



明興水務控股有限公司

MING HING WATERWORKS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 402



目錄 Contents

公司資料	Corporate Information	2
主席報告	Chairman's Statement	5
董事及高級管理人員簡歷	Biographical Details of Directors & Senior Management	12
企業管治報告	Corporate Governance Report	17
董事會報告	Directors' Report	23
獨立核數師報告	Independent Auditors' Report	39
綜合收益表	Consolidated Income Statement	41
綜合資產負債表	Consolidated Balance Sheet	42
資產負債表	Balance Sheet	43
綜合權益變動表	Consolidated Statement of Changes in Equity	44
綜合現金流量表	Consolidated Cash Flow Statement	45
財務報表附註	Notes to the Financial Statements	47
財務概要	Financial Summary	124



公司資料 Corporate Information

董事

執行董事

原秋明先生 (主席)

蘇耀祥先生 (副主席)

原偉強先生 (副主席兼行政總裁)

獨立非執行董事

鍾麗嫻女士

(於二零零七年十一月十五日獲委任)

孫伯全先生

梁以德教授

張志文先生

何鍾泰博士

(於二零零七年十一月一日辭任)

授權代表

蘇耀祥先生

原偉強先生

公司秘書及合資格會計師

楊婉嫦女士 (FCCA, CPA)

審核委員會

張志文先生 (主席) (CPA (Aust), CPA)

鍾麗嫻女士

(於二零零七年十一月十五日獲委任)

梁以德教授

孫伯全先生

(於二零零七年十一月一日獲委任)

並於二零零七年十一月三十日辭任)

何鍾泰博士

(於二零零七年十一月一日辭任)

提名委員會

原偉強先生 (主席)

梁以德教授

張志文先生

DIRECTORS

Executive Directors

Mr. YUEN Chow Ming (Chairman)

Mr. SO Yiu Cheung (Deputy Chairman)

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

Independent Non-Executive Directors

Ms. CHUNG Lai Kwok, Elaine

(Appointed on 15 November 2007)

Mr. SUN Bo Quan

Professor LEUNG Yee Tak

Mr. CHEUNG Chi Man, Dennis

Dr. HO Chung Tai, Raymond

(Resigned on 1 November 2007)

AUTHORISED REPRESENTATIVES

Mr. SO Yiu Cheung

Mr. YUEN Wai Keung

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Ms. YEUNG Yuen Sheung (FCCA, CPA)

AUDIT COMMITTEE

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

Ms. CHUNG Lai Kwok, Elaine

(Appointed on 15 November 2007)

Professor LEUNG Yee Tak

Mr. SUN Bo Quan

(Appointed on 1 November 2007 &

resigned on 30 November 2007)

Dr. HO Chung Tai, Raymond

(Resigned on 1 November 2007)

NOMINATION COMMITTEE

Mr. YUEN Wai Keung (Chairman)

Professor LEUNG Yee Tak

Mr. CHEUNG Chi Man, Dennis

薪酬委員會

原偉強先生 (主席)
梁以德教授
張志文先生

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

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香港
中環
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中銀大廈50樓

核數師

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

REMUNERATION COMMITTEE

Mr. YUEN Wai Keung (*Chairman*)
Professor LEUNG Yee Tak
Mr. CHEUNG Chi Man, Dennis

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

Units 1809-1812
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Hong Kong

LEGAL ADVISERS

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

AUDITORS

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

公司資料 Corporate Information

主要往來銀行

三菱東京UFJ銀行
恒生銀行有限公司
星展銀行(香港)有限公司
大華銀行有限公司
大新銀行有限公司

主要股份登記處

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

股份登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

股份代號

402

PRINCIPAL BANKERS

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

PRINCIPAL SHARE REGISTRAR

Butterfield Fund Services (Cayman) Limited
Butterfield House
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Cayman Islands

BRANCH SHARE REGISTRAR

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

STOCK CODE

402

主席報告 Chairman's Statement

本人謹代表明興水務控股有限公司（「本公司」）董事（「董事」）會（「董事會」）欣然提呈本公司及其附屬公司（「本集團」或「明興」）截至二零零八年三月三十一日止年度之業績。

明興致力提供優質水務相關服務予中港兩地市民。於回顧年內，本集團開始採取雙管齊下的策略，除鞏固其於香港市場的地位外，同時亦進軍中國內地的水務業市場。

財務摘要

於回顧年內，本集團錄得收益648,500,000港元，較去年增加24.7%（二零零七年：519,900,000港元）。經確認購股權相關開支5,300,000港元後，本年度溢利為24,900,000港元。本公司股份（「股份」）之每股基本盈利為2.845港仙。董事會建議派付末期股息每股股份0.80港仙。

業務回顧

明興於香港水務業市場信譽昭著。作為香港的主要水務服務供應商，明興約94%之收益來自水務相關服務項目，其最終客戶為香港特別行政區政府（「政府」）水務署（「水務署」）。為使業務更上一層樓，本集團於回顧年內開始進軍潛力龐大的中國市場，為明興業務發展揭開新一頁。憑藉進軍中國市場的努力，於回顧年內，中國業務開始為本集團帶來收益貢獻。由於明興積極透過於內地進行收購以進一步拓展業務，預期日後將錄得更多有關中國業務之收益。

為突顯本集團致力從事水務相關業務，根據一項於二零零七年六月十一日獲通過的特別決議案，本公司的名稱已由「Ming Hing Holdings Limited 明興控股有限公司」更改為「Ming Hing Waterworks Holdings Limited 明興水務控股有限公司」。

On behalf of the board (the "Board") of directors (the "Directors") of Ming Hing Waterworks Holdings Limited (the "Company"), I am pleased to present the results of the Company and its subsidiaries (the "Group" or "Ming Hing") for the year ended 31 March 2008.

Ming Hing is committed to providing quality water-related services to the people in Hong Kong as well as the PRC. During the year under review, the Group started to exercise a two-pronged strategy aimed at consolidating its standing in the Hong Kong market and penetrating into Mainland China's water services industry.

FINANCIAL HIGHLIGHTS

For the year under review, the Group recorded revenue of HK\$648.5 million, representing an increase of 24.7% over last year (2007: HK\$519.9 million). After the recognition of share option related expenses of HK\$5.3 million, profit for the year amounted to HK\$24.9 million. Basic earnings per share of the Company (the "Share(s)") amounted to HK2.845 cents. The Board proposed to pay a final dividend of HK0.80 cent per Share.

BUSINESS REVIEW

Ming Hing has established a formidable reputation for excellence in Hong Kong water service market. Being a major water service provider in the Territory, Ming Hing derives over 94% of its revenue from projects of water-related services with the Water Supplies Department ("WSD") of the Hong Kong SAR Government (the "Government") being the ultimate customer. Taking the next logical step, the Group has begun to penetrate the lucrative PRC market, with the year under review representing a milestone year. After placing concerted efforts into tackling the China arena, the PRC operations began to contribute to the Group's total revenue in the review year. As Ming Hing targets to further expand its operations through acquisitions in the PRC, greater relevant revenue intake from the PRC business is expected in the future.

To highlight the Group's commitment in the water-related business, the Company's name has been changed from "Ming Hing Holdings Limited 明興控股有限公司" to "Ming Hing Waterworks Holdings Limited 明興水務控股有限公司" pursuant to a special resolution passed on 11 June 2007.

主席報告 Chairman's Statement

中國市場

水資源污染及短缺對中國人民的健康構成日益嚴重的威脅。目前，中國669個城市中，逾400個城市（包括北京及天津）面對供水不足的問題，三億人口所飲用的食水低於國家標準，而且缺乏全面的排污系統。中國國務院於二零零四年在《國務院辦公廳關於推進水價改革促進節約用水保護水資源的通知》頒佈一系列措施，以改善水資源分配、調整水資源需求、促進預防及控制水資源污染、鼓勵保護水資源及透過定價機制提高用水效益。

根據中國國家統計局的資料，於二零零四年至二零零七年，中國36個大中城市居民生活用水之水價增加18%。為保護水資源，中國政府已宣佈決心加快水價改革，預期水價將開始上調。加上中國水務市場開放予外資水務工程供應商，這些措施將為明興締造理想的商機。

於二零零八年一月，政府工業貿易署根據《內地與香港關於建立更緊密經貿關係的安排》及其補充協定的規定，向明興一間全資附屬公司簽發香港服務提供者證明書（「證書」）。持有證書後，本集團可於中國市場競投供水及排水管網建設和經營項目，將其先進技術、豐富經驗和專業知識應用於此。

PRC Market

The shortage and pollution of water resources have become a growing threat to the health of the PRC population. At present, over 400 cities (including Beijing and Tianjin) of the 669 PRC cities encounter the problem of water shortage, while 300 million people drink water with quality below the national standard, not to mention the absence of comprehensive sewage systems. In 2004, the State Council of the PRC declared in "Circular of the General Office of the State Council on Pushing Forward the Reform of Water Price and Promoting Economy of Water Use and Protection of Water Resources" a series of measures to improve the allocation of water resources, adjust water demand, promote the prevention and control of water pollution, encourage water conservation, and increase efficiency of utilization through the price leverage mechanism.

According to the National Bureau of Statistics of the PRC, the domestic water price among 36 large and medium-sized cities has risen 18% from 2004 to 2007. For water conservation purpose, the PRC government has announced its dedication to accelerate water price reform and upward price adjustment is expected to begin. These measures, together with the opening of the PRC water market to foreign water engineering service providers, will create sound business opportunities for Ming Hing.

In January 2008, the Trade and Industry Department of the Government issued to a wholly-owned subsidiary of Ming Hing the Certificate of Hong Kong Service Supplier (the "Certificate") as stipulated in the Mainland and Hong Kong Closer Economic Partnership Arrangement and its Supplements. With the Certificate, the Group will be able to bid water supply and drainage projects and apply its advanced technology, profound experience and expertise in the PRC market.

於回顧年內，本集團已跨出重要步伐，以建立其於中國水務業的地位。於二零零七年九月，本集團收購湖南省寧鄉縣自來水公司（「寧鄉自來水」）之資產，代價為人民幣90,080,000元。寧鄉自來水為寧鄉縣之獨家供水服務供應商，而寧鄉縣為湖南省省會長沙市之主要經濟開發區之一。寧鄉自來水現有供水能力為每日95,000噸，為逾200,000人口提供水務服務，預期服務人口於可見未來將繼續增加。為提高成本效益及整體營運效率，管理層一直密切監察寧鄉自來水廠的經營和管理，並已集中就其組織架構、管理方式及工程效益推行改革活動。因此，相關營運業績於回顧年內開始轉虧為盈。由於寧鄉將展開大型住宅物業項目及工業不斷發展，預期供水需求將日益殷切，因此該等努力非常合時。

為進一步拓展本集團於中國市場的業務，本集團與一名獨立第三方簽訂意向書，組成合營公司，主要於中國廣東省雷州市從事供水業務。於二零零八年五月，明興宣佈收購一家水廠之權益，為鄰近廣州且發展迅速的廣東省清遠市提供相關服務。

於二零零八年三月份，本集團就與中國水務集團有限公司（「中國水務」）成立合營公司刊發公佈。憑藉中國水務的支持，本集團旨於中國開拓更多投資商機。

於回顧年內，本集團的中國業務尚在投資階段，預期來自中國業務的貢獻將於未來數年逐漸增長。

During the year under review, the Group has made several key steps toward establishing its position in China's waterworks sector. In September 2007, the Group acquired the assets of the Hunan Province Ningxiang County Water Supply Company ("Ningxiang Water") for a consideration of RMB90.08 million. Ningxiang Water is an exclusive water supply service provider for Ningxiang County, one of the major economic development areas in Changsha City, the capital of Hunan Province. Its existing daily water supply capacity is 95,000 tons, providing water service for a population of over 200,000, which is expected to grow steadily in the foreseeable future. To enhance cost efficiency and overall operational effectiveness, the management has been closely examining the Ningxiang water plant on its operational and management level. Restructuring activities focusing on organizational structure, management style and engineering efficiency have been commenced. Consequently, relevant operating results started to turn around into profit in the review year. Such efforts are most timely as water demand is expected to rise with the launch of a large-scale residential property as well as continual industrial development in Ningxiang.

To further expand its footprint in the PRC market, the Group signed the memorandum of understanding with an independent third party to form a joint venture company which will principally be engaged in the water supply business in Leizhou City, Guangdong Province, the PRC. In May 2008, Ming Hing has announced its acquisition of interests in a water treatment plant to provide associated services in Qingyuan City of Guangdong Province, which is a fast developing area adjacent to Guangzhou.

In March 2008, an announcement regarding the establishment of joint venture with China Water Affairs Group Limited ("China Water") was made. To leverage the support of China Water, the Group aims to further explore more investment opportunities in the PRC.

