及 設備減值虧損	Impairment loss of property, plant and equipment	40,432	1,776
商譽減值虧損	Impairment loss of goodwill	–	35,506
採礦牌照減值虧損	Impairment loss of mining licences	1,646,083	353,399
預付款項減值虧損	Impairment loss of prepayment	3,738	–
存貨減值	Impairment of inventories	6,310	–
匯兌虧損／(收益)	Exchange loss/(gain)	12,200	(13,358)
出售物業、廠房及 設備之虧損	Loss on disposal of property, plant and equipment	1,686	2,561
以權益結算並以股份 支付之補償	Equity-settled share-based compensation	4,710	14,711
未計營運資金變動前之 經營虧損	Operating loss before working capital changes	(17,218)	(1,024)
存貨增加	Increase in inventories	(673)	(34,481)
應收／應付客戶合約 工程款項變動淨額	Change in net amounts due from/to customers of contract works	10,808	(9,413)
貿易及其他應收款項、 預付款項及按金 (包括應收保留款項) (增加)／減少	(Increase)/Decrease in trade and other receivables, prepayments and deposits (including retention receivables)	(4,374)	34,712
貿易及其他應付款項 增加／(減少)	Increase/(Decrease) in trade and other payables	22,637	(18,822)
經營業務所產生／(動用) 之現金	Cash generated from/(used in) operations	11,180	(29,028)
銀行貸款及透支以及 其他貸款之已付利息	Interest paid on bank loans and overdraft and other loans	(2,239)	(2,692)
融資租賃之利息部份	Interest element of finance leases	(12)	(28)
已收利息	Interest received	285	2,067
(已付)／已退所得稅 香港利得稅	Income tax (paid)/refunded Hong Kong profits tax	(2,281)	1,311
經營活動所產生／(動用) 之現金淨額	Net cash generated from/(used in) operating activities	6,933	(28,370)

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
投資活動之現金流量	Cash flows from investing activities		
已抵押銀行存款減少	Decrease in pledged bank deposits	8,084	2,819
購買物業、廠房及 設備所付款項	Payments to acquire property, plant and equipment	(22,329)	(41,301)
添置採礦牌照	Addition to mining licences	(274)	(50)
添置勘探及評估資產	Addition to exploration and evaluation assets	(3,118)	(12,409)
支付土地租賃款項	Payments for land lease	(3)	(189)
出售物業、廠房及 設備所得款項	Proceeds from disposal of property, plant and equipment	298	521
業務合併現金流出淨額 (附註33)	Net cash outflow on business combination (note 33)	-	(197,215)
投資活動所動用之現金淨額	Net cash used in investing activities	(17,342)	(247,824)
融資活動之現金流量	Cash flows from financing activities		
發行股份所得款項	Proceeds from issuance of shares	88,440	456,809
股份發行開支	Share issue expense	(1,776)	(4,560)
新借銀行借貸	New bank borrowings raised	82,018	122,277
償還銀行借貸	Repayment of bank borrowings	(136,645)	(95,203)
融資租賃之資本部份	Capital element of finance leases	(359)	(606)
融資活動所產生之現金淨額	Net cash generated from financing activities	31,678	478,717
現金及現金等價物增加淨額	Net increase in cash and cash equivalents	21,269	202,523
財政年度初之現金及 現金等價物	Cash and cash equivalents at beginning of financial year	290,666	87,552
現金及現金等價物匯兌差額	Exchange differences on cash and cash equivalents	(935)	591
財政年度末之現金及 現金等價物	Cash and cash equivalents at end of financial year	311,000	290,666
現金及現金等價物之分析	Analysis of cash and cash equivalents		
銀行結存及現金	Cash at banks and in hand	311,000	290,666

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

1. 一般資料

蒙古投資集團有限公司(「本公司」)於二零零四年五月二十五日於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)主板上市。其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」)主要從事向香港公營機構提供有關水務工程、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，在中國內地從事供水服務，在澳門從事裝修服務，及於蒙古國從事礦產資源開採及勘探業務。

於二零一零年六月十七日(「收購日期」)，本集團已完成收購蒙古投資集團有限公司(前稱Well Delight Holdings Limited)(「Mongolia Investment BVI」)之全部已發行股本，代價為約1,937,500,000港元(「收購事項」)。代價已(i)以現金支付200,000,000港元；(ii)以發行本金額為350,000,000港元之承兌票據(「承兌票據」)支付350,000,000港元；(iii)以按發行價每股0.22港元發行本公司1,970,000,000股新股份(「代價股份」)支付433,400,000港元；及(iv)以發行本金額為954,100,000港元之可換股票據(「可換股票據」)支付954,100,000港元。Mongolia Investment BVI於若干蒙古公司擁有股權，而該等公司主要於蒙古國從事採礦及勘探業務。Mongolia Investment BVI之間接全資附屬公司Tugrugnuuriin Energy LLC(「TNE」)主要從事採礦業務(「TNE礦場」)。目前，TNE持有位於蒙古國Tur盟Bayan蘇木的行政單位內的Tugrug Valley一個煤礦的四項採礦牌照(附註18)。Mongolia Investment BVI之間接全資附屬公司Central Asia Mineral Exploration LLC(「Camex LLC」)及Kores Mongolia LLC(「Kores」)主要於蒙古國從事礦產資源勘探業務。目前，Camex LLC及Kores持有蒙古國含有黃金、銅及煤蘊藏量之若干區域的七項勘探牌照(附註19)。有關收購事項之進一步詳情於附註33披露。

截至二零一二年三月三十一日止年度之財務報表已於二零一二年六月二十九日由董事會批准刊發。

1. GENERAL INFORMATION

Mongolia Investment Group 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, the provision of water supply services in Mainland China, provision of renovation services in Macau as well as mining and exploration of mineral resources in Mongolia.

On 17 June 2010 (the “Acquisition Date”), the Group completed the acquisition of the entire issued share capital of Mongolia Investment Group Limited (formerly known as Well Delight Holdings Limited) (“Mongolia Investment BVI”) for a consideration of approximately HK\$1,937.5 million (the “Acquisition”). The consideration was satisfied as to (i) HK\$200 million by cash; (ii) HK\$350 million by issuing a promissory note in principal amount of HK\$350 million (the “Promissory Note”); (iii) HK\$433.4 million by issuing 1,970 million new shares of the Company at an issue price of HK\$0.22 per share (the “Consideration Shares”) and (iv) HK\$954.1 million by issuing a convertible note in principal amount of HK\$954.1 million (the “Convertible Note”). Mongolia Investment BVI has equity interests in certain Mongolian companies which are principally engaged in mining and exploration activities in Mongolia. Tugrugnuuriin Energy LLC (“TNE”), an indirect wholly-owned subsidiary of Mongolia Investment BVI, is principally engaged in mining business (the “TNE Mine”). TNE currently holds four mining licences for a coal mine located in Tugrug Valley within the administrative unit of Bayan Soum of Tur Aimag in Mongolia (note 18). Central Asia Mineral Exploration LLC (“Camex LLC”) and Kores Mongolia LLC (“Kores”), indirect wholly-owned subsidiaries of Mongolia Investment BVI, are principally engaged in exploration of mineral resources in Mongolia. Camex LLC and Kores currently hold seven exploration licences for gold, copper and coal deposits in certain area of Mongolia (note 19). Further details about the Acquisition are disclosed in note 33.

The financial statements for the year ended 31 March 2012 were approved for issue by the board of directors on 29 June 2012.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

2. 採納香港財務報告準則 （「香港財務報告準則」）

2.1 採納新訂／經修訂之香港財務報告準則－於二零一一年四月一日生效

本年度，本集團已首次採納下列香港會計師公會所頒佈之新訂準則、修訂本及詮釋，該等新訂準則、修訂本及詮釋對本集團於二零一一年四月一日開始之年度期間之財務報表適用及生效：

香港財務報告準則 (修訂本)	二零一零年香港財務 報告準則之改進
香港財務報告準則 第3號(經修訂)	業務合併
香港財務報告準則 第7號(修訂本)	披露－金融資產轉讓
香港會計準則 第24號(經修訂)	關連人士披露

香港財務報告準則第3號(修訂本)－業務合併

作為於二零一零年頒佈之香港財務報告準則之改進的一部份，香港財務報告準則第3號已作出修訂，以澄清按公平值或按非控股權益（「非控股權益」）在被收購方可識別資產淨值中已確認款項之所佔比例份額計量非控股權益的選擇，限制為現時擁有權益的工具，並賦予其持有人權利，於清盤時按比例分佔被收購方之資產淨值。除非香港財務報告準則規定須採用其他計量基準，否則非控股權益之其他組成部份均以收購日期之公平值計量。本集團已修訂其有關計量非控股權益之會計政策，但由於本集團於本年度並無任何業務收購，採納有關修訂本對本集團之財務報表並無影響。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

2.1 Adoption of new/revised HKFRSs – effective 1 April 2011

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 April 2011:

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendments)	Disclosure – Transfers of Financial Assets
HKAS 24 (Revised)	Related Party Disclosures

HKFRS 3 (Revised) – Business Combinations

As part of the Improvements to HKFRSs issued in 2010, HKFRS 3 has been amended to clarify that the option to measure non-controlling interests (“**NCI**”) at either fair value or the NCI’s proportionate share in the recognised amounts of the acquiree’s identifiable net assets is limited to instruments that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation. Other components of NCI are measured at their acquisition date fair value unless another measurement basis is required by HKFRSs. The Group has amended its accounting policies for measuring NCI but the adoption of the amendment has had no impact on the Group’s financial statements as the Group did not have any business acquisition in current year.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

2. 採納香港財務報告準則 （「香港財務報告準則」）

（續）

2.1 採納新訂／經修訂之香港財務報告準則－於二零一一年四月一日生效

（續）

香港財務報告準則第7號 （修訂本）－披露－金融資產轉讓

作為於二零一零年頒佈之香港財務報告準則之改進的一部份，香港財務報告準則第7號已修訂以強調定量及定性披露之間的互相作用。倘財務資產的賬面值最能代表面臨的最高信貸風險，該準則不要求於財務報表內對該影響作正面陳述。該項經修訂披露規定已獲追溯應用。於二零一二年及二零一一年三月三十一日，本集團貿易應收款項之賬面值代表本集團就該等財務資產所承受之最高信貸風險。上一年度財務報表包括對該影響的正面陳述，其已於二零一二年財務報表內刪除以遵循該等修訂。採納該等修訂對本集團於任何呈列期間所申報之損益、全面收益或權益總額概無影響。

香港會計準則第24號（經修訂）－ 關連人士披露

香港會計準則第24號（經修訂）修訂對關連人士的定義並釐清其涵義。有關修訂可能會造成被識別為報告實體的關連人士的該等人士出現變更。本集團已就與本集團聯營公司的附屬公司進行的交易（不包括與受本集團主要管理人員重大影響的實體進行的交易）根據相關的經修訂釋義，重新評估其關連人士之識別。採納香港會計準則第24號（經修訂）對本集團於任何呈列期間所申報之損益、全面收益或權益總額概無影響。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 April 2011 (Continued)

HKFRS 7 (Amendments) – Disclosure – Transfers of Financial Assets

As part of the Improvements to HKFRSs issued in 2010, HKFRS 7 has been amended to enhance the interaction between quantitative and qualitative disclosures. If the carrying amount of a financial asset best represents the maximum exposure to credit risk, the standard does not require a positive statement to this effect in the financial statements. This amended disclosure requirement has been applied retrospectively. The carrying amount of the Group's trade receivables represents the Group's maximum exposure to credit risk in respect of these financial assets as at 31 March 2012 and 2011. The prior year financial statements included a positive statement to this effect which is removed in the 2012 financial statements following the amendments. The adoption of the amendments has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) – Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has reassessed the identification of its related parties in accordance with the revised definition in relation to the transactions with subsidiaries of the Group's associates and to exclude transactions with an entity which was significantly influenced by a member of the Group's key management personnel. The adoption of HKAS 24 (Revised) has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

2. 採納香港財務報告準則 （「香港財務報告準則」）

（續）

2.1 採納新訂／經修訂之香港財務報告準則－於二零一一年四月一日生效

（續）

香港會計準則第24號（經修訂）－ 關連人士披露（續）

香港會計準則第24號（經修訂）亦引進適用於關連人士交易的簡化披露規定，當中本集團與對手方受政府、政府機關或類似法團的共同控制、聯合控制或重大影響。由於本集團並非政府關連實體，故該等新披露與本集團並不相關。

2.2 已頒佈但未生效之新訂／經修訂香港財務報告準則

本集團並無提前採納下列已頒佈但尚未生效且與本集團之財務報表潛在相關之新訂／經修訂香港財務報告準則。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 April 2011 (Continued)

HKAS 24 (Revised) – Related Party Disclosures (Continued)

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

2.2 New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

2. 採納香港財務報告準則 （「香港財務報告準則」）

（續）

2.2 已頒佈但未生效之新訂 ／經修訂香港財務報告 準則（續）

香港財務報告準則 第7號之修訂	披露 — 財務資產轉讓 ¹
香港財務報告準則 第7號之修訂	披露 — 抵銷財務資產及 財務負債 ⁴
香港會計準則 第1號之修訂 （經修訂）	呈列其他全面收益項目 ²
香港會計準則 第32號之修訂	呈列 — 抵銷財務資產及 財務負債 ⁴
香港財務報告準則 第9號及香港財務 報告準則第9號 之修訂	金融工具 ⁵
香港財務報告準則 第10號	綜合財務報表 ³
香港財務報告準則 第11號	合營安排 ³
香港財務報告準則 第12號	披露於其他實體之權益 ³
香港財務報告準則 第13號	公允價值計量 ³
香港會計準則 第19號 （二零一一年）	僱員福利 ³
香港會計準則 第27號 （二零一一年）	獨立財務報表 ³
香港會計準則 第28號 （二零一一年）	於聯營公司及合營企 業之投資 ³
香港（國際財務報告 詮釋委員會） — 詮釋第20號	露天礦場生產階段之 剝採成本 ³
二零零九年 至二零一一年週期 之年度改進	多項香港財務報告準則之 修訂，載入於 二零一二年六月頒佈之 二零零九年 至二零一一年週期之 年度改進 ³

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets ¹
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ⁴
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income ²
Amendments to HKAS 32	Presentation – Offsetting Financial Assets and Financial Liabilities ⁴
HKFRS 9 and Amendments to HKFRS 9	Financial Instruments ⁵
HKFRS 10	Consolidated Financial Statements ³
HKFRS 11	Joint Arrangements ³
HKFRS 12	Disclosure of Interests in Other Entities ³
HKFRS 13	Fair Value Measurement ³
HKAS 19 (2011)	Employee Benefits ³
HKAS 27 (2011)	Separate Financial Statements ³
HKAS 28 (2011)	Investments in Associates and Joint Ventures ³
HK(IFRIC) – Interpretation 20	Stripping Costs of the Production Phase of a Surface Mine ³
Annual Improvements 2009-2011 Cycle	Amendments to a Number of HKFRSs Contained in Annual Improvements 2009-2011 Cycle Issued in June 2012 ³

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

2. 採納香港財務報告準則 （「香港財務報告準則」）

（續）

2.2 已頒佈但未生效之新訂 ／經修訂香港財務報告 準則（續）

- 1 於二零一一年七月一日或之後開始之年度期間生效
- 2 於二零一二年七月一日或之後開始之年度期間生效
- 3 於二零一三年一月一日或之後開始之年度期間生效
- 4 於二零一四年一月一日或之後開始之年度期間生效
- 5 於二零一五年一月一日或之後開始之年度期間生效

香港財務報告準則第7號之 修訂－披露－財務資產轉 讓

香港財務報告準則第7號之修訂改進財務資產轉讓交易之解除確認披露規定，令財務報表之使用者更能掌握於實體留存之任何風險對所轉讓資產可能構成之影響。修訂亦規定須就報告期末前後曾出現不合比例之轉讓交易作出額外披露。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)

- 1 Effective for annual periods beginning on or after 1 July 2011
- 2 Effective for annual periods beginning on or after 1 July 2012
- 3 Effective for annual periods beginning on or after 1 January 2013
- 4 Effective for annual periods beginning on or after 1 January 2014
- 5 Effective for annual periods beginning on or after 1 January 2015

Amendments to HKFRS 7 – Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 improve the derecognition disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

2. 採納香港財務報告準則 （「香港財務報告準則」）

（續）

2.2 已頒佈但未生效之新訂 ／經修訂香港財務報告 準則（續）

香港會計準則第1號之修訂 （經修訂）－呈列其他全面 收益項目

香港會計準則第1號之修訂（經修訂）規定本集團將呈列於其他全面收益之項目分為該等可能於日後重新分類至損益之項目（如可供出售財務資產之重新估值）及該等未必會重新分類至損益之項目（如物業、廠房及設備之重新估值）。就其他全面收益項目繳納的稅項會按相同基準進行分配及披露。該等修訂將追溯應用。

香港財務報告準則第9號－ 金融工具

二零零九年十一月頒佈的香港財務報告準則第9號為完全取代香港會計準則第39號金融工具：確認及計量的全面計劃的第一階段的第一部份。該階段重點為財務資產的分類及計量。財務資產不再分為四類，而應根據實體管理財務資產的業務模式及財務資產合同現金流量特徵，分類為於後續期間按攤銷成本或公允值計量。此舉旨在改進和簡化香港會計準則第39號規定的財務資產分類與計量方式。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 – Financial Instruments

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 Financial Instruments: Recognition and Measurement. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

2. 採納香港財務報告準則 （「香港財務報告準則」）

（續）

2.2 已頒佈但未生效之新訂 ／經修訂香港財務報告 準則（續）

香港財務報告準則第9號－ 金融工具（續）

於二零一零年十一月，香港會計師公會就財務負債頒佈香港財務報告準則第9號之新增規定（「**新增規定**」），並將香港會計準則第39號金融工具之現有取消確認原則納入香港財務報告準則第9號內。大部份新增規定沿用香港會計準則第39號，變更為指定按公允值計入損益之財務負債之計量將透過公允值選擇（「**公允值選擇**」）計算。就該等公允值選擇負債而言，由信貸風險變動而產生的負債公允值變動金額，必須於其他全面收益（「**其他全面收益**」）中呈列。除非於其他全面收益中就負債之信貸風險呈列公允值變動，會於損益中產生或擴大會計差異，否則其餘公允值變動金額於損益呈列。然而，新增規定並不涵蓋指定按公允值選擇納入之貸款承諾及財務擔保合約。

香港財務報告準則第9號旨在全面取代香港會計準則第39號。於全面取代前，香港會計準則第39號於對沖會計及財務資產之減值方面的指引繼續適用。本集團預期自二零一五年一月一日起採納香港財務報告準則第9號。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 9 – Financial Instruments (Continued)

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the “**Additions**”) and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option (“**FVO**”). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income (“**OCI**”). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability’s credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January 2015.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

2. 採納香港財務報告準則 （「香港財務報告準則」）

（續）

2.2 已頒佈但未生效之新訂 ／經修訂香港財務報告 準則（續）

香港財務報告準則第10號 －綜合財務報表

香港財務報告準則第10號就綜合計算所有被投資實體引入單一控股權模式。當投資者有權控制被投資方（不論實際上有否行使該權力）、對來自被投資方之浮動回報享有之承擔或權利，以及能運用對被投資方之權力以影響該等回報時，投資者即擁有控制權。香港財務報告準則第10號載有評估控制權之詳細指引。例如，該準則引入「實際」控制權之概念，倘相對其他個人股東之表決權益之數量及分散情況，投資者之表決權益數量足以佔優，使其獲得對被投資方之權力，持有被投資方表決權少於50%之投資者仍可控制被投資方。潛在表決權（即持有人有實際能力可行使該等表決權）僅在實質存在時，方會在分析控制權時考慮。該準則明確要求評估具有決策權之投資者是以委託人或代理人身份行事，以及具有決策權之其他各方是否以投資者之代理人身份行事。代理人乃獲委聘以代表另一方及為另一方之利益行事，故在其行使其決策權時並不控制被投資方。實施香港財務報告準則第10號可能導致該等被視為受本集團控制並因此在財務報表中綜合入賬之實體出現變動。現行香港會計準則第27號有關其他綜合計算相關事項之會計規定貫徹不變。香港財務報告準則第10號獲追溯應用，惟須受限於若干過渡性條文。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of “de facto” control where an investor can control an investee while holding less than 50% of the investee’s voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

2. 採納香港財務報告準則 （「香港財務報告準則」）

（續）

2.2 已頒佈但未生效之新訂 ／經修訂香港財務報告 準則（續）

香港財務報告準則第12號 －披露於其他實體之權益

香港財務報告準則第12號整合有關於附屬公司、聯營公司及合營安排之權益之披露規定，並使有關規定貫徹一致。該準則亦引入新披露規定，包括有關非綜合計算結構實體之披露規定。該準則之一般目標是令財務報表使用者可評估呈報實體於其他實體之權益之性質及風險，以及該等權益對呈報實體之財務報表之影響。

香港財務報告準則第13號 －公允值計量

香港財務報告準則第13號提供有關如何在其他準則要求或准許時計量公允值之單一指引來源。該準則適用於按公允值計量之金融項目及非金融項目，並引入公允值計量等級。此計量等級中三個層級之定義一般與香港財務報告準則第7號「金融工具：披露」一致。香港財務報告準則第13號將公允值界定為在市場參與者於計量日期進行之有序交易中出售資產所收取或轉讓負債所支付之價格（即平倉價）。該準則撤銷以買入價及賣出價釐定於交投活躍市場掛牌之財務資產及負債之規定，而應採用買賣差價中在該等情況下最能代表公允值之價格。該準則亦載有詳細之披露規定，使財務報表使用者可評估計量公允值所採用之方法及輸入數據，以及公允值計量對財務報表之影響。香港財務報告準則第13號可提早採用，現按未來適用基準應用。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 12 – Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 “Financial Instruments: Disclosures”. HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

2. 採納香港財務報告準則 （「香港財務報告準則」）

（續）

2.2 已頒佈但未生效之新訂 ／經修訂香港財務報告 準則（續）

香港（國際財務報告詮釋委員會）詮釋第20號－露天礦場生產階段之剝採成本

露天礦場生產階段之剝採活動可產生兩種利益：可用於生產存貨之可用礦及方便取得於未來期間將予開採之更多物料。該詮釋規定剝採活動之成本須根據香港會計準則第2號存貨之原則入賬，致使剝採活動之利益以所生產存貨之方式實現。以取得更多礦之方式提供利益之剝採活動之成本，於符合若干條件後確認為非經常性剝採活動資產。該資產將計入為現有資產之添置或改良，並根據構成現有資產之一部份之性質分類為有形或無形資產。剝採活動資產初始按成本計量，其後以相同方式計入為構成現有資產之一部份，其以有系統之基準按因剝採活動而更方便取得之礦體的組成部份之預計可使用年期折舊或攤銷。該詮釋已應用於所呈列最早期間開始後產生之生產剝採成本。過往剝採活動資產之結餘已根據詮釋內之條件重新分類為現有資產之一部份。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)

HK (IFRIC) Interpretation 20 – Stripping
Costs in the Production Phase of a
Surface Mine

Stripping activities carried out in the production phase of a surface mine may give rise to two benefits: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. The Interpretation requires that costs of stripping activity are accounted for in accordance with the principles in HKAS 2 Inventories to the extent that the benefit from stripping activity is realised in the form of inventory produced. The costs of stripping activity that provide a benefit in the form of improved access to ore are recognised as a non-current stripping activity asset when certain criteria are met. This asset will be accounted for as an addition or enhancement to an existing asset and is classified as tangible or intangible according to the nature of the existing asset of which it forms part. The stripping activity asset is measured initially at cost and subsequently in the same way as the existing asset of which it forms part. It is depreciated or amortised on a systematic basis over the expected useful life of the component of the ore body that becomes more accessible as a result of the stripping activity. The interpretation is applied to production stripping costs incurred after the beginning of the earliest period presented. Predecessor stripping activity asset balance is reclassified as a part of an existing asset subject to the conditions in the Interpretation.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

2. 採納香港財務報告準則 （「香港財務報告準則」）

（續）

2.2 已頒佈但未生效之新訂 ／經修訂香港財務報告 準則（續）

二零零九年至二零一一年
週期之年度改進

二零零九年至二零一一年週期之年度改進載有香港財務報告準則之多項修訂（包括香港財務報告準則第1號、香港會計準則第1號、香港會計準則第16號、香港會計準則第32號及香港會計準則第34號），其頒佈乃為回應國際會計標準委員會年度改進項目，對國際財務報告準則作出必要但非急切之修訂，而有關修訂將不會收納為另一主要項目之部份。本集團預期自二零一三年四月一日起採納該等修訂。

除上文所披露之主要變動外，本集團正在評估該等新訂／經修訂香港財務報告準則之潛在影響，而董事尚未能夠量化其對本集團財務報表之影響。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)

Annual Improvements 2009-2011 Cycle

Annual Improvements 2009-2011 Cycle sets out a collection of amendments to HKFRSs (including HKFRS 1, HKAS 1, HKAS 16, HKAS 32 and HKAS 34) which is issued in response to the International Accounting Standards Board’s (IASB) annual improvements project to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project. The Group expects to adopt the amendments from 1 April 2013.

Save as the main changes described above, the Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors are not yet in a position to quantify the effects on the Group’s financial statements.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

3. 主要會計政策摘要

編製本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。

3.1 編製基礎

第41至179頁所載財務報表乃根據香港會計師公會頒佈之香港財務報告準則(包括所有適用之香港財務報告準則、香港會計準則及詮釋)及香港公司條例之適用披露規定而編製。財務報表亦符合聯交所證券上市規則之適用披露規定。

除若干衍生金融工具以公允值列賬之外，該等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，編製該等財務報表時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了解及判斷而作出，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。

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.

3.1 Basis of preparation

The financial statements on pages 41 to 179 have been prepared in accordance with HKFRSs (including all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and the applicable disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

These financial statements have been prepared under the historical cost convention except for certain derivative financial instruments which are stated at fair values. 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".