Since the Group was still going through the investment stage of its PRC business during the year under review, contributions from PRC operations are expected to blossom in the coming years.

主席報告 Chairman's Statement

香港市場

明興在香港市場的水務工程行業經驗豐富，一直保持市場領導地位，多年來使本集團的香港業務達至穩定增長。

在積極開拓中國業務之同時，本集團的香港業務繼續帶來穩定收入，以支持未來發展。於回顧年內，來自保養工程合約之收益為588,200,000港元（二零零七年：438,400,000港元），佔本集團總收益約90.7%（二零零七年：84.3%）。保養工程合約收益增加主要是由於新界東區的保養合約（合約編號：1/WSD/06(E)）於二零零六年九月開展，並錄得全年收益。於回顧年內，毛利增加至83,800,000港元（二零零七年：80,200,000港元）。然而，由於經營成本不斷上升，尤其是物料成本、分包費用及員工成本上漲，以致毛利率減少至12.9%（二零零七年：15.4%）。

為緩減香港業務成本高企的壓力，明興已實施嚴格的成本控制政策，包括直接採購物料、集中採購及改革合約營運，從而提高員工及間接成本的效益。

明興現有的合約表現良好並且進度理想；另一方面，本集團更於報告年內取得由政府批出的四份新合約，包括大埔及粉嶺更換及修復水管工程（合約編號：21/WSD/06）；多石海水配水庫及馬鞍山三號海水配水庫建造工程（合約編號：11/WSD/07），以及兩份屯門、新界東及離島斜坡的防止山泥傾瀉工程（合約編號：GE/2006/19及GE/2006/35）。該等新合約的合約總額達359,800,000港元。

Hong Kong Market

With its profound experience in the waterworks engineering industry in Hong Kong, Ming Hing has been able to sustain its leading position in the market and achieve steady growth for the Group's Hong Kong operations over the years.

As efforts in China intensified, the Group's operations in Hong Kong continued to represent a stable income source for fuelling further growth. During the year under review, revenue generated from maintenance contracts amounted to HK\$588.2 million (2007: HK\$438.4 million), contributing approximately 90.7% (2007: 84.3%) of the Group's total revenue. The increase in maintenance contracts revenue was mainly attributable to the full year revenue contribution from the maintenance contract in the New Territories East district (contract number: 1/WSD/06(E)) which commenced since September 2006. For the year under review, gross profit increase to HK\$83.8 million (2007: HK\$80.2 million). However, stemming from rising operating costs, especially for raw materials as well as subcontracting and staff cost, gross profit margins decline to 12.9% (2007: 15.4%).

To alleviate such high cost pressure in the Territory, Ming Hing has been implementing stringent cost control through direct sourcing of raw materials, centralization of procurement functions and reforming contract operations in order to enhance the effectiveness of staff and overhead costs.

While existing contracts have been undergoing in good performance and progress, four new contracts have been awarded to the Group from the Government during the reporting year. Specifically, the four contracts are: water mains replacement and rehabilitation project in Tai Po and Fanling (contract number: 21/WSD/06); construction of the To Shek Salt Water Service Reservoir and Ma On Shan No. 3 Salt Water Service Reservoir (contract number: 11/WSD/07); and two landslip prevention projects in Tuen Mun, Eastern New Territories and Outlying Islands (contract number: GE/2006/19 and GE/2006/35). The total contract sum of these new contracts amounted to HK\$359.8 million.

獎項及嘉許

明興於水務工程服務業累積逾四十年經驗，其專業知識及專業水平獲廣泛認同。明興獲政府土木工程拓展署轄下土力工程處嘉許為「二零零七年度最佳防止山泥傾瀉計劃工程承建商」，以及獲政府職業安全健康局及勞工處頒發「職業健康大獎二零零七年／二零零八年聽覺保護項目組－優異表現大獎」，嘉許其於九龍區（地區K）水務工程定期合約的表現。此外，本集團亦獲得二零零七年／二零零八年建造業安全獎勵計劃安全隊伍組及土木工程建造地盤組的三項優異獎。

前景

拓展中國之投資商機

根據中國政府全國第十一個五年規劃，大量財務資源將投放於環境保護及保護水資源。隨著國家開放水務市場及進行水價改革，優秀的水務服務供應商將可獲得龐大商機。為抓緊該等商機，本集團將致力拓展國內市場，特別是投資於廣東省、廣西省及湖南省其他地區。

明興將繼續投放資源，以擴展於中國市場的業務，包括透過收購國內的相關水廠，以提高自來水及污水處理能力。此外，本集團亦將繼續於內地物色物料採購機會，以增強現有採購程序，從而提升邊際利潤。

Awards and Recognition

With over 40 years of experience in the water engineering service industry, Ming Hing is widely recognized for its expertise and professionalism. Ming Hing was recognized as the Best Landslip Preventive Measures Contractor of 2007 by the Geotechnical Engineering Office, Civil Engineering & Development Department of the Government. The Group was also presented the Occupational Health Award 2007/2008 in the Hearing Conservation Category (Merit Award) of its Term Contract for Waterworks in District K – Kowloon by the Occupational Safety & Health Council and the Labour Department of the Government. Besides, the Group won three Meritorious Prizes under the Construction Industry Safety Award Scheme 2007/2008, in the Safety Teams Category as well as the Civil Engineering Sites Category.

PROSPECTS

Exploring investment opportunities in China

According to the PRC government's National Eleventh Five-Year Plan, a significant amount of financial resources will be directed towards environmental protection and water conservation. With the liberalization of the country's water market and promotion of water price reforms, enormous opportunities will therefore be available to quality water service providers. To capitalize on the opportunities presented, the Group will aim to bolster its presence in the country, in particular, directing investments towards Guangdong Province, Guangxi Province as well as other areas of Hunan Province.

Ming Hing will continue its investment to further extend its footprint in the PRC market, such as to enhance its water and sewage treatment capabilities by acquiring relevant plants in the country. Furthermore, the Group will also continue to explore materials sourcing opportunities in the Mainland so as to enhance existing procurement procedures with an aim of achieving margin improvement.

主席報告 Chairman's Statement

受惠於香港有利的政府政策

二零零七至零八年施政報告重新肯定政府致力改善香港的基建網絡。已確認十項大型項目，合約價值合共約2,500億港元，而該等開發項目將使水務工程行業即時和長期受惠。政府的更換及修復水管計劃亦有利於進一步鞏固本集團在香港市場的領導地位。作為香港主要水務服務供應商，該等即將落實的項目必定使本集團受惠不少。除了致力提高收益外，明興亦考慮以多種方法，務求於充滿挑戰的經營環境中維持利潤。明興將採取的措施包括精簡營運程序及加強經營成本控制。明興將憑藉其於行內的專業知識及經驗，爭取更多具可觀回報潛力的項目。

管理層深信，香港業務將繼續為目前在中國內地進行的業務發展計劃提供穩定支持，而該計劃將成為主要增長動力，為本集團締造長期利益。本集團將繼續物色潛力雄厚的投資機會，以維持長遠的業務發展。

集資及資本開支

鑑於在中國市場迅速擴展，本集團於回顧年內進行了兩項股本集資活動，發行合共256,000,000股新股份（已就於二零零七年六月十二日生效的股份分拆之影響作出調整），所得總款項合共247,000,000港元，其中165,000,000港元計劃用於收購潛在中國水務項目。該等資本資源為本集團擴充及開拓中國水務市場提供重大支持。

Benefiting from favourable government policies in Hong Kong

The Government's commitment to enhancing the infrastructure network of Hong Kong was reaffirmed during the 2007/08 Policy Address. Confirming 10 large-scale projects with a combined contract value of approximately HK\$250 billion, such developments will inherently benefit the water service engineering sector, both immediately and in the long-term. The Government's Water Mains Replacement and Rehabilitation Program are also favourable towards further consolidation of the Group's leading role in the Hong Kong market. Being a major water services provider in Hong Kong, the Group stands to significantly benefit from these upcoming projects. While striving to enhance our revenue stream, Ming Hing is considering several ways for maintaining margin levels in this challenging operating environment. Among the steps Ming Hing will take include streamlining operational procedures and reinforcing controls over operating costs. Ming Hing will ride on its industry expertise and experience to secure more projects with promising returns.

The management is confident that the Hong Kong operations will continue to provide steady support to the current business development program underway in Mainland China, which will become a major growth driver that delivers long-term benefits for the Group. The Group will continue to look for investment opportunities with sound potential to sustain its development in the long run.

CAPITAL RAISING AND EXPENDITURE

In view of the rapid expansion in the PRC market, the Group carried out two equity fund raising activities during the review year, whereby a total of 256,000,000 new Shares (adjusted for the effect of the shares subdivision which became effective on 12 June 2007) were issued with total gross proceeds of HK\$247.0 million raised, of which HK\$165.0 million to be spent on potential acquisition of water projects in the PRC. These capital resources provided a substantial support for the Group's expansion and development in the PRC waterworks market.

於截至二零零八年三月三十一日止年度，本集團的資本開支總額為83,800,000港元（二零零七年：16,600,000港元），其中10,000,000港元已用作購置物業、廠房及設備，而33,200,000港元用作支付收購寧鄉自來水的部份代價。

流動資金及財務資源

於二零零八年三月三十一日，本集團之現金及現金等價物增至172,900,000港元（二零零七年：11,500,000港元）。本集團之借貸總額為249,300,000港元（二零零七年：130,100,000港元），由已抵押存款28,900,000港元作出擔保。於二零零八年三月三十一日之淨債務與權益比率為10.8%（二零零七年：58.7%）。流動比率為2.2倍（二零零七年：1.9倍）。

根據於二零零八年三月三十一日之現金及現金等價物連同可供動用的銀行融資，本集團將有充足營運資金應付其資金需求。

人力資源

於二零零八年三月三十一日，本集團聘用約670名僱員（二零零七年：400名僱員），包括中國業務的190名僱員，其中逾半數為直接聘用之勞工。員工成本總額（包括董事酬金）於回顧年內為90,300,000港元（二零零七年：61,900,000港元）。僱員薪酬乃根據工作性質及市場趨勢而釐定，並按本集團的經營業績及員工個人表現酌情分發花紅。

致謝

本人謹藉此機會對董事會各成員、管理層和全體員工在過去一年盡忠職守及竭誠努力，致以衷心謝意。本人亦感謝我們的業務夥伴、客戶及股東對本集團一直以來之支持。

主席
原秋明

二零零八年七月十八日

For the year ended 31 March 2008, the Group's total capital expenditure was HK\$83.8 million (2007: HK\$16.6 million), of which HK\$10.0 million was spent on the acquisition of property, plant and equipments while HK\$33.2 million was paid as a partial consideration on the acquisition of Ningxiang Water.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2008, cash and cash equivalents increased to HK\$172.9 million (2007: HK\$11.5 million). The Group's total borrowings amounted to HK\$249.3 million (2007: HK\$130.1 million), which were secured by pledged deposits of HK\$28.9 million. The gearing ratio, calculated as a percentage of net debt to equity, is 10.8% (2007: 58.7%) as at 31 March 2008. The current ratio is 2.2 times (2007: 1.9 times).

With the cash and cash equivalents as at 31 March 2008 and available banking facilities, the Group will have sufficient working capital to meet with its funding requirement.

HUMAN RESOURCES

As at 31 March 2008, the Group employed approximately 670 employees (2007: 400 employees), included 190 employees in the operations in the PRC, and over half of them are direct labor. Total staff costs, including Directors' emoluments, for the year under review amounted to HK\$90.3 million (2007: HK\$61.9 million). The employees were remunerated according to the nature of the job and market trend with discretionary bonus, which is distributable based on the Group's operating results and individual performance.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to my fellow Board members, the management and staff for their diligence and dedication over the past year. I also wish to express my sincere thanks to our business partners, customers and shareholders for their continuing support to the Group.