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

3. 主要會計政策摘要 (續)

3.2 綜合基礎

綜合財務報表包括本公司及其附屬公司截至每年三月三十一日之財務報表。

附屬公司於其控制權轉移至本集團時綜合入賬，當不再有控制權時則取消綜合入賬。年內所收購或出售附屬公司之業績乃自收購生效日期起或截至出售生效日期止(按適當情況)綜合入賬。

集團公司間交易、結餘及未變現交易盈虧於編製綜合財務報表時予以撇銷。當集團內資產出售之未變現虧損於綜合入賬時撥回，則相關資產亦自本集團之角度進行減值測試。附屬公司財務報表呈報之金額於適當時予以調整，以確保符合本集團採納之會計政策。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The results of the subsidiaries acquired or disposed of during the year are consolidated from the effective date of acquisition or up to the effective date of the disposal, as appropriate.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

3. 主要會計政策摘要 (續)

3.2 綜合基礎 (續)

收購附屬公司或業務乃以收購法入賬。收購成本按本集團(作為收購方)所轉移之資產、產生之負債及發行之股權於收購日期之公允值總額計量。所收購之可識別資產及承擔之可識別負債主要按收購日期之公允值計量。本集團先前持有被收購方之股權按收購日期之公允值重新計量，所產生之盈虧於損益確認。本集團可按每宗交易選擇按公允值或按應佔被收購方可識別淨資產之比例計量非控制性權益。所產生之收購相關成本一概列作開支。

收購方將予轉移之任何或然代價均按收購日期之公允值計量。倘其後對代價作出調整，僅於調整乃由於計量期間(最長為收購日期起計12個月)內所取得有關於收購日期之公允值之新資料而作出時，方通過商譽確認。分類為資產或負債之或然代價之所有其他其後調整均於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation (Continued)

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interest either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

3. 主要會計政策摘要 (續)

3.2 綜合基礎 (續)

本集團於附屬公司之權益變動，倘並無導致失去控制權，則列作權益交易入賬。本集團之權益與非控制性權益之賬面值均予以調整，以反映彼等於附屬公司相關權益之變動。非控制性權益之調整額與已付或已收代價之公允值之間之任何差額，均直接於權益確認，並歸屬於本公司擁有人。

倘本集團失去對附屬公司之控制權，出售損益乃按下列兩者之差額計算：(i)所收取代價之公允值與任何保留權益之公允值之總額，與(ii)該附屬公司之資產(包括商譽)及負債與任何非控制性權益過往之賬面值。倘附屬公司之若干資產按重估值或公允值計量，而相關累計盈虧已於其他全面收益確認及於權益累計，則過往於其他全面收益確認及於權益累計之金額會以猶如本公司已直接出售相關資產之方式入賬(即重新分類至損益或直接轉撥至保留盈利)。於失去控制權當日仍保留於該前附屬公司之任何投資之公允值，會根據香港會計準則第39號金融工具：確認及計量於往後之會計處理中被視為首次確認於聯營公司或共同控制實體之投資時之公允值，或(如適用)其首次確認時之成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation (Continued)

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date the control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

3. 主要會計政策摘要 (續)

3.2 綜合基礎 (續)

收購後，非控制性權益之賬面值為該等權益於首次確認時之金額加非控制性權益應佔權益其後變動之部份。全面收益總額乃歸屬於非控制性權益，即使這會導致非控制性權益出現虧絀結餘亦屬如此。

3.3 附屬公司

附屬公司指本公司有權直接或間接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。

於本公司之財務狀況表內，附屬公司乃按成本扣除任何減值虧損入賬。本公司根據於呈報日期之已收及應收股息將附屬公司之業績列賬。所有股息(不論來自被投資方之收購前或收購後溢利)均於本公司損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation (Continued)

Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

3.3 Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Company has the power to control, directly or indirectly, 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.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends, whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

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3. 主要會計政策摘要 (續)

3.4 商譽

收購產生之商譽初步以成本確認，即所轉讓之總代價及就非控制性權益所確認之金額超出所收購可識別資產、負債及或然負債公允值之差額。

倘可識別資產、負債及或然負債之公允值超出已付代價之公允值，則有關差額經重估後於收購日期在損益確認。

商譽以成本扣除減值虧損計算。就減值測試而言，收購產生之商譽會分配至預期受惠於收購所帶來協同效應之相關各現金產生單位。獲分配商譽之現金產生單位每年均測試減值，並於有跡象顯示單位可能出現減值時測試減值。

就於財政年度進行收購產生之商譽而言，獲分配商譽之現金產生單位於該財政年度結束之前測試減值。當現金產生單位之可收回款額少於其賬面值，則減值虧損首先分配以減少分配至單位之任何商譽之賬面值，然後再根據有關單位各項資產之賬面值按比例分配至單位之其他資產。商譽之任何減值虧損於損益確認且不會於其後期間撥回。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Goodwill

Goodwill arising from acquisition is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each assets in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

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3. 主要會計政策摘要 (續)

3.5 收益及其他收入確認

收益及其他收入於相關經濟利益可能流入本集團及相關收入能夠可靠計量時按以下基準予以確認：

- (i) 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呈報日期之完成百分比確認(附註3.12)。
- (ii) 供水產生之收益乃根據年內水錶所錄得之供水量確認。
- (iii) 供水相關裝置之收入乃於相關安裝工作完成時確認。
- (iv) 裝修服務之收入乃於相關裝修工作完成時確認。
- (v) 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)

3.5 Revenue and other income recognition

Revenue and other income is recognised when it is probable that the economic benefits will flow to the Group and when the income can be measured reliably on the following bases:

- (i) 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 reporting date (note 3.12).
- (ii) Revenue arising from water supply is recognised based on the volume of water supplied as recorded by meters read during the year.
- (iii) Water supply related installation income is recognised when the relevant installation work is performed.
- (iv) Renovation service income is recognised when the relevant renovation work is performed.
- (v) Interest income is recognised on a time-proportion basis by reference to the principal outstanding and at the effective interest rate applicable.

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3. 主要會計政策摘要 (續)

3.6 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(附註3.9)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損益扣除。

各物業、廠房及設備項目乃按其估計可使用年期計算折舊，以撇銷成本扣減其剩餘價值(倘適用)。樓宇及水管網乃使用直線法分別按年率2-10%及4.85%計算折舊。物業、廠房及設備的其他項目乃使用結餘遞減法按下列年率計算折舊：

廠房及機器以及工具	10% - 33 1/3%
傢俬、裝置及設備	10% - 33 1/3%
租賃物業裝修	30%或按租期 (倘較短)
汽車	10%-20%

於「勘探及評估資產」轉出之後，建設、安裝或完成礦場基礎設施的所有其後開發成本及資本支出均於「礦場開發資產」內撥充資本。礦場開發資產包括剝離成本及按成本列賬之其他開發支出，並須於礦場投產後折舊／攤銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 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 (note 3.9). 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 profit or loss during the financial period in which they are incurred.

Depreciation is provided to write off the cost of each item of property, plant and equipment less its residual value, if applicable, over its estimated useful lives. Buildings and water pipelines are depreciated using straight-line method at the annual rates of 2% to 10% and 4.85% respectively. Other items of property, plant and equipment are depreciated using reducing balance method at the following rates per annum:

Plant, machinery and tools	10% – 33 1/3%
Furniture, fixtures and equipment	10% – 33 1/3%
Leasehold improvements	30% or over lease term if shorter
Motor vehicles	10% – 20%

Upon the transfer from “exploration and evaluation assets”, all subsequent development cost and capital expenditure on the construction, installation or completion of infrastructure facilities of mine site is capitalised within “mine development assets”. Mine development assets including stripping costs and other development expenditure are carried at cost and are subject to depreciation/amortisation upon commissioning of the mine for production.

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3. 主要會計政策摘要 (續)

3.6 物業、廠房及設備 (續)

在礦場開始生產前的開發階段產生的剝離成本，作為建設礦場成本之一部份撥充資本，其後則於礦場之年內根據礦場之總探明及預計可採儲量使用生產單位法計提折舊。

其他開發支出(經扣除在開發階段附帶銷售所採挖礦藏之所得款項)按成本減累計攤銷列賬，並根據礦場之總探明及預計可採儲量按生產單位法攤銷。惟倘資產之可使用年期短於礦場之年時，則採用直線法。

剩餘價值、可使用年期及折舊方法於各呈報日期予以檢討及調整(倘適用)。物業、廠房及設備項目乃於出售時或預期使用或出售該項目不會產生未來經濟利益時取消確認。出售或棄用物業、廠房及設備項目產生之收益或虧損乃按出售所得款項與該項目賬面值之差額釐定，並於損益中確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 Property, plant and equipment (Continued)

Stripping costs incurred in the development phase of a mine before production commences are capitalised as part of the cost of constructing the mine and subsequently depreciated over the life of the mine using the unit-of-production method based on total proven and probable reserves of the mine.

Other development expenditure, net of proceeds from incidental sale of mineral extracted during the development phase, are stated at cost less accumulated amortisation and are amortised using the unit-of-production method based on the total proven and probable reserves of the mine, except in the case of the assets whose useful life is shorter than the life of the mine, in which case straight-line method is applied.

Residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the item and is recognised in profit or loss.

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3. 主要會計政策摘要 (續)

3.7 勘探及評估資產

勘探及評估資產包括獲得及維持勘探及開採權之成本、以及就評估採挖礦產資源在技術上和商業上的可行性而進行勘探鉆井、地質研究及抽樣分析等活動的支出。

勘探及評估資產按首次確認時之成本確認。於首次確認後，則按成本減任何累計減值呈列，且不會確認任何攤銷費用。在勘探及評估階段支出之成本包括在取得勘探特定區域之合法權利之前產生的支出，乃計入損益之「勘探及評估支出」內。

透過業務合併獲得的勘探及評估資產初步按公允值確認，其後則按成本減累計減值計量。

勘探及評估資產之賬面值每年檢討，並當出現以下任何一項事件或事實及情況變動（此並非詳盡載列），顯示可能無法收回賬面值時，按香港會計準則第36號「資產減值」作出減值調整：

- (i) 本集團有權於特定區域勘探之期在有關期內屆滿，或該期間將於短期內屆滿，且預期不會重續；

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Exploration and evaluation assets

Exploration and evaluation assets include costs of obtaining and maintaining exploration and mining rights, as well as expenditures such as exploratory drilling, geological studies and sampling in relation to evaluating technical feasibility and commercial viability of extracting mineral resources.

Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, they are stated at cost less any accumulated impairment and no amortisation charge is recognised. Cost expensed during the exploration and evaluation phase including expenditure incurred before obtaining the legal rights to explore specific area are included in “exploration and evaluation expenditure” in profit or loss.

Exploration and evaluation assets acquired in a business combination are initially recognised at fair value and subsequently measured at cost less accumulated impairment.

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment in accordance with HKAS 36 “Impairment of Assets” whenever one of the following events or changes in facts and circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

- (i) the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

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3. 主要會計政策摘要 (續)

3.7 勘探及評估資產 (續)

- (ii) 於特定區域進一步勘探及評估礦物資源產生大額開支，而此開支乃不在預算及計劃之內；
- (iii) 於特定區域勘探及評估礦物資源未能引致發現具商業效益之礦物資源數量，且本集團決定終止於特定區域之上述活動；及
- (iv) 有充份數據顯示，雖然應會於特定區域開發，但勘探及評估資產之賬面值不大可能會因成功開發或銷售而獲全數收回。

可收回金額乃勘探及評估資產之公允價值減出售成本與彼等的使用值之間的較高者。就評估減值而言，須進行測試的勘探及評估資產乃歸入從事勘探活動的各個利益區域。

倘採挖礦產資源在技術上和商業上均明顯可行，則將之前確認之勘探及評估資產轉撥至「物業、廠房及設備」以及「採礦牌照」。該等資產重新分類前，將進行減值測試。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Exploration and evaluation assets (Continued)

- (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and
- (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The recoverable amount is the higher of the exploration and evaluation asset's fair value less costs to sell and their value in use. For the purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped into each area of interest for which exploration activities are undertaken.

When the technical feasibility and commercial viability of extracting mineral resources become demonstrable, previously recognised exploration and evaluation assets are transferred to "Property, plant and equipment" and "Mining licences". These assets are tested for impairment before their reclassification.

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3. 主要會計政策摘要 (續)

3.8 採礦牌照

於「勘探及評估資產」轉出之後，採礦牌照按成本列賬，並須於礦場投產後攤銷。採礦牌照及特許經營權根據相關礦場之總探明及預計可採儲量以生產單位法計算損耗。每當有跡象顯示資產之賬面值未必能夠收回時，採礦牌照須進行減值測試(附註3.9)。

3.9 非財務資產之減值

商譽、物業、廠房及設備、採礦牌照、預付土地租賃款項及於附屬公司之投資須進行減值測試。不論是否出現減值跡象，商譽及其他擁有無限可使用年期或目前未可供使用的無形資產須至少每年作減值測試。其他所有資產則於每當有跡象顯示有關資產之賬面值未必能收回時進行減值測試。勘探及評估資產之減值政策載於附註3.7。

減值虧損按資產之賬面值超過其可收回金額之部份即時確認為開支。可收回金額則為反映市況之公允值減去出售成本，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時間價值及資產特定風險之評估的除稅前折現率，折現至其現值。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Mining licences

Upon the transfer from “exploration and evaluation assets”, mining licences are carried at cost and are subject to amortisation upon commissioning of the mine for production. Mining licences and concessions are depleted on the unit-of-production basis over the total proven and probable reserves of the mine concerned. Mining licences are subject for impairment testing whenever there are indications that the assets' carrying amount may not be recoverable (note 3.9).

3.9 Impairment of non-financial assets

Goodwill, property, plant and equipment, mining licences, prepaid land lease payments and investments in subsidiaries are subject for impairment testing. Goodwill and other intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the assets' carrying amount may not be recoverable. Impairment policy on exploration and evaluation assets is included in note 3.7.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting 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.

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3. 主要會計政策摘要 (續)

3.9 非財務資產之減值 (續)

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，部份資產乃就減值個別進行測試，而部份資產則在現金產生單位之水平進行測試。商譽分配至預期可受惠於相關業務合併協同效應之現金產生單位，即本集團為內部管理目的而監控商譽之最小單位。

就獲分配商譽之現金產生單位所確認之減值虧損初步計入商譽賬面值。除資產之賬面值將不會減至低於其個別公允值減出售成本或使用值(如可釐定)外，任何剩餘之減值虧損按比例自現金產生單位之其他資產中扣除。

減值虧損按資產之賬面值超過其可收回金額之部份即時確認為開支。可回收金額則為反映市況之公允值減去出售成本，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時間價值及資產特定風險之評估的除稅前折現率，折現至其現值。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Impairment of non-financial assets (Continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those of other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflow 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. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment loss recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value-in-use, if determinable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to its 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.

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3. 主要會計政策摘要 (續)

3.9 非財務資產之減值 (續)

商譽減值虧損不會於其後期間撥回，而就其他資產而言，倘用於釐定資產可收回金額之估計出現有利改變，則撥回減值虧損，惟資產扣除折舊或攤銷後之賬面值不得超出假設並無就該資產確認減值虧損之情況下原本釐定之賬面值。

於中期期間就商譽確認之減值虧損不會於其後期間撥回。

3.10 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內將一項特定資產或多項資產之使用權出讓，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。

對於本集團根據租賃持有的資產，如果租賃使所有權的絕大部份風險和回報轉移至本集團，有關資產便分類為以融資租賃持有的資產。如果租賃不會使所有權的絕大部份風險及回報轉移至本集團，則分類為經營租賃。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Impairment of non-financial assets (Continued)

An impairment loss on goodwill is not reversed in subsequent periods whilst an impairment loss on other assets 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.

Impairment loss recognised in an interim period in respect of goodwill is not reversed in a subsequent period.

3.10 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.

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership to the Group are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

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3. 主要會計政策摘要 (續)

3.10 租賃 (續)

經營租賃 – 作為承租人

倘本集團有權使用根據經營租賃持有的資產，則根據該等租賃作出之付款須於租期內以直線法在損益扣除，惟有其他方法能更清楚地反映有關租賃資產所產生利益之時間模式則除外。所獲租賃減免在損益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損益扣除。

預付土地租賃款項指購入土地使用權或租賃土地之預付款，按成本減累計攤銷及減值虧損列賬(附註3.9)。攤銷於租期內以直線法計算，除非有其他基準能更清楚地反映租賃資產所產生利益之時間模式則除外。

融資租賃 – 作為承租人

倘本集團以融資租賃獲得資產使用權，則租賃資產公允值或最低租金現值(以較低者為準)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)

3.10 Leases (Continued)

Operating leases – as lessee

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

Prepaid land lease payments represent up-front payments to acquire the land use rights or leasehold land. They are stated at cost less accumulated amortisation and impairment losses (note 3.9). Amortisation is calculated on a straight-line basis over the lease term except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets.

Finance leases – as lessee

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 values 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.

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NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.10 租賃 (續)

融資租賃 – 作為承租人 (續)

租金包含的財務費用於租期內於損益扣除，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。

物業租賃的土地及樓宇部份應視乎租賃類別獨立入賬。當租金不能於土地及樓宇部份之間可靠地分配時，整項租金將計入土地及樓宇成本，作為物業、廠房及設備的融資租賃。

3.11 財務資產

管理層於初步確認時依據收購財務資產之目的將其歸類，並在許可及適當之情況下，於各呈報日期重新評估財務資產之分類。

所有財務資產僅於本集團訂立有關工具之合約條文時確認。所有循正常途徑買賣之財務資產於交易日予以確認。循正常途徑買賣指按照市場規例或慣例在一般指定的期間內交付資產之財務資產買賣。財務資產於初步確認時按公允值計量，倘屬並非按公允值計入損益之投資，則另加上直接應佔交易成本計量。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，則取消確認財務資產。本集團之財務資產主要包括貸款及應收款項以及衍生財務資產。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Leases (Continued)

Finance leases – as lessee (Continued)

Finance charges implicit in the lease payments are charged to profit or loss 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.

The land and buildings elements of property leases are considered separately for the purposes of lease classification. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of land and buildings as a finance lease of property, plant and equipment.

3.11 Financial assets

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and, where allowed and appropriate, re-evaluates this designation at each reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognised on trade date. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction cost. 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. The Group's financial assets mainly comprise loans and receivables and derivative financial assets.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.11 財務資產 (續)

貸款及應收款項

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。貸款及應收款項其後以實際利率法按攤銷成本，減任何減值撥備計量。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。有關損益在貸款及應收款項取消確認或出現減值時於損益及透過攤銷程序確認。

按公允值於損益列賬之財務資產

本集團按公允值於損益列賬之財務資產乃指可換股票據之衍生工具部份。個別合約中或獨立於混合金融工具中的衍生金融工具，於訂立衍生工具合約當日按公允值初步確認，其後按公允值重新計量。並無指定為對沖工具的衍生工具，乃按公允值於損益列作財務資產或財務負債。年內公允值變動產生的盈虧直接計入損益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. 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. Gain and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired as well as through the amortisation process.

Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss represent the derivative component of the Convertible Note. Derivative financial instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value. Derivatives that are not designated as hedging instruments are accounted for as financial assets or financial liabilities at fair value through profit or loss. Gains or losses arising from changes in fair value are taken directly to profit or loss for the year.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.11 財務資產 (續)

財務資產之減值

貸款及應收款項須於每個呈報日期檢討，以釐定有否客觀跡象顯示減值。客觀減值跡象包括本集團有意到之有關下列一項或多項虧損事件之可觀察數據：

- 債務人遭遇重大財務困難；
- 違約，如拖欠或無法如期償還本息；
- 債務人可能會宣告破產或進行其他財務重組；及
- 技術、市場、經濟或法律環境出現對債務人有不利影響之重大變動。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial assets (Continued)

Impairment of financial assets

At each reporting date, loans and receivables are reviewed to determine whether there is any objective evidence of impairment. Objective evidence of impairment includes observable date that come to the attention of the Group about one or more of the followings loss events:

- significant financial difficulty of the debtors;
- a breach of contract, such as default or delinquency in interest or principal payments;
- it becoming probable that the debtors will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.11 財務資產 (續)

財務資產之減值 (續)

有關某一組財務資產之虧損事件包括顯示該組財務資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於組別內債務人之付款狀況，以及與組別內資產拖欠情況有關之國家或地方經濟狀況出現不利變動。

倘有客觀跡象表明以攤銷成本列賬之貸款及應收款項已經出現減值虧損，則有關虧損金額按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)按該項財務資產原本實際利率(即初步確認時計算之實際利率)折現至現值間之差額計量。資產之賬面值乃透過撥備賬予以扣減。減值虧損金額於減值產生期間在損益確認。倘未來並無實際可收回跡象，且所有抵押品經已變現或轉讓至本集團，則貸款及應收款項連同任何相關撥備會被撇銷。

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透過調整撥備賬撥回。任何其後撥回之減值虧損均在損益中確認，惟該項資產於撥回當日之賬面值不得超過倘未確認減值時應釐定之攤銷成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial assets (Continued)

Impairment of financial assets (Continued)

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the 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 financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of impairment loss is recognised in profit or loss of the period in which the impairment occurs. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is revised by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in profit or loss to the extent that the carrying value of the asset does not exceed its amortised cost had the impairment not been recognised at the reversal date.

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3. 主要會計政策摘要 (續)

3.12 土木工程合約

當土木工程合約之結果能可靠地估計時，土木工程合約之保養或建造工程產生之收益及相關合約成本將根據個別合約於呈報日期之完成階段確認。完成階段乃參照對已履行工程之調查或迄今所產生並作為總估計合約成本之一部份之合約成本(視合約性質而定)以完成百分比法釐定。

倘無法可靠估計土木工程合約之結果，則不會確認任何溢利，而收益僅以將可能可收回之已產生合約成本為限予以確認。

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

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倘可能收回，則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，均列入財務狀況表「貿易及其他應收款項、預付款項及按金」項下。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Civil engineering contracts

When the outcome of civil engineering contracts can be estimated reliably, revenue from maintenance or construction works on civil engineering contracts and the associated contract costs are recognised according to the stage of completion of individual contract at the reporting date. The stage of completion is determined using percentage of completion method by reference to the survey of work performed or contract costs incurred to date as a proportion of the total estimated contract costs, depending on nature of the contract.

When the outcome of civil engineering contracts cannot be estimated reliably, no profit is recognised and revenue is recognised only to the extent of contract costs incurred that would probably be recoverable.

Provisions are made for any foreseeable losses when they are identified and recognised immediately as an expense in profit or loss. Variations in contract work, claims and incentive payments are recognised as revenue when it is probable that they will be approved by customers and they can be measured reliably.

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 provided it is probable that these costs will be recovered. Amounts billed for works performed but not yet paid by the customers are included in the statement of financial position under "trade and other receivables, prepayments and deposits".

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.12 土木工程合約 (續)

當所承接合約中規定之條件達成時，保留款項(即應付予分包商之進度款項)或應收客戶款項，分別列入財務狀況表「貿易及其他應付款項」及「貿易及其他應收款項、預付款項及按金」項下。

3.13 存貨

存貨指建造物料，按以先進先出法計算之成本及可變現淨值(以較低者為準)列賬。成本主要包括購貨成本。可變現淨值為日常業務過程中之估計售價減任何適用出售費用。

3.14 外幣

財務報表以港元(「港元」)列賬，此乃本公司之功能貨幣。本集團各實體各自釐定其功能貨幣，而各實體財務報表內之項目均以該功能貨幣計算。

於綜合實體之獨立財務報表內，外幣交易均按交易日期之匯率換算為個別實體之功能貨幣。結算該等交易及以外幣列值之貨幣資產及負債按呈報日期匯率換算而產生之匯兌收益及虧損，於損益內確認。按外幣歷史成本計量之非貨幣項目毋須換算。按公允值列賬且以外幣列值之非貨幣項目乃以釐定公允值當日之匯率換算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Civil engineering contracts (Continued)

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 statement of financial position under “trade and other payables” and “trade and other receivables, prepayments and deposits” respectively.

3.13 Inventories

Inventories which represent construction materials are stated at the lower of cost, computed using first-in-first-out method, and net realisable value. Cost mainly includes cost of purchase. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

3.14 Foreign currencies

The financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

In the separate financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the reporting date at exchange rates ruling at that date are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.14 外幣 (續)

若干本集團實體之功能貨幣並非港元。在綜合財務報表中，該等實體之資產及負債於呈報日期按當日之匯率換算為港元。收支項目按交易日之匯率或倘有關匯率並無大幅波動則按呈報期間之平均匯率換算為港元。所產生之匯兌差額列入其他全面收益並於權益之匯兌儲備內單獨累計。該等匯兌差額於出售該海外實體之期間從權益中重新分類計入損益作為出售收益或虧損之一部份。商譽及收購海外業務所產生之公允值調整視作海外業務的資產及負債，並按收市匯價換算為港元。

3.15 所得稅

所得稅包括當期及遞延稅項。所得稅於損益確認，如涉及於其他全面收益或直接於權益確認之項目，則於其他全面收益或直接於權益確認。

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呈報日期均未支付，並按有關財政期間適用之稅率及稅法並根據呈報期間之應課稅溢利計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Foreign currencies (Continued)

The functional currencies of certain entities of the Group are currencies other than HK\$. For the purpose of the consolidated financial statements, assets and liabilities of those entities at the reporting date are translated into HK\$ at exchange rate prevailing on the reporting date. Income and expense items are translated into HK\$ at the exchange rates ruling at the transaction dates, or at the average exchange rates over the reporting period provided that the exchange rates do not fluctuate significantly. The resulting exchange differences are included in other comprehensive income and accumulated separately in translation reserve in equity. Such translation differences are reclassified from equity to profit or loss as part of the gain or loss on disposal in the period in which the foreign entity is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign operation have been treated as assets and liabilities of the foreign operation and translated into HK\$ at the closing rates.

3.15 Income taxes

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are recognised in other comprehensive income or directly in equity.

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 reporting 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 reporting period.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.15 所得稅 (續)

遞延稅項乃在呈報日期使用負債法按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計算。一般會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，惟應可能有應課稅溢利(包括現有暫時差額)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，來自商譽或因初步確認(業務合併除外)資產及負債而產生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，惟倘本集團可控制暫時差額之撥回而暫時差額可能不會於可見將來撥回則除外。

遞延稅項乃不作折現按預期於結清負債或變現資產之期間適用之稅率計算，惟該等稅率於呈報日期須為已實施或實際上實施。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Income taxes (Continued)

Deferred tax is calculated using the liability method on temporary differences at the reporting 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, including existing temporary difference, 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 goodwill or 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 investments 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.

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 reporting date.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

3. 主要會計政策摘要 (續)

3.16 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、銀行活期存款以及原本在三個月內到期及可隨時轉換為已知數額現金且價值變動風險較小之短期高度流動性投資。就現金流量表之呈列而言，現金及現金等價物包括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。

3.17 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損益扣除。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。

本集團於中國內地經營的附屬公司之僱員須參與一個當地市政府運作的中央退休金計劃。該等附屬公司須按僱員薪酬的若干百分比向中央退休金計劃供款。該等供款於根據中央退休金計劃規則應付時在損益扣除。

本集團於蒙古國經營的附屬公司之僱員須參與一個當地政府運作的社會保險計劃。根據「蒙古國社會保險法」，該等附屬公司有責任從僱員薪金或類似收入中預扣10%，並按有關收入的13%作出僱主供款。僱主供款於根據社會保險計劃應付時自損益扣除。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

3.17 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 profit or loss 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.

The employees of the Group's subsidiaries which operate in the Mainland China are required to participate in a central pension scheme operated by the local municipal governments. These subsidiaries are required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The employees of the Group's subsidiaries which operate in Mongolia are required to participate in the social insurance scheme operated by the local government. According to the “Social Insurance Law of Mongolia”, these subsidiaries have a duty to withhold 10% from employees' salary or similar income and 13% as employers' contribution. Employers' contributions are charged to profit or loss as they become payable in accordance with the social insurance scheme.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.17 僱員福利 (續)

短期僱員福利

短期僱員福利於應計予僱員時確認，並就僱員於截至呈報日期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3.18。

3.18 以股份支付之補償

本公司已設立一項購股權計劃，以肯定及嘉許合資格參與者對本集團所作出之貢獻。合資格參與者包括本集團或任何聯屬公司之僱員（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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Employee benefits (Continued)

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 reporting 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 compensation to employee are set out in note 3.18 below.

3.18 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 or 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 (i.e. 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.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

3. 主要會計政策摘要 (續)

3.18 以股份支付之補償 (續)

權益結算交易之成本於損益確認為開支，並在權益項下的購股權儲備作出相應增加。倘歸屬期或其他歸屬條件適用，則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分配開支。有關預期成為可行使購股權之數目之假設已包括非市場歸屬條件。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。於過往年度確認的任何公允值調整於回顧年度在損益扣除／計入，並在購股權儲備作出相應調整。

於歸屬日期，確認為開支之金額須予調整，以反映實際上已歸屬之購股權數目（並於購股權儲備內作相應調整），除只因未能達到與市場狀況有關之歸屬條件而被沒收則除外（無論是否符合市場條件均被視為歸屬）。

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)

3.18 Share-based compensation (Continued)

The cost of equity-settled transactions is recognised as an expense in profit or loss with a corresponding increase in share option reserve within equity. If vesting periods or other vesting conditions apply, the expense is allocated using 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 indication that the number of share options expected to vest differs from previous estimates. Any adjustment to the fair value recognised in prior years is charged/credited to profit or loss in the year of the review with a corresponding adjustment to the share option reserve.

On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting that relate to market condition (which is treated as vesting irrespective of whether or not the market condition is satisfied).

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

NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.19 財務負債

本集團之財務負債包括貿易及其他應付款項、借貸及融資租賃負債，乃分類為按攤銷成本列賬之財務負債，或按公允值於損益列賬之財務負債(視負債產生之目的而定)。財務負債於本集團參與訂立有關工具之合約協議時確認。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，惟本集團有權將有關債務之清償無條件遞延至呈報日期後最少十二個月則除外。

倘現有財務負債由同一貸款人按非常不同之條款以另一項財務負債取代，或現有負債條款經大幅修改，則有關交換或修訂被視作終止確認原有負債及確認新負債，而有關賬面值之差額則於損益中確認。

貿易及其他應付款項

貿易及其他應付款項初步按其公允值確認，其後則採用實際利率法按攤銷成本計量。有關盈虧於負債終止確認時及透過攤銷過程於損益確認。

借貸

借貸(包括銀行借貸及承兌票據)初步按公允值確認，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，則於借貸期內以實際利率法在損益確認。有關盈虧於負債終止確認時及透過攤銷過程於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.19 Financial liabilities

The Group's financial liabilities comprise trade and other payables, borrowings and finance lease liabilities, which are classified into financial liabilities at amortised cost or financial liabilities at fair value through profit or loss, depending on the purpose for which the liabilities were incurred. Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 reporting date.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Trade and other payables

Trade and other payables are recognised initially at their fair value, and subsequently measured at amortised cost using the effective interest method. Gain or loss is recognised in profit or loss when the liabilities are derecognised as well as through amortisation process.

Borrowings

Borrowings including bank borrowings and promissory note are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Gain or loss is recognised in profit or loss when the liabilities are derecognized as well as through amortisation process.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

3. 主要會計政策摘要 (續)

3.19 財務負債 (續)

融資租賃負債

融資租賃負債按初始價值減租賃還款之資本部份計算(附註3.10)。

可換股票據

本公司所發行之可換股票據包括負債部份、換股期權及延長期權(與主負債部份並無密切關係)，於初步確認時須分別歸類為其各自之項目。倘可換股期權將透過以固定金額之現金或其他財務資產換取固定數目之本公司之股本工具而結算，則分類為股本工具。於發行日期，負債及延長期權部份乃以公允值計量。負債部份之公允值於初步確認時使用類似非可換股債券之現行市場利率釐定。發行可換股票據之所得款項總額與轉至負債及延長期權部份之公允值之差額，即代表可讓持有人將可換股票據兌換為股本權益之可換股期權，應作為可換股票據權益儲備列入權益。

於往後期間，可換股票據之負債部份，乃採用實際利率法按攤銷成本列賬。延長期權乃以公允值計量，而公允值變動乃於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.19 Financial liabilities (Continued)

Finance lease liabilities

Finance lease liabilities are measured at initial value less the capital element of lease repayments (note 3.10).

Convertible notes

Convertible notes issued by the Company that contain liability component, conversion option and extension option (which is not closely related to the host liability component) are classified separately into respective item on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument. At the date of issue, both the liability and extension option components are measured at fair value. The fair value of the liability component on initial recognition is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible notes and the fair values assigned to the liability and extension option components respectively, representing the conversion option for the holder to convert the convertible notes into equity, is included in equity as convertible note equity reserve.

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using effective interest method. The extension option is measured at fair value with changes in fair value recognised in profit or loss.

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3. 主要會計政策摘要 (續)

3.19 財務負債 (續)

可換股票據 (續)

權益部份，即可將負債部份兌換為本公司普通股之期權，將保留於可換股票據權益儲備，直至附設之換股期權獲行使(在此情況下，可換股票據權益儲備內之結餘將轉移至股份溢價)。倘換股期權於到期日尚未獲行使，則可換股票據權益儲備之結餘將撥至保留溢利。換股期權兌換或到期時將不會於損益中確認任何盈虧。

當可換股票據兌換時，負債部份及延長期權於兌換當時之賬面值，將轉撥至股本及股份溢價賬，以作為所發行股份之代價。當可換股票據贖回時，贖回金額與兩個部份賬面值之間的差額於損益確認。

有關發行可換股票據之交易成本乃按所得款項總額之分配比例劃分至負債、權益及延長期權部份。有關權益部份之交易成本會直接計入權益內。有關延長期權之交易成本會即時計入損益內。而負債部份之交易成本則計入負債部份之賬面值，並以實際利率法於可換股票據期間內攤銷。

所有利息相關開支均按本集團有關借貸成本之會計政策(附註3.23)確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.19 Financial liabilities (Continued)

Convertible notes (Continued)

The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in the convertible note equity reserve until the embedded conversion option is exercised (in which case the balance stated in the convertible note equity reserve will be transferred to share premium). Where the conversion option remains unexercised at the expiry date, the balance stated in convertible note equity reserve will be released to the retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

When the convertible note is converted, the carrying amounts of the liability component and the extension option at the time of conversion are transferred to share capital and share premium as consideration for the shares issued. When the convertible note is redeemed, the difference between the redemption amount and the carrying amounts of both components is recognised in profit or loss.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability, equity and extension option components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the extension option are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible notes using the effective interest method.

All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (note 3.23).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.20 政府補貼

倘若可合理確定會收取政府補貼，且本集團符合所附帶條件，則政府補貼將予確認。補償本集團已產生開支之補貼，於開支產生的相同期間內有系統地於損益中確認為收入。補償本集團資產成本之補貼，於相關資產賬面值中扣除，其後於該資產之可使用年內以減少折舊開支方式於損益有效予以確認。

3.21 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。倘折現之影響重大，則撥備須就履行責任預期所需支出之現值列賬。所有撥備均於各呈報日期進行評估並作出調整以反映當時最佳估計。

在不大可能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。可能承擔的責任(其存在與否只能藉一項或多項並非完全受本集團控制的未來不確定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)

3.20 Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

3.21 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 of the amount of the obligation can be made. Where the effect of discounting is material, provisions are stated at the present value of the expenditure expected to settle the obligation. All provisions are reviewed at each reporting 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 uncertain events not wholly with the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.22 作出財務擔保

香港會計準則第39號範圍內之財務擔保合約計作財務負債。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損益確認開支。

初步確認為遞延收入之擔保金額按擔保年期於損益攤銷為所作出財務擔保之收入。此外，倘擔保持有人可能向本集團提出索償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))，則按附註3.21確認撥備。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.22 Financial guarantee issued

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities. 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 profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 3.21 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 appropriate.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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3. 主要會計政策摘要 (續)

3.23 借貸成本

購入、建造或生產任何合資格資產所產生之借貸成本於完成及準備有關資產作其擬定用途所需之期間撥充資本。合資格資產為需相當長時間方可準備作其擬定用途或出售之資產。其他借貸成本於產生時列作開支。

當準備有關合資格資產作其擬定用途或出售所需之大部份活動完成時，終止資本化借貸成本。

3.24 股息

董事建議的末期股息列為權益項下分攤保留溢利之獨立項目，直至股東大會上獲股東批准為止。當該等股息獲股東批准及宣派時，即須確認為負債。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.24 Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within equity, until they have been approved by the shareholders in a general meeting. When these dividends are approved and declared, they are recognised as a liability.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

3. 主要會計政策摘要 (續)

3.25 權益工具

本公司發行之權益工具乃按已收取之所得款項減直接發行成本列賬。購回本公司之權益工具須於權益中直接確認及扣除。於購回本公司之股份時，相等於所購回股份面值之金額自保留溢利轉撥至資本贖回儲備。購買、出售、發行或註銷本公司之權益工具不會於損益確認盈虧。

3.26 關連方

就本財務報表而言，在下列情況下，有關方被視為與本集團有關連：

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本公司母公司的主要管理層成員。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.25 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Repurchases of the Company's own equity instruments is recognised and deducted directly in equity. On repurchase of the Company's own shares, the amount equivalent to the par value of the shares repurchased is transferred from retained profits to capital redemption reserve. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.26 Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

3. 主要會計政策摘要 (續)

3.26 關連方 (續)

- (b) 倘符合下列任何條件，則實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
 - (vi) 實體受(a)所識別人土控制或共同控制。
 - (vii) 於(a)(i)所識別人土對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.26 Related parties (Continued)

- (b) the party is an entity is related to the Group if any of the following conditions apply:
- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

3. 主要會計政策摘要 (續)

3.26 關連方 (續)

一名人士之近親為預期於其與實體進行交易時可影響該人士或受該人士影響之家庭成員，包括：

- (i) 該名人士的子女及配偶或家庭夥伴；
- (ii) 該名人士的配偶或家庭夥伴的子女；及
- (iii) 該名人士或該名人士的配偶或家庭夥伴的受養人。

3.27 分部報告

本集團乃根據向執行董事(即主要經營決策人)報告之定期內部財務資料，確認營運分部及編製分部資料以分配資源及評估分部表現。本集團已就其分部報告確認以下須呈報之分部：

水務工程承包業務	:	向香港公營機構提供有關水務工程、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
供水業務	:	在中國內地提供供水服務及供水相關安裝服務
採礦及勘探業務	:	於蒙古國開採及勘探礦產資源
裝修業務	:	於澳門提供裝修服務

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.26 Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

3.27 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors (i.e. the chief operating decision-maker) for the purpose of resource allocation and assessment of segment performance. The Group has identified the following reportable segments for its segment reporting:

Waterworks engineering contracting business	:	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
Water supply business	:	Provision of water supply services and water supply related installation services in Mainland China
Mining and exploration business	:	Mining and exploration of mineral resources in Mongolia
Renovation business	:	Provision of renovation services in Macau

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3. 主要會計政策摘要 (續)

3.27 分部報告 (續)

因各個業務類別所需資源及經營方針並不相同，上述各營運分部乃分開管理。

對於可換股票據衍生工具部份之公允值變動(附註27(d))、延長承兌票據產生之收益(附註27(c))、財務成本、所得稅及並非直接歸屬於任何營運分部之業務活動之企業收支，其在計算營運分部經營業績時不包括在內。

分部資產包括所有資產，惟企業資產(包括已抵押銀行存款、若干銀行結存及現金以及並非營運分部之業務活動直接產生之其他資產)及以組別基準管理之資產(如稅項資產)除外。

分部負債包括營運分部之業務活動直接產生之貿易及其他應付款項，惟不包括企業負債及按組別基準管理之稅項負債及借貸等其他負債。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.27 Segment reporting (Continued)

Each of these operating segments is managed separately as each of the business lines requires different resources as well as operating approaches.

Fair value change on the Derivative Component of the Convertible Note (note 27(d)), gain arising from extension of the Promissory Note (note 27(c)), finance costs, income taxes and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

Segment assets include all assets with the exception of corporate assets, including pledged bank deposits, certain cash at banks and in hand and other assets which are not directly attributable to the business activities of operating segments, as well as those assets which are managed on a group basis such as tax assets.

Segment liabilities include trade and other payables directly attributable to the business activities of operating segments and exclude corporate liabilities and other liabilities such as tax liabilities and borrowings that are managed on a group basis.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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4. 重要會計估計及判斷

本集團持續評估用作編製財務報表的估計及判斷，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：

4.1 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的合約成本及毛利率。個別合約之合約成本及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，尤其是於成本超支及客戶更改指示時，並於有需要時修訂估計合約成本。

倘實際合約成本及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及毛利須作出相應調整。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements 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:

4.1 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 contract costs and gross profit margin of each contract. Contract costs and 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 in the case of costs over-runs and the variation orders from customers, and revise the estimated contract costs where necessary.

If the actual contract costs and the gross profit margin differ from the management's estimates, the contract revenue and gross profit to be recognised in the next financial year will have to be adjusted accordingly.

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4. 重要會計估計及判斷 (續)

4.2 採礦牌照的法律效力

於二零零九年七月十六日，蒙古國會頒佈《禁止採礦法》(「**禁止採礦法**」)，禁止在河流及湖泊上游、森林地區及鄰近河流及湖泊等地區(「**界定禁區**」)進行礦物勘探及開採。根據禁止採礦法，蒙古政府應於二零零九年十月十六日前界定相關禁區之範圍，但其於該指定時間前仍未作有關行動。該法例亦規定，與界定禁區重疊之已授出牌照將於該法例頒佈後五個月內終止。禁止採礦法進一步規定，受影響之牌照持有人將會獲得賠償，但禁止採礦法並無列明如何釐定賠償金額之細則，而蒙古政府至今尚未就如何詮釋禁止採礦法發出進一步指引。

本集團的TNE礦場於二零一零年獲蒙古礦產資源局通知，通知指出四項採礦許可權(牌照編號228A、13533A、13553A及15429A)屬於根據禁止採礦法初步指定為禁止進行礦物勘探及開採的地區。據本集團蒙古法律顧問表示，於二零一二年及二零一一年三月三十一日相關牌照並未撤銷，故本公司董事認為，於編製現金流量預測時假設採礦牌照有效屬適當。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

4.2 Legal validity of mining licenses

On 16 July 2009, the Parliament of Mongolia enacted the Mining Prohibition Law (the “**MPL**”) which prohibits minerals exploration and mining in areas such as headwaters of rivers and lakes, forest areas and areas adjacent to rivers and lakes (the “**Defined Prohibited Areas**”). Pursuant to the MPL, the Mongolian government was supposed to define the boundaries of the relevant prohibited areas by 16 October 2009 but it had not done so by the prescribed time. It also states that any previously granted licenses that overlap the Defined Prohibited Areas will be terminated within five months following the enactment of the law. The MPL further states that affected license holders shall be compensated but details as to how the compensation is determined have not been specified in the MPL and the Mongolian government has not yet released any further guidance on how to interpret the MPL.

TNE mine of the Group was notified by the Mineral Resources Authority of Mongolia in 2010 that four mining concessions (license no. 228A, 13533A, 13553A and 15429A) are within the area designated, on a preliminary basis, as land where mineral exploration and mining are prohibited under the MPL. As advised by the Group's Mongolian legal advisor, there was no revocation of these licenses as at 31 March 2012 and 2011 and therefore the directors of the Company are of the opinion that it is appropriate to assume the mining licences are valid when preparing the cash flow projection.

財務報表附註

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4. 重要會計估計及判斷 (續)

4.3 應收款項之減值

應收款項之減值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。管理層將於每個呈報日期重新評估應收款項之減值金額(如有)。

4.4 當期稅項及遞延稅項之估計

本集團須在多個司法權區繳納稅項，並須就釐定稅項撥備之金額及支付相關稅項之時間作出重大判斷。倘最終稅項結果有別於最初記錄之金額，則有關差額將對作出該等釐定期間之所得稅及遞延稅項撥備產生影響。

4.5 勘探及評估支出

本集團就勘探及評估開支所應用之會計政策，要求於釐定未來之勘探或出售是否將會產生未來經濟利益時，或於有關活動尚未足以對儲量進行合理評估之階段作出判斷。就此而言，管理層會對未來事件或情況(特別是開採作業是否經濟可行)作出若干估計及假設。該等估計及假設可能於新資料出現時發生變動。倘於開支資本化後，所出現之資料顯示開支不可收回，則資本化之金額將於新資料出現之期間自損益中撇銷。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

4.3 Impairment of receivables

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 for receivables, if any, at each reporting date.

4.4 Estimates of current tax and deferred tax

The Group is subject to taxation in various jurisdictions. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

4.5 Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. In this connection, the management makes certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available.

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4. 重要會計估計及判斷 (續)

4.6 資產減值

商譽至少每年進行減值測試。其他資產(包括物業、廠房及設備、勘探及評估資產以及採礦牌照)則每年進行評估,以釐定是否出現減值跡象。倘存在減值跡象,則對可收回金額進行正式估算(為公允值減出售成本與使用值之間的較高者)。該等評估要求對長期售價、折現率、未來資本需求及經營表現等作出估計及假設。公允值乃按資產於各方知情自願並按公平交易原則出售的情況下可獲得之金額釐定。礦物資產之公允值一般釐定為持續使用該資產所產生之估計未來現金流量之現值,當中涉及對未來拓展計劃及最終出售之成本等因素的估計,並採用獨立市場參與者可能考慮之假設。現金流量乃用反映當時市場對貨幣時間價值及資產特定風險之評估的除稅前折現率,折現至其現值。據管理層評估,其現金產生單位為單個礦場或單個水廠,為現金流入基本上獨立於其他資產之最低層次。

4.7 資源估計

本集團對其礦業資產可採挖之煤炭量進行估計。有關估計以具適當資格人士就煤礦規模、深度及類型等地質數據所編制之資料為基準,要求進行複雜的地質判斷以解讀有關數據。資源估計乃基於對匯率、煤價、未來資本需要及生產成本等的估計因素,以及對煤炭規模及品質預測所作的地質假設及判斷。有關資源預計的變動可能影響礦場物業、物業、廠房及設備、商譽之賬面值以及遞延稅項之確認。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

4.6 Impairment of assets

Goodwill is tested for impairment at least annually. Other assets including property, plant and equipment, exploration and evaluation assets, and mining licences are assessed annually to determine for any indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term selling prices, discount rates, future capital requirements and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its cash generating units as being an individual mine site, or individual water plant, which is the lowest level for which cash inflows are largely independent of those of other assets.

4.7 Resources estimates

The Group makes estimate on the amount of coal that can be extracted from the Group's mining properties. The estimate is determined based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and the deposit type of the coal and requires complex geological judgements to interpret the data. The estimation of the resource is based upon factors such as estimates of foreign exchange rates, coal price, future capital requirements and production costs along with geological assumptions and judgements made in estimating the size and quality of the coal. Changes in the resource estimates may impact upon the carrying value of mine properties, property, plant and equipment, goodwill and recognition of deferred tax.

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4. 重要會計估計及判斷 (續)

4.8 可換股票據的估值

董事運用彼等之判斷就並無於活躍市場報價之可換股票據(如附註27(d)所披露)選擇適合估值方法，並應用市場從業者普遍採用之估值方法。可換股票據之公允值由獨立專業估值師根據該金融工具於市場之實際成交或相類似之金融工具之交易而評估，估值一般代表對市值之最佳估計。該模式的主要輸入數據詳情載列於附註27(d)。可換股票據之公允值因涉及若干主觀假設之不同變數而變化。一旦所採用變數出現任何改變，可能對可換股票據之公允值估計造成重大影響。

4.9 已授出購股權之估值

已授出購股權之公允值由獨立估值師於授出日期使用二項式定價模式評估。該模式乃需加入主觀性之假設，如預計之股價波幅及股息收益率。主觀性假設之變動亦可能對估計之公允值構成重大影響。所用假設及估計詳情載於附註31。

4.10 復墾及關閉成本之撥備

復墾及關閉成本之撥備乃按管理層對現有監管規定之詮釋及其過往經驗作出估計。管理層定期檢討已設定之撥備(如有)，確保撥備恰當反映採礦及勘探活動產生之債務。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

4.8 Valuation of the Convertible Note

The directors use their judgement in selecting an appropriate valuation technique for the Convertible Note as disclosed in note 27(d) which are not quoted in the active market. Valuation technique commonly used by the market practitioners is applied. The fair value of the Convertible Note is estimated by independent professional valuer based on the actual transaction of the financial instruments in the market or transactions of similar financial instruments which generally represent the best estimate of the market value. Details of the key inputs into the model are disclosed in note 27(d). The fair value of the Convertible Note varies with different variables of certain subjective assumptions. Any change in these variables so adopted may materially affect the estimation of the fair value of the Convertible Note.

4.9 Valuation of share options granted

The fair value of share options granted is estimated using the binomial model at the date of grant by an independent valuer. The model requires input of subjective assumptions such as expected stock price volatility and dividend yield. Changes in the subjective input may materially affect the fair value estimates. Details of assumptions and estimates used are set out in note 31.

4.10 Provision for reclamation and closure costs

Provision for reclamation and closure cost is estimated based on the management's interpretation of current regulatory requirements and their past experiences. Provision set up, if any, is reviewed regularly by management to ensure it properly reflects the obligation arising from the mining and exploration activities.

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5. 收益、其他收入及收益

本集團之主要業務產生之收益(亦即本集團之營業額)及其他收入及收益之分析如下:

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue from the Group's principal activities, which is also the Group's turnover, and other income and gains is as follows:

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
收益	Revenue		
土木工程合約之保養及 建造工程之合約收益	Contract revenue from maintenance and construction works on civil engineering contracts	930,283	874,289
供水服務收益	Revenue from water supply services	693	556
供水相關安裝費	Water supply related installation fee	118	116
裝修服務收益	Revenue from renovation services	4,480	–
		935,574	874,961
其他收入及收益	Other income and gains		
銀行利息收入	Bank interest income	285	2,067
匯兌收益	Exchange gains	–	13,358
可換股票據衍生工具部份 之公允值變動 (附註27(d))	Fair value change on the Derivative Component of the Convertible Note (note 27(d))	–	22,821
延長承兌票據產生 之收益(附註27(c))	Gain arising from extension of the Promissory Note (note 27(c))	34,497	–
雜項收入	Sundry income	93	265
		34,875	38,511
總收入	Total income	970,449	913,472

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6. 分部資料

分部業績、分部資產及分部負債

有關本集團須呈報分部之資料(包括收益、本年度虧損、總資產及總負債對賬)及其他分部資料如下：

6. SEGMENT INFORMATION

Segments results, segment assets and segment liabilities

Information regarding the Group's reportable segments including the reconciliations to revenue, loss for the year, total assets and total liabilities and other segment information are as follows:

		水務工程承包業務 Waterworks engineering contracting business		供水業務 Water supply business		裝修業務 Renovation business		採礦及勘探業務 Mining and exploration business		綜合 Consolidated	
		二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
		千港元	千港元	千港元	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	HK\$'000	HK\$'000	HK\$'000
須呈報分部收益*	Reportable segment revenue*	930,283	874,289	811	672	4,480	-	-	-	935,574	874,961
須呈報分部(虧損)/溢利	Reportable segment (loss)/profit	(2,000)	12,259	(1,192)	(759)	(1,075)	-	(1,736,401)	(406,735)	(1,740,668)	(395,235)
可換股票據衍生工具部份之公允值變動(附註27(d))	Fair value change on the Derivative Component of the Convertible Note (note 27(d))									(780)	22,821
延長承兌票據產生之收益(附註27(c))	Gain arising from extension of the Promissory Note (note 27(c))									34,497	-
企業收入及開支	Corporate income and expenses									(3,994)	(9,813)
融資成本	Finance costs									(88,145)	(76,158)
扣除所得稅前虧損	Loss before income tax									(1,799,090)	(458,385)
所得稅抵免	Income tax credit									411,044	87,799
本年度虧損	Loss for the year									(1,388,046)	(370,586)

										二零一二年	二零一一年
										2012	2011
										千港元	千港元
										HK\$'000	HK\$'000
須呈報分部資產	Reportable segment assets	519,331	552,912	14,552	14,978	3,669	-	805,553	2,642,434	1,343,105	3,210,324
衍生財務資產—可換股票據之衍生工具部份	Derivative financial asset — Derivative Component of the Convertible Note									63,734	80,342
可收回稅項	Tax recoverable									1,696	-
已抵押銀行存款	Pledged bank deposits									24,417	32,501
企業資產	Corporate assets									916	788
綜合總資產	Consolidated total assets									1,433,868	3,323,955

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6. 分部資料 (續)

分部業績、分部資產及分部負債 (續)

6. SEGMENT INFORMATION (Continued)

Segments results, segment assets and segment liabilities (Continued)

		水務工程承包業務		供水業務		裝修業務		採礦及勘探業務		合計	
		Waterworks engineering		Water supply business		Renovation business		Mining and		Consolidated	
		contracting business						exploration business			
		二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年
		千港元	千港元	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	HK\$'000	HK\$'000	
須呈報分部負債	Reportable segment liabilities	95,119	73,621	71	32	609	-	9,141	9,687	104,940	83,340
借貸(不包括融資租賃負債)	Borrowings excluding finance lease liabilities									846,488	949,237
應付稅項	Tax payable									9	117
遞延稅項負債	Deferred tax liabilities									141,260	599,976
企業負債	Corporate liabilities									247	301
綜合總負債	Consolidated total liabilities									1,092,944	1,632,971

		二零一二年		二零一一年		二零一二年		二零一一年			
		2012	2011	2012	2011	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	HK\$'000		
其他資料	Other information										
利息收入	Interest income	48	48	185	98	-	-	52	1,921	285	2,067
物業、廠房及設備之減值	Impairment of property, plant and equipment	-	-	-	1,776	-	-	40,432	-	40,432	1,776
商譽減值	Impairment of goodwill	-	-	-	-	-	-	-	35,506	-	35,506
採礦牌照減值	Impairment of mining licences	-	-	-	-	-	-	1,646,083	353,399	1,646,083	353,399
預付款項減值	Impairment of prepayment	-	-	-	-	-	-	3,738	-	3,738	-
添置特定非流動資產*	Additions to specified non-current assets #	15,344	8,201	-	14	13	-	13,336	2,527,188	28,693	2,535,403
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	9,278	9,868	946	420	-	-	2,372	1,170	12,596	11,458
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	-	-	6	6	-	-	235	273	241	279
以權益結算並以股份支付之補償	Equity-settled share-based compensation	2,519	2,496	-	-	-	-	2,191	12,215	4,710	14,711

* 指來自外部客戶之銷售，且截至二零一二年及二零一一年三月三十一日止年度，不同業務分部之間並無分部間銷售。

特定非流動資產指本集團除金融工具以外之非流動資產。

* This represents sales from external customers and there were no inter-segment sales between different business segments for the years ended 31 March 2012 and 2011.

Specified non-current assets represents the Group's non-current assets excluding financial instruments.

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6. 分部資料 (續)

地區資料

本集團之業務位於香港(所在地)、中國內地、澳門及蒙古國。本集團按地區呈列之收益乃根據客戶所在地釐定。本集團按地區呈列之特定非流動資產乃根據資產之地理位置或經營所在地(就商譽而言)釐定。

6. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in Hong Kong (place of domicile), Mainland China, Macau and Mongolia. The Group's revenue by geographical location is determined based on locations of customers. The Group's specified non-current assets by geographical locations are determined based on physical location of the assets or location of operation in case of goodwill.