YUEN Chow Ming
Chairman
18 July 2008

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，71歲，執行董事，本公司及本集團主席兼創辦人。一九六七年，原先生與其他三位合夥人創立明興工程公司（「合夥公司」）。一九八七年一月，原先生與蘇耀祥先生及其他兩位合夥人共同創立明興水務渠務工程有限公司，彼為創始董事之一。原先生於六十年代早期在廣東省業餘科技大學攻讀工程科學，在水務工程領域擁有逾三十七年的經驗，其中大多數時間致力於發展及管理本集團的水務項目。原先生於二零零四年十月二十九日獲委任為執行董事。自開業以來，原先生一直負責本集團的市場推廣、企業策略的制定、業務規劃及整體管理。原先生為原偉強先生之父。

蘇耀祥先生，56歲，執行董事兼副主席，負責本集團整體項目管理。蘇先生亦參與本集團企業計劃及策略的制定。蘇先生於一九七三年七月獲得香港理工學院結構工程學證書。彼亦為英國水務學會附屬會員。蘇先生在水務工程領域擁有逾三十二年的經驗。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。

原偉強先生，41歲，本集團執行董事、副主席兼行政總裁，負責本集團整體業務管理及企業發展。原先生畢業於倫敦大學皇家科學、科技及醫藥學院，於一九九零年獲機械工程學學士學位。彼更於二零零零年獲得香港科技大學工商管理碩士學位。彼為香港工程師學會會員及英國機械工程師學會會員。原先生於一九九一年加入本集團，自此主要負責各類與本集團水務工程業務相關的工作，尤其是中國內地市場的發展。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。彼為原秋明先生之子。原先生於二零零四年六月二日獲委任為執行董事。

EXECUTIVE DIRECTORS

Mr. YUEN Chow Ming, aged 71, 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 37 years’ experience in waterworks engineering, most time of which were devoted to developing and managing the Group’s waterworks projects. Mr. YUEN was appointed as an executive Director on 29 October 2004. Mr. YUEN has been since the inception of the business responsible for the marketing, formulation of corporate strategies, business planning and overall management of the Group. Mr. YUEN is the father of Mr. YUEN Wai Keung.

Mr. SO Yiu Cheung, aged 56, is an executive Director and the Deputy Chairman and is responsible for the overall project management of the Group. Mr. SO is also involved in the formulation of corporate plans and strategies of the Group. Mr. SO obtained his certificate in structural engineering from Hong Kong Polytechnic in July 1973. Mr. SO is also an associate member of the Institute of Plumbing in the UK. Mr. SO has over 32 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. YUEN Wai Keung, aged 41, 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 since then has been heavily involved in all aspects relating to the waterworks business of the Group, especially for the development of market in Mainland China. 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. Mr. YUEN is the son of Mr. YUEN Chow Ming. Mr. YUEN was appointed as an executive Director on 2 June 2004.

獨立非執行董事

鍾麗嫻女士，BBS，MBA，MBS，62歲，恒基兆業地產有限公司（「恒地」）（其股份於香港聯合交易所有限公司（「聯交所」）上市，股份代號：012）之顧問。鍾女士為香港大學工商管理碩士及佛學碩士，並曾就讀哈佛大學商管學院及清華大學。在加入恒地前，鍾女士為香港政府的政務官員。於香港政府服務多年，鍾女士曾於房屋、文化、體育及環境衛生範疇出任要職。鍾女士亦熱心為社團服務。彼曾任公益金環保為公益聯席主席、現任佛教醫院管治委員會委員及佛教茂峰法師紀念中學董事。鍾女士亦為一本普通話書籍之作者。於二零零四年十月，鍾女士獲香港特別行政區政府頒授銅紫荊星章。

孫伯全先生，57歲，於二零零六年十月一日獲委任為獨立非執行董事。孫先生持有研究生資格，並曾任職為天津公用局副局長兼副總經濟師。孫先生現為天津市燃氣集團有限公司（天津天聯公用事業股份有限公司（「天津天聯」）主要股東）董事長及天津天聯董事長，後者為於聯交所創業板上市之公司。

梁以德教授，59歲，於二零零五年十一月十一日獲委任為獨立非執行董事。梁教授持有英國伯明翰阿斯顿大學理學碩士學位、理學博士學位及哲學博士學位。彼為英國皇家航空學會、英國皇家測量師學會及香港工程師學會資深會員，現任香港城市大學建築系講座教授。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. CHUNG Lai Kwok, Elaine, BBS, MBA, MBS, aged 62, is the Consultant of Henderson Land Development Company Limited (“Henderson Land”), the shares of which are listed (stock code: 012) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Ms. CHUNG has degrees in Master of Business Administration and Master of Buddhist Studies from the University of Hong Kong and studied at Harvard Business School and Tsinghua University. Prior to joining Henderson Land, Ms. CHUNG had an illustrious career with the Hong Kong Government. Ms. CHUNG took up a number of senior posts in the housing, culture, sports and environmental hygiene fields. Ms. CHUNG also did volunteer work for community organisations. She served as the Co-Chairman of the Community Chest’s Environmental Committee. She is now a member of the Governing Board of the Buddhist Hospital and a director of the Buddhist Mau Fung Memorial College. Ms. CHUNG is also the author of a book on Putonghua. Ms. CHUNG was awarded the Bronze Bauhinia Star in October 2004 by the Government of Hong Kong Special Administrative Region.

Mr. SUN Bo Quan, aged 57, is an independent non-executive Director and was appointed on 1 October 2006. Mr. SUN is a postgraduate and he was formerly the Vice Bureau Head and Deputy Chief Economist of Tianjin Public Utility Bureau. Mr. SUN is the Chairman of Tianjin Gas Group Company Limited (a substantial shareholder of Tianjin Tianlian Public Utilities Company Limited (“Tianjin Tianlian”)) and the Chairman of Tianjin Tianlian, which is a company listed on the Growth Enterprise Market of the Stock Exchange.

Professor LEUNG Yee Tak, aged 59, is an independent non-executive Director and was appointed on 11 November 2005. Professor LEUNG holds a master’s degree of Science, a doctorate degree of Science and a doctorate degree of Philosophy from the University of Aston in Birmingham in the UK. Professor LEUNG is a fellow of the Royal Aeronautical Society, a fellow of the Royal Institution of Chartered Surveyor, a fellow of the Hong Kong Institution of Engineers and he is currently the Chair Professor of the Department of Building and Construction of the City University of Hong Kong.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

張志文先生，40歲，於二零零五年十一月十一日獲委任為獨立非執行董事。張先生持有澳洲新南威爾斯大學商業碩士學位。彼在會計及財務管理領域擁有逾十一年的經驗，目前為美聯集團有限公司（一間於聯交所主板上市之公司）中國部的財務總監。彼為香港會計師公會會員及澳洲會計師公會會員。

Mr. CHEUNG Chi Man, Dennis, aged 40, is an independent non-executive Director and was appointed on 11 November 2005. Mr. CHEUNG holds a master's degree in Commerce from the University of New South Wales, Australia. Mr. CHEUNG has over eleven years of experience in accounting and financial management and is currently the Chief Financial Officer of the China division of Midland Holdings Limited, a company listed on the Main Board of the Stock Exchange. Mr. CHEUNG is a member of the Hong Kong Institute of Certified Public Accountants and Australian Society of Certified Practising Accountants.

高級管理人員

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

SENIOR MANAGEMENT

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

蘇世坤先生，57歲，本集團高級項目經理，主要負責中國內地水務項目的管理及採購。彼持有英國曼徹斯特大學機械工程碩士學位，亦為英國機械工程師學會及香港工程師學會會員。蘇先生曾於水務署任職高級機電工程師，負責管理水務署於新界東區的運作。彼對水務行業，包括水廠及抽水站等水務設備的設計、運作及維修擁有著豐富的經驗。彼於二零零六年退休離開水務署及於二零零七年四月加入本集團。

Mr. SO Sai Kwan, aged 57, is the Senior Project Manager of the Group and is mainly responsible for the sourcing and management of the waterworks projects in the Mainland China. Mr. SO holds a master degree in Mechanical Engineering from the University of Manchester in UK and is member of the Institution of Mechanical Engineers (UK) and the Hong Kong Institution of Engineers. Mr. SO was a former senior electrical and mechanical engineer in the WSD. He was responsible for the administration of the operational activities in the New Territories East Region. Mr. SO is well experienced in the waterworks activities including the design, operation and maintenance of waterworks installations, such as water treatment plant and pumping station. He retired from WSD in 2006 and joined the Group in April 2007.

馬詠豪先生，40歲，本集團副總經理（香港業務），負責管理本集團的工程項目。馬先生在土木工程領域擁有逾十八年經驗。彼於一九九零年獲香港城市大學建造學高級文憑，於一九九九年獲英國赫爾大學工商管理碩士學位，並於二零零五年獲美國皇家百聖大學建築工程及管理學學士學位。彼亦為英國特許建造學會及美國建造師學會的特許會員。彼於二零零五年六月加入本集團。

方文恩女士，33歲，本集團商務及工料測量經理，負責本集團的成本控制及工料測量工作。彼持有英國利物浦大學工業管理綜合工程學學士學位及香港大學建築項目管理碩士學位。方女士在建築領域擁有約十年的工料測量經驗。彼於二零零二年十月加入本集團。

黃俊雄博士，38歲，本集團合約經理，負責本集團的工程管理。一九九九年十二月加入本集團之前，彼在其流體動力學及聲學博士後研究期間曾任香港城市大學物理及材料科學系臨時講師。彼分別於一九九三年及一九九八年獲得香港大學工程學學士學位及工程學博士學位。

譚健基先生，40歲，本集團採購經理，彼主責本集團採購管理和資源控制。譚先生持有英國曼徹斯特理工大學化學工程系學士學位及英國萊斯特大學工商管理碩士。在屋宇設備工程界擁有逾十五年豐富經驗。譚先生獲香港管理專業協會頒發採購管理文憑。彼於二零零七年十一月加入本集團。

Mr. MA Ving Hoo, aged 40, is the Deputy General Manager (Hong Kong Engineering) of the Group and is responsible for the management of the Group's projects. Mr. MA has about 18 years' experience in the field of civil engineering. Mr. MA obtained a higher diploma in Building from the City University of Hong Kong in 1990 and a master's degree of Business Administration from the University of Hull, the United Kingdom in 1999 and a bachelor's degree of Science in Construction Engineering and Management from the Queen's University of Brighton, the United States in 2005. Mr. MA is also the Chartered Member of Chartered Institute of Building (MCIOB) and American Institute of Constructors (MAIC). Mr. MA joined the Group in June 2005.

Ms. FONG Man Yan, aged 33, is the Commercial and Quantity Surveying Manager of the Group and is responsible for the management of cost planning and quantity surveying works of the Group. Ms. FONG holds a bachelor's degree of Engineering in Integrated Engineering with Industrial Management from the University of Liverpool in the UK and a master's degree of Construction Project Management from the University of Hong Kong. Ms. FONG has about ten years of quantity surveying experience in the construction field. Ms. FONG joined the Group in October 2002.

Dr. WONG Chun Hung, aged 38, is the Contract Manager of the Group and is responsible for the project management of the Group. Prior to joining the Group in December 1999, Dr. WONG taught in the Department of Physics and Materials Science of the City University of Hong Kong as a temporary lecturer during his post-doctoral research in fluid dynamics and acoustics. Dr. WONG obtained his bachelor's degree in Engineering and doctorate degree of Philosophy in Engineering from the University of Hong Kong in 1993 and 1998, respectively.

Mr. TAM Kin Kei, aged 40, is the Procurement Manager and is responsible for the procurement and sourcing of the Group. Mr. Tam has more than 15 years' experience in the field of building services engineering. Mr. Tam holds a bachelor's degree of Chemical Engineering in University of Manchester Institute of Science and Technology and a master's degree in Business Administration from University of Leicester. He obtained diploma in Practical Purchasing Management from the Hong Kong Management Association. Mr. Tam joined the Group in November 2007.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

楊婉嫦女士，33歲，本集團財務總監兼本公司公司秘書。楊女士在審計及會計領域擁有約十年的經驗。彼持有香港大學工商管理學學士(會計及財務)學位。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。彼於二零零四年六月加入本集團。

Ms. YEUNG Yuen Sheung, aged 33, is the Financial Controller of the Group and is the Company Secretary of the Company. Ms. YEUNG has about ten years of experience in the auditing and accounting field. Ms. YEUNG holds a bachelor's degree in Business Administration (Accounting and Finance) from the University of Hong Kong. Ms. YEUNG is a fellow member of the Association of Chartered Certified Accountants in the UK and a member of the Hong Kong Institute of Certified Public Accountants. Ms. YEUNG joined the Group in June 2004.

王偉俊先生，30歲，本集團會計經理(中國)，負責管理中國內地的會計事務。王先生在審計及會計領域擁有約六年的經驗。彼持有英國格萊摩根大學的會計及金融學士學位。彼為英國特許公認會計師公會及香港會計師公會會員。彼於二零零七年十一月加入本集團。

Mr. WONG Wai Chun, Alex, aged 30, is the Accounting Manager (PRC) of the Group and is responsible for the management of the accounting works in the Mainland China. Mr. WONG has about six years of experience in the auditing and accounting field. Mr. WONG holds a bachelor's degree of Accounting and Finance from the University of Glamorgan in UK. Mr. WONG is a member of the Association of Chartered Certified Accountants in the UK and the Hong Kong Institute of Certified Public Accountants. Mr. WONG joined the Group in November 2007.

企業管治常規守則

董事會認為，要提升公司對公眾投資者及其他股東的問責性和透明度，關鍵在於卓越的企業管治。因此，董事矢志秉持高水準的企業管治常規，不時進行檢討，以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。

於截至二零零八年三月三十一日止年度，本公司一直遵守聯交所證券上市規則（「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

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

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

THE CODE ON CORPORATE GOVERNANCE PRACTICES

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

The Company has complied with the applicable code provisions set out in the Code on Corporate Governance Practices set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) for the year ended 31 March 2008.

BOARD OF DIRECTORS

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

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

企業管治報告 Corporate Governance Report

截至二零零八年三月三十一日止年度，董事會之組成及其於董事會全體會議及其他委員會會議之相關出席率如下：

The composition of the Board and their respective attendance in the full Board meetings and other committee meetings for the year ended 31 March 2008 are as follows:

		會議出席次數／舉行次數 No. of meetings attended/held			
		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	
		董事會 全體會議 Full Board Meeting			
執行董事	Executive Directors				
原秋明先生 (主席)	Mr. YUEN Chow Ming (Chairman)	8/9	–	–	–
蘇耀祥先生	Mr. SO Yiu Cheung	9/9	–	–	–
原偉強先生	Mr. YUEN Wai Keung	9/9	–	2/2	6/6
獨立非執行董事	Independent non-executive Directors				
鍾麗嫻女士 (於二零零七年十一月十五日獲委任)	Ms. CHUNG Lai Kwok, Elaine (appointed on 15 November 2007)	1/2	1/1	–	–
孫伯全先生	Mr. SUN Bo Quan	0/9	–	–	–
梁以德教授	Professor LEUNG Yee Tak	6/9	1/2	1/2	4/6
張志文先生	Mr. CHEUNG Chi Man, Dennis	9/9	2/2	2/2	6/6
何鍾泰博士 (於二零零七年十一月一日辭任)	Dr. HO Chung Tai, Raymond (resigned on 1 November 2007)	2/6	1/1	–	–

獨立非執行董事之數目符合上市規則之規定，而張志文先生具有適當的會計專業資格。本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。鍾麗嫻女士於二零零七年十一月十五日獲委任為獨立非執行董事。孫伯全先生已獲重新委任為獨立非執行董事，任期由二零零七年十月一日起為期一年，而其他兩名獨立非執行董事亦已獲重新委任，任期由二零零七年十一月一日起為期一年。所有獨立非執行董事之委任可於任何一方發出一個月書面通知書予以終止，另須根據本公司組織章程細則（「組織章程細則」）於本公司股東週年大會上輪席退任。董事認為，所有獨立非執行董事均符合上市規則第3.13條所載之獨立指引。

The number of independent non-executive Directors has met the requirements under the Listing Rules and Mr. CHEUNG Chi Man, Dennis has appropriate accounting professional qualifications. The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to rule 3.13 of the Listing Rules. Ms. CHUNG Lai Kwok, Elaine has been appointed as an independent non-executive Director on 15 November 2007. Mr. SUN Bo Quan has been re-appointed as an independent non-executive Director for a period of one year which commenced from 1 October 2007, while the other two independent non-executive Directors have been re-appointed for a period of one year which commenced from 1 November 2007. All the appointments of independent non-executive Directors may be terminated by either party by giving one month's written notice and subject to retirement by rotation at the annual general meeting of the Company in accordance with the articles of association of the Company (the "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.

於截至二零零八年三月三十一日止年度，定期董事會會議約每季舉行一次，其他董事會會議則按需要舉行。董事會會議記錄由本公司公司秘書存置，以供本公司董事及核數師查閱。

主席及行政總裁之角色

主席及行政總裁由兩位不同人士擔任，各有不同的職責，以確保其相關的獨立性及問責性。主席原秋明先生負責領導及制定本集團之企業策略。行政總裁原偉強先生負責本集團之整體業務管理及企業發展。原秋明先生為原偉強先生之父。董事資料已載於本報告第12至16頁之「董事及高級管理人員簡歷」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的上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事買賣證券的行為守則。各執行董事服務合約及各獨立非執行董事委任書之條款已載有遵守上市規則之責任。本公司已向董事作出特定查詢，所有董事均已確認，於截至二零零八年三月三十一日止年度，彼等一直遵守標準守則所載之規定。

審核委員會

審核委員會由三名獨立非執行董事組成，分別為張志文先生、鍾麗嫻女士及梁以德教授。張志文先生具有專業會計資格及相關之會計經驗，並為審核委員會主席。

During the year ended 31 March 2008, regular Board meetings were held at approximately quarterly intervals and other Board meetings were held when necessary. Minutes of the Board meetings are being kept by the company secretary of the Company and are available for inspection by the Directors and auditors of the Company.

THE ROLES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. The obligations to comply with the Listing Rules are set out in the terms of the service contract of each executive Director and the letter of appointment of each independent non-executive Director. The Company has made specific enquiries with the Directors, and all Directors have confirmed that they have complied with the requirements set out under the Model Code for the year ended 31 March 2008.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. CHEUNG Chi Man, Dennis, Ms. CHUNG Lai Kwok, Elaine and Professor LEUNG Yee Tak. Mr. CHEUNG Chi Man, Dennis, who possesses a professional accounting qualification and relevant accounting experience, is the Chairman of the Audit Committee.

企業管治報告

Corporate Governance Report

根據審核委員會之職權範圍，其主要角色及功能為審閱本集團之財務資料、監察本集團之財務匯報及內部監控制度，並與本公司核數師維持良好關係。本集團截至二零零八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(主席)，以及兩名獨立非執行董事分別為梁以德教授及張志文先生組成。

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

薪酬委員會

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

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

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

Under its terms of reference, the main role and functions of the Audit Committee are to review the Group's financial information, to supervise the Group's financial reporting and internal control systems, and to maintain relations with the auditors of the Company. The Group's final results for the year ended 31 March 2008 have been reviewed by the members of the Audit Committee before submission to the Board for approval.

NOMINATION COMMITTEE

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

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

REMUNERATION COMMITTEE

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

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

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

內部監控

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

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

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

企業傳訊

本公司致力與其股東及投資者維持長遠關係，遵從誠信、規範及高透明度的原則，同時根據上市規則披露所需資料。為確保與投資者、分析員及基金經理的溝通有效而清晰，執行董事及指定高級行政人員須根據本公司既定的常規安排及舉行會議。本公司已根據上市規則所載之規定，適時公佈其截至二零零八年三月三十一日止年度之年度業績。

INTERNAL CONTROL

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

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

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

CORPORATE COMMUNICATION

The Company endeavors to maintain a long-term relationship with its shareholders and investors with an adherence to the principles of integrity, regularity and high transparency and disclose the required information in compliance with the Listing Rules. To ensure effective and clear communications with the investors, analysts and fund manager, meetings are arranged and conducted by the executive Directors and designated senior executives according to established practices of the Company. The Company has announced its annual results for the year ended 31 March 2008 in a timely manner, which is in accordance with the requirement set out in the Listing Rules.

企業管治報告

Corporate Governance Report

董事及核數師於財務報表之責任

董事確認須負責監管就每個財政期間編製的財務報表，均能真實及公正地反映本集團之財務狀況、期內業績與現金流量。在編製截至二零零八年三月三十一日止年度之賬目時，董事已選擇並貫徹採用合適的會計政策；採納合適的香港財務報告準則及香港會計準則；作出審慎而合理的判斷和估計，以及按持續營運基準編製會計賬目。董事亦保證本集團之財務報表將會適時發表。

本公司核數師在有關本集團財務報表中就彼等的申報責任作出的聲明已載於本報告第39至40頁之「獨立核數師報告」一節內。

核數師薪酬

本公司核數師均富會計師行已獲聘於截至二零零八年三月三十一日止年度向本集團提供審計服務。本公司於截至二零零八年三月三十一日止年度內就審計服務及非審計服務（包括稅務合規費用、審閱中期業績及其他報告服務）已付或應付均富會計師行的費用分別為680,000港元及308,000港元。

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibilities for overseeing the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group, and of results and cash flow for the period. In preparing the accounts for the year ended 31 March 2008, 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, Grant Thornton, have been employed to provide audit services to the Group for the year ended 31 March 2008. The remuneration paid or payable to Grant Thornton in respect of audit services and non-audit services (including taxation compliance fee, review of interim results and other reporting services) for the year ended 31 March 2008 amounted to HK\$680,000 and HK\$308,000 respectively.

董事會報告 Directors' Report

董事欣然提呈彼等之年度報告連同本公司及本集團截至二零零八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。於本年度，本集團已開始於中國內地提供供水服務。

更改本公司名稱

根據於二零零七年六月十一日通過之本公司特別決議案，本公司名稱已由「Ming Hing Holdings Limited 明興控股有限公司」更改為「Ming Hing Waterworks Holdings Limited 明興水務控股有限公司」。

業績及盈利分配

本集團截至二零零八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39至123頁之財務報表。

董事建議就截至二零零八年三月三十一日止年度派付末期股息每股0.80港仙。待董事之建議於二零零八年八月二十六日(星期二)舉行之股東週年大會(「股東週年大會」)上獲本公司股東批准後，末期股息將於二零零八年九月五日(星期五)或前後派付予在二零零八年八月二十六日(星期二)營業時間結束時名列本公司股東名冊之股東。該等股息總額為7,400,000港元。

The Directors are pleased to present their annual report together with the audited financial statements of the Company and the Group for the year ended 31 March 2008.

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. During the year, the Group has started to engage in provision of water supply services in the PRC.

CHANGE OF THE COMPANY'S NAME

Pursuant to the special resolution of the Company passed on 11 June 2007, the name of the Company has been changed from "Ming Hing Holdings Limited 明興控股有限公司" to "Ming Hing Waterworks Holdings Limited 明興水務控股有限公司".

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2008 and the state of affairs of the Group and the Company at that date are set out in the financial statements on pages 39 to 123.

The Directors recommend the payment of a final dividend of HK0.80 cent per Share for the year ended 31 March 2008. Subject to the approval of the Directors' recommendation by the shareholders of the Company at the annual general meeting to be held on Tuesday, 26 August 2008 (the "AGM"), the final dividend will be paid on or about Friday, 5 September 2008 to shareholders whose names appear on the register of members of the Company as at the close of business on Tuesday, 26 August 2008. The total amount of such dividend is HK\$7.4 million.

董事會報告 Directors' Report

集團財務概要

本集團過去五個財政年度之業績及資產負債概要載於第124頁。

物業、廠房及設備

本集團於截至二零零八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。

股本及購股權

本公司於截至二零零八年三月三十一日止年度之股本及購股權變動詳情連同其原因分別載於財務報表附註26及27。

儲備

本集團及本公司於截至二零零八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28。

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 124.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year ended 31 March 2008 are set out in note 14 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year ended 31 March 2008, together with the reasons thereof, are set out in notes 26 and 27 respectively to the financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the year ended 31 March 2008 are set out in the consolidated statement of changes in equity and note 28 to the financial statements respectively.