	香港 Hong Kong		中國內地 Mainland China		澳門 Macau		蒙古國 Mongolia		綜合 Consolidated	
	二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
收益 Revenue	930,283	874,289	811	672	4,480	-	-	-	935,574	874,961
特定非流動資產 Specified non-current assets	44,730	40,285	6,938	7,534	13	-	598,568	2,475,061	650,249	2,522,880

於本財政年度，本集團收益之915,732,000港元或98% (二零一一年：831,519,000港元或95%) 乃依賴水務工程承包業務分部之單一客戶。

During the current financial year, HK\$915,732,000 or 98% (2011: HK\$831,519,000 or 95%) of the Group's revenue depended on a single customer in the waterworks engineering contracting business segment.

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7. 經營虧損

7. OPERATING LOSS

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
經營虧損乃經扣除／(計入) 下列各項後得出：	Operating loss is arrived at after charging/(crediting):		
確認為開支之存貨成本	Costs of inventories recognised as expenses		
– 已用存貨之賬面值	– Carrying amount of inventories utilised	144,492	136,493
– 存貨撇減	– Write-down of inventories	6,310	–
		150,802	136,493
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	241	279
物業、廠房及設備之折舊	Depreciation of property, plant and equipment		
– 自有資產	– owned assets	12,544	11,034
– 租賃資產	– leased assets	52	424
		12,596	11,458
減：物業、廠房及設備／ 勘探及評估資產 撥充資本金額	Less: Amounts capitalised in property, plant and equipment/exploration and evaluation assets	(267)	(241)
物業、廠房及設備之 折舊淨額	Net depreciation of property, plant and equipment	12,329	11,217
員工成本(包括董事酬金)	Staff costs (including directors' emoluments)		
– 薪金、津貼及實物福利	– salaries, allowances and benefits in kind	130,682	129,929
– 退休福利計劃供款 (界定供款計劃)	– retirement benefits scheme contributions (defined contribution plan)	4,171	5,417
– 以權益結算並以股份 支付之補償(附註31)	– equity-settled share-based compensation (note 31)	5,276	10,508
		140,129	145,854
經營租賃費用	Operating lease charges		
– 土地及樓宇	– land and buildings	5,176	3,414
– 廠房及機器	– plant and machinery	4,391	5,584
		9,567	8,998
核數師酬金	Auditor's remuneration		
– 本年度撥備	– provision for current year	1,340	1,119
– 上一年度撥備不足	– under-provision in prior year	100	–
		1,440	1,119
出售物業、廠房及 設備之虧損	Loss on disposal of property, plant and equipment	1,686	2,561
匯兌虧損淨額	Exchange losses, net	12,200	–
預付款項減值	Impairment of prepayment	3,738	–
可換股票據衍生工具部份 之公允值虧損	Fair value loss on the Derivative Component of the Convertible Note	780	–

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

8. 融資成本

8. FINANCE COSTS

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 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 銀行貸款及透支	Bank loans and overdraft wholly repayable within five years	2,164	2,692
融資租賃付款之 利息部份	Interest element of finance lease payments	12	28
其他貸款	Other loans	75	–
		2,251	2,720
承兌票據之應歸 利息開支(附註27(c))	Imputed interest expenses on Promissory Note (note 27(c))	33,101	23,858
可換股票據之應歸 利息開支(附註27(d))	Imputed interest expenses on Convertible Note (note 27(d))	52,793	49,580
按攤銷成本列賬之 財務負債利息總額	Total interest on financial liabilities stated at amortised cost	88,145	76,158

9. 所得稅抵免

9. INCOME TAX CREDIT

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
本年度即期稅項	Current tax for the year		
– 香港利得稅	– Hong Kong profits tax	500	551
– 就上一年度超額撥備	– Over-provision in respect of prior year	(23)	–
撥回採礦牌照減值之 遞延稅項(附註29)	Write back of deferred tax on impairment of mining licenses (note 29)	(411,521)	(88,350)
所得稅抵免	Income tax credit	(411,044)	(87,799)

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

9. 所得稅抵免 (續)

香港利得稅乃按本年度估計應課稅溢利之16.5% (二零一一年：16.5%) 計算。

於中國內地產生的企業所得稅(「企業所得稅」)乃根據中國的相關法例及規例計算。企業所得稅適用稅率為25% (二零一一年：25%)。

於蒙古國註冊成立之附屬公司須繳納蒙古國所得稅，該所得稅乃以應課稅收入首3,000,000,000蒙古國圖格里克(「圖格里克」)按10%之稅率計算，超出部份按25%之稅率計算。由於該等蒙古國附屬公司在截至二零一二年三月三十一日止年度並無產生應課稅收入(二零一一年：無)，因此並未就所得稅作出撥備。

按適用稅率計算之本年度所得稅抵免與扣除所得稅前虧損之對賬如下：

9. INCOME TAX CREDIT (Continued)

Hong Kong profits tax is calculated at 16.5% (2011: 16.5%) on the estimated assessable profits for the year.

Enterprise Income Tax (“EIT”) arising from the Mainland China is calculated according to the relevant laws and regulations in the PRC. The applicable tax rate for the EIT is 25% (2011: 25%).

Subsidiaries incorporated in Mongolia are subject to Mongolian income tax which is calculated at the rate of 10% on the first 3 billion Mongolian Tugrik (“MNT”) of taxable income and 25% on the amount in excess thereof. No income tax was provided as these Mongolian subsidiaries have not derived any taxable income during the year ended 31 March 2012 (2011: Nil).

Income tax credit for the year can be reconciled to the loss before income tax at applicable tax rates as follows:

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
扣除所得稅前虧損	Loss before income tax	(1,799,090)	(458,385)
按適用於有關司法權區溢利之稅率計算之溢利名義稅	Notional tax on profit calculated at the rates applicable to profits in the jurisdiction concerned	(440,457)	(108,469)
毋須課稅收入之稅務影響	Tax effect on non-taxable income	(6,013)	(4,050)
不可扣減開支之稅務影響	Tax effect on non-deductible expenses	34,663	24,714
尚未確認之稅項虧損之稅務影響	Tax effect on tax losses not recognised	810	718
動用過往未確認之稅項虧損	Utilisation of tax losses previously not recognised	(23)	(742)
其他	Others	(24)	30
所得稅抵免	Income tax credit	(411,044)	(87,799)

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

10. 本公司權益持有人應佔虧損

本公司權益持有人應佔綜合虧損為1,387,784,000港元(二零一一年: 369,890,000港元), 1,478,806,000港元之虧損(二零一一年: 148,412,000港元)已於本公司之財務報表內處理。

11. 股息

董事不建議就截至二零一二年三月三十一日止年度派付任何股息(二零一一年: 無)。

12. 每股虧損

每股基本虧損乃基於本年度本公司權益持有人應佔虧損1,387,784,000港元(二零一一年: 369,890,000港元)及年內已發行普通股的加權平均數9,116,259,000股(二零一一年: 5,540,828,000股)計算。

由於本公司於兩個年度均無具攤薄效應的潛在未發行普通股, 故兩個年度之每股攤薄虧損與每股基本虧損相同。可換股票據(如附註27(d)所披露)及尚未行使之購股權(如附註31所披露)對所呈列的每股基本虧損具有反攤薄影響。

10. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the consolidated loss attributable to owners of the Company of HK\$1,387,784,000 (2011: HK\$369,890,000), a loss of HK\$1,478,806,000 (2011: HK\$148,412,000) has been dealt with in the financial statements of the Company.

11. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 March 2012 (2011: Nil).

12. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year attributable to the owners of the Company of HK\$1,387,784,000 (2011: HK\$369,890,000) and the weighted average number of ordinary shares in issue during the year of 9,116,259,000 (2011: 5,540,828,000).

Diluted loss per share for both years is the same as the basic loss per share as the Company has no dilutive potential ordinary shares outstanding during both years. The impact of the Convertible Note as disclosed in note 27(d) and the outstanding share options as disclosed in note 31 had anti-dilutive effect on the basic loss per share presented.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

13. 董事及高級管理人員酬金

(a) 董事酬金

13. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS

(a) Directors' emoluments

		袍金 Fees 千港元 HK\$'000	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	以權益結算 並以股份 支付之補償 Equity-settled share-based compensation 千港元 HK\$'000	總額 Total 千港元 HK\$'000
二零一二年	2012					
執行董事	Executive Directors					
原秋明先生	Mr. Yuen Chow Ming	–	1,294	–	–	1,294
原偉強先生	Mr. Yuen Wai Keung	–	1,774	12	2,519	4,305
蘇耀祥先生	Mr. So Yiu Cheung	–	1,294	12	–	1,306
張志文先生	Mr. Cheung Chi Man, Dennis	–	1,294	12	–	1,306
林翔先生	Mr. Lim Siong, Dennis	–	2,422	68	2,519	5,009
黃德忠先生(附註(i))	Mr. Wong Tak Chung (note (i))	–	192	4	(980)	(784)
Enebish. Burenkhuu 先生	Mr. Enebish. Burenkhuu	–	427	52	(263)	216
梁仲德先生	Mr. Leung, Chung Tak Barry	–	1,200	12	–	1,212
非執行董事	Non-Executive Director					
何顯鴻先生(附註(ii))	Mr. Ho Hin Hung, Henry (note (ii))	110	150	1	1,185	1,446
獨立非執行董事	Independent Non-Executive Directors					
陳世杰先生	Mr. Chan, Sai Kit Kevin	120	–	–	–	120
廖長天先生	Mr. Liao Cheung Tin, Stephen	120	–	–	148	268
譚子勤先生	Mr. Tam Tsz Kan	120	–	–	148	268
		470	10,047	173	5,276	15,966
二零一一年	2011					
執行董事	Executive Directors					
原秋明先生	Mr. Yuen Chow Ming	–	1,274	–	–	1,274
原偉強先生	Mr. Yuen Wai Keung	–	1,754	12	2,233	3,999
蘇耀祥先生	Mr. So Yiu Cheung	–	1,274	12	–	1,286
張志文先生	Mr. Cheung Chi Man, Dennis	–	1,184	12	–	1,196
何顯鴻先生(附註(ii))	Mr. Ho Hin Hung, Henry (note (ii))	–	1,650	12	1,051	2,713
林翔先生(附註(iii))	Mr. Lim Siong, Dennis (note (iii))	–	1,909	82	2,233	4,224
黃德忠先生(附註(i))	Mr. Wong Tak Chung (note (i))	–	450	9	2,233	2,692
Enebish. Burenkhuu 先生(附註(iii))	Mr. Enebish. Burenkhuu (note (iii))	–	373	7	263	643
梁仲德先生(附註(iv))	Mr. Leung, Chung Tak Barry (note (iv))	–	58	1	–	59
獨立非執行董事	Independent Non-Executive Directors					
梁以德教授(附註(v))	Professor Leung Yee Tak (note (v))	70	–	–	–	70
陳世杰先生(附註(vi))	Mr. Chan, Sai Kit Kevin (note (vi))	50	–	–	–	50
廖長天先生	Mr. Liao Cheung Tin, Stephen	120	–	–	131	251
譚子勤先生(附註(vii))	Mr. Tam Tsz Kan (note (vii))	49	–	–	131	180
王立石先生(附註(viii))	Mr. Wong Lap Shek, Eddie (note (viii))	56	–	–	–	56
		345	9,926	147	8,275	18,693

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NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

13. 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

附註：

- (i) 於二零一零年六月十七日獲委任並於二零一一年七月二十七日辭任
- (ii) 於二零一一年四月二十八日由執行董事調任為非執行董事，及其後於二零一二年六月二十八日辭任
- (iii) 於二零一零年六月十七日獲委任
- (iv) 於二零一一年三月十四日獲委任
- (v) 於二零一零年十月三十一日辭任
- (vi) 於二零一零年十一月一日獲委任
- (vii) 於二零一零年十月一日獲委任
- (viii) 於二零一零年九月三十日辭任

概無董事放棄或同意放棄截至二零一二年及二零一一年三月三十一日止年度之任何酬金。

13. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS

(Continued)

(a) Directors' emoluments (Continued)

Notes:

- (i) appointed on 17 June 2010 and resigned on 27 July 2011
- (ii) re-designated from executive director to non-executive director on 28 April 2011 and subsequently resigned on 28 June 2012
- (iii) appointed on 17 June 2010
- (iv) appointed on 14 March 2011
- (v) resigned on 31 October 2010
- (vi) appointed on 1 November 2010
- (vii) appointed on 1 October 2010
- (viii) resigned on 30 September 2010

No director waived or agreed to waive any emoluments in respect of the years ended 31 March 2012 and 2011.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

13. 董事及高級管理人員酬金 (續)

(b) 五名最高薪人士

本集團五名最高薪人士包括四名(二零一一年：五名)董事，其酬金已於上文披露。截至二零一二年三月三十一日止年度，已付予餘下一名最高薪非董事人士之酬金如下：

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
薪金、津貼及 實物福利	Salaries, allowances and benefits in kind	1,714	–
退休福利計劃供款	Retirement benefits scheme contributions	12	–
		1,726	–

截至二零一二年三月三十一日止年度，上述一名最高薪非董事人士之酬金總額介乎下列範圍：

		人數 Number of individuals	
		二零一二年 2012	二零一一年 2011
1,500,001港元至2,000,000港元	HK\$1,500,001 - HK\$2,000,000	1	–

於截至二零一二年及二零一一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。

13. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS

(Continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group included four (2011: five) directors whose emoluments have been disclosed above. For the year ended 31 March 2012, the emoluments paid to the remaining one highest paid, non-director individual is as follows:

For the year ended 31 March 2012, the aggregate emoluments of the above one highest paid, non-director individual fell within the following band:

During the years ended 31 March 2012 and 2011, 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.

財務報表附註

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截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

14. 物業、廠房及設備

14. PROPERTY, PLANT AND EQUIPMENT

本集團

The Group

		土地及樓宇 Land and buildings 千港元 HK\$'000	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	廠房、 機器及工具 Plant, machinery and tools 千港元 HK\$'000	水管網 Water pipelines 千港元 HK\$'000	礦場開發資產 Mine development assets 千港元 HK\$'000	合計 Total 千港元 HK\$'000
於二零一零年三月三十一日	At 31 March 2010								
成本	Cost	1,576	9,107	5,475	44,214	23,688	7,779	-	91,839
累計折舊	Accumulated depreciation	(308)	(3,584)	(2,929)	(14,893)	(15,459)	(572)	-	(37,745)
賬面淨值	Net carrying amount	1,268	5,523	2,546	29,321	8,229	7,207	-	54,094
賬面淨值	Net carrying amount								
於二零一零年四月一日	At 1 April 2010	1,268	5,523	2,546	29,321	8,229	7,207	-	54,094
透過業務合併收購(附註33)	Acquisition through business combination (note 33)	5,578	474	-	918	6,398	-	-	13,368
轉撥自勘探及評估資產(附註19)	Transfer from exploration and evaluation assets (note 19)	-	-	-	-	-	-	15,191	15,191
添置	Additions	11,010	2,005	236	7,275	3,018	-	17,757	41,301
出售	Disposals	-	(430)	(213)	(1,577)	(862)	-	-	(3,082)
折舊	Depreciation	(216)	(1,179)	(697)	(5,998)	(3,025)	(343)	-	(11,458)
減值	Impairment	(247)	(137)	-	-	-	(1,392)	-	(1,776)
匯兌調整	Exchange realignment	898	68	-	339	1,043	327	2,112	4,787
於二零一一年三月三十一日	At 31 March 2011	18,291	6,324	1,872	30,278	14,801	5,799	35,060	112,425
於二零一一年三月三十一日	At 31 March 2011								
成本	Cost	19,118	11,084	4,872	48,820	31,612	8,136	35,060	158,702
累計折舊及減值	Accumulated depreciation and impairment	(827)	(4,760)	(3,000)	(18,542)	(16,811)	(2,337)	-	(46,277)
賬面淨值	Net carrying amount	18,291	6,324	1,872	30,278	14,801	5,799	35,060	112,425
賬面淨值	Net carrying amount								
於二零一一年四月一日	At 1 April 2011	18,291	6,324	1,872	30,278	14,801	5,799	35,060	112,425
添置	Additions	110	3,624	7,683	5,164	3,116	-	5,601	25,298
出售	Disposals	-	(210)	(108)	(1,658)	(8)	-	-	(1,984)
折舊	Depreciation	(525)	(1,419)	(1,241)	(5,457)	(3,091)	(863)	-	(12,596)
減值	Impairment	-	-	-	-	(6,903)	-	(33,529)	(40,432)
匯兌調整	Exchange realignment	(574)	(37)	(54)	(280)	(607)	272	(2,706)	(3,986)
於二零一二年三月三十一日	At 31 March 2012	17,302	8,282	8,152	28,047	7,308	5,208	4,426	78,725
於二零一二年三月三十一日	At 31 March 2012								
成本	Cost	18,615	14,030	12,188	50,674	33,716	8,456	37,226	174,905
累計折舊及減值	Accumulated depreciation and impairment	(1,313)	(5,748)	(4,036)	(22,627)	(26,408)	(3,248)	(32,800)	(96,180)
賬面淨值	Net carrying amount	17,302	8,282	8,152	28,047	7,308	5,208	4,426	78,725

由於該煤礦場於本財政年度尚未投產，因此並無就礦場開發資產計提折舊(二零一一年：無)。

No depreciation for mine development assets was provided for as the production of the coal mine site has not yet commenced in this financial year (2011: Nil).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

14. 物業、廠房及設備 (續)

董事認為，無煙廠房不會於可見將來實現，故無煙廠房的賬面淨值已於本財政年度全面減值，產生減值虧損6,903,000港元。

物業、廠房及設備的賬面淨值包括下列以融資租賃方式持有之資產的金額：

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Directors are of the opinion that the smokeless plant will not be implemented in the foreseeable future and therefore the net carrying amount of the smokeless plant has been fully impaired in the current financial year, resulting in an impairment loss of HK\$6,903,000.

The net carrying amount of property, plant and equipment includes the following amounts in respect of assets held under finance leases:

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
汽車	Motor vehicles	233	855

本集團物業的賬面淨值分析如下：

The analysis of the net carrying amount of the Group's properties is as follows:

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
在香港以外地區以 中期租賃持有	Outside Hong Kong, held under medium-term leases	17,863	19,155
下列各項所佔部份： 樓宇	Representing: Buildings	17,302	18,291
預付土地租賃款項 (附註15)	Prepaid land lease payments (note 15)	561	864
		17,863	19,155

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

15. 預付土地租賃款項

15. PREPAID LAND LEASE PAYMENTS

		本集團 The Group	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
期初賬面淨值	Opening net carrying amount	864	140
透過業務合併收購 (附註33)	Acquisition through business combination (note 33)	-	675
添置	Addition	3	189
攤銷	Amortisation	(241)	(279)
匯兌調整	Exchange realignment	(65)	139
期末賬面淨值	Closing net carrying amount	561	864
分析如下：	Analysed into:		
計入非流動資產的 非流動部份	Non-current portion included in non-current assets	351	630
計入流動資產的 流動部份(附註23)	Current portion included in current assets (note 23)	210	234
		561	864

本集團預付土地租賃款項指購入分別位於中國及蒙古國之土地使用權益之預付款，該等土地乃以中期租賃(二零一一年：中期租賃)持有。

The Group's prepaid land lease payments represent up-front payments to acquire interest in the usage of land situated in the PRC and Mongolia respectively, which are held under medium term leases (2011: medium term leases).

16. 附屬公司

16. SUBSIDIARIES

		本公司 The Company	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
於附屬公司之投資 非上市股份，按成本 減：減值撥備(附註(a))	Investments in subsidiaries Unlisted shares, at cost Less: Provision for impairment (note (a))	2,023,062 (1,460,752)	2,020,848 (74,168)
		562,310	1,946,680
應收附屬公司款項(附註(b)) 成本 減：減值撥備	Amounts due from subsidiaries (note (b)) Cost Less: Provision for impairment	523,859 (51,482)	440,187 (15,777)
		472,377	424,410
應付附屬公司款項	Amounts due to subsidiaries	6,757	6,757

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截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

16. 附屬公司 (續)

附註：

- (a) 已就於附屬公司之投資作出減值約1,386,584,000港元(二零一一年：74,168,000港元)，該等附屬公司於蒙古國從事採煤業務。該等附屬公司所持採礦牌照須於本年度減值。有關採礦牌照之減值詳情載於附註18。
- (b) 應收／應付附屬公司款項乃無抵押、免息及須於通知時償還。

應收附屬公司款項的減值虧損計入撥備賬內，除非本集團信納該款項之可收回性甚微，在此情況下，減值虧損將直接從應收附屬公司款項內撇銷。年內呆賬撥備之變動如下：

16. SUBSIDIARIES (Continued)

Notes:

- (a) Impairment of approximately HK\$1,386,584,000 (2011: HK\$74,168,000) was made for investment in subsidiaries which are engaged in the coal mining business in Mongolia. These subsidiaries are holding mining licences which was subject to impairment in current year. Details of the impairment of the mining licences are set out in note 18.
- (b) The amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

Impairment loss in respect of amounts due from subsidiaries are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against the amounts due from subsidiaries directly. The movement in the allowance for doubtful debts during the year is as follows:

		本公司 The Company	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
年初	At beginning of the year	15,777	-
加：年內確認之減值撥備	Add : Allowance for impairment recognised during the year	35,705	15,777
年末	At end of the year	51,482	15,777

於二零一二年及二零一一年三月三十一日，呆賬撥備包括與未償還結餘有關之個別減值應收附屬公司款項，本公司董事認為，由於該等附屬公司長期錄得虧損，該等結餘之可收回性甚微。

At 31 March 2012 and 2011, included in the allowance for doubtful debts are individually impaired amounts due from subsidiaries which related to those outstanding balances that, in the opinion of the directors of the Company, the recovery of these balances are remote as these subsidiaries have been loss-making for a lengthy period of time.

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NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

16. 附屬公司 (續)

於二零一二年三月三十一日之附屬公司詳情如下：

16. SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 March 2012 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 paid up 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 Interests held directly				
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% 100%	在香港從事投資控股 Investment holding in Hong Kong
間接持有權益 Interests held indirectly				
明興水務渠務工程有限公司 Ming Hing Waterworks Engineering Company Limited	香港 Hong Kong	68,800,000港元(普通股) HK\$68,800,000 (ordinary shares)	100% 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	5,015,000港元(普通股) HK\$5,015,000 (ordinary shares)	100% 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% 100%	暫無營業 Inactive
DST Engineering Supplies Limited	香港 Hong Kong	100港元(普通股) HK\$100 (ordinary shares)	100% 100%	暫無營業 Inactive

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

16. 附屬公司 (續)

16. SUBSIDIARIES (Continued)

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 paid up 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
間接持有權益 (續) Interests held indirectly <i>(Continued)</i>				
明興工程(香港)有限公司 Ming Hing Engineering (HK) Company Limited	香港 Hong Kong	100港元(普通股) HK\$100 (ordinary shares)	100% 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 contract business in Hong Kong
明裕工程(澳門)有限公司 Ming Yu Engineering (Macau) Company Limited	澳門 Macau	2,000,000澳門幣(普通股) MOP2,000,000 (ordinary shares)	100% 100%	裝修服務 Renovation service
明興水務(清遠)有限公司 Ming Hing Waterworks (Qingyuan) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100% 100%	在香港從事投資控股 Investment holding in Hong Kong
明興中國水務處理工程 有限公司 Ming Hing Water Treatment Engineering (PRC) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100% 100%	在香港從事投資控股 Investment holding in Hong Kong
明興水務(南寧)有限公司 Ming Hing Waterworks (Nanning) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100% 100%	暫無營業 Inactive
Brave Lion Investments Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100% 100%	在香港從事投資控股 Investment holding in Hong Kong
清遠市新興自來水淨化 有限公司(附註(a)) 清遠市新興自來水淨化 有限公司 (note (a))	中國 PRC	1,367,670美元 US\$1,367,670	100% 100%	在中國內地從事投資控股 Investment holding in Mainland China

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

16. 附屬公司 (續)

16. SUBSIDIARIES (Continued)

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 paid up 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
間接持有權益 (續) Interests held indirectly <i>(Continued)</i>				
清新一清城區飛來峽發興 自來水有限公司	中國 PRC	人民幣9,600,000元 RMB9,600,000	附註(b) note (b)	供水業務 Water supply business
清新一清城區飛來峽發興 自來水有限公司				
明興自來水(南寧)有限公司 (附註(a))	中國 PRC	1,282,343美元 US\$1,282,343	100% 100%	正在註銷登記 In the process of de-registration
明興自來水(南寧)有限公司 (note (a))				
蒙古投資集團有限公司 Mongolia Investment Group Limited	英屬處女群島 British Virgin Islands	1,000美元 US\$1,000	100% 100%	投資控股 Investment holding
Central Asia Mineral Exploration Pte. Ltd.	新加坡 Singapore	73,064,000美元 US\$73,064,000	100% 100%	投資控股 Investment holding
Camex LLC	蒙古國 Mongolia	12,000,000圖格里克 MNT12,000,000	100% 100%	在蒙古國從事礦產資源勘 探和投資控股 Mineral resources exploration and investment holding in Mongolia
Kores	蒙古國 Mongolia	11,640,000圖格里克 MNT11,640,000	70% 70%	在蒙古國從事礦產資源勘探 Mineral resources exploration in Mongolia

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

16. 附屬公司 (續)

16. SUBSIDIARIES (Continued)

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 paid up 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
TNE	蒙古國 Mongolia	10,000,000圖格里克 MNT10,000,000	100% 100%	在蒙古國從事採礦業務 Mining business in Mongolia
Camex GT LLC	蒙古國 Mongolia	100,000圖格里克 MNT100,000	100% 100%	暫無營業 Dormant
Grand Title Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	100% 100%	投資控股 Investment holding
Grand State Holdings Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	100% 100%	物業投資 Property investment
Chance Wealth Holdings Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	100% 100%	暫無營業 Dormant
MIG Management Services Limited	香港 Hong Kong	1港元 HK\$1	100% 100%	提供管理服務 Provision of administrative services
Jichang Investments Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	100% 100%	暫無營業 Dormant

附註：

- (a) 該等公司根據中國法律註冊為外商獨資企業。
- (b) 本集團持有該公司註冊資本98.96%的權益，有權分攤該公司85%的溢利或虧損。

Notes:

- (a) These companies are registered as wholly foreign owned enterprises under the PRC Law.
- (b) The Group has 98.96% interest in the registered capital of the entity and is entitled to share 85% of the profit or loss of the entity.