上市所得款項用途

本公司首次公開發售之所得款項淨額約達43,000,000港元，包括由於每股發售價訂為0.72港元而產生的額外所得款項淨額6,000,000港元。於二零零八年三月三十一日之所得款項淨額餘額為7,500,000港元。於年內所得款項淨額之應用與本公司於二零零六年三月三日刊發的售股章程（「售股章程」）所載之建議所得款項淨額用途一致，而所得款項淨額之未用餘款則存放於本集團在香港之附息銀行戶口。售股章程所載所得款項淨額37,000,000港元之建議用途及於截至二零零八年三月三十一日止年度之實際用途詳情如下：

USE OF PROCEEDS FROM LISTING

The net proceeds from the Company's initial public offering amounted to approximately HK\$43.0 million, which included additional net proceeds of HK\$6.0 million as a result of the offer price per Share determined as HK\$0.72. The remaining balance of the net proceeds as at 31 March 2008 amounted to HK\$7.5 million. The net proceeds applied during the year is consistent with the proposed use of the net proceeds set forth in the Company's prospectus dated 3 March 2006 (the "Prospectus"). The unused balance of the net proceeds was kept in the Group's interest-bearing bank accounts in Hong Kong. Details of the proposed use of the net proceeds of HK\$37.0 million set forth in the Prospectus and the actual application thereof during the year ended 31 March 2008 are as follows:

		於截至 二零零八年			
		於二零零七年 四月一日	三月三十一日 止年度的所得 款項用途	於二零零八年 三月三十一日 的餘額	於二零零八年 三月三十一日 的餘額
所得款項 建議用途	的餘額	的餘額	款項用途	的餘額	的餘額
Use of proceeds					
Proposed use of proceeds	Remaining balance as at 1 April 2007	Remaining balance as at 1 April 2007	during the year ended 31 March 2008	during the year ended 31 March 2008	Remaining balance as at 31 March 2008
百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
就以下工程購買 機器及設備：	Acquisition of machinery and equipment for the following projects:				
– 水管更換及 修復工程	– Water mains replacement and rehabilitation projects	16.0	6.7	2.1	4.6
– 道路、渠務以及 斜坡加固工程	– Roads and drainage and slope upgrading projects	6.5	3.8	0.9	2.9
為本集團的現有及新項目以 及業務拓展聘用員工	Hiring staff for current and new projects and the expansion of the Group	4.0	–	–	–
開拓及發展 中國水務 工程商機	Exploring and developing waterworks business opportunities in the PRC	2.5	2.3	2.3	–
償還銀行貸款	Repayment of bank loan	5.0	–	–	–
本集團一般營運資金	General working capital of the Group	3.0	–	–	–
		37.0	12.8	5.3	7.5

董事會報告 Directors' Report

上市所得款項用途 (續)

額外所得款項淨額6,000,000港元已在截至二零零七年三月三十一日止年度內全數用作本集團之一般營運資金。

優先購買權

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

購買、贖回或出售本公司之上市證券

本公司於回顧年內於聯交所購回的股份如下：

日期 Date	購回 股份數目 Number of Shares repurchased	最高 每股購買價 Highest purchase price 港元 HK\$	最低 每股購買價 Lowest purchase price 港元 HK\$	付出總額 Total paid 港元 HK\$	
		每股購買價 per Share	每股購買價 per Share		
二零零七年八月八日 (附註)	8 August 2007 (Note)	680,000	1.050	1.000	704,460
二零零八年三月十三日	13 March 2008	380,000	0.415	0.395	154,130
二零零八年三月十四日	14 March 2008	380,000	0.405	0.390	152,120
二零零八年三月十八日	18 March 2008	100,000	0.340	0.320	33,480
二零零八年三月十九日	19 March 2008	100,000	0.365	0.350	35,900
二零零八年三月二十日	20 March 2008	100,000	0.380	0.365	36,950
二零零八年三月二十五日	25 March 2008	20,000	0.380	0.380	7,600
二零零八年三月二十六日	26 March 2008	20,000	0.385	0.385	7,700
二零零八年三月二十七日	27 March 2008	1,000,000	0.395	0.380	390,250
		2,780,000			1,522,590

本公司隨後註銷購回股份。本公司之已發行股本按面值削減。購回股份所付之溢價及有關費用為1,400,000港元，已於股份溢價賬扣除。

USE OF PROCEEDS FROM LISTING (continued)

The additional net proceeds of HK\$6.0 million has been fully utilized for the general working capital of the Group during the year ended 31 March 2007.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year under review, the Company has repurchased Shares on the Stock Exchange as follows:

The repurchased Shares were subsequently cancelled by the Company. The issued share capital of the Company was reduced by the par values thereof. The premium paid on the repurchase of Shares and related expenses, in the amount of HK\$1.4 million, was charged to the share premium account.

購買、贖回或出售本公司之上市證券 (續)

董事乃根據本公司於二零零七年八月二十三日舉行之股東週年大會中獲股東批准之一般授權於本年度購回股份(於二零零七年八月八日購回的680,000股股份除外(附註))，以透過提高本集團每股資產淨值及每股盈利使股東整體受惠。

附註：董事乃根據本公司於二零零六年八月十八日舉行之股東週年大會中獲股東批准之一般授權於二零零七年八月八日購回該680,000股股份。

除上述披露者外，截至二零零八年三月三十一日止年度內，本公司或其任何附屬公司概無購買、贖回或出售任何股份。

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)
蘇耀祥先生(副主席)
原偉強先生(副主席兼行政總裁)

獨立非執行董事

鍾麗幟女士(於二零零七年十一月十五日獲委任)
孫伯全先生
梁以德教授
張志文先生
何鍾泰博士(於二零零七年十一月一日辭任)

根據組織章程細則第86(3)條，鍾麗幟女士將留任直至股東週年大會，並合資格膺選連任。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY (continued)

The repurchase of Shares during the year (except the repurchase of 680,000 Shares on 8 August 2007 (Note)) was effected by the Directors pursuant to the general mandate approved by the shareholders at the annual general meeting of the Company held on 23 August 2007, with a view to benefiting shareholders as a whole by enhancing the net asset value per Share and earnings per Share of the Group.

Note: The repurchase of 680,000 Shares on 8 August 2007 was effected by the Directors pursuant to the general mandate approved by the shareholders at the annual general meeting of the Company held on 18 August 2006.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Shares during the year ended 31 March 2008.

DIRECTORS

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

Executive Directors

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

Independent non-executive Directors

Ms. CHUNG Lai Kwok, Elaine (Appointed on 15 November 2007)
Mr. SUN Bo Quan
Professor LEUNG Yee Tak
Mr. CHEUNG Chi Man, Dennis
Dr. HO Chung Tai, Raymond (Resigned on 1 November 2007)

In accordance with article 86(3) of the Articles, Ms. CHUNG Lai Kwok, Elaine, shall hold office until the AGM and, being eligible, shall offer herself for re-election.

董事會報告 Directors' Report

董事 (續)

根據組織章程細則第87條，原秋明先生及蘇耀祥先生將於股東週年大會輪席退任，並合資格膺選連任。其他所有董事將留任。

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

董事及高級管理人員簡歷

董事及本集團高級管理人員簡歷載於第12至16頁。

董事之服務合約

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

鍾麗嫻女士為獨立非執行董事，已於二零零七年十一月十二日與本公司訂立委任書，固定任期由二零零七年十一月十五日起至二零零八年十月三十一日止，並可由任何一方發出一個月書面通知予以終止。孫伯全先生為獨立非執行董事，已與本公司訂立委任書，任期由二零零七年十月一日起計為期一年，並可由任何一方發出一個月書面通知予以終止。其他獨立非執行董事已各自與本公司訂立委任書，任期由二零零七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。

DIRECTORS (continued)

In accordance with article 87 of the Articles, Mr. YUEN Chow Ming and Mr. SO Yiu Cheung will retire by rotation at the AGM and, being eligible, will offer themselves for re-election. All the other Directors will continue in office.

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

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

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

DIRECTORS' SERVICE CONTRACTS

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

Ms. CHUNG Lai Kwok, Elaine, an independent non-executive Director, has entered into a letter of appointment with the Company on 12 November 2007 for a fixed term commencing on 15 November 2007 and ending on 31 October 2008 and may be terminated by either party by giving one month's written notice. Mr. SUN Bo Quan, an independent non-executive Director, has entered into a letter of appointment with the Company for a term of one year commencing on 1 October 2007 and may be terminated by either party by giving one month's written notice. For the rest of the independent non-executive Directors, each of them has entered into a letter of appointment with the Company for a term of one year commencing on 1 November 2007 and may be terminated by either party by giving one month's written notice.

董事之服務合約 (續)

除上文所披露者外，董事與本公司、其控股公司或其任何附屬公司之間並無訂立任何於毋須賠償(法定賠償除外)情況下可於一年內終止之服務合約。

本公司有關董事酬金之政策如下：

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

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。

持續關連交易及關連交易

本年度內關連交易(同時構成關聯方交易)之詳情載於財務報表附註33。獨立非執行董事認為該等獲豁免上市規則項下之申報、公告及獨立股東批准規定之交易乃本集團：

- (a) 於日常及一般業務過程中訂立；
- (b) 按照一般商業條款或不遜於本集團向獨立第三方提供／自獨立第三方取得(倘適用)之條款訂立；及
- (c) 根據規範條款公平合理並符合本公司股東整體利益之交易之有關協議條款訂立。

DIRECTORS' SERVICE CONTRACTS (continued)

Save as disclosed above, none of the Directors has a contract of service with the Company, its holding company or any of its subsidiaries not determinable by the employing company within one year without payment of compensation (except for statutory compensation).

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

- (i) the amount of remuneration is determined on the basis of the relevant Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided to the Directors under their remuneration package; and
- (iii) the Directors may be granted, at the discretion of the Board, share 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.

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of continuing connected transactions which also constitute related party transactions for the year are set out in note 33 to the financial statements. In the opinion of the independent non-executive Directors, such transactions which are exempted from reporting, announcement and independent shareholders' approval requirements under the Listing Rules were entered into by the Group:

- (a) 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

持續關連交易及關連交易 (續)

於二零零五年十一月十六日，一間本公司全資附屬公司－明興水務渠務工程有限公司（出租人）與君明有限公司（承租人）（一間由原秋明先生、蘇耀祥先生及原偉強先生分別擁有33.33%、33.33%及33.33%股權的公司）就位於香港九龍灣宏開道16號德福大廈1809-1812室的物業簽訂租賃協議（「租賃協議」）。租賃協議於二零零八年三月五日續期，條件與條款不變，惟租期為二零零八年四月一日起至二零一一年三月三十一日止，為期三年，而月租為82,000港元。

董事於合約之權益

除財務報表附註33所披露外，各董事概無擁有本公司、其控股公司或其任何附屬公司於本年度所訂立且與本集團業務有關連之重大合約之直接或間接重大實益權益。

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS (continued)

On 16 November 2005, a wholly-owned subsidiary of the Company, namely Ming Hing Waterworks Engineering Company Limited (as lessor), and Grand Media Limited (as leasee), a company which is owned by Mr. Yuen Chow Ming, Mr. So Yiu Cheung and Mr. Yuen Wai Keung as to 33.33%, 33.33% and 33.33%, respectively, 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 5 March 2008 with identical terms and conditions except for a lease term of three years from 1 April 2008 to 31 March 2011 at a monthly rental of HK\$82,000.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 33 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, its holding company or any of its subsidiaries was a party during the year.

董事於本公司及其相聯法團之股份及相關股份之權益

於二零零八年三月三十一日，董事於本公司或其相聯法團之股份及相關股份中擁有根據證券及期貨條例（「證券及期貨條例」）第352條將須列入本公司所存置之股東名冊之權益，或根據標準守則須知會本公司及聯交所之權益如下：

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

As at 31 March 2008, the Directors had the following interests in the shares and underlying shares of the Company and its associated corporations which were recorded in the register required to be kept by the Company pursuant to section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

(a) 於本公司每股面值0.05港元之普通股之長倉

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

董事姓名 Name of Director	附註 Notes	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	1	受控制法團之權益 Interest of controlled corporation	453,888,000	48.76%
蘇耀祥先生 Mr. SO Yiu Cheung	2	受控制法團之權益 Interest of controlled corporation 個人權益 Personal	453,888,000 2,000,000	48.76% 0.21%
原偉強先生 Mr. YUEN Wai Keung	3	受控制法團之權益 Interest of controlled corporation 個人權益 Personal	453,888,000 5,704,000	48.76% 0.61%

董事會報告 Directors' Report

董事於本公司及其相聯法團之股份及相關股份之權益 (續)

(a) 於本公司每股面值0.05港元之普通股之長倉 (續)

附註：

- (1) 此453,888,000股股份以Robinhoods Development Limited (「**Robinhoods**」) 之名義登記，其中Able Promise Holdings Limited (「**Able Promise**」) 有權於本公司股東大會上行使或控制行使三分之一投票權。Able Promise由原秋明先生全資擁有。故根據證券及期貨條例，原秋明先生被視為擁有該等股份中的權益。
- (2) 此453,888,000股股份以Robinhoods之名義登記，其中Group Honour Assets Limited (「**Group Honour**」) 有權於本公司股東大會上行使或控制行使三分之一投票權。Group Honour由蘇耀祥先生全資擁有。故根據證券及期貨條例，蘇耀祥先生被視為擁有該等股份中的權益。
- (3) 此453,888,000股股份以Robinhoods之名義登記，其中Foremost Time Holdings Limited (「**Foremost Time**」) 有權於本公司股東大會上行使或控制行使三分之一投票權。Foremost Time由原偉強先生全資擁有。故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。

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

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

Notes:

- (1) The 453,888,000 Shares are registered in the name of Robinhoods Development Limited ("Robinhoods"), of which Able Promise Holdings Limited ("Able Promise") is entitled to exercise, or control the exercise of, one-third of the voting power at general meetings of the Company. Able Promise is wholly-owned by Mr. YUEN Chow Ming, who is therefore deemed to be interested in these Shares under the SFO.
- (2) The 453,888,000 Shares are registered in the name of Robinhoods, of which Group Honour Assets Limited ("Group Honour") is entitled to exercise, or control the exercise of, one-third of the voting power at general meetings of the Company. Group Honour is wholly-owned by Mr. SO Yiu Cheung, who is therefore deemed to be interested in these Shares under the SFO.
- (3) The 453,888,000 Shares are registered in the name of Robinhoods, of which Foremost Time Holdings Limited ("Foremost Time") is entitled to exercise, or control the exercise of, one-third of the voting power at general meetings of the Company. Foremost Time is wholly-owned by Mr. YUEN Wai Keung, who is therefore deemed to be interested in these Shares under the SFO.