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NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

17. 商譽

17. GOODWILL

		本集團 The Group	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
期初賬面淨值	Opening net carrying amount	–	–
透過業務合併收購 (附註33)	Acquisition through business combination (note 33)	–	33,701
匯兌調整	Exchange realignment	–	1,805
減值	Impairment	–	(35,506)
期末賬面淨值	Closing net carrying amount	–	–

商譽分配至預期可從中受益之現金產生單位(「現金產生單位」)。收購事項(附註1)所產生之商譽已分配至採礦及勘探業務項下的現金產生單位TNE礦場中。商譽之賬面值已於截至二零一一年三月三十一日止年度全面減值，進一步披露載於附註18。

Goodwill was allocated to the cash generating unit (“CGU”) from which it was expected to benefit. Goodwill arising from the Acquisition (note 1) was allocated to the CGU of TNE Mine within mining and exploration business. The carrying amount of goodwill was fully impaired in the year ended 31 March 2011 as further disclosed in note 18.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

18. 採礦牌照

18. MINING LICENCES

		本集團 The Group	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
期初賬面淨值	Opening net carrying amount	2,377,648	–
轉撥自勘探及評估資產 (附註19)	Transfer from exploration and evaluation assets (note 19)	–	2,259,371
添置	Additions	274	50
減值	Impairment	(1,646,083)	–
匯兌調整	Exchange realignment	(188,927)	118,227
期末賬面淨值	Closing net carrying amount	542,912	2,377,648

牌照指有關位於蒙古國Tur盟Bayan蘇木的行政單位內的Tugrug Valley，覆蓋面積共1,114公頃之煤礦的四項開採權之賬面值。

根據二零零六年採納之蒙古國礦產法，所授出之採礦牌照首次為期30年，採礦牌照持有人可連續申請續期兩次，每次20年。

由於該煤礦場於本財政年度尚未投產，因此並無就採礦牌照作出攤銷（二零一一年：無）。

截至二零一一年三月三十一日止年度，TNE礦場的採礦牌照於緊接其轉撥至「物業、廠房及設備」／「採礦牌照」前進行減值檢討，其後於有跡象顯示採礦牌照之賬面值可能無法收回時進行減值檢討。

Licences represent the carrying amount of four mining rights in respect of a coal mine located in Tugrug Valley within the administrative unit of Bayan Soum of Tur Aimag in Mongolia covering area of 1,114 hectares in aggregate.

Pursuant to the Mineral Law of Mongolia which was adopted in 2006, mining licence is granted for an initial period of 30 years and holder of a mining licence may apply for an extension of such licence for two successive periods of 20 years each.

No amortisation for the mining licences was provided for as the production of the coal mine site had not been commenced in this financial year (2011: Nil).

The mining licenses of TNE Mine were subject to impairment review immediately before their transfer to “Property, plant and equipment”/“Mining licences” during the year ended 31 March 2011 and subsequently whenever there are indications that the mining licences’ carrying amount may not be recoverable.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

18. 採礦牌照 (續)

進行減值測試時，本公司董事已委聘獨立估值師，以釐定TNE礦場之可收回金額。鑒於TNE礦場之開發現狀，管理層使用公允價值減出售成本釐定TNE礦場之可收回金額，並使用貼現現金流量（「貼現現金流量」）分析。貼現現金流量分析包含典型市場參與者估算TNE礦場公允價值時採用之假設。貼現現金流量分析採用直至二零二六年之14年期間（二零一一年：直至二零二三年之12年期間）之現金流量預測，適用之現金流量預測折現率為18.91%（二零一一年：20.04%）。釐定折現率時，使用加權平均資金成本，而加權平均資金成本則參考行業資本架構，並根據具有採礦項目之類似香港及中國交易所上市公司之數據而釐定。預計售價及增長率時，參考當地蒙古國經濟、中國經濟及煤炭市場之情況。

於有關財政年度計算TNE礦場之公允價值減出售成本時採用之其他主要假設包括：

截至二零一一年三月三十一日止年度

- (a) 預計產量乃根據管理層協定之礦場規劃估算，其中會考慮TNE礦場開發方案，作為長期規劃流程的一部份。根據礦場規劃，首三個收益產生年度之收益主要來自於蒙古國本地銷售，其後則主要來自海外銷售（主要是中國）。

18. MINING LICENCES (Continued)

In performing the impairment testing, the Directors of the Company have engaged an independent valuer in determining the recoverable amount of the TNE Mine. Given the current development status of TNE Mine, management has determined the recoverable amount of the TNE Mine using fair value less costs to sell which is derived by using a discounted cash flow (“DCF”) analysis. The DCF analysis has incorporated assumptions that a typical market participant would use in estimating TNE Mine’s fair value. The DCF analysis uses cash flow projection for a period of 14 years up to 2026 (2011: 12 years up to 2023) and the discount rate applied to the cash flow projection is 18.91% (2011: 20.04%). In determining the discount rate, the weighted average cost of capital was used, which is determined with reference to the industry capital structure based on the figures of similar publicly traded companies in the stock exchanges of Hong Kong and the PRC with mining projects. For the estimation of selling price and growth rate, the local Mongolian economy, PRC economy and the coal market are taken as reference.

Other key assumptions used in the calculation of fair value less cost to sell of TNE Mine in respective financial year are set out as follows:

For the year ended 31 March 2011

- (a) The estimated production volumes were based on the mine plans agreed by the management which took into account development plans for the TNE Mine as part of the long-term planning process. Based on the mine plans, revenue was mainly attributable to local sales in Mongolia in the first three revenue-generating years and to overseas sales, mainly in the PRC, thereafter.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

18. 採礦牌照 (續)

截至二零一一年三月三十一日止年度 (續)

- (b) 煤炭售價乃參考可獲取之市場資料釐定。首三個收益產生年度之售價平均增長為12%，與蒙古國的可比較市場資料相符。於第四至第七個收益產生年度，平均售價預期將為首三個收益產生年度之兩倍，乃由於海外市場銷售更優質煤炭所致。自第八個收益產生年度至預測期間餘下時間結束，售價保持穩定。
- (c) 本集團能夠對其採礦牌照進行續期及申請延期。

截至二零一二年三月三十一日止年度

- (a) 於本財政年度進行進一步鑽探工作及實驗室測試，以確定煤層架構及厚度，並測試煤炭質量。通過實驗室測試結果，從樣品得出的熱值介乎3,100至4,300千卡/千克。於報告日期，由於本集團未能挖掘具有預期熱值的煤炭，故本集團已決定修訂現金流量預測以專注於熱值較低煤炭的銷售，該等煤炭的預期每噸售價較低。煤炭售價乃參考市場資料而釐定。根據過去22年的澳洲出口價格指數，煤炭售價的漲幅平均為5.6%。
- (b) 生產成本及毛利率乃參考市場可資比較的數據釐定。經修訂的現金流量預測的預期生產成本較去年有所上升，進而導致整個開採項目年期的整體利潤率下降至36-37%。

18. MINING LICENCES (Continued)

For the year ended 31 March 2011
(Continued)

- (b) Coal sales prices were determined with reference to the market available information. The average increment in sale prices for the first three revenue-generating years was 12%, which was in line with the comparable market information in Mongolia. The average sale price in the fourth to seventh revenue-generating years was expected to be double of that for the first three revenue-generating years due to sales of higher quality coal to overseas markets. Sales prices since the eighth revenue-generating year were kept constant throughout the remaining forecast periods.
- (c) The Group was able to renew and apply for extension for its mining licences.

For the year ended 31 March 2012

- (a) In current financial year, further drilling works and laboratory tests had been done to determine coal layer structure and thickness and to test the coal quality. From the laboratory test results, the calorific value of such samples was in the range of 3,100 to 4,300 Kcal/kg. As at the reporting date, since the Group has not been able to excavate coal with expected calorific value, the Group had decided to revise the cash flow forecasts to focus on the coal sales of lower calorific value which has lower expected coal sales price per tonne. Coal sales price is determined with reference to the market information. The increment in coal sale price is on average of 5.6% which is based on Australian export price index over the past 22 years.
- (b) Cost of production and gross margin are determined with reference to the market comparables. The expected cost of production in the revised cash flow forecasts increases compared to that in last year which in turn reduces the overall profit margin to 36-37% throughout the mining project life.

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截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

18. 採礦牌照 (續)

截至二零一二年三月三十一日止年度 (續)

截至二零一一年三月三十一日止年度，分配至TNE礦場之商譽(附註17)賬面值及TNE礦場資產淨值賬面值之總額為1,997,000,000港元，金額高於TNE礦場之可收回金額1,697,000,000港元，造成減值虧損300,000,000港元。該減值虧損首先分配以撇減商譽之賬面值35,000,000港元，超出之265,000,000港元則於轉出勘探及評估資產前分配以撇減TNE所持採煤牌照之價值(即採煤牌照之賬面值353,000,000港元抵銷稅務影響88,000,000港元)。上一財政年度減值虧損的主要原因是不可預見的技术問題以及水務管理項目所需時間長於預期，造成TNE礦場的整體生產計劃延後。再加上其後市場條件發生若干變化，管理層決定於投產的最初幾年內專注發展本地市場。

截至二零一二年三月三十一日止年度，由於新抽樣調查結果顯示TNE礦場不能挖掘更優質的煤炭以實現上一年度現金流量預測中設定的銷售量，故管理層進一步修訂其業務計劃，在整個現金流量預測中專注於質素較低的煤炭的銷售。此關鍵因素導致預計現金流入淨額進一步調低，TNE礦場之可收回金額亦隨之下調。TNE礦場資產淨值賬面值為1,629,000,000港元，金額高於可收回金額361,000,000港元，造成減值虧損1,268,000,000港元。該減值虧損按比例分配以撇減採礦牌照之賬面值1,646,000,000港元及礦場開發資產之賬面值34,000,000港元抵銷稅務影響412,000,000港元。

18. MINING LICENCES (Continued)

For the year ended 31 March 2012
(Continued)

For the year ended 31 March 2011, the aggregate of the carrying amount of goodwill (note 17) allocated to TNE Mine and the carrying amount of the net assets of TNE Mine was HK\$1,997 million, which was higher than recoverable amount of TNE Mine of HK\$1,697 million, resulting in an impairment loss of HK\$300 million. The impairment loss was firstly allocated to write down the carrying amount of the goodwill of HK\$35 million and the amount in excess of HK\$265 million was allocated to write down the value of the coal mining licences held by TNE before being transferred out of exploration and evaluation assets, which represented the carrying value of the coal mining licences of HK\$353 million offsetting with the tax effect of HK\$88 million. The impairment loss in last financial year was primarily due to unforeseeable technical causes and the required time for water management program was longer than expected, resulting in the delay in the overall production schedule of the TNE Mine. Coupled with certain subsequent change in market condition, the management resolved to concentrate on local market in the early years of production.

For the year ended 31 March 2012, with the new sampling results that the TNE Mine was unable to excavate coal of higher quality to substantiate sales formulated in last year's cash flow projection, the management further revises its business plan to focus on sales with lower coal quality throughout the cash flow projection. This key factor has resulted in further downward adjustment on the estimated net cash inflows and hence the recoverable amount of the TNE Mine. The carrying amount of the net assets of TNE Mine was HK\$1,629 million, which was higher than the recoverable amount of HK\$361 million, resulting in an impairment loss of HK\$1,268 million. The impairment loss is allocated to write down the carrying amount of the mining licenses and the mine development assets on pro-rate basis which amounted to HK\$1,646 million and HK\$34 million respectively, offsetting with the tax effect of HK\$412 million.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

19. 勘探及評估資產

19. EXPLORATION AND EVALUATION ASSETS

		本集團 The Group					
		牌照 Licences		其他 Others		合計 Total	
		二零一二年 2012	二零一一年 2011	二零一二年 2012	二零一一年 2011	二零一二年 2012	二零一一年 2011
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
期初賬面淨值	Opening net carrying amount	5,741	-	22,398	-	28,139	-
透過業務合併收購 (附註33)	Acquisition through business combination (note 33)	-	2,406,201	-	23,230	-	2,429,431
添置	Additions	625	757	2,493	11,893	3,118	12,650
減值(附註18)	Impairment (note 18)	-	(353,399)	-	-	-	(353,399)
轉撥至採礦牌照/ 物業、廠房及設備 設備(附註14及18)	Transfer to mining licences/property, plant and equipment (notes 14 and 18)	-	(2,259,371)	-	(15,191)	-	(2,274,562)
匯兌調整	Exchange realignment	(556)	211,553	(2,440)	2,466	(2,996)	214,019
期末賬面淨值	Closing net carrying amount	5,810	5,741	22,451	22,398	28,261	28,139

(i) 於二零一二年三月三十一日及二零一一年三月三十一日，牌照指取得／收購蒙古國含有黃金、銅及煤蘊藏量之若干區域之勘探牌照的成本。Camex LLC及Kores持有之勘探牌照包括下列各項：

- 四項就若干位於蒙古國Gobi-Altai及Zavkhan(分別覆蓋約44,016公頃及15,517公頃)含有黃金及銅蘊藏量之地區之勘探牌照；及
- 三項就位於蒙古國DundGobi覆蓋面積共14,087公頃之煤礦之勘探牌照。

(i) Licences as at 31 March 2012 and 31 March 2011 represent the cost of obtaining/acquiring exploration licences to certain area in Mongolia with gold, copper and coal deposit. The exploration licences which are held by Camex LLC and Kores comprise of the followings:

- Four exploration licences in respect of gold and copper deposits located in certain areas of Gobi-Altai and Zavkhan, Mongolia covering approximately 44,016 hectares and 15,517 hectares respectively; and
- Three exploration licences in respect of a coal mine located in DundGobi, Mongolia covering an area of 14,087 hectares in aggregate.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

19. 勘探及評估資產 (續)

本集團 (續)

(i) (續)

根據於二零零六年採納之蒙古國礦產法，所授出之勘探牌照初步為期三年，勘探牌照持有人可連續申請續期兩次，每次三年。

(ii) 其他主要包括地質及地球物理成本、鑽探、挖掘及開鑿工程產生之成本、取樣及實驗工作產生之成本、環境評估及可行性研究等評估工作產生之成本，以及折舊及勘探活動之直接勞工成本。

(iii) 於二零一二年三月三十一日及二零一一年三月三十一日之勘探及評估資產金額指進行中之勘探項目。據董事評估，概無任何跡象顯示有關項目出現減值。

19. EXPLORATION AND EVALUATION ASSETS (Continued)

The Group (Continued)

(i) (Continued)

Pursuant to the Mineral Law of Mongolia which was adopted in 2006, exploration licence is granted for an initial period of three years and holder of an exploration licence may apply for an extension of such licence for two successive periods of three years each.

(ii) Others mainly comprise geological and geophysical costs, costs incurred for drilling, trenching and excavation works, costs incurred for sampling and laboratory works, costs incurred for evaluation such as environment assessment and feasibility study, as well as depreciation and labour costs directly attributable to the exploration activities.

(iii) The amounts of exploration and evaluation assets as at 31 March 2012 and 31 March 2011 represent active exploration projects. Based on the assessment of the Directors, there are no indications of impairment regarding the respective projects.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

20. 預付款項及按金

此乃指就將用於無煙燃料產品加工廠之專門技術而向供應商支付之按金。於二零一二年三月三十一日，與供應商所簽訂許可協議中載列之若干條件未能達成，因此專門技術之轉讓尚未完成。董事認為，無煙燃料產品不會於可見將來實現，故有關按金已於本財政年度全面減值。

20. PREPAYMENTS AND DEPOSITS

This represents deposits paid to a supplier for technical know-how which was to be used in a processing plant for smokeless fuel product. As at 31 March 2012, certain conditions as set forth in the licence agreement signed with the supplier had not yet been fulfilled and accordingly, the transfer of the technical know-how was not yet completed. The Directors are of the opinion that the smokeless fuel product will not be implemented in the foreseeable future and therefore the related deposits has been fully impaired in the current financial year.

21. 存貨

21. INVENTORIES

		本集團 The Group	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
原材料及供應品－按成本	Raw materials and supplies – at cost	59,649	58,976
減：存貨撇減	Less: Write-down of inventories	(6,310)	—
		53,339	58,976

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

22. 土木工程合約

22. CIVIL ENGINEERING CONTRACTS

		本集團 The Group	
		二零一二年 2012	二零一一年 2011
		千港元 HK\$'000	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	4,089,488	3,185,903
減：迄今之進度款項	Less: Progress billings to date	(3,862,172)	(2,947,779)
		227,316	238,124
應收客戶合約工程款項	Amounts due from customers of contract works	227,316	238,124

若干土木工程合約之所得款項已抵押予銀行，進一步詳情載於附註27(a)。

The proceeds on certain civil engineering contracts have been pledged to banks as further detailed in note 27(a).

23. 貿易及其他應收款項、 預付款項及按金

23. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

		本集團 The Group	
		二零一二年 2012	二零一一年 2011
		千港元 HK\$'000	千港元 HK\$'000
貿易應收款項(附註(a))	Trade receivables (note (a))	53,597	14,772
應收保留款項(附註(b))	Retention receivables (note (b))	15,378	31,851
預付土地租賃款項(附註15)	Prepaid land lease payments (note 15)	210	234
預付款項及按金	Prepayments and deposits	22,689	19,775
其他應收款項(附註(c))	Other receivables (note (c))	10,243	33,834
		102,117	100,466

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

23. 貿易及其他應收款項、 預付款項及按金 (續)

23. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

附註：

- (a) 於呈報日期末基於發票日期的貿易應收款項之賬齡分析如下：

Notes:

- (a) The ageing analysis of trade receivables (based on invoice date) as at the end of the reporting date is as follows:

		本集團 The Group	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
三個月內	Within 3 months	53,597	14,769
一年以上	Over 1 year	—	3
		53,597	14,772

給予合約工程客戶之信貸期通常為30至60日。合約工程定期作出進度付款。給予供水業務客戶之信貸期通常為30日。

Credit period granted to customers of contract works is normally 30 to 60 days. Application for progress payments of contract works is made on a regular basis. Credit period granted to customers of water supply business is normally 30 days.

於各呈報日期末概無個別或共同被視為有所減值的貿易應收款項之賬齡分析如下：

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired as at the end of each reporting date is as follows:

		本集團 The Group	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
概無逾期或減值	Neither past due nor impaired	53,597	14,769
逾期1年以上 但並無視為減值	Past due over 1 year but not considered impaired	—	3
		53,597	14,772

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

23. 貿易及其他應收款項、 預付款項及按金 (續)

附註：(續)

(a) (續)

於呈報日期的貿易應收款項主要來自提供土木工程合約的保養及建造工程服務。相關客戶主要為政府部門／機構及著名企業。該等客戶與本集團交易的往績良好，並無拖欠付款紀錄。因此，管理層認為毋須就二零一二年三月三十一日之貿易應收款項作出減值撥備。本集團並無就該等結餘持有任何抵押品。

若干土木工程合約之所得款項已抵押予銀行，進一步詳情載於附註27(a)。

(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。於呈報日期，保留金6,884,000港元(二零一一年：5,372,000港元)的賬齡為一年或以內，其餘結餘8,494,000港元(二零一一年：26,479,000港元)的賬齡為一年以上，其中9,000港元已逾期超過一年(二零一一年：108,000港元逾期超過一年)。保留金主要為應收政府部門／機構及著名企業款項。該等客戶與本集團交易的往績良好，並無拖欠付款紀錄。因此，管理層認為毋須就於二零一二年三月三十一日的應收保留款項作出減值撥備。本集團並無就該等結餘持有任何抵押品。於二零一二年三月三十一日，保留金約9,252,000港元(二零一一年：3,672,000港元)預期將於一年以後收回。

(c) 於二零一二年三月三十一日的其他應收款項主要是支付予主要分包商的預付款。本集團與該等分包商已建立長期業務關係，而彼等持續向本集團提供分包服務，並無拖欠紀錄。因此，毋須就該等結餘作出減值撥備。

23. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Notes: (Continued)

(a) (Continued)

Trade receivables as at the reporting date mainly derived from provision of maintenance and construction works on civil engineering contracts. The related customers are mainly government departments/organisations and reputable corporations. These customers have established good track record with the Group and have no history of default payments. On this basis, the management believes that no impairment allowance is necessary in respect of the trade receivables as at 31 March 2012. The Group does not hold any collateral over these balances.

The proceeds on certain civil engineering contracts have been pledged to banks as further detailed in note 27(a).

(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. As at the reporting date, retention monies of HK\$6,884,000 (2011: HK\$5,372,000) was aged one year or below and the remaining balance of HK\$8,494,000 (2011: HK\$26,479,000) was aged over one year, of which HK\$9,000 was past due for over one year (2011: HK\$108,000 was past due for over one year). Retention monies are mainly due from government departments/organisations and reputable corporations. These customers have established good track record with the Group and have no history of default payments. On this basis, management believes that no impairment allowance is necessary in respect of the retention receivables as at 31 March 2012. The Group does not hold any collateral over these balances. As at 31 March 2012, retention monies of approximately HK\$9,252,000 (2011: HK\$3,672,000) are expected to be recovered more than one year.

(c) Other receivables as at 31 March 2012 mainly comprise the advance payments to the principal sub-contractors. The Group has established long business relationship with these sub-contractors which provide on-going sub-contracting services to the Group and have no history of default payments. Accordingly, impairment allowance is not necessary in respect of these balances.

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23. 貿易及其他應收款項、預付款項及按金 (續)

附註：(續)

- (d) 董事認為，貿易及其他應收款項(不包括應收保留款項)之賬面值與其公允值相若，因為該等餘款產生時年期較短。

於二零一二年三月三十一日的應收保留款項之公允值估計為14,676,000港元(二零一一年：31,576,000港元)。公允值乃根據按可資比較金融工具之市場利率折現後之現金流釐定。

23. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Notes: (Continued)

- (d) The Directors consider that the carrying amount of trade and other receivables excluding retention receivables approximate their fair values because these balances have short maturity period on inception.

The fair value of the retention receivables as at 31 March 2012 was estimated to be HK\$14,676,000 (2011: HK\$31,576,000). The fair value is determined based on cash flow discounted at market interest rates of comparable financial instruments.

24. 已抵押銀行存款

24. PLEDGED BANK DEPOSITS

		本集團 The Group	
		二零一二年 2012	二零一一年 2011
		千港元 HK\$'000	千港元 HK\$'000
用作若干銀行貸款 (附註27(a))及 履約保證(附註36)抵押 並計入流動資產之銀行存款	Bank deposits pledged against certain bank loans (note 27(a)) and performance bonds (note 36) included under current assets	24,417	32,501

已抵押銀行存款均以港元列值，並按固定年利率0.05厘至0.29厘(二零一一年：0.01厘至0.11厘)賺取利息，平均為三個月(二零一一年：兩個月)到期。董事認為，由於該等銀行存款為短期存款，因此彼等之賬面值與公允值相若。

Pledged bank deposits are all denominated in HK\$, earn interest at fixed rate ranged from 0.05% to 0.29% (2011: 0.01% to 0.11%) per annum and have maturity period of three months (2011: two months) on average. The Directors consider that the carrying amounts of these bank deposits approximate their fair values because of their short maturity period on inception.

財務報表附註

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25. 銀行結存及現金

25. CASH AT BANKS AND IN HAND

		本集團 The Group	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
銀行結存及現金	Cash at banks and in hand	303,715	244,827
短期銀行存款	Short-term bank deposits	7,285	45,839
		311,000	290,666

		本公司 The Company	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
銀行結存及現金	Cash at banks and in hand	136	126

於二零一二年三月三十一日，以人民幣（「人民幣」）列值的本集團現金結餘為7,565,000港元（二零一一年：7,221,000港元）。人民幣不可自由兌換為其他貨幣。根據中國內地的外匯管理條例以及結匯、售匯及付匯管理規定，本集團獲准透過有權進行外匯業務的銀行將人民幣兌換為外幣。銀行結存按每日銀行存款利率計算之浮動利率賺取利息。

As at 31 March 2012, cash balance of the Group denominated in Renminbi (“RMB”) amounted to HK\$7,565,000 (2011: HK\$7,221,000). RMB is not freely convertible into other currencies. Under the Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

26. 貿易及其他應付款項

26. TRADE AND OTHER PAYABLES

貿易及其他應付款項詳情(包括於發票日期之貿易應付款項之賬齡分析)如下：

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

		本集團 The Group	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
貿易應付款項賬齡	Trade payables aged		
三個月內	Within 3 months	61,273	53,980
四至六個月	4 to 6 months	2,333	4,532
七至九個月	7 to 9 months	75	908
十至十二個月	10 to 12 months	119	78
一年以上	Over 1 year	2,206	1,740
		66,006	61,238
應付保留款項(附註(a))	Retention payables (note (a))	16,037	3,911
其他應付款項及應計費用	Other payables and accruals	16,123	10,380
		98,166	75,529

附註：

Notes:

- (a) 本集團預扣之保留金於相關合約之保養期結束後支付。於呈報日期，保留金12,126,000港元(二零一一年：3,111,000港元)之賬齡為一年或以下；其餘結餘3,911,000港元(二零一一年：800,000港元)之賬齡為一年以上，其中概無款項已逾期(二零一一年：概無款項已逾期)。
- (b) 供應商及分包商給予之信貸期通常為30至60日。
- (c) 由於貿易及其他應付款項乃屬短期，因此董事認為，貿易及其他應付款項之賬面值與彼等之公允值相若。

- (a) Retention monies withheld by the Group are released after the completion of maintenance period of the relevant contracts. As at the reporting date, retention monies of HK\$12,126,000 (2011: HK\$3,111,000) was aged one year or below and the remaining balance of HK\$3,911,000 (2011: HK\$800,000) was aged over one year, of which none was past due (2011: none was past due).
- (b) Credit period granted by suppliers and sub-contractors is normally 30 to 60 days.
- (c) Trade and other payables are short term and therefore the Directors consider that the carrying amount of trade and other payables approximate their fair values.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

27. 借貸

27. BORROWINGS

		本集團 The Group	
		二零一二年 2012	二零一一年 2011
		千港元 HK\$'000	千港元 HK\$'000
流動負債	Current liabilities		
銀行貸款及透支，有抵押 (附註(a))	Bank loans and overdraft, secured (note (a))	83,018	137,645
融資租賃負債(附註(b))	Finance lease liabilities (note (b))	13	359
		83,031	138,004
非流動負債	Non-current liabilities		
融資租賃負債(附註(b))	Finance lease liabilities (note (b))	–	13
承兌票據(附註(c))	Promissory Note (note (c))	308,076	309,472
可換股票據－負債部份 (附註(d))	Convertible Note – liability component (note (d))	455,394	502,120
		763,470	811,605
借貸總額	Total borrowings	846,501	949,609

		本公司 The Company	
		二零一二年 2012	二零一一年 2011
		千港元 HK\$'000	千港元 HK\$'000
非流動負債	Non-current liabilities		
承兌票據(附註(c))	Promissory Note (note (c))	308,076	309,472
可換股票據－負債部份 (附註(d))	Convertible Note – liability component (note (d))	455,394	502,120
借貸總額	Total borrowings	763,470	811,592

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

27. 借貸 (續)

附註：

- (a) 所有銀行貸款及透支均應於一年內償還。銀行貸款及透支83,018,000港元(二零一一年：137,645,000港元)由本公司發出的企業擔保作抵押，以及以銀行存款24,417,000港元(二零一一年：32,501,000港元)之押記作抵押(附註24)。此外，銀行貸款78,018,000港元(二零一一年：120,642,000港元)由若干土木工程合約之所得款項作抵押。
- (b) 本集團租賃若干汽車，而該等租賃歸類為融資租賃，剩餘租期為一個月(二零一一年：十二至十三個月)。於二零一二年三月三十一日，融資租賃項下之未來最低租金總額及其現值如下：

27. BORROWINGS (Continued)

Notes:

- (a) All bank loans and overdrafts are repayable within one year. Bank loans and overdrafts amounting to HK\$83,018,000 (2011: HK\$137,645,000) are secured by the corporate guarantees issued by the Company and are secured by charges over bank deposits amounting to HK\$24,417,000 (2011: HK\$32,501,000) (note 24). In additions, bank loans amounting to HK\$78,018,000 (2011: HK\$120,642,000) is secured by the proceeds on certain civil engineering contracts.
- (b) The Group leases certain of its motor vehicles and these leases are classified as finance leases having remaining lease terms one month (2011: twelve to thirteen months). As at 31 March 2012, the total future minimum lease payments under finance leases and their present value were as follows:

		本集團 The Group	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
最低租金總額	Total minimum lease payments		
於一年內到期	Due within one year	13	371
於第二年到期	Due in the second year	-	13
		13	384
減：融資租賃之 未來財務費用	Less: future finance charges on finance leases	-	(12)
融資租賃負債之現值	Present value of finance lease liabilities	13	372
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	13	359
於第二年到期	Due in the second year	-	13
		13	372
減：列入流動負債而 於一年內到期之 流動部份	Less: Current portion due within one year included under current liabilities	(13)	(359)
列入非流動負債之 非流動部份	Non-current portion included under non-current liabilities	-	13

融資租賃負債實際上由相關資產作抵押，原因為倘本集團未有如期還款，租賃資產之權利將復歸予出租人。

Finance lease liabilities are effectively secured by the underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

財務報表附註

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截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

27. 借貸 (續)

附註：(續)

- (c) 如附註1所披露，作為收購事項之部份代價，本公司已發行本金額為350,000,000港元之承兌票據。承兌票據為無抵押、不計息且於承兌票據之發行日期起計兩年內到期，即二零一二年六月十七日。於二零一二年三月二十八日(「**延長日期**」)，承兌票據已延長至二零一三年六月十七日。其後於二零一二年六月十九日，承兌票據持有人表示或會進一步延長至二零一三年九月十七日。

27. BORROWINGS (Continued)

Notes: (Continued)

- (c) As disclosed in note 1, as part of the consideration for the Acquisition, the Company issued a Promissory Note in principal amount of HK\$350,000,000. The Promissory Note is unsecured, non-interest bearing and will mature in two years from the date of issue of the Promissory Note on 17 June 2012. On 28 March 2012 (the “**Extension Date**”), the Promissory Note was extended to 17 June 2013. Subsequently on 19 June 2012, the holder of the Promissory Note indicated that it might be further extended to 17 September 2013.

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
期初賬面淨值／初步 確認時之公允值 (附註(i))	Opening net carrying amount/Fair value on initial recognition (note (i))	309,472	285,614
延長產生之收益 (附註(ii))	Gain arising from extension (note (ii))	(34,497)	–
應歸利息開支 (附註(iii))	Imputed interest expenses (note (iii))	33,101	23,858
期末賬面淨值	Closing net carrying amount	308,076	309,472

附註：

- (i) 於收購事項日期及延長日期承兌票據之公允值分別為285,614,000港元及307,810,000港元，該價值根據由獨立專業估值師資產評估顧問有限公司(「**資產評估顧問**」)使用貼現現金流量法進行之估值釐定。
- (ii) 於延長日期承兌票據之賬面值為342,307,000港元。於延長日期賬面值與公允值之間的差額為34,497,000港元，已於其他收入及收益確認為延長承兌票據產生之收益(附註5)。

Notes:

- (i) The fair value of the Promissory Note on the Acquisition Date and Extension Date were HK\$285,614,000 and HK\$307,810,000 respectively, which were determined based on the valuation using discounted cash flows method carried out by Asset Appraisal Limited (“**Asset Appraisal**”), an independent professional valuer.
- (ii) The carrying value of the Promissory Note as at the Extension Date was HK\$342,307,000. The difference between the carrying value and fair value as at the Extension Date which amounted to HK\$34,497,000 which was recognised in Other Income and Gains as gain arising from extension of the Promissory Note (note 5).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

27. 借貸 (續)

附註：(續)

(c) (續)

(iii) 承兌票據其後採用實際利率法以實際年利率10.70%(收購日期後)及11.12%(延長日期後)按攤銷成本計量。應歸利息約33,101,000港元(二零一一年：23,858,000港元)(附註8)已於本年度之損益確認。

(d) 如附註1所披露，作為收購事項之部份代價，本公司已發行本金額為954,100,000港元之零票息可換股票據，該票據於可換股票據發行日期起計五年內到期，即二零一五年六月十七日。

按可換股票據持有人(「票據持有人」)之選擇權，自可換股票據發行日期起至其到期日止期間，票據持有人可按每股0.22港元之兌換價(可予反攤薄調整)將可換股票據本金額全部或部份兌換為本公司之股份(「兌換股份」)。可換股票據於到期日前不可贖回。本公司有權將可換股票據之尚未兌換金額之到期日再延長五年(「延長期權」)。

可換股票據按收購事項日期之公允值列賬，金額為948,237,000港元。公允值乃由資產評估顧問進行之估值釐定。可換股票據包括三個組成部份－負債部份、權益部份(列作「可換股票據權益儲備」)及有關延長期權之衍生工具部份(「衍生工具部份」)。

可換股票據之負債部份之公允值採用同等非可換股債券之同等市場利率以現金流量貼現方法計算。權益部份及衍生工具部份之公允值根據由資產評估顧問採用二項式估值模型進行之估值釐定。

27. BORROWINGS (Continued)

Notes: (Continued)

(c) (Continued)

(iii) The Promissory Note is subsequently measured at amortised cost using effective interest method by applying an effective interest rate of 10.70% per annum after the Acquisition Date and 11.12% after the Extension Date. Imputed interest of approximately HK\$33,101,000 (2011: HK\$23,858,000) (note 8) was recognised in the profit or loss in the current year.

(d) As disclosed in note 1, as part of the consideration for the Acquisition, the Company issued a zero coupon Convertible Note in principal amount of HK\$954,100,000 which will mature in five years from the date of issue of the Convertible Note on 17 June 2015.

At the option of the holder of the Convertible Note (the “**Noteholder**”), the Noteholder may convert the whole or part of the principal amount of the Convertible Note into the shares of the Company (the “**Conversion Shares**”) at the conversion price of HK\$0.22 per share (subject to anti-dilutive adjustments) during the period from the date of issue of the Convertible Note up to its maturity date. The Convertible Note is non-redeemable prior to the maturity date. The Company has the right (the “**Extension Option**”) to extend the maturity date in respect of the outstanding amount of the Convertible Note for another five years.

The Convertible Note was stated at fair value on the Acquisition Date which amounted to HK\$948,237,000. The fair value was determined based on the valuation carried out by Asset Appraisal. The Convertible Note contains three components — liability component, equity component (presented as “**Convertible note equity reserve**”) and the derivative component arising from the Extension Option (the “**Derivative Component**”).

The fair value of the liability component of the Convertible Note was calculated using cash flows discounted at a rate based on an equivalent market interest rate for an equivalent non-convertible bond. The fair value of the equity component and the Derivative Component were determined based on the valuation carried out by Asset Appraisal by using binomial valuation model.

財務報表附註

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27. 借貸 (續)

附註：(續)

(d) (續)

於財務狀況表確認之可換股票據之負債部份、權益部份及衍生工具部份之賬面值如下：

27. BORROWINGS (Continued)

Notes: (Continued)

(d) (Continued)

The carrying values of the liability component, the equity component and the Derivative Component of the Convertible Note recognised in the statement of financial position are as follows:

		負債部份		權益部份		衍生工具部份	
		Liability component	Equity component	Liability component	Equity component	Derivative Component	Derivative Component
		二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年
		2012	2011	2012	2011	2012	2011
		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
賬面值	Carrying amounts						
年初	At beginning of the year	502,120	-	434,124	-	(80,342)	-
於初步確認時之公允值	Fair value on initial recognition	-	519,945	-	494,565	-	(66,273)
應歸利息開支 (附註(i))	Imputed interest expenses (note (i))	52,793	49,580	-	-	-	-
兌換可換股票據 (附註(ii))	Conversion of Convertible Note (note (ii))	(99,519)	(67,405)	(85,529)	(60,441)	15,828	8,752
於損益中確認之公允值變動 (附註(iii))	Change in fair value recognised in profit or loss (note (iii))	-	-	-	-	780	(22,821)
年末	At end of the year	455,394	502,120	348,595	434,124	(63,734)	(80,342)

附註：

(i) 負債部份其後使用實際利率法按攤銷成本計量，所使用之實際年利率為12.91% (二零一一年：12.91%)。應歸利息開支約52,793,000港元 (二零一一年：49,580,000港元) (附註8) 已於本年度於損益確認。

(ii) 年內，750,000,000股 (二零一一年：530,000,000股) 兌換股份於兌換合共165,000,000港元 (二零一一年：116,600,000港元) 之可換股票據時發行 (詳情載於附註30(d))。於兌換時，可換股票據權益儲備、衍生工具部份及負債部份之賬面值按比例轉撥至股本及股份溢價賬，作為已發行股份所得款項。

Notes:

(i) The liability component is subsequently measured at amortised cost using effective interest method by applying an effective interest rate of 12.91% (2011: 12.91%) per annum. Imputed interest expense of approximately HK\$52,793,000 (2011: HK\$49,580,000) (note 8) was recognised in profit or loss in the current year.

(ii) During the year, 750,000,000 (2011: 530,000,000) Conversion Shares were issued upon conversion of the Convertible Note in total amount of HK\$165,000,000 (2011: HK\$116,600,000) as detailed in note 30 (d). At the time of conversion, the proportional amounts of the convertible note equity reserve, the Derivative Component and the carrying value of the liability component were transferred to share capital and share premium as proceeds for the shares issued.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

27. 借貸 (續)

附註：(續)

(d) (續)

- (iii) 衍生工具部份按公允值計量，而公允值之變動則於損益確認。衍生工具部份於綜合財務狀況表列賬為衍生財務資產，直至兌換或贖回而不再存在為止。

可換股票據衍生工具部份之公允值採用二項式估值模型計算，主要輸入數據如下：

		二零一二年 三月三十一日 31 March 2012	二零一一年 三月三十一日 31 March 2011
股價	Stock price	0.043	0.082
行使價	Exercise price	0.220	0.220
波幅	Volatility	48.22%	56.36%
無風險利率	Risk free rate	0.349%	1.670%

由於二項式估值模型需代入高度主觀性之假設，主觀性輸入數據假設之變動可能對公允值估計構成重大影響。有關發行可換股票據之主要條款及條件之進一步詳情載於本公司日期為二零一零年五月十二日之通函。

- (iv) 於二零一二年三月三十一日，可換股票據負債部份之公允值為449,095,000港元(二零一一年：521,460,000港元)。公允值乃採用類似非可換股票據之同等市場利率13.4%(二零一一年：11.9%)以現金流量貼現方法計算。

27. BORROWINGS (Continued)

Notes: (Continued)

(d) (Continued)

- (iii) The Derivative Component is measured at fair value with changes in fair value recognised in profit or loss. The Derivative Component is carried as derivative financial asset in the consolidated statement of financial position until extinguished on conversion or redemption.

The fair value of the Derivative Component of the Convertible Note was calculated using binomial valuation model with the major inputs as follows:

As the binomial valuation model requires the input of highly subjective assumptions, change in subjective input assumptions can materially affect the fair value estimate. Further details of the principal terms and conditions regarding the issue of the Convertible Note have been set out in the circular of the Company dated 12 May 2010.

- (iv) The fair value of the liability component of the Convertible Note at 31 March 2012 amounted to HK\$449,095,000 (2011: HK\$521,460,000). The fair value is calculated using cash flows discounted at a rate based on an equivalent market interest rate for the similar non-convertible note, which is 13.4% (2011: 11.9%).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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27. 借貸 (續)

附註：(續)

(e) 有關借貸之其他資料：

27. BORROWINGS (Continued)

Notes: (Continued)

(e) Other information about the borrowings:

	原有貨幣 Original currency	於呈報日期的實際年利率 Effective interest rate per annum at reporting date			
		二零一二年 2012		二零一一年 2011	
		浮動利率 Floating rates	固定利率 Fixed rates	浮動利率 Floating rates	固定利率 Fixed rates
銀行貸款及透支 Bank loans and overdraft	港元 HK\$	2.65%-3.22%	–	1.72% - 2.81%	–
融資租賃負債 Finance lease liabilities	港元 HK\$	–	3.75%	–	2.80% - 3.75%

董事認為，本集團之流動及非流動借貸之賬面值與可比較金融工具之公允價值相若。非流動借貸之公允價值乃根據預期未來現金流量按市場利率折算。

In the opinion of the Directors, the carrying amounts of the Group's current and non-current borrowings approximate their fair values of comparable financial instruments. The fair values of the non-current borrowings are calculated by discounting their expected future cash flow at market rate.

(f) 於二零一二年三月三十一日，本集團之可動用銀行融資額為211,200,000港元(二零一一年：188,202,000港元)，其中128,167,000港元(二零一一年：50,557,000港元)並無動用。

(f) As at 31 March 2012, the Group had available bank facilities of HK\$211,200,000 (2011: HK\$188,202,000), out of which HK\$128,167,000 (2011: HK\$50,557,000) was not utilised.

28. 政府補助

一家於蒙古國之附屬公司獲蒙古國政府授出補貼，以為設立無煙燃料產品加工廠提供資金。由於仍須與政府磋商興建加工廠之投資成本及相關政府補助，故已收補助已確認為非流動負債。有關加工廠之進一步詳情載於附註34(b)。

28. GOVERNMENT SUBSIDIES

A subsidiary in Mongolia received subsidies from the government of Mongolia for financing the establishment of a processing plant for smokeless fuel product. Since the investment cost for constructing the processing plant as well as the related government subsidies are still subject to negotiation with the government, the received subsidies are recognised as non-current liabilities. Further details about the processing plant are set out in note 34(b).

財務報表附註

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29. 遞延稅項

綜合財務狀況表所確認之遞延稅項負債及其於年內之變動如下：

本集團

		加速稅項折舊		勘探及評估資產以及 採礦牌照之公允價值調整		合計	
		二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年
		2012	2011	2012	2011	2012	2011
		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
於年初	At beginning of the year	5,684	5,684	594,292	-	599,976	5,684
因業務合併產生(附註33)	Arising from business combination (note 33)	-	-	-	600,637	-	600,637
於損益內計入(附註9)	Credit to profit or loss (note 9)	-	-	(411,521)	(88,350)	(411,521)	(88,350)
匯兌調整	Exchange realignment	43	-	(47,238)	82,005	(47,195)	82,005
於年末	At end of the year	5,727	5,684	135,533	594,292	141,260	599,976

由於在可見將來，相關集團實體可能不會有未來應課稅溢利可用作抵銷虧損，因此本集團並未就於香港產生之稅項虧損約4,908,000港元(二零一一年：184,000港元)確認遞延稅項資產。根據現行稅法，該等稅項虧損不會到期。同時，由於未來溢利流無法預測，本集團並無就於蒙古國產生之稅項虧損約9,915,000港元(相當於1,678,000,000圖格里克)(二零一一年：10,930,000港元(相當於1,675,000,000圖格里克))確認遞延稅項資產。於蒙古國所產生之稅項虧損有待當地稅務機關協定及應根據蒙古國企業所得稅法相關條文結轉，基建及礦業公司之稅單虧損應可從虧損產生後四至八年內之應課稅收入中扣減。特定礦業實體之虧損結轉期應由蒙古國政府經考慮該實體於其礦業業務中所作之投資後釐定。

29. DEFERRED TAX

Deferred tax liabilities recognised in the consolidated statement of financial position and their movements during year are as follows:

The Group

The Group has not recognised deferred tax assets in respect of tax losses arising in Hong Kong of approximately HK\$4,908,000 (2011: HK\$184,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant group entities in foreseeable future and these tax losses do not expire under current tax legislation. In addition, the Group has not recognised deferred tax assets in respect of tax losses arising in Mongolia of approximately HK\$9,915,000 (equivalent to MNT1,678,000,000) (2011: HK\$10,930,000 (equivalent to MNT1,675,000,000)) due to unpredictability of future profit streams. The tax losses arising in Mongolia is subject to the agreement of the local tax authority and shall be carried forward according to the relevant provisions of Corporate Income Tax Law of Mongolia under which the tax statement losses of Infrastructure and Mining companies shall be deductible from taxable income of subsequent four to eight years since the loss incurred. The loss carry-forward period of a particular mining entity shall be determined by the Mongolian government after taking into consideration the investment made by the entity in its mining operation.

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截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

30. 股本

30. SHARE CAPITAL

		面值 Par value 港元 HK\$	普通股數目 Number of ordinary shares	總額 Total 千港元 HK\$'000
法定	Authorised			
於二零一零年四月一日	At 1 April 2010	0.05	2,000,000,000	100,000
增加(附註(a))	Increase (note (a))	0.05	48,000,000,000	2,400,000
於二零一一年三月三十一日 及二零一二年三月三十一日	At 31 March 2011 and 31 March 2012	0.05	50,000,000,000	2,500,000
已發行及繳足	Issued and fully paid			
於二零一零年四月一日	At 1 April 2010	0.05	825,880,000	41,294
因行使購股權而發行之股份	Share issued upon exercise of share options	0.05	2,100,000	105
根據配售發行之股份(附註(b))	Shares issued under placing (note (b))	0.05	3,800,000,000	190,000
發行代價股份(附註(c))	Issue of Consideration Shares (note (c))	0.05	1,970,000,000	98,500
兌換可換股票據(附註(d))	Conversion of Convertible Note (note (d))	0.05	530,000,000	26,500
於二零一一年三月三十一日 及二零一一年四月一日	At 31 March 2011 and 1 April 2011	0.05	7,127,980,000	356,399
根據配售發行之股份(附註(b))	Shares issued under placing (note (b))	0.05	1,320,000,000	66,000
兌換可換股票據(附註(d))	Conversion of Convertible Note (note (d))	0.05	750,000,000	37,500
於二零一二年三月三十一日	At 31 March 2012	0.05	9,197,980,000	459,899

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

30. 股本 (續)

附註：

(a) 根據於二零一零年五月二十八日通過之決議案，本公司透過額外增設48,000,000,000股新股份將其法定股本由100,000,000港元(分為2,000,000,000股每股面值0.05港元之股份)增至2,500,000,000港元(分為50,000,000,000股每股面值0.05港元之股份)。

(b) 於二零一零年六月十七日，作為收購事項之其中一項條件，本集團完成按每股0.12港元配售3,800,000,000股本公司新股份(「配售事項1」)。配售事項1產生之所得款項為456,000,000港元(未扣除股份發行開支4,560,000港元)。部份所得款項用作支付收購事項之現金代價。根據配售事項1發行股份(未抵銷股份發行開支)分別令本公司之股本及股份溢價賬增加190,000,000港元及266,000,000港元。

於二零一一年四月十三日，本集團完成按每股0.067港元配售1,320,000,000股本公司新股份(「配售事項2」)。配售事項2產生之所得款項為88,440,000港元(未扣除股份發行開支1,776,000港元)。根據配售事項2發行股份(未抵銷股份發行開支)分別令本公司之股本及股份溢價賬增加66,000,000港元及22,440,000港元。所得款項淨額擬用作本集團一般營運資金。

30. SHARE CAPITAL (Continued)

Notes:

(a) Pursuant to a resolution passed on 28 May 2010, the authorised share capital of the Company has increased from HK\$100,000,000 divided into 2,000,000,000 shares of HK\$0.05 each to HK\$2,500,000,000 divided into 50,000,000,000 shares of HK\$0.05 each by the creation of an additional 48,000,000,000 new shares.

(b) On 17 June 2010, as one of the conditions to the Acquisition, the Group completed a placing (the “**Placing 1**”) of 3,800,000,000 new shares of the Company at HK\$0.12 per share. Proceeds generated from the Placing 1 amounted to HK\$456,000,000 (before share issue expenses of HK\$4,560,000). Part of the proceeds was used for financing the settlement of the cash consideration for the Acquisition. The issue of the shares under Placing 1, before offsetting share issue expenses, resulted in the increase in share capital and share premium account of the Company by HK\$190,000,000 and HK\$266,000,000 respectively.

On 13 April 2011, the Group completed a placing (the “**Placing 2**”) of 1,320,000,000 new shares of the Company at HK\$0.067 per share. Proceeds generated from the Placing 2 amounted to HK\$88,440,000 (before share issue expenses of HK\$1,776,000). The issue of shares under Placing 2, before offsetting the share issue expenses, resulted in the increase in share capital and share premium account of the Company by HK\$66,000,000 and HK\$22,440,000 respectively. The net proceeds is intended to be utilised as general working capital of the Group.

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NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

30. 股本 (續)

附註：(續)

- (c) 如附註1所披露，本公司發行1,970,000,000股代價股份作為收購事項之部份代價。代價股份之公允值(根據本公司股份於收購事項日期之收市價每股0.22港元計算)為433,400,000港元。發行代價股份分別令本公司之股本及股份溢價賬增加98,500,000港元及334,900,000港元。
- (d) 年內，票據持有人按每股0.22港元(二零一一年：0.22港元)之兌換價兌換合共165,000,000港元(二零一一年：116,600,000港元)之可換股票據，據此各自發行合共750,000,000股(二零一一年：530,000,000股)兌換股份。由於有關兌換，股本及股份溢價賬已分別增加37,500,000港元(二零一一年：26,500,000港元)及131,720,000港元(二零一一年：92,594,000港元)，其總額為兌換當時按比例轉撥之可換股票據權益儲備、衍生工具部份及負債部份之金額(附註27(d)(ii))。

30. SHARE CAPITAL (Continued)

Notes: (Continued)

- (c) As disclosed in note 1, the Company issued 1,970,000,000 Consideration Shares as part of the consideration for the Acquisition. The fair value of the Consideration Shares, determined based on the closing market price of the Company on the Acquisition Date of HK\$0.22 per share, amounted to HK\$433,400,000. The issue of the Consideration Shares resulted in the increase in share capital and share premium account of the Company by HK\$98,500,000 and HK\$334,900,000 respectively.
- (d) During the year, the Noteholder converted the Convertible Note in total amount of HK\$165,000,000 (2011: HK\$116,600,000) at the conversion price of HK\$0.22 (2011: HK\$0.22) per share whereby a respective total number of 750,000,000 (2011: 530,000,000) Conversion Shares were issued. As a result of the conversion, share capital and share premium has increased by HK\$37,500,000 (2011: HK\$26,500,000) and HK\$131,720,000 (2011: HK\$92,594,000) respectively, the aggregate of which represents the proportional amounts of the convertible note equity reserve, the Derivative Component and the liability component at the time of conversion (note 27(d)(ii)).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

31. 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，而該等信託之受益人或有關全權信託對象，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港元作為授出代價。
- (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起計不超過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。

31. 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 or 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

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31. 以股份支付之補償 (續)

- (4) 於購股權行使期屆滿、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) 該計劃由該計劃採納日期（即二零零六年二月二十五日）起計十年內有效及生效。
- (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。

31. 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 or 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.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

31. 以股份支付之補償 (續)

已授出購股權之條款及條件

已授予本公司若干董事及本集團若干僱員、分包商、顧問及供應商之尚未行使之購股權詳情如下：

31. SHARE-BASED COMPENSATION

(Continued)

Terms and conditions of the share options granted

Details of the outstanding share options granted to certain Directors of the Company and certain employees, sub-contractors, consultants and suppliers of the Group are as follows:

購股權授出日期 Options grant date	授出日期 Grant date	已授出 購股權數目 Number of options granted	行使期 Exercisable period	行使價 Exercise price 港元 HK\$	緊接授出 日期前之 本公司股價 Company's share price immediately before grant date 港元 HK\$	於 授出日期之 本公司股價 Company's share price on grant date 港元 HK\$
二零零九年二月十八日	18 February 2009	64,000,000	附註(a) note (a)	0.148	0.150	0.148
二零零九年八月二十五日	25 August 2009	15,900,000	附註(b) note (b)	0.385	0.350	0.380
二零一零年十月二十五日	25 October 2010	560,000,000	附註(c) note (c)	0.171	0.173	0.171

附註：

- (a) 該等購股權於授出日期歸屬，可於接納購股權當日起至二零一二年二月二十九日行使。
- (b) 該等購股權於授出日期歸屬，可於接納購股權當日起至二零一二年八月三十一日行使。
- (c) 該等購股權於行使期(由董事於授出日期釐定)開始時歸屬。於二零一零年十月二十五日授出的購股權當中，140,000,000份可於授出日期起6個歷月後歸屬，其餘420,000,000份於其後每6個歷月以相同數目分5批歸屬。所有購股權於歸屬日期起可行使，並於二零二零年十月二十五日屆滿。

Notes:

- (a) These share options vest on the date of grant and are exercisable from the date of acceptance of the options up to 29 February 2012.
- (b) These share options vest on the date of grant and are exercisable from the date of acceptance of the options up to 31 August 2012.
- (c) These share options vest upon commencement of the exercise period which is determined by the Directors on the grant date. Among the share options granted on 25 October 2010, 140,000,000 options vest after 6 calendar months from the grant date, and the remaining 420,000,000 options vest in 5 equal tranches in every 6 calendar months thereafter. All the options are exercisable from the vest date and will expire on 25 October 2020.