董事於本公司及其相聯法團之股份及相關股份之權益 (續)

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

(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 Notes	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
			四股	一股	
原秋明先生 Mr. YUEN Chow Ming	1	Robinhoods	四股	four	33.33%
		Able Promise	一股	one	100%
蘇耀祥先生 Mr. SO Yiu Cheung	2	Robinhoods	四股	four	33.33%
		Group Honour	一股	one	100%
原偉強先生 Mr. YUEN Wai Keung	3	Robinhoods	四股	four	33.33%
		Foremost Time	一股	one	100%

附註：

Notes:

- (1) 此四股股份由 Able Promise 持有，而 Able Promise 為原秋明先生全資擁有之公司。因此，原秋明先生被視為擁有 Robinhoods 該等股份中的權益。
- (2) 此四股股份由 Group Honour 持有，而 Group Honour 為蘇耀祥先生全資擁有之公司。因此，蘇耀祥先生被視為擁有 Robinhoods 該等股份中的權益。
- (3) 此四股股份由 Foremost Time 持有，而 Foremost Time 為原偉強先生全資擁有之公司。因此，原偉強先生被視為擁有 Robinhoods 該等股份中的權益。

- (1) The four shares are held by Able Promise, a company wholly-owned by Mr. YUEN Chow Ming. Accordingly, Mr. YUEN Chow Ming is deemed to be interested in such shares in Robinhoods.
- (2) The four shares are held by Group Honour, a company wholly-owned by Mr. SO Yiu Cheung. Accordingly, Mr. SO Yiu Cheung is deemed to be interested in such shares in Robinhoods.
- (3) The four shares are held by Foremost Time, a company wholly-owned by Mr. YUEN Wai Keung. Accordingly, Mr. YUEN Wai Keung is deemed to be interested in such shares in Robinhoods.

董事會報告 Directors' Report

董事於本公司及其相聯法團之股份及相關股份之權益 (續)

(c) 於相關股份之長倉

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27)，若干董事獲授可認購股份的購股權，而於二零零八年三月三十一日尚未行使及可予行使的購股權詳情如下：

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

(c) Long position in the underlying Shares

Pursuant to the share option scheme adopted by the Company on 25 February 2006 (details are set out in note 27 to the financial statements), certain Directors were granted share options to subscribe for the Shares, details of share options outstanding and exercisable as at 31 March 2008 were as follows:

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	二零零七年 四月十七日 17 April 2007	實益擁有人 Beneficial owner	200,000	二零零七年四月十七日至 二零零九年五月三十一日 17 April 2007 to 31 May 2009	0.975港元 HK\$0.975
蘇耀祥先生 Mr. SO Yiu Cheung	二零零七年 四月十七日 17 April 2007	實益擁有人 Beneficial owner	200,000	二零零七年四月十七日至 二零零九年五月三十一日 17 April 2007 to 31 May 2009	0.975港元 HK\$0.975
原偉強先生 Mr. YUEN Wai Keung	二零零七年 四月十七日 17 April 2007	實益擁有人 Beneficial owner	200,000	二零零七年四月十七日至 二零零九年五月三十一日 17 April 2007 to 31 May 2009	0.975港元 HK\$0.975
孫伯全先生 Mr. SUN Bo Quan	二零零七年 四月十七日 17 April 2007	實益擁有人 Beneficial owner	200,000	二零零七年四月十七日至 二零零九年五月三十一日 17 April 2007 to 31 May 2009	0.975港元 HK\$0.975
梁以德教授 Professor LEUNG Yee Tak	二零零七年 四月十七日 17 April 2007	實益擁有人 Beneficial owner	200,000	二零零七年四月十七日至 二零零九年五月三十一日 17 April 2007 to 31 May 2009	0.975港元 HK\$0.975
張志文先生 Mr. CHEUNG Chi Man, Dennis	二零零七年 四月十七日 17 April 2007	實益擁有人 Beneficial owner	200,000	二零零七年四月十七日至 二零零九年五月三十一日 17 April 2007 to 31 May 2009	0.975港元 HK\$0.975

董事於本公司及其相聯法團之股份及相關股份之權益 (續)

(c) 於相關股份之長倉 (續)

除上文披露者外，於二零零八年三月三十一日，董事或彼等之聯繫人概無於本公司或其任何相聯法團之股份及相關股份中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何權益或淡倉（包括根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉），或根據證券及期貨條例第352條須列入該條文所指之登記冊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益

除上文「董事於本公司及其相聯法團之股份及相關股份之權益」及財務報表附註27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成年之子女可於任何其他法人團體獲得有關權利。

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

(c) Long position in the underlying Shares (continued)

Save as disclosed above, as at 31 March 2008, none of the Directors and their associates, had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code had been notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed "Directors' Interests in Shares and Underlying Shares of the Company and its Associated Corporations" above and note 27 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

據董事所知，根據證券及期貨條例第XV部第336條須予存置之主要股東名冊顯示，於二零零八年三月三十一日佔本公司已發行股本的5%或以上之主要股東權益，詳情如下：

於股份之長倉

主要股東名稱 Name of Substantial Shareholder	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
Robinhoods	實益擁有人 Beneficial owner	453,888,000	48.76%
Able Promise	受控制法團之權益 Interest of controlled corporation	453,888,000	48.76%
Group Honour	受控制法團之權益 Interest of controlled corporation	453,888,000	48.76%
Foremost Time	受控制法團之權益 Interest of controlled corporation	453,888,000	48.76%
Oceanup	實益擁有人 Beneficial owner	128,000,000	13.75%
中國水務(附註) China Water (Note)	受控制法團之權益 Interest of controlled corporation	128,000,000	13.75%

附註：該等股份以Oceanup Investments Limited (「Oceanup」)名義登記，該公司為中國水務之全資附屬公司。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 March 2008, so far as the Directors are aware of, the following substantial shareholders had interests in 5% or more of the Company's issued share capital:

Long position in the Shares

Note: These Shares are registered in the name of Oceanup Investments Limited ("Oceanup"), which is a wholly-owned subsidiary of China Water.

除上文所披露者外，於二零零八年三月三十一日，本公司根據證券及期貨條例第336條存置之股東名冊並無記錄其他於本公司股份及相關股份中的權益或淡倉。

Save as disclosed above, at 31 March 2008, no other interests or short positions in the shares and underlying shares of the Company were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

董事於競爭業務之權益

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

購股權

本公司之購股權計劃詳情載於財務報表附註27。

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收益、分包費用及購買物料之百分比如下：

收益	
– 最大客戶	50.4%
– 五大客戶合計	99.2%
分包費用	
– 最大分包商	8.5%
– 五大分包商合計	34.8%
購買物料	
– 最大供應商	8.6%
– 五大供應商合計	35.1%

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

企業管治

本公司之企業管治原則及常規載於本報告第17至22頁。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors has any competing interests in any business or has any interests 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 27 to the financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of revenue, 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	50.4%
– five largest customers combined	99.2%
Sub-contracting costs	
– the largest sub-contractor	8.5%
– five largest sub-contractors combined	34.8%
Purchases of materials	
– the largest supplier	8.6%
– five largest suppliers combined	35.1%

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 interests in the Group's major customers, sub-contractors or suppliers noted above.

CORPORATE GOVERNANCE

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

董事會報告 Directors' Report

足夠公眾持股量

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

慈善捐款

本集團於本年度內作出慈善捐款為124,000港元。

審核委員會

為遵守上市規則第3.21條，董事會於二零零五年十一月十一日成立審核委員會（「**審核委員會**」）。審核委員會之職權範圍乃採用香港會計師公會所頒佈之「**審核委員會成立指引**」所載列之書面職權範圍。審核委員會之基本職責為審閱財務匯報程序及內部監控，並提供有關指引。審核委員會成員由三名獨立非執行董事組成，包括張志文先生（審核委員會主席）、鍾麗嫻女士及梁以德教授。審核委員會已審閱截至二零零八年三月三十一日止年度之業績。

結算日後事項

本集團的重大結算日後事項詳情載於財務報表附註36。

核數師

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

代表董事會

主席
原秋明

香港，二零零八年七月十八日

SUFFICIENCY OF PUBLIC FLOAT

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

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounted to HK\$124,000.

AUDIT COMMITTEE

In compliance with rule 3.21 of the Listing Rules, the Board established an audit committee (the "**Audit Committee**") on 11 November 2005, with written terms of reference set out in "A Guide For The Formation Of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants adopted as the terms of reference of the Audit Committee. The primary duties of the Audit Committee are to review the financial reporting procedures and internal control and provide guidance in relation thereto. The Audit Committee comprises three independent non-executive Directors, namely, Mr. CHEUNG Chi Man, Dennis (as Chairman of the Audit Committee), Ms. CHUNG Lai Kwok, Elaine and Professor LEUNG Yee Tak. The annual results for the year ended 31 March 2008 have been reviewed by the Audit Committee.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 36 to the financial statements.

AUDITORS

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

On behalf of the Board

YUEN Chow Ming
Chairman

Hong Kong, 18 July 2008

獨立核數師報告 Independent Auditors' Report

致明興水務控股有限公司全體股東
(前稱明興控股有限公司)
(於開曼群島註冊成立之有限公司)

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

本核數師已完成審核第41至第123頁所載明興水務控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零零八年三月三十一日之綜合及公司資產負債表、截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策摘要與其他附註說明。

We have audited the consolidated financial statements of Ming Hing Waterworks Holdings Limited (the "Company") and its subsidiaries (collectively referred as the "Group") set out on pages 41 to 123, which comprise the consolidated and company balance sheets as at 31 March 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

董事就財務報表須承擔的責任

DIRECTORS' RESPONSIBILITY FOR THE 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及真實公平地呈列該等財務報表。該責任包括就編製及真實公平地呈列財務報表而設計、實施及維持相關的內部監控，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。

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

核數師的責任

AUDITORS' RESPONSIBILITY

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

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

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

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

獨立核數師報告 Independent Auditors' Report

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

本核數師相信，所得到的審核憑證足夠及適當，可為我們的審核意見建立合理基礎。

意見

本核數師認為，該等綜合財務報表已根據香港財務報告準則，真實及公平地反映貴公司及貴集團於二零零八年三月三十一日之財務狀況及貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

均富會計師行

執業會計師

香港中環

皇后大道中15號

置地廣場

告羅士打大廈13樓

二零零八年七月十八日

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Grant Thornton

Certified Public Accountants

13th Floor, Gloucester Tower

The Landmark

15 Queen's Road Central

Hong Kong

18 July 2008

(截至二零零八年三月三十一日止年度) **綜合收益表**

(For the year ended 31 March 2008) **Consolidated Income Statement**

		附註 NOTES	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
收益	Revenue	5	648,475	519,944
收益成本	Cost of revenue		(564,664)	(439,725)
毛利	Gross profit		83,811	80,219
其他收入及收益	Other income and gains	5	6,845	1,575
分銷及銷售開支	Distribution and selling expenses		(629)	-
行政開支	Administrative expenses		(52,890)	(35,371)
經營溢利	Operating profit	7	37,137	46,423
融資成本	Finance costs	8	(6,511)	(4,453)
扣除所得稅前溢利	Profit before income tax		30,626	41,970
所得稅開支	Income tax expense	9	(5,741)	(7,654)
本年度溢利	Profit for the year	10	24,885	34,316
股息	Dividends	11	7,432	10,426
			港仙 HK cents	港仙 HK cents
每股盈利	Earnings per share	12		
— 基本	— Basic		2.845	5.362
— 攤薄	— Diluted		2.796	5.361

綜合資產負債表 (於二零零八年三月三十一日)

Consolidated Balance Sheet (As at 31 March 2008)