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NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

31. 以股份支付之補償 (續)

購股權之變動及其加權平均行使價

於本財政年度的購股權變動如下：

31. SHARE-BASED COMPENSATION

(Continued)

Movements of the share options and their weighted average exercise price

The movements of the share options during the current financial year are as follows:

承授人 Grantees	購股權 授出日期 Options grant date	購股權數目 Number of share options				於二零一二年 三月三十一日 At 31 March 2012 千份 '000
		於二零一一年 四月一日 At 1 April 2011 千份 '000	已授出 Granted 千份 '000	已行使 Exercised 千份 '000	已沒收 Forfeited 千份 '000	
董事 Directors	二零零九年八月二十五日 25 August 2009	2,600	-	-	-	2,600
	二零一零年十月二十五日 25 October 2010	315,000	-	-	(73,750)	241,250
		317,600	-	-	(73,750)	243,850
僱員 Employees	二零零九年八月二十五日 25 August 2009	650	-	-	(100)	550
	二零一零年十月二十五日 25 October 2010	85,000	-	-	(45,000)	40,000
		85,650	-	-	(45,100)	40,550
服務或貨品供應商 Suppliers of services or goods	二零零九年二月十八日 18 February 2009	48,000	-	-	(48,000)	-
	二零零九年八月二十五日 25 August 2009	600	-	-	-	600
	二零一零年十月二十五日 25 October 2010	160,000	-	-	(95,000)	65,000
		208,600	-	-	(143,000)	65,600
合計 Total		611,850	-	-	(261,850)	350,000
加權平均行使價 (每股港元) Weighted average exercise price (HK\$ per share)		0.171	-	-	0.167	0.173

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截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

31. 以股份支付之補償 (續)

購股權之變動及其加權平均行使價 (續)

於上一財政年度的購股權變動如下：

31. SHARE-BASED COMPENSATION

(Continued)

Movements of the share options and their weighted average exercise price (Continued)

The movements of the share options during last financial year are as follows:

承授人 Grantees	購股權 授出日期 Options grant date	購股權數目 Number of share options				於二零一一年 三月三十一日 At 31 March 2011 千份 '000
		於二零一零年 四月一日 At 1 April 2010 千份 '000	已授出 Granted 千份 '000	已行使 Exercised 千份 '000	已沒收 Forfeited 千份 '000	
董事 Directors	二零零九年八月二十五日 25 August 2009	3,200	-	(600)	-	2,600
	二零一零年十月二十五日 25 October 2010	-	315,000	-	-	315,000
		3,200	315,000	(600)	-	317,600
僱員 Employees	二零零九年八月二十五日 25 August 2009	1,700	-	(300)	(750)	650
	二零一零年十月二十五日 25 October 2010	-	85,000	-	-	85,000
		1,700	85,000	(300)	(750)	85,650
服務或貨品供應商 Suppliers of services or goods	二零零九年二月十八日 18 February 2009	48,000	-	-	-	48,000
	二零零九年八月二十五日 25 August 2009	1,800	-	(1,200)	-	600
	二零一零年十月二十五日 25 October 2010	-	160,000	-	-	160,000
	49,800	160,000	(1,200)	-	208,600	
合計 Total		54,700	560,000	(2,100)	(750)	611,850
加權平均行使價 (每股港元) Weighted average exercise price (HK\$ per share)		0.177	0.171	0.385	0.385	0.171

於二零一二年三月三十一日尚未行使之購股權的行使價介乎每股0.171港元至0.385港元(二零一一年：0.148港元至0.385港元)，其於二零一二年三月三十一日的加權平均剩餘合約年期為8.49年(二零一一年：8.85年)。於本年度概無購股權獲行使。合共2,100,000份購股權已於上年獲行使，而本公司於購股權行使時之加權平均股價為每股0.63港元。

The exercise prices of the outstanding share options as at 31 March 2012 range from HK\$0.171 to HK\$0.385 (2011: HK\$0.148 to HK\$0.385) per share and their weighted average remaining contractual life as at 31 March 2012 is 8.49 years (2011: 8.85 years). There were no share options being exercised during the year. In last year, a total of 2,100,000 share options were exercised and the weighted average share price of the Company at the time the options were exercised was HK\$0.63 per share.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

31. 以股份支付之補償 (續)

於本財政年度已授出購股權的公允值

本年度概無授出任何購股權(二零一一年: 560,000,000份)。

於截至二零一一年三月三十一日止年度已授出之購股權的公允值介於每股0.0590港元至0.0847港元。授予董事、僱員及分包商之購股權的公允值乃根據於授出日期計量的權益工具公允值而釐定。授出購股權予分包商是獎勵彼等向本集團一直提供與其僱員所提供者相若之服務所作出的貢獻。授予顧問及供應商之購股權的公允值乃根據所提供服務的市價而釐定。

於截至二零一一年三月三十一日止年度授出之購股權之公允值由獨立估值師採用二項式期權定價模式(「該模式」)計算。代入該模式之數據詳列如下:

每股股價(港元)	0.171
每股行使價(港元)	0.171
預期波幅(%) (附註(a))	57.78%
無風險利率(%) (附註(b))	2.0970%
股息收益率(%)	0%
預期購股權有效期(年)	4.8 — 7.2

附註:

- (a) 預期波幅乃參照同業公司過往之每週回報波幅而釐定。
- (b) 無風險利率指於估值日到期之香港外匯基金票據之到期收益率。

31. SHARE-BASED COMPENSATION

(Continued)

Fair value of the share options granted during the financial year

No share options were granted during the year (2011: 560,000,000).

The fair values of the share options granted during the year ended 31 March 2011 ranged from HK\$0.0590 to HK\$0.0847 per share. The fair value of the share options granted to the Directors, employees and sub-contractors was determined based on the fair value of the equity instruments measured on the date of grant. Share options granted to the sub-contractors are an incentive to them for their continuing contribution to the Group for providing services similar to those rendered by its employees. The fair value of the share options granted to the consultants and suppliers was determined based on the market price of the services provided.

The fair value of the share options granted during the year ended 31 March 2011 was determined by an independent valuer using the binomial option pricing model (the "Model"). Details of the inputs to the Model are as follows:

Share price (HK\$ per share)	0.171
Exercise price (HK\$ per share)	0.171
Expected volatility (%) (note (a))	57.78%
Risk-free interest rate (%) (note (b))	2.0970%
Dividend yield (%)	0%
Expected life of option (years)	4.8 - 7.2

Notes:

- (a) Expected volatility is determined by reference to the historical volatility of weekly return for companies in the same industry.
- (b) Risk-free interest rate represents the yields to maturity of Hong Kong Exchange Fund Note with respective terms to maturity as at the valuation date.

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31. 以股份支付之補償 (續)

購股權的財務影響

於本年度由現有購股權引致之以股份支付之補償之攤銷金額為4,710,000港元(二零一一年：14,711,000港元)，確認為行政開支。其中，授予董事及僱員之購股權所產生以股份支付之補償金額為5,276,000港元(二零一一年：10,508,000港元)，抵銷因沒收上一年度授予若干顧問之未歸屬購股權而撥回購股權開支566,000港元。相應數額4,710,000港元(二零一一年：14,711,000港元)乃計入購股權儲備。由於該等事項為以權益結算並以股份支付之交易，故並無確認任何負債。

於本財政年度，授予董事、僱員及顧問之213,750,000份未歸屬購股權以及授予供應商及一名僱員之48,100,000份已歸屬購股權已被沒收。就沒收未歸屬購股權而言，其乃以撥回至本年度損益賬列賬；就沒收已歸屬購股權而言，相應數額1,113,000港元已由購股權儲備轉撥至累計虧損。於上一財政年度，授予僱員之750,000份已歸屬購股權已被沒收，相應購股權開支79,000港元已由購股權儲備轉撥至保留溢利。

於二零一二年三月三十一日尚未行使及可予行使之購股權數目為155,000,000份(二零一一年：51,850,000份)，佔當日本公司已發行股份約1.2%(二零一一年：0.7%)。倘該等購股權全數獲行使，將導致本公司須額外發行106,250,000股(二零一一年：51,850,000股)普通股，包括增加5,313,000港元(二零一一年：2,593,000港元)之股本及13,659,000港元(二零一一年：5,993,000港元)之股份溢價。

31. SHARE-BASED COMPENSATION

(Continued)

Financial effect of the share options

The amortised amount of share-based compensation arising from existing share options during the year which amounted to HK\$4,710,000 (2011: HK\$14,711,000) was recognised as administrative expenses. Of which, share-based compensation in respect of share options granted to the directors and employees amounting to HK\$5,276,000 (2011: HK\$10,508,000), offsetting with the reversal of share option expense amounting to HK\$566,000 arising from the forfeiture of unvested share options granted to certain consultants in prior year. The corresponding amount of HK\$4,710,000 (2011: HK\$14,711,000) has been credited to the share option reserve. No liabilities were recognised as those are equity-settled share-based payment transactions.

During the current financial year, 213,750,000 unvested share options granted to directors, employee and consultants and 48,100,000 vested shares options granted to suppliers and an employee were forfeited. For the forfeiture of the unvested share options, they are recorded as a reversal to current year's profit or loss account and for the forfeiture of vested share options, the corresponding amount of HK\$1,113,000 was transferred from share option reserve to accumulated losses. During last financial year, 750,000 vested share options which were granted to employees were forfeited and the corresponding share option expense of HK\$79,000 was transferred from share option reserve to retained profits.

The number of outstanding share options which are exercisable as at 31 March 2012 was 155,000,000 (2011: 51,850,000) which represent approximately 1.2% (2011: 0.7%) of the Company's shares in issue on that date. The exercise in full of these share options would result in the issue of 106,250,000 (2011: 51,850,000) additional ordinary shares of the Company including additional share capital of HK\$5,313,000 (2011: HK\$2,593,000) and share premium of HK\$13,659,000 (2011: HK\$5,993,000).

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NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

32. 儲備

本集團

32. RESERVES

The Group

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
股份溢價(附註(a))	Share premium (note (a))	1,056,066	903,682
合併儲備(附註(b))	Merger reserve (note (b))	13,805	13,805
購股權儲備(附註(d))	Share option reserve (note (d))	21,059	17,462
資本贖回儲備(附註(e))	Capital redemption reserve (note (e))	6,629	6,629
匯兌儲備(附註(f))	Translation reserve (note (f))	107,075	244,261
可換股票據權益儲備 (附註27(d))	Convertible note equity reserve (note 27(d))	348,595	434,124
累計虧損	Accumulated losses	(1,671,653)	(284,982)
		(118,424)	1,334,981

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NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

32. 儲備 (續)

32. RESERVES (Continued)

本公司

The 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 (附註(d)) (note (d))	資本贖回儲備 Capital redemption reserve 千港元 HK\$'000 (附註(e)) (note (e))	可換股票據 權益儲備 Convertible note equity reserve 千港元 HK\$'000 (附註27(d)) (note 27(d))	累計虧損 Accumulated losses 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一零年四月一日	At 1 April 2010	213,742	76,249	3,132	6,629	-	(12,416)	287,336
本年度虧損	Loss for the year	-	-	-	-	-	(148,412)	(148,412)
發行配售股份 (附註30(b))	Issue of shares under placing (note 30(b))	266,000	-	-	-	-	-	266,000
股份發行開支 (附註30(b))	Share issue expenses (note 30(b))	(4,560)	-	-	-	-	-	(4,560)
發行代價股份 (附註30(c))	Issue of Consideration Shares (note 30(c))	334,900	-	-	-	-	-	334,900
本年度授出之購股權 (附註31)	Share options granted in current year (note 31)	-	-	14,711	-	-	-	14,711
沒收之購股權	Share options forfeited	-	-	(79)	-	-	-	(79)
因行使購股權而發行之股份	Shares issued upon exercise of share options	1,006	-	(302)	-	-	-	704
發行可換股票據 (附註27(d))	Issue of Convertible Note (note 27(d))	-	-	-	-	494,565	-	494,565
兌換可換股票據 (附註27(d)(ii)及30(d))	Conversion of Convertible Note (note 27(d)(ii) & 30(d))	92,594	-	-	-	(60,441)	-	32,153
於二零一一年三月三十一日及 二零一一年四月一日	At 31 March 2011 and 1 April 2011	903,682	76,249	17,462	6,629	434,124	(160,828)	1,277,318
本年度虧損	Loss for the year	-	-	-	-	-	(1,478,806)	(1,478,806)
發行配售股份 (附註30(b))	Issue of shares under placing (note 30(b))	22,440	-	-	-	-	-	22,440
股份發行開支 (附註30(b))	Share issue expenses (note 30(b))	(1,776)	-	-	-	-	-	(1,776)
以股份支付之補償 (附註31)	Share-based compensation (note 31)	-	-	4,710	-	-	-	4,710
沒收之購股權	Share options forfeited	-	-	(1,113)	-	-	-	(1,113)
兌換可換股票據 (附註27(d)(ii)及30(d))	Conversion of Convertible Note (note 27(d)(ii) & 30(d))	131,720	-	-	-	(85,529)	-	46,191
於二零一二年三月三十一日	At 31 March 2012	1,056,066	76,249	21,059	6,629	348,595	(1,639,634)	(131,036)

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NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

32. 儲備 (續)

本公司 (續)

附註：

- (a) 根據開曼群島法例第22章公司法(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本集團於本公司在聯交所上市前進行之重組所收購附屬公司之股本總額面值高於本公司發行以作交換之股本面值之差額。
- (c) 本公司之繳入盈餘指根據本集團於本公司股份在聯交所上市前進行之重組所收購附屬公司之投資成本高於本公司發行以作交換之股本面值之差額。
- (d) 購股權儲備指已授出購股權之公允值，有關詳情載於附註3.18所述就以股份支付之補償採納的會計政策。
- (e) 資本贖回儲備指轉撥自保留溢利及相等於所購回股份面值之金額。
- (f) 匯兌儲備包括所有根據附註3.14所述之會計政策換算海外業務的財務報表所產生的匯兌差額。

32. RESERVES (Continued)

The Company (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 over the nominal value of the share capital of the Company issued in exchange pursuant to the reorganisation of the Group taken place before the listing of Company on the Stock Exchange.
- (c) Contributed surplus of the Company represents the difference between the costs of investment in subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange pursuant to the reorganisation of the Group taken place before the listing of Company's shares on the Stock Exchange.
- (d) Share option reserve represents the fair value of share options granted as further explained in the accounting policy adopted for share-based compensation in note 3.18.
- (e) Capital redemption reserve represents the transfer from retained profits of the amount equivalent to the par value of the shares repurchased.
- (f) Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations in accordance with the accounting policy adopted in note 3.14.

財務報表附註

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33. 業務合併

誠如附註1所述，本集團已於二零一零年六月十七日完成收購事項，Mongolia Investment BVI之可識別資產及負債於收購日期之公允值與緊接收購事項前之相關賬面值如下：

33. BUSINESS COMBINATION

As mentioned in note 1, the Group completed the Acquisition on 17 June 2010, the fair values of the identifiable assets and liabilities of Mongolia Investment BVI as at the Acquisition Date and the corresponding carrying amounts immediately prior to the Acquisition are as follows:

		公允值 Fair values 千港元 HK\$'000	賬面值 Carrying amounts 千港元 HK\$'000
物業、廠房及設備	Property, plant and equipment	13,368	13,368
預付土地租賃款項	Prepaid land lease payments	675	675
勘探及評估資產	Exploration and evaluation assets	2,429,431	1,481,414
其他預付款項及按金	Other prepayments and deposits	3,511	3,511
貿易及其他應收款項	Trade and other receivables	4,104	4,104
現金及現金等價物	Cash and cash equivalents	2,785	2,785
貿易及其他應付款項	Trade and other payables	(7,363)	(7,363)
應付關連方款項	Amounts due to related parties	(13)	(13)
銀行借貸	Bank borrowings	(5,581)	(5,581)
政府補助	Government subsidies	(6,730)	(6,730)
遞延稅項負債	Deferred tax liabilities	(600,637)	(363,633)
已購入資產淨值	Net assets acquired	1,833,550	1,122,537
商譽(附註17)	Goodwill (note 17)	33,701	
收購事項總成本(附註(a))	Total cost of the Acquisition (note (a))	1,867,251	
以現金結算之收購代價	Purchase consideration settled in cash	200,000	
減：所收購附屬公司之 現金及現金等價物	Less: cash and cash equivalents in subsidiaries acquired	(2,785)	
現金流出淨額	Net cash outflows	197,215	

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

33. 業務合併 (續)

33. BUSINESS COMBINATION (Continued)

附註：

Notes:

(a) 代價於收購日期之公允值包括：

(a) The fair value of the consideration at the Acquisition Date comprised:

		千港元 HK\$'000
現金	Cash	200,000
代價股份 (附註30(c))	Consideration Shares (note 30(c))	433,400
承兌票據 (附註27(c))	Promissory Note (note 27(c))	285,614
可換股票據 (附註27(d))	Convertible Note (note 27(d))	948,237
		1,867,251

(b) 商譽來自於蒙古國的勘探及採礦業務，有關收購事項使本集團的現有業務組合實現多元化，並拓寬本集團產生自蒙古國自然資源業務的收入來源。

(b) The goodwill was attributable to the exploration and mining business in Mongolia and such Acquisition enables the Group to diversify its existing business portfolio and broaden its source of income arising from natural resources business in Mongolia.

(c) 貿易及其他應收款項之公允值及總額為4,104,000港元。該等應收款項並無減值，且預期合約款項可全數收回。

(c) The fair value and the gross amount of trade and other receivables amounted to HK\$4,104,000. None of these receivables was impaired and it was expected that the full contractual amounts could be collected.

(d) 除上文所述者外，收購協議列載若干與或然代價（「或然代價」）有關之條款及條件。根據該等條款及條件，倘於完成收購事項後八個月內將予提交之估值報告（「第二份估值報告」）顯示Camex LLC及Kores所持七項勘探牌照（附註19）之公允值或Camex LLC及其附屬公司（不包括持有四項採礦牌照（附註18）之TNE）之公允值（「公允值」）不少於1,550,000,000港元，本公司須向其中一名賣方發行賠償票據（「賠償票據」）。賠償票據之本金額應為：

(d) Apart from the above, included in the acquisition agreement were some terms and conditions relating to contingent consideration (the “Contingent Consideration”). Under such terms and conditions, the Company was required to issue a compensation note (the “Compensation Note”) to one of the vendors in case of the fair value of the seven exploration licences (note 19) held by Camex LLC and Kores or the fair value of Camex LLC and its subsidiaries (excluding TNE which is holding four mining licences (note 18)) (the “Fair Value”) as shown in the valuation report to be submitted in eight months after the completion of the Acquisition (the “Second Valuation Report”) was not less than HK\$1,550 million. The principal amount of the Compensation Note shall be:

財務報表附註

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33. 業務合併 (續)

附註：(續)

(d) (續)

(i) 公允值，倘第二份估值報告所示之公允值等於或多於1,550,000,000港元但低於3,100,000,000港元；或

(ii) 3,100,000,000港元，倘第二份估值報告所示之公允值等於或多於3,100,000,000港元。

倘第二份估值報告所示之公允值低於1,550,000,000港元，則毋需作出任何付款。

根據收購協議，本公司及賣方應各自盡其最大努力，以取得或促成第二份估值報告，且第二份估值報告之格式及內容應令本公司滿意。

由於第二份估值報告所需的工作未能按時完成，致使第二份估值報告無法於收購日期後八個月內刊發。根據收購協議之條款，毋須向賣方發行賠償票據。

33. BUSINESS COMBINATION (Continued)

Notes: (Continued)

(d) (Continued)

(i) the Fair Value, if such Fair Value as shown in the Second Valuation Report was equal to or more than HK\$1,550 million but less than HK\$3,100 million; or

(ii) HK\$3,100 million, if the Fair Value as shown in the Second Valuation Report was equal to or more than HK\$3,100 million.

No payment shall be made if the Fair Value as shown in the Second Valuation Report was less than HK\$1,550 million.

Pursuant to the acquisition agreement, the Company and the vendors shall use their respective best endeavours to obtain or procure the Second Valuation Report and the Second Valuation Report should be produced in form and substance satisfactory to the Company.

As the necessary work required in coming up with the Second Valuation Report could not be completed in time and the Second Valuation Report could not be issued within eight months after the Acquisition Date, no Compensation Note was issued to the vendors in accordance with the terms of the acquisition agreement.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

34. 承擔

(a) 經營租賃承擔

本集團

根據土地及樓宇不可撤銷經營租賃而於日後應付之最低租金總額如下：

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
一年內	Within one year	8,930	3,121
第二年至第五年 (包括首尾兩年)	In the second to fifth years inclusive	6,613	3,902
		15,543	7,023

本集團根據經營租賃租賃若干物業。該等租賃初步為期兩至三年(二零一一年：兩至三年)，並訂明於到期日有權重續租賃及重新磋商條款。該等租賃並不包含任何或然租金。

本公司

於二零一二年及二零一一年三月三十一日，本公司並無任何重大經營租賃承擔。

34. COMMITMENTS

(a) Operating lease commitments

The Group

The future aggregate minimum lease rental payable under non-cancellable operating leases in respect of land and buildings was as follows:

The Group leases certain properties under operating leases. The leases run for an initial period of two to three years (2011: two to three years), with an option to renew the leases and renegotiate the terms at the expiry date. The leases do not include any contingent rentals.

The Company

The Company did not have any significant operating lease commitments as at 31 March 2012 and 2011.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

34. 承擔 (續)

(b) 資本承擔

本集團

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
購買物業、廠房及設備 (附註)	Purchase of property, plant and equipment (note)	27,314	29,343
收購專門技術	Acquisition of technical know-how	2,703	2,703
有關勘探及評估活動之 其他承擔	Other commitment related to exploration and evaluation activities	1,628	2,307
		31,645	34,353

附註：

根據日期為二零零六年八月十八日向蒙古國相關政府機關提交並於二零零六年十月十一日獲該政府機關接納之標書，TNE須興建加工廠，以生產無煙燃料產品，估計投資成本5,835,000,000圖格里克(相等於約34,500,000港元)。就此，直至二零零八年十二月三十一日，TNE已收取合共1,186,000,000圖格里克(相等於約7,000,000港元)之政府補助。標書涉及多個表現目標，包括加工廠於二零零八年三月投入營運及生產、每年生產特定數量之無煙燃料及於二零零八年三月前注資5,835,000,000圖格里克(相等於約34,500,000港元)。然而，直至刊發本財務報表日期，該等表現目標尚未達成。

34. COMMITMENTS (Continued)

(b) Capital commitments

The Group

Notes:

Pursuant to the tender submitted to the relevant government authority of Mongolia dated 18 August 2006 which was accepted by the government authority on 11 October 2006, TNE has to establish a processing plant for the production of smokeless fuel product at an estimated investment cost of MNT5,835 million (equivalent to approximately HK\$34.5 million). In connection to this, TNE received subsidies from the government amounted to MNT1,186 million (equivalent to approximately HK\$7million) in aggregate up to 31 December 2008. The tender refers to a number of performance targets including the commencement of operation and production of the processing plant in March 2008, the production of a specified quantity of smokeless fuel per year and the capital injection of MNT5,835 million (equivalent to approximately HK\$34.5 million) by March 2008. However, the performance targets are not yet achieved up to the date of these financial statements.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

34. 承擔 (續)

(b) 資本承擔 (續)

附註：(續)

根據(i)TNE與該政府機關簽訂日期為二零零八年十月八日之達成合約通告，確認TNE獲取之補助已用作興建加工廠，並確認政府已同意為該項目提供額外資金；(ii)管理層已積極就修訂現有投資計劃及尋求額外補助與該政府機關溝通；及(iii)經考慮標書、達成合約通告及出現之情況後，本集團之法律顧問認為政府極不可能要求TNE對表現目標負責，而董事已作出評估，尚未達成標書所述之表現目標不會對本集團造成重大財務影響。於二零一二年三月三十一日有關現有投資計劃而尚未支付之承擔金額約為4,495,000,000圖格里克(相等於約26,600,000港元)，並於本文披露。於TNE與該政府機關就修訂投資計劃及因興建加工廠而獲得之額外補助事宜達成結論前，已收取的全部政府補助已列作非流動負債(附註28)。

本公司

於二零一二年及二零一一年三月三十一日，本公司並無任何重大資本承擔。

34. COMMITMENTS (Continued)

(b) Capital commitments (Continued)

Notes: (Continued)

Based on (i) a contract accomplishment notice dated 8 October 2008 which was signed by TNE and the government authority confirming that the subsidies granted to TNE have been used for the construction of the processing plant and that the government has agreed to provide additional funding for the project; (ii) management has been actively communicating with the government authority regarding revising the existing investment plan as well as seeking for additional subsidies; and (iii) the legal advisors of the Group, having considered the tender, the contract accomplishment notice and the circumstance arising, opine that it is very unlikely for the government to hold TNE responsible for the performance targets, the Directors have assessed that the fact that the performance targets as set forth in the tender are not yet achieved do not result in the significant financial impact to the Group. The outstanding commitment with reference to the existing investment plan amounted to approximately MNT4,495 million (equivalent to approximately HK\$26.6 million) as at 31 March 2012 is disclosed herein. The entire amount of the government subsidies received were accounted for as non-current liabilities (note 28) until TNE and the government authority have come into a conclusion on the revised investment plan and the additional subsidies for the processing plant.

The Company

The Company did not have any significant capital commitments as at 31 March 2012 and 2011.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

35. 或然負債及訴訟

(a) 於過往財政年度，本集團就兩項已完成工程遭一家原分包商提出兩項申索。於上一財政年度，本公司一家附屬公司作為該兩項申索之被告收到傳票，索償金額合共約9,500,000港元。本集團已就約8,600,000港元之多付款額向該原分包商提出反申索。該等申索目前正在進行法律訴訟。於二零一二年三月三十一日及截至本財務報表日期，法律訴訟仍在進行中。於呈報期後，該等申索並無重大進展。根據本集團法律顧問之意見，董事認為本集團理據充分，不僅可作出申辯，更可就多付款額提出反申索。因此，董事認為該原分包商之申索不大可能對本集團產生任何重大財務影響。

(b) 於過往財政年度，本公司一家附屬公司作為被告收到有關一家原分包商所提出申索的傳票及申索聲明，索償金額合共約5,900,000港元。本集團已作出抗辯聲明並就約500,000港元之多付款額向該原分包商提出反申索，其後原告並無採取進一步行動。年內，已故原告之擬定遺產管理人提出以調解方式解決該等申索，調解計劃於二零一二年七月舉行。於二零一二年三月三十一日及截至本財務報表日期，該等申索並無重大進展。根據本集團法律顧問之意見，董事認為本集團對原告之申索具有充分的抗辯理據。因此，董事認為該原分包商之索申索不大可能對本集團產生任何重大財務影響。

35. CONTINGENT LIABILITIES AND LITIGATIONS

(a) In prior financial years, the Group received from an ex-subcontractor two claims in respect of two completed projects. During last financial year, a writ of summons was served to a subsidiary of the Company as defendant in respect of those two claims seeking the recovery of a sum of approximately HK\$9.5 million in aggregate. The Group made a counterclaim against the ex-subcontractor for overpayment of approximately HK\$8.6 million. The claims are under legal proceedings. As at 31 March 2012 and up to the date of these financial statements, the legal proceedings are still in progress. There is no material progress in respect of the claims subsequent to the reporting period. Based on the advice from the legal advisers of the Group, the Directors believe that the Group has a good case not only to defend but also to counterclaim the overpaid amount. Accordingly, the Directors consider that the claims from the ex-subcontractor will unlikely result in any material financial impact on the Group.

(b) In prior financial years, a writ of summons and statement of claim were served to a subsidiary of the Company as defendant in respect of the claim seeking the recovery of a sum of approximately HK\$5.9 million in aggregate from an ex-subcontractor. The Group made a statement of defence and counterclaim against the ex-subcontractor for a sum of approximately HK\$0.5 million, and no further action was taken by the plaintiff afterwards. During the year, the intended administrator of the estate of the deceased plaintiff proposed to resolve the claims by way of the mediation, and the mediation is scheduled to be held in July 2012. As at 31 March 2012 and up to the date of these financial statements, there is no material progress in respect of the claims. Based on the advice from the legal advisers of the Group, the Directors believe that the Group has a good defence against the plaintiff. Accordingly, the Directors consider that the claims from the ex-subcontractor will unlikely result in any material financial impact on the Group.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

35. 或然負債及訴訟 (續)

(c) 於二零一一年三月二十三日，本公司兩名董事及其他人士（「原告」）對本公司及其他董事提起訴訟，其申索包括多項法律救濟，包括限制本公司根據董事會於二零一一年三月二十一日通過之決議案進行建議股份配售之強制令。由於原告並無向本公司提出損害賠償申索，因此本公司目前之負債僅限於訴訟費用。原告已提出非正審強制令申請。然而，截至本財務報表日期，原告並無確定有關非正審強制令申請的聆訊日期。根據本公司所聘高級顧問之意見，原告的強制令申請獲批之可能性極微。事實上，股份配售其後已於二零一一年四月十三日完成（附註30(b)）。

(d) 除上文所述外，於二零一二年三月三十一日，本集團於日常業務過程中遭提出數項訴訟及申索，且於本財務報表日期尚未得到解決。部份所申請之訴訟及申索並無訂明索償金額。董事認為已購買足夠之保險以彌補大部份該等訴訟及申索所導致之損失（如有），因此，該等訴訟及申索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。

35. CONTINGENT LIABILITIES AND LITIGATIONS (Continued)

(c) On 23 March 2011, two of the Company's Directors and others (the "Plaintiffs") commenced legal proceedings to claim against the Company and other directors for various relief including an injunction preventing the Company from proceeding with the proposed placing of shares pursuant to the resolution passed by the Board on 21 March 2011. The Plaintiffs have not claimed against the Company for damages and the liabilities of the Company are limited to costs at this stage. The Plaintiffs have made an application for an interlocutory injunction. However, up to the date of these financial statements, the Plaintiffs have not fixed a hearing date for the application of interlocutory injunction. Based on the advice of the Senior Counsel retained by the Company, the Plaintiffs' application for injunction has little hope of success. As a matter of fact, the placing of shares has been subsequently completed on 13 April 2011 (note 30 (b)).