		附註 NOTES	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
資產與負債	ASSETS AND LIABILITIES			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	14	107,126	29,333
預付土地租賃款項	Prepaid land lease payments	15	22,071	–
應收保留款項	Retention receivables	20	6,157	4,706
已抵押銀行存款	Pledged bank deposit	21	5,000	5,000
投資預付款項	Prepayments for investments	17	6,841	–
			147,195	39,039
流動資產	Current assets			
存貨	Inventories	18	68	–
應收客戶合約工程款項	Amounts due from customers of contract works	19	393,966	236,348
貿易及其他應收款項	Trade and other receivables	20	35,266	50,871
已抵押銀行存款	Pledged bank deposits	21	23,936	19,229
現金及現金等價物	Cash and cash equivalents	22	172,884	11,461
			626,120	317,909
流動負債	Current liabilities			
應付客戶合約工程款項	Amounts due to customers of contract works	19	3,707	–
貿易及其他應付款項	Trade and other payables	23	65,053	59,458
借貸	Borrowings	24	209,803	108,593
稅項撥備	Provision for tax		680	3,585
			279,243	171,636
流動資產淨值	Net current assets		346,877	146,273
總資產減流動負債	Total assets less current liabilities		494,072	185,312
非流動負債	Non-current liabilities			
其他應付款項	Other payables		13,724	–
借貸	Borrowings	24	39,467	21,493
遞延稅項	Deferred tax	25	3,043	3,067
			56,234	24,560
資產淨值	Net assets		437,838	160,752
權益	EQUITY			
股本	Share capital	26	46,539	32,000
擬派末期股息	Proposed final dividend	11	7,432	10,426
儲備	Reserves	28	383,867	118,326
總權益	Total equity		437,838	160,752

董事
Director
蘇耀祥
SO Yiu Cheung

董事
Director
原偉強
YUEN Wai Keung

(於二零零八年三月三十一日) 資產負債表
(As at 31 March 2008) **Balance Sheet**

		附註 NOTES	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
資產與負債	ASSETS AND LIABILITIES			
非流動資產	Non-current assets			
於附屬公司之投資	Investments in subsidiaries	16	79,857	76,261
流動資產	Current assets			
預付款項	Prepayments		892	174
應收附屬公司款項	Amounts due from subsidiaries	16	175,163	58,744
現金及現金等價物	Cash and cash equivalents	22	139,622	66
			315,677	58,984
流動負債	Current liabilities			
其他應付款項及應計費用	Other payables and accruals		666	591
稅項撥備	Provision for tax		281	506
應付一間附屬公司款項	Amount due to a subsidiary	16	2,171	–
			3,118	1,097
流動資產淨值	Net current assets		312,559	57,887
資產淨值	Net assets		392,416	134,148
權益	EQUITY			
股本	Share capital	26	46,539	32,000
擬派末期股息	Proposed final dividend	11	7,432	10,426
儲備	Reserves	28	338,445	91,722
總權益	Total equity		392,416	134,148

董事
Director
蘇耀祥
SO Yiu Cheung

董事
Director
原偉強
YUEN Wai Keung

綜合權益變動表 (截至二零零八年三月三十一日止年度)

Consolidated Statement of Changes in Equity (For the year ended 31 March 2008)

		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*	保留溢利*	擬派末期 股息	總權益
		Share capital	Share premium*	Merger reserve*	Share option reserve*	Capital redemption reserve*	Translation reserve*	Retained profits*	Proposed final dividend	Total equity
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零六年四月一日	At 1 April 2006	32,000	12,010	13,805	-	-	-	65,339	11,520	134,674
本年度溢利/本年度 已確認收入及開支 總額	Profit for the year/Total recognised income and expense for the year	-	-	-	-	-	-	34,316	-	34,316
已付股息	Dividend paid	-	-	-	-	-	-	-	(11,520)	(11,520)
授出之購股權	Share options granted	-	-	-	3,282	-	-	-	-	3,282
擬派末期股息	Proposed final dividend	-	-	-	-	-	-	(10,426)	10,426	-
於二零零七年 三月三十一日及 二零零七年四月一日	At 31 March 2007 and 1 April 2007	32,000	12,010	13,805	3,282	-	-	89,229	10,426	160,752
直接於權益確認換算 海外業務產生之 匯兌差額	Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	-	2,893	-	-	2,893
本年度溢利	Profit for the year	-	-	-	-	-	-	24,885	-	24,885
本年度已確認收入及 開支總額	Total recognised income and expense for the year	-	-	-	-	-	2,893	24,885	-	27,778
已付股息	Dividend paid	-	-	-	-	-	-	-	(10,448)	(10,448)
就二零零七年末期股息 作出調整	Adjustment for 2007 final dividend	-	-	-	-	-	-	(22)	22	-
授出之購股權 (附註27)	Share options granted (note 27)	-	-	-	5,348	-	-	-	-	5,348
沒收之購股權	Share options forfeited	-	-	-	(88)	-	-	88	-	-
因行使購股權發行 之股份(附註26(b))	Shares issued upon exercise of share options (note 26(b))	1,878	20,094	-	(3,517)	-	-	-	-	18,455
發行新股份(附註26(c))	Issue of new shares (note 26(c))	12,800	234,240	-	-	-	-	-	-	247,040
股份發行開支 (附註26(c))	Share issue expenses (note 26(c))	-	(9,552)	-	-	-	-	-	-	(9,552)
購回股份 (附註26(d))	Repurchase of shares (note 26(d))	(139)	(1,396)	-	-	139	-	(139)	-	(1,535)
擬派末期股息 (附註11)	Proposed final dividend (note 11)	-	-	-	-	-	-	(7,432)	7,432	-
於二零零八年 三月三十一日	At 31 March 2008	46,539	255,396	13,805	5,025	139	2,893	106,609	7,432	437,838

* 該等結餘之總額即綜合資產負債表內之儲備。

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

(截至二零零八年三月三十一日止年度) 綜合現金流量表

(For the year ended 31 March 2008) Consolidated Cash Flow Statement

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
經營活動之現金流量	Cash flows from operating activities		
扣除所得稅前溢利	Profit before income tax	30,626	41,970
調整：	Adjustments for:		
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	115	–
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	8,462	6,452
利息收入	Interest income	(3,854)	(1,499)
利息開支	Interest expenses	6,511	4,453
超出業務合併成本之金額	Excess over the cost of business combination	(2,683)	–
匯兌差額	Exchange differences	462	–
出售物業、廠房及設備之虧損	Loss on disposal of property, plant and equipment	228	325
以權益結算以股份支付之補償	Equity-settled share-based compensation	5,348	3,282
未計營運資金變動前之經營溢利	Operating profit before working capital changes	45,215	54,983
存貨減少	Decrease in inventories	554	–
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	(153,911)	(173,341)
貿易及其他應收款項減少／(增加)	Decrease/(Increase) in trade and other receivables	24,124	(33,093)
應收保留款項減少／(增加)	Decrease/(Increase) in retention receivables	15	(3,139)
貿易及其他應付款項(減少)／增加	(Decrease)/Increase in trade and other payables	(5,454)	14,964
經營業務所動用之現金	Cash used in operations	(89,457)	(139,626)
融資租賃付款之利息部份	Interest element of finance lease payments	(543)	(368)
銀行貸款及其他借貸之已付利息	Interest paid on bank loans and other borrowings	(6,463)	(4,085)
已收利息	Interest received	3,854	1,499
已付香港利得稅(淨額)	Hong Kong profits tax paid (net)	(8,593)	(4,788)
經營活動所動用之現金淨額	Net cash used in operating activities	(101,202)	(147,368)
投資活動之現金流量	Cash flows from investing activities		
已抵押銀行存款增加	Increase in pledged bank deposits	(4,707)	(13,002)
購買物業、廠房及設備所付款項	Payments to acquire property, plant and equipment	(9,314)	(10,245)
出售物業、廠房及設備所得款項	Proceeds from disposal of property, plant and equipment	209	–
投資預付款項	Prepayments for investments	(6,841)	–
業務合併現金流出淨額(附註29)	Net cash outflow on business combination (note 29)	(29,041)	–
投資活動所動用之現金淨額	Net cash used in investing activities	(49,694)	(23,247)

綜合現金流量表 (截至二零零八年三月三十一日止年度)

Consolidated Cash Flow Statement (For the year ended 31 March 2008)

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
融資活動之現金流量	Cash flows from financing activities		
發行股份所得款項淨額	Net proceeds from issuance of shares	255,943	–
購回股份所付款項	Payments for repurchase of shares	(1,535)	–
新借貸款	New borrowings raised	259,134	213,679
償還借貸	Repayment of borrowings	(186,142)	(121,970)
融資租賃安排所得款項淨額	Net proceeds from finance lease arrangements	–	7,122
融資租賃付款之資本部份	Capital element of finance lease payments	(4,756)	(2,302)
已付股息	Dividend paid	(10,448)	(11,520)
融資活動所產生之現金淨額	Net cash generated from financing activities	312,196	85,009
現金及現金等價物增加／ (減少)淨額	Net increase/(decrease) in cash and cash equivalents	161,300	(85,606)
財政年度初之現金及 現金等價物	Cash and cash equivalents at beginning of financial year	11,461	97,067
匯兌差額	Exchange differences	123	–
財政年度末之現金及 現金等價物	Cash and cash equivalents at end of financial year	172,884	11,461

1. 一般資料

明興水務控股有限公司(「本公司」)為一間於二零零四年五月二十五日於開曼群島註冊成立之豁免有限公司，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(「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。於本年度，本集團已開始於中國內地提供供水服務。

根據於二零零七年六月十一日通過之本公司特別決議案，本公司名稱由「Ming Hing Holdings Limited 明興控股有限公司」更改為「Ming Hing Waterworks Holdings Limited 明興水務控股有限公司」。

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

第41頁至123頁所載之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(「香港財務報告準則」，包括所有香港財務報告準則、香港會計準則及詮釋)、香港公認會計原則以及香港公司條例與聯交所證券上市規則之適用披露規定而編製。

截至二零零八年三月三十一日止年度之財務報表已於二零零八年七月十八日獲董事會批准刊發。

1. GENERAL INFORMATION

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

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of maintenance and construction works on civil engineering contracts in respect of waterworks engineering, road works and drainage and slope upgrading for the public sector in Hong Kong. During the year, the Group has started to engage in provision of water supply services in Mainland China.

Pursuant to the special resolution of the Company passed on 11 June 2007, the name of the Company has been changed from “Ming Hing Holdings Limited 明興控股有限公司” to “Ming Hing Waterworks Holdings Limited 明興水務控股有限公司”.

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

The financial statements on pages 41 and 123 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (including all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange.

The financial statements for the year ended 31 March 2008 were approved for issue by the board of directors on 18 July 2008.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

2. 採納新訂及經修訂之香港財務報告準則

2.1 於本年度生效之新訂及經修訂之香港財務報告準則之影響

本集團已採納於本財政年度首次生效並與本集團有關的所有新訂及經修訂香港財務報告準則。採納該等新訂及經修訂之香港財務報告準則並無導致本集團之會計政策出現重大變動，亦無對本集團的財務報表構成重大財務影響。因此，毋須就過往期間作出調整。

本集團已應用香港會計準則第1號(經修訂)「財務報表的呈列 – 資本披露」及香港財務報告準則第7號「金融工具：披露」之披露規定。過往年度根據香港會計準則第32號「金融工具：呈列」的規定呈列的若干資料已被剔除，並於本財政年度首次根據香港會計準則第1號(經修訂)及香港財務報告準則第7號的規定呈列相關比較資料。

2. ADOPTION OF NEW AND REVISED HKFRSs

2.1 Impact of new and revised HKFRSs which are effective during the year

The Group has adopted all the new and revised HKFRSs which are first effective during the current financial year and are relevant to the Group. The adoption of these new and revised HKFRSs did not result in significant changes in the Group's accounting policies and had no significant financial impact on the Group's financial statements. Accordingly, no prior period adjustment is required.

The Group has applied the disclosure requirements under the amendment to HKAS 1 "Presentation of Financial Statements – Capital Disclosures" and HKFRS 7 "Financial Instruments: Disclosures". Certain information presented in prior year under the requirements of HKAS 32 "Financial Instruments: Presentation" has been removed and the relevant comparative information based on the requirements of this amendment to HKAS 1 and HKFRS 7 has been presented for the first time in the current financial year.