(d) Apart from the above, as at 31 March 2012, 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 some of the applications of these lawsuits and claims. In the opinion of the Directors, sufficient insurance coverage are maintained to cover the losses, if any, arising from most of 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.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

36. 擔保

於呈報期末，本公司作出的重大財務擔保如下：

36. GUARANTEES

As at the end of the reporting period, the Company issued the following significant financial guarantees:

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 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	85,983	137,645
銀行向一家附屬公司 之客戶發出的履約保證	Performance bonds issued by banks to a subsidiary's customer	–	10,000
若干附屬公司訂立 之融資租賃安排	Finance lease arrangements entered into by certain subsidiaries	13	372
		85,996	148,017

本公司連同其若干附屬公司向銀行作出交叉擔保，作為向附屬公司授出信貸融資之部份抵押。

董事認為提供上述財務擔保所產生之財務影響並不重大，因此上述財務擔保並無計入該等財務報表。

The Company, together with certain of its subsidiaries, issued cross guarantees to bankers as part of the security for credit facilities granted to the subsidiaries.

In the opinion of the directors, the financial impact arising from providing the above financial guarantees is immaterial and accordingly, they are not accounted for in these financial statements.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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37. 關連方交易

(i) 與關連公司之交易

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
支付予君明有限公司之 辦公室租金開支 (附註(a))	Rental expenses for office premises paid to Grand Media Limited (Note (a))	984	984
支付予君明有限公司之 利息開支(附註(a))	Interest expense to Grand Media Limited (Note (a))	75	–
延長承兌票據產生之 收益(附註(b))	Gain arising from extension of the Promissory Note (Note (b))	34,497	–

附註：

- (a) 本公司董事原秋明先生、原偉強先生及蘇耀祥先生於君明有限公司分別擁有34%、33%及33%之股權。
- (b) 承兌票據持有人為由王正平先生擁有之公司Sino Access Holdings Limited，於二零一二年三月三十一日王正平先生持有本公司20.86%之重大股權。

Note:

- (a) The directors of the Company, Mr. Yuen Chow Ming, Mr. Yuen Wai Keung and Mr. So Yiu Cheung, have equity interests of 34%, 33% and 33% respectively in Grand Media Limited.
- (b) The Promissory Note holder is Sino Access Holdings Limited, a company owned by Mr. Wong Ching Ping Alex who has material equity interests of 20.86% in the Company as at 31 March 2012.

(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：

(ii) Key management personnel

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

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
薪金、津貼及實物福利	Salaries, allowances and benefits in kind	10,517	11,615
以權益結算並以股份 支付之補償	Equity-settled share-based compensation	5,276	8,275
退休福利計劃供款	Retirement benefits scheme contributions	173	164
		15,966	20,054

財務報表附註

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38. 資本管理

本集團的資本管理目標是保障本集團能持續營運，從而為股東提供回報，同時兼顧其他利益相關者的利益，並維持最佳的資本架構以減低資本成本，以及維持本集團的穩定和增長。

本集團按資本負債比率的基準監控其資本架構，該比率乃按淨債務除以權益計算。淨債務包括借貸減銀行結存及現金與已抵押銀行存款。為維持或調整資本架構，倘認為合適及適宜，本集團或會調整派付予股東之股息或發行新股份。於截至二零一二年及二零一一年三月三十一日止年度，並未對管理資本的目標、政策及程序作出任何調整。

38. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth.

The Group monitors its capital structure on the basis of gearing ratio, i.e. net debt to equity. Net debt includes borrowings less cash at banks and in hand and pledged bank deposits. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares as it sees fit and appropriate. No change was made in the objectives, policies or processes for managing capital during the years ended 31 March 2012 and 2011.

		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
債務	Debt	846,501	949,609
減：銀行結存及現金與 已抵押銀行存款	Less: cash at banks and in hand and pledged bank deposits	(335,417)	(323,167)
淨債務	Net debt	511,084	626,442
資本：權益總額	Capital represented by total equity	340,924	1,690,984
資本負債比率	Gearing ratio	150%	37%

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

39. 金融工具

39. FINANCIAL INSTRUMENTS

(a) 金融工具類別

(a) Categories of financial instruments

		本集團 The Group	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
財務資產	Financial assets		
按公允值於損益列賬之財務資產	Financial assets at fair value through profit or loss – Derivative financial assets	63,734	80,342
— 衍生財務資產			
貸款及應收款項 (包括銀行結存及現金與已抵押銀行存款)	Loan and receivables (including cash at banks and in hand and pledged bank deposits)	421,075	411,667
財務負債	Financial liabilities		
按攤銷成本列賬的財務負債	Financial liabilities at amortised cost	944,667	1,025,138

		本公司 The Company	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
財務資產	Financial assets		
按公允值於損益列賬之財務資產	Financial assets at fair value through profit or loss – Derivative financial assets	63,734	80,342
— 衍生財務資產			
貸款及應收款項 (包括銀行結存及現金與已抵押銀行存款)	Loan and receivables (including cash at banks and in hand and pledged bank deposits)	473,293	425,316
財務負債	Financial liabilities		
按攤銷成本列賬的財務負債	Financial liabilities at amortised cost	770,227	818,637

財務報表附註

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截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

39. 金融工具 (續)

39. FINANCIAL INSTRUMENTS (Continued)

(b) 按金融工具呈列的財務業績

(b) Financial results by financial instruments

		本集團 The Group	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
金融工具的 收入／(開支)及 收益／(虧損)：	Income/(expense) and gains/(losses) on financial instruments:		
以下各項之利息 收入／(開支)：	Interest income/ (expenses) on:		
貸款及應收款項	Loans and receivables	285	2,067
按攤銷成本列賬 的財務負債	Financial liabilities at amortised cost	(88,145)	(76,158)
可換股票據衍生工具 部份之公允值變動 (附註27(d))	Fair value change on the Derivative Component of the Convertible Note (note 27(d))	(780)	22,821
延長承兌票據產生 之收益(附註27(c))	Gain arising from extension of Promissory Note (note 27(c))	34,497	—

(c) 財務風險管理目標及政策

(c) Financial risk management objectives and policies

本集團的業務令其面對不同種類的財務風險，包括市場風險(主要為利率風險及貨幣風險)、信貸風險及流動資金風險。本集團的整體風險管理專為處理金融市場無法預測的因素，並盡量減少此等因素對本集團財務表現所帶來的潛在不利影響。風險管理由主要管理層根據董事會批准的政策執行。本集團並無制定書面風險管理政策。然而，本集團之董事及高級管理人員定期舉行會議，以確定及評估風險並制定管理財務風險的策略。

The Group's activities expose it to a variety of financial risks which comprise market risk (mainly interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by key management under the policies approved by the board of directors. The Group does not have written risk management policies. However, the directors and senior management of the Group meet regularly to identify and evaluate risks and to formulate strategies to manage financial risks.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

39. 金融工具 (續)

(d) 財務風險管理

市場風險 – 利率風險

利率風險與金融工具之公允值或現金流量將隨市場利率變化而波動之風險相關。本集團之收入及營運現金流量基本上獨立於市場利率變化。本集團之利率風險主要來自銀行借貸。大部份銀行借貸按浮動利率計息，使本集團面對現金流量利率風險。於呈報日期尚未償還之銀行借貸之利率及償還期限於附註27披露。本集團目前並無利率對沖政策，惟管理層將繼續監察利率風險，並在有需要時考慮對沖重大的利率風險。

本集團自上一年度以來執行的管理利率風險的政策被認為有效。

倘所有其他因素維持不變，管理層對本集團於各呈報期末之浮息銀行借貸利率面臨的合理可能變動的最佳估計(實際上，實際交易結果或會有別於下列敏感度分析，並可能出現重大差異)如下：

39. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management

Market risk – interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk mainly arises from bank borrowings. Majority of the bank borrowings are arranged at variable rates which expose the Group to cash flow interest rate risk. The interest rate and repayment terms of the bank borrowings outstanding at the reporting date are disclosed in note 27. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The policies to manage interest rate risk have been followed by the Group since prior year are considered to be effective.

Management's best estimate of the Group's exposure to a reasonably possible change in interest rates on its floating rate bank borrowings, with all other variables held constant, at the end of each reporting period are as follows (in practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material):

		除稅後虧損及累計虧損 (增加) / 減少 (Increase)/Decrease in loss after tax and accumulated losses	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
基點(「基點」)	Increase/Decrease in		
增加 / 減少	basis points (“bp”)		
+ 50基點	+ 50 bp	(346)	(574)
- 50基點	- 50 bp	346	574

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39. 金融工具 (續)

(d) 財務風險管理 (續)

市場風險 – 利率風險 (續)

利率變動並不影響本集團權益之其他組成部份。在編製上述敏感度分析時，乃假設於二零一二年及二零一一年三月三十一日的借貸於整個相關財政年度內一直存在。

市場風險 – 貨幣風險

貨幣風險指金融工具公允值或未來現金流量將隨匯率變化而波動之風險。本集團／本公司主要於香港及蒙古國經營及投資，大部份交易分別以港元及圖格里克計值及結算。除集團公司若干以美元列值之貸款賬目外，於蒙古國之貨幣資產及負債並無任何已識別之重大外幣風險，因為其計值貨幣與該等交易相關之蒙古國實體之功能貨幣相同。蒙古國附屬公司尚未訂立對沖外匯風險的任何衍生工具，然而，管理層持續監察外匯風險，並將於必要時考慮對沖重大外匯風險。

本集團自上一年度以來執行的管理貨幣風險的政策被視為有效。

39. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management (Continued)

Market risk – interest rate risk (Continued)

The changes in interests rates do not affect the Group's other components of equity. The above sensitivity analysis is prepared based on the assumption that the bank borrowings as at 31 March 2012 and 2011 existed throughout the whole respective financial year.

Market risk - currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group/Company mainly operates and invests in Hong Kong and Mongolia with most of the transactions denominated and settled in HK\$ and MNT respectively. Other than certain USD-denominated loan account with group companies, no material foreign currency risk has been identified for the monetary assets and liabilities in Mongolia as they were largely denominated in a currency same as the functional currency of the Mongolian entities to which these transactions relate. The Mongolia subsidiaries have not entered into any derivative instrument to hedge the foreign exchange exposures, however, the management continuously monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The policies to manage currency risk have been followed by the Group since prior year are considered to be effective.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

39. 金融工具 (續)

(d) 財務風險管理 (續)

市場風險－貨幣風險 (續)

倘所有其他因素維持不變，管理層對本集團於各呈報期末圖格里克兌美元面臨的合理可能變動風險的最佳估計(實際上，實際結果或會有別於下列敏感度分析，並可能出現重大差異)如下：

39. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management (Continued)

Market risk - currency risk (Continued)

Management's best estimate of the Group's exposure to a reasonably possible change in MNT against USD, with all other variables held constant, at the end of each reporting period are as follows (in practice, the actual results may differ from the sensitivity analysis below and the difference could be material):

		除稅後虧損及累計虧損 (增加)／減少 (Increase)/Decrease in loss after tax and accumulated losses	
		二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000
圖格里克兌美元 升值／貶值	MNT Strengthen/weaken against USD		
升值10%	Strengthen by 10%	13,014	10,986
貶值10%	Weaken by 10%	(13,014)	(10,986)

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NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

39. 金融工具 (續)

(d) 財務風險管理 (續)

信貸風險

信貸風險指金融工具之交易對手可能未能根據金融工具之條款履行其責任，導致本集團承受財務虧損之風險。

本集團嚴格甄選交易對手，藉此控制其信貸風險。現金乃存入具備高信貸評級的銀行，有關現金及現金等價物(附註25)的信貸風險因此而得以減低。工程承包業務之客戶主要為政府部門／機構及知名企業，因此信貸風險較低。本集團對其債務人的財務狀況進行持續信貸評估，並嚴密監察應收款項結餘的賬齡，藉此盡量減低有關其他貸款及應收款項的信貸風險。如有拖欠餘款的情況，本集團會採取跟進行動。此外，管理層於各呈報日期個別或共同檢討應收款項的可收回金額，以確保就不可收回金額計提足額減值虧損。本集團自過往年度以來已採納信貸政策，並認為已將本集團面對之信貸風險有效控制至合適水平。本集團之財務資產並無以抵押品或其他信貸提升項目抵押。

於二零一二年三月三十一日，貿易應收款項總額的78%(二零一一年：73%)來自本集團水務工程承包業務分部之最大客戶。有關本集團所面對之貿易及其他應收款項之信貸風險的進一步數據資料於附註23披露。

由於在以往年度見成效，本集團緊遵其管理信貸風險的政策。

39. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management (Continued)

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

The Group limits its exposure to credit risk by rigorously selecting the counterparties. Credit risk on cash and cash equivalents (note 25) is mitigated as cash is deposited in banks of high credit rating. Customers of engineering contracting business are mainly government departments/organisation and reputable corporations and thus credit risk is considered low. Credit risk on other loans and receivables is minimised as the Group performs ongoing credit evaluation on the financial condition of its debtors and tightly monitors the ageing of the receivable balances. Follow up action is taken in case of overdue balances. In addition, management reviews the recoverable amount of the receivables individually or collectively at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level. None of the Group's financial assets are secured by collateral or other credit enhancements.

At 31 March 2012, 78% (2011: 73%) of the total trade receivables was due from the Group's largest customer within the waterworks engineering contracting business segment. Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables are disclosed in note 23.

The policies to manage credit risk have been followed by the Group since prior year are considered to be effective.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

39. 金融工具 (續)

(d) 財務風險管理 (續)

流動資金風險

流動資金風險指本集團未能履行與以交付現金或其他財務資產結算財務負債相關之責任之風險。本集團之政策為定期監察其流動資金需求和遵守信貸契約的情況，以確保本集團維持充足現金儲備，以及從主要金融機構獲得足夠承諾貸款以滿足其短期和長期流動資金需求。

本集團自過往年度以來已緊遵其流動資金政策，並認為已有效管理流動資金風險。

下表詳列本集團與本公司之財務負債於呈報日期的餘下已訂約到期日，乃根據已訂約未折算現金流量及本集團與本公司可能被要求還款之最早日期釐定：

39. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management (Continued)

Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants in order to maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risk.

The table below analyses the remaining contractual maturities of the Group's and the Company's financial liabilities at the reporting date which are determined based on contractual undiscounted cash flows and the earliest date the Group and the Company may be required to pay:

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

39. 金融工具 (續)

39. FINANCIAL INSTRUMENTS (Continued)

(d) 財務風險管理 (續)

(d) Financial risk management (Continued)

流動資金風險 (續)

Liquidity risk (Continued)

		已訂約未折算現金流量			
		Contractual undiscounted cash flow			
		1年內或			
		應要求償還	1至2年	2至5年	
	賬面值	Within	Between	Between	
	Carrying	1 year or	1 and 2	2 and 5	
	amount	on demand	years	years	
	千港元	千港元	千港元	千港元	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
本集團	The Group				
於二零一二年三月三十一日	As at 31 March 2012				
附息銀行借貸及	Interest-bearing bank borrowings and				
融資租賃負債(附註(a))	finance lease liabilities (note (a))	83,031	83,475	–	
貿易應付款項	Trade payables	66,006	66,006	–	
應付保留款項	Retention payables	16,037	16,037	–	
其他應付款項及應計費用	Other payables and accruals	16,123	16,123	–	
免息承兌票據	Non-interest bearing Promissory Note	308,076	–	350,000	
免息可換股票據	Non-interest bearing Convertible				
– 負債部份(附註(b))	Note–liability component (note (b))	455,394	–	–	
		944,667	181,641	350,000	
				672,500	
於二零一一年三月三十一日	As at 31 March 2011				
附息銀行借貸及	Interest-bearing bank borrowings				
融資租賃負債(附註(a))	and finance lease liabilities (note (a))	138,017	138,380	13	
貿易應付款項	Trade payables	61,238	61,238	–	
應付保留款項	Retention payables	3,911	3,911	–	
其他應付款項及應計費用	Other payables and accruals	10,380	10,380	–	
免息承兌票據	Non-interest bearing Promissory Note	309,472	–	350,000	
免息可換股票據	Non-interest bearing Convertible				
– 負債部份(附註(b))	Note–liability component (note (b))	502,120	–	–	
		1,025,138	213,909	350,013	
				837,500	

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NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

39. 金融工具 (續)

39. FINANCIAL INSTRUMENTS (Continued)

(d) 財務風險管理 (續)

(d) Financial risk management (Continued)

流動資金風險 (續)

Liquidity risk (Continued)

		已訂約未折算現金流量 Contractual undiscounted cash flow			
		1年內或 應要求償還			
		1至2年	2至5年		
		Within	Between	Between	
		1 year or	1 and 2	2 and 5	
		on demand	years	years	
		千港元	千港元	千港元	
		HK\$'000	HK\$'000	HK\$'000	
賬面值	賬面值	賬面值	賬面值	賬面值	
Carrying	Carrying	Carrying	Carrying	Carrying	
amount	amount	amount	amount	amount	
本公司	The Company				
於二零一二年三月三十一日	As at 31 March 2012				
其他應付款項及應計費用	Other payables and accruals	247	247	–	–
應付附屬公司款項	Amounts due to subsidiaries	6,757	6,757	–	–
免息承兌票據	Non-interest bearing Promissory Note	308,076	–	350,000	–
免息可換股票據—負債部份 (附註(b))	Non-interest bearing Convertible Note—liability component (note (b))	455,394	–	–	672,500
		770,474	7,004	350,000	672,500
已發出的財務擔保 擔保的最高金額 (附註(c))	Financial guarantees issued Maximum amount guaranteed (note (c))	不適用 N/A	85,996	–	–
於二零一一年三月三十一日	As at 31 March 2011				
其他應付款項及應計費用	Other payables and accruals	288	288	–	–
應付附屬公司款項	Amounts due to subsidiaries	6,757	6,757	–	–
免息承兌票據	Non-interest bearing Promissory Note	309,472	–	350,000	–
免息可換股票據—負債部份 (附註(b))	Non-interest bearing Convertible Note—liability component (note (b))	502,120	–	–	837,500
		818,637	7,045	350,000	837,500
已發出的財務擔保 擔保的最高金額 (附註(c))	Financial guarantees issued Maximum amount guaranteed (note (c))	不適用 N/A	148,004	13	–

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NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

39. 金融工具 (續)

(d) 財務風險管理 (續)

流動資金風險 (續)

附註：

- (a) 經計及有關借貸之還款日期，借貸利息乃根據於二零一二年及二零一一年三月三十一日尚未償還之借貸金額按各自之利率計算。
- (b) 就流動資金分析而言，乃假設本集團及本公司將不會行使附註27(d)所披露之延長期權。
- (c) 本公司提供之合約財務擔保於附註36披露。經董事評估，附屬公司不大可能拖欠銀行借貸及融資租賃負債，且銀行亦不大可能就因銀行借貸之現有抵押品(即附註27(a)所述已抵押銀行存款及有關附屬公司若干土木工程合約之所得款項)而產生有關擔保合約之虧損向本公司提出申索。因此，本公司並無就該等擔保下之責任計提撥備。

(e) 於財務狀況表確認之公允值計量

下表呈列根據公允值層次於財務狀況表按公允值計算之財務資產及負債。該層次根據計量此等財務資產及負債公允值之重要輸入數據之相關可靠度將財務資產及負債劃分為三個層次。公允值層次有以下各層：

第一層次：相同資產及負債於活躍市場之報價(未經調整)；

39. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management (Continued)

Liquidity risk (Continued)

Notes:

- (a) The interest on borrowings is calculated based on the amount of borrowings outstanding as at 31 March 2012 and 2011 at the respective interest rates, taking into account the repayment dates of the respective borrowings.
- (b) For the liquidity analysis, it is assumed that the Extension Option as disclosed in note 27(d) will not be exercised by the Group and the Company.
- (c) The contractual financial guarantees provided by the Company are disclosed in note 36. As assessed by the directors, it was not probable that the subsidiaries would default the repayment of the bank borrowings and the finance lease liabilities. In addition, it was not probable that the banks would claim the Company for losses in respect of the guarantee contracts due to security in place (i.e. pledged bank deposits and proceeds on certain civil engineering contracts of the relevant subsidiaries as mentioned in note 27(a)) for the bank borrowings. Accordingly, no provision for the Company's obligations under the guarantees has been made.

(e) Fair value measurements recognised in the statement of financial position

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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39. 金融工具 (續)

(e) 於財務狀況表確認之公允值計量 (續)

第二層次：直接（即價格）或間接（即自價格產生）地使用除第一層次中的資產或負債的可觀察參數報價以外的輸入數據；及

第三層次：使用了並非基於可觀察市場數據之與資產或負債相關的輸入數據（不可觀察輸入數據）。

財務資產或負債整體所應歸入的公允值架構內的層次，應基於對公允值計量具有重大意義的最低層次的輸入數據。於財務狀況表按公允值計算之財務資產及負債分類至下列公允值層次：

39. FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurements recognised in the statement of financial position (Continued)

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement. The financial assets and liabilities at fair value in the statement of financial position are grouped into fair value hierarchy as follows:

		本集團及本公司 Group and Company			
		第一層次 Level 1	第二層次 Level 2	第三層次 Level 3	合計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
二零一二年三月三十一日	31 March 2012				
衍生財務資產－可換股票據 之衍生工具部份 (附註27(d))	Derivative financial assets – Derivative Component of the Convertible Note (note 27(d))	–	63,734	–	63,734
二零一一年三月三十一日	31 March 2011				
衍生財務資產－可換股票據 之衍生工具部份 (附註27(d))	Derivative financial assets – Derivative Component of the Convertible Note (note 27(d))	–	80,342	–	80,342

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

40. 呈報日期後事件

於二零一二年五月二十六日，本公司一間附屬公司（「買方」）及本公司與賣方（「賣方」）及多位管理層股東訂立一項有條件買賣協議（經日期為二零一二年六月一日之補充協議修訂及補充）（合稱「補充購買協議」），據此，賣方已有條件同意出售，且買方已有條件同意購買思寶投資有限公司之全部已發行股份，總代價為1,500,000,000港元（可予調整）（「代價」）。在前述調整的規限下，代價將以下列方式結清：（1）現金約88,000,000港元；（2）按每股股份0.25港元配發及發行818,548,000股本公司新普通股（待建議將本公司已發行及未發行股本中每5股每股面值0.05港元之現有普通股合併為本公司已發行及未發行股本中一股每股面值0.25港元之新合併普通股之股份合併生效後進行）；及（3）發行本金總額約為1,207,000,000港元之可換股票據。

完成上述收購事項的先決條件之一是，思寶投資有限公司透過其間接全資擁有的附屬公司北京天下圖信息技術有限公司（一間於中國註冊成立之外商獨資企業）須與北京天下圖數據技術有限公司（「天下圖」，一間於中國註冊成立之公司）及／或其股東訂有合約安排（「結構協議」），而在上述收購事項完成後，本集團將根據結構協議實際控制天下圖及其現有附屬公司（統稱「天下圖集團」）之業務及事務（天下圖集團主要業務包括航拍、航空航天遙感影像數據處理以及提供地理信息系統軟件及解決方案），自此，天下圖集團業務所產生之一切經濟利益及風險將被轉讓予本集團。

40. EVENTS AFTER THE END OF REPORTING DATE

A subsidiary of the Company (the “**Purchaser**”) and the Company entered into a conditional sale and purchase agreement on 26 May 2012 (as amended and supplemented by a supplemental agreement dated 1 June 2012) (together the “**SPA**”) with the vendors (the “**Vendors**”) and various management shareholders pursuant to which the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase all the issued shares of Sinbo Investment Limited at the aggregate consideration of HK\$1,500 million (subject to adjustment) (the “**Consideration**”). Subject to adjustment as aforesaid, the Consideration will be settled by (1) cash of approximately HK\$88 million; (2) by allotment and issue of 818,548,000 new ordinary shares of the Company at HK\$0.25 per share (upon the proposed share consolidation of every 5 existing ordinary shares with a par value of HK\$0.05 each in the issued and unissued share capital of the Company into one new consolidated ordinary share with a par value of HK\$0.25 each in the issued and unissued share capital of the Company becoming effective); and (3) the issue of the convertible notes with an aggregate principal value of approximately HK\$1,207 million.

It is one of the conditions precedent to completion of the above acquisition that Sinbo Investment Limited, through its indirect wholly owned subsidiary Beijing Peace Map Information and Technology Limited, a wholly foreign owned enterprise incorporated in the PRC, shall have contractual arrangements (the “**Structural Agreements**”) with Peace Map Co., Limited (“**Peace Map**”), a company incorporated in the PRC, and/or its shareholders so that following completion of the above acquisition, the Group will, pursuant to the Structural Agreements, effectively control the business and affairs of Peace Map and its existing subsidiaries (collectively as “**Peace Map Group**”), which are principally engaged in the business of aerial photography, aviation, and aerospace remote sensing image data processing, provision of geographic information system software and solutions, and from which all the economic benefits and risks arising from the business of the Peace Map Group will be transferred to the Group.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零一二年三月三十一日止年度 For the year ended 31 March 2012

40. 呈報日期後事件 (續)

由於截至批准該等財務報表之日止，上述收購事項尚未完成，披露有關將於完成日期根據補充購買協議擬進行之收購事項之進一步詳情並不可行。收購事項之若干詳情已載於本公司日期分別為二零一一年十二月十二日及二零一二年六月二十日之公佈。

40. EVENTS AFTER THE END OF REPORTING DATE (Continued)

Because the above acquisition has not yet been completed up to the date of approval of these financial statements, it is not practicable to disclose further details about the acquisition contemplated by the SPA to take place on the completion date. Certain details of the acquisition have been set out in the Company's announcements dated 12 December 2011 and 20 June 2012 respectively.

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以及資產及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				
		二零零八年 2008 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
收益	Revenue	648,475	660,870	675,959	874,961	935,574
本年度溢利／(虧損)	Profit/(Loss) for the year	24,885	6,391	(17,281)	(370,586)	(1,388,046)

資產及負債

ASSETS AND LIABILITIES

		於三月三十一日 As at 31 March				
		二零零八年 2008 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
總資產	Total assets	773,315	612,615	568,216	3,323,955	1,433,868
總負債	Total liabilities	(335,477)	(229,433)	(203,948)	(1,632,971)	(1,092,944)
總權益	Total equity	437,838	383,182	364,268	1,690,984	340,924



蒙古投資集團有限公司
MONGOLIA INVESTMENT GROUP LIMITED