2. 採納新訂及經修訂之香港財務報告準則 (續)

2.2 已頒佈但未生效之新訂及經修訂香港財務報告準則之影響

本集團並無提早應用以下已頒佈但未於本財政年度生效之新訂及經修訂香港財務報告準則：

香港會計準則第1號 (經重訂)	財務報表的呈列 ³
香港會計準則第23號 (經重訂)	借貸成本 ³
香港會計準則第27號 (經重訂)	綜合及獨立財務報表 ⁴
香港財務報告準則 第2號(經修訂)	以股份為基礎的付款 — 歸屬條件及註銷 ³
香港財務報告準則 第3號(經重訂)	業務合併 ⁴
香港財務報告準則 第8號	經營分部 ³
香港會計準則第1號 (經重訂)	財務報表的呈列— 可沽售 財務工具及清盤 產生之責任 ³
香港會計準則第32號 (經修訂)	財務工具：呈列— 可沽售 財務工具及清盤 產生之責任 ³
香港會計準則第39號 (經修訂)	財務工具：確認及計量 — 可沽售財務工具 及清盤產生之責任 ³
香港財務報告準則 第7號(經修訂)	財務工具：披露— 可沽售 財務工具及清盤 產生之責任 ³
香港(國際財務報告 準則詮釋委員會) — 詮釋第12號	服務經營權安排 ¹
香港(國際財務報告 準則詮釋委員會) — 詮釋第13號	客戶忠誠計劃 ²
香港(國際財務報告 準則詮釋委員會) — 詮釋第14號	香港會計準則第19號 — 界定利益資產的 限額、最低資本規定 及相互間的關係 ¹
香港(國際財務報告 準則詮釋委員會) — 詮釋第2號(經修訂)	成員於合作實體之 股份及同類工具 ³

2. ADOPTION OF NEW AND REVISED HKFRSs (continued)

2.2 Impact of new and revised HKFRSs that have been issued but are not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but not yet effective in the current financial year:

HKAS 1 (Revised)	Presentation of Financial Statements ³
HKAS 23 (Revised)	Borrowing Costs ³
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ⁴
HKFRS 2 Amendment	Share-based Payment – Vesting Conditions and Cancellations ³
HKFRS 3 (Revised)	Business Combinations ⁴
HKFRS 8	Operating Segments ³
Amendments to HKAS 1 (Revised)	Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation ³
Amendments to HKAS 32	Financial instruments: presentation – Puttable financial instruments and obligations arising on liquidation ³
Amendments to HKAS 39	Financial instruments: recognition and measurement – Puttable financial instruments and obligations arising on liquidation ³
Amendments to HKFRS 7	Financial instruments: disclosures – Puttable financial instruments and obligations arising on liquidation ³
HK(IFRIC)-Int 12	Service Concession Arrangement ¹
HK(IFRIC)-Int 13	Customer Loyalty Programmes ²
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ¹
Amendments to HK(IFRIC)-Int 2	Members' shares in co-operative entities and similar instruments ³

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

2. 採納新訂及經修訂之香港財務報告準則 (續)

2. ADOPTION OF NEW AND REVISED HKFRSs (continued)

2.2 已頒佈但未生效之新訂及經修訂香港財務報告準則之影響 (續)

2.2 Impact of new and revised HKFRSs that have been issued but are not yet effective (continued)

- 1 於二零零八年一月一日或以後開始之年度期間生效
- 2 於二零零八年七月一日或以後開始之年度期間生效
- 3 於二零零九年一月一日或以後開始之年度期間生效
- 4 於二零零九年七月一日或以後開始之年度期間生效

- 1 Effective for annual periods beginning on or after 1 January 2008
- 2 Effective for annual periods beginning on or after 1 July 2008
- 3 Effective for annual periods beginning on or after 1 January 2009
- 4 Effective for annual periods beginning on or after 1 July 2009

香港會計準則第1號(經重訂)對權益擁有人變動的呈列有所影響，並引進綜合收益表。編製者可選擇以單一的綜合收益表(連同小計項目)或以兩份獨立報表(先編製獨立收益表，隨後編製其他綜合收益表)呈列收支項目及其他綜合收入的組成部份。該修訂不會對本集團的財務狀況或業績造成影響，但將會使披露事項增加。管理層現正評估該等修訂對本集團財務報表的具體影響。

HKAS 1 (Revised) affects the presentation of owner changes in equity and introduces a statement of comprehensive income. Preparers will have the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures. Management is currently assessing the detailed impact of these amendments on the Group's financial statements.

經重訂香港財務報告準則第3號就業務合併的會計處理引入多項變更，而該等變更將會影響商譽的確認金額。經重訂的香港會計準則第27號規定，附屬公司的所有權權益之變更須列賬為權益交易。此外，附屬公司招致的虧損及失去對附屬公司的控制權之會計處理方法亦有所變動。經重訂的香港財務報告準則第3號及香港會計準則第27號將於未來應用，並將會影響日後之收購及與少數股東的交易。

The revised HKFRS 3 introduced a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised. The revised HKAS 27 requires that a change in the ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore, it changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The revised HKFRS 3 and HKAS 27 shall be applied prospectively and will affect future acquisition and transactions with minority interests.

本集團正在評估其他新訂及經重訂香港財務報告準則的影響，但尚未能確定該等準則是否會對本集團的財務報表構成重大影響。

The Group is in the process of assessing the impact of the other new or revised HKFRSs but is not yet in a position to state whether they would have material impact on the Group's financial statements.

3. 主要會計政策摘要

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

3.1 編製基準

財務報表乃根據歷史成本常規編製。計量基準於下文之會計政策詳述。

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

3.2 綜合基準

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

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

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

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

3.2 Basis of consolidation

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

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

3. 主要會計政策摘要 (續)

3.2 綜合基準 (續)

業務合併使用購買法入賬。此法涉及將業務合併的成本分配至所收購可識別資產的公允值及於業務合併當日承擔的負債(包括或然負債)。業務合併成本乃按交易日期所交付資產、所發行權益工具及所招致或承擔的負債之公允值總額計算，另加業務合併的相關直接成本。

3.3 附屬公司

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

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

3.4 商譽

商譽指業務合併成本超逾於收購日期所收購可識別資產及所承擔負債(包括或然負債)之公允值的差額。

收購產生之商譽初步按成本於綜合資產負債表列賬為資產，其後按成本減任何減值虧損計量。商譽每年於結算日評估有否減值；如有事件或環境變動顯示商譽的賬面值可能有所減值，則須進行更頻密的評估(附註3.7)。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Basis of consolidation (continued)

Business combinations are accounted for using the purchase method of accounting. This method involves allocating the cost of a business combination to the fair value of the identifiable assets acquired and liabilities including contingent liabilities assumed at the date of the business combination. The cost of business combination is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination.

3.3 Subsidiaries

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

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

3.4 Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of the identifiable assets acquired and liabilities including contingent liabilities assumed as at the date of acquisition.

Goodwill arising on acquisition is initially recognised in the consolidated balance sheet as an asset at cost and subsequently measured at cost less any impairment losses. Goodwill is reviewed for impairment annually at the balance sheet date or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may be impaired (note 3.7).

3. 主要會計政策摘要 (續)

3.4 商譽 (續)

倘本集團在被收購方的可識別資產、負債及或然負債之公允值淨額中所佔權益超出業務合併的成本，則超出金額即時在收益表中確認。

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可按以下基準可靠計量時予以確認：

- (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結算日之完成百分比確認(附註3.10)。
- (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) 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)

3.4 Goodwill (continued)

Any excess of the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in the income statement.

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 balance sheet date (note 3.10).
- (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) Interest income is recognised on a time-proportion basis by reference to the principal outstanding and at the effective interest rate applicable.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

3. 主要會計政策摘要 (續)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 物業、廠房及設備

3.6 Property, plant and equipment

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

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

物業、廠房及設備乃按其估計可使用年期計算折舊，以撇銷成本扣減其估計剩餘價值。租賃樓宇及水管網乃使用直線法分別按年率3.17%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：

Depreciation is provided to write off the cost of property, plant and equipment less their estimated residual values over their estimated useful lives. Leasehold buildings and water pipelines are depreciated using straight-line method at the annual rate of 3.17% and 4.85% respectively. Other items of property, plant and equipment are depreciated using reducing balance method at the following rates per annum:

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

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

資產之可使用年期、剩餘價值及折舊方法於各結算日予以檢討及調整(倘適用)。

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

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

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

3. 主要會計政策摘要 (續)

3.6 物業、廠房及設備 (續)

在建工程按成本扣除任何減值虧損列賬並不計提折舊。在建工程於完工及可供使用時重新分類為物業、廠房及設備的適當分類。

3.7 非財務資產之減值

商譽、物業、廠房及設備、預付土地租賃款項及於附屬公司之投資須進行減值評估。無論是否有任何減值跡象，至少每年進行一次商譽減值評估。就所有其他資產而言，每當有跡象顯示有關資產之賬面值未必能收回時，須就該等資產進行減值評估。

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Property, plant and equipment (continued)

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

3.7 Impairment of non-financial assets

Goodwill, property, plant and equipment, prepaid land lease payments and investments in subsidiaries are subject to impairment testing. Goodwill is 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.

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

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

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

3. 主要會計政策摘要 (續)

3.7 非財務資產之減值 (續)

就已分配商譽之現金產生單位而確認之減值虧損，初步計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公允值減銷售成本或使用價值(如可釐定)外，任何剩餘減值虧損按比例自該現金產生單位之其他資產扣除。

商譽的減值虧損不得在其後期間撥回。就其他資產而言，如用以釐定資產可收回金額之估計發生有利變化，減值虧損需予撥回，惟有關資產之賬面值不得超出假設過往年度該資產未確認減值虧損的情況下本該釐定的賬面值(扣除折舊或攤銷後)。

撥回之減值於其產生期間計入收益表內；倘有關資產乃按重估金額列賬，則根據該重估金額之相關會計政策為撥回之減值虧損列賬。

3.8 租賃

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

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)

3.7 Impairment of non-financial assets (continued)

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 on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount but 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) had no impairment loss been recognised.

A reversal of such impairment is credited to income statement in the period in which it arises unless that asset is carried at revalued amount, in which case the reversal of impairment loss is accounted for in accordance with the relevant accounting policy for the revalued amount.

3.8 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.

3. 主要會計政策摘要 (續)

3.8 租賃 (續)

經營租賃 – 作為承租人

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

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累計減值虧損列賬。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的收益模式則除外。

融資租賃 – 作為承租人

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Leases (continued)

Operating leases – as lessee

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

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. Amortisation is calculated on a straight-line basis over the lease term except where an alternative basis is more representative of the 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.

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

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

3. 主要會計政策摘要 (續)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 財務資產

3.9 Financial assets

財務資產僅於本集團訂立有關工具的合約條文時確認。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。

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.

財務資產於初步確認時按公允值計量。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，須取消確認財務資產。

When financial assets are recognised initially, they are measured at fair value. 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.

本集團之財務資產主要包括貸款及應收款項。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，減任何減值虧損計量。攤銷成本之計算經計及任何收購時產生之折讓或溢價，包括構成實際利率及交易成本之費用。

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

貸款及應收款項須於每個結算日檢討，以釐定有否客觀跡象顯示減值。應收款項組合之減值客觀跡象可包括本集團之過往收款經驗、延遲還款至超逾平均信貸期之次數增加，以及與拖欠應收款項有關之全國或地方經濟狀況明顯改變。倘有該等跡象，則有關減值虧損為資產之賬面值與估計日後現金流量(不包括尚未產生之日後信貸虧損)按該項資產原本實際利率(即初步確認時計算之實際利率)貼現計算至現值間之差額計量。虧損金額於減值產生之期間在收益表確認。

At each balance sheet date, loans and receivables are reviewed to determine whether there is any objective evidence of impairment. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments beyond the average credit period, and observable changes in national or local economic conditions that correlate with default on receivables. If such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in the income statement of the period in which the impairment occurs.

3. 主要會計政策摘要 (續)

3.9 財務資產 (續)

如出現減值，貸款及應收款項之賬面值乃透過撥備賬予以扣減。撥備賬之賬面值變動於收益表內確認。當貿易應收款項被視為無法收回時，其用於抵銷撥備賬目。過往被抵銷之款項若於其後收回則計入收益表。

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

3.10 土木工程合約

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Financial assets (continued)

When impairment occurs, the carrying amount of loans and receivables is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to income statement.

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

3.10 Civil engineering contracts

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

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

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

3. 主要會計政策摘要 (續)

3.10 土木工程合約 (續)

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

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

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

3.11 存貨

存貨按成本值及可變現淨值中之較低者入賬。成本是以加權平均成本法計算。可變現淨值乃日常業務過程中的估計售價減去估計的落成成本及適用銷售開支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Civil engineering contracts (continued)

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

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

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

3.11 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

3. 主要會計政策摘要 (續)

3.12 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年終匯率換算而產生之匯兌損益，於收益表內確認。按歷史成本計量並以外幣列值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匯率換算。

若干本集團實體之功能貨幣並非港元。在綜合財務報表中，該等實體的資產及負債按結算日的匯率換算為港元。收支項目按該年度的平均匯率換算為港元。所產生之匯兌差額將列入本集團的匯兌儲備。於出售該海外實體的期間，該等匯兌差額確認為收入或開支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 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 year-end exchange rates are recognised in the income statement. 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.

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 balance sheet date are translated into HK\$ at exchange rate prevailing on the balance sheet date. Income and expense items are translated into HK\$ at the average exchange rate for the year. The resulting exchange differences are dealt with in the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the foreign entity is disposed of.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

3. 主要會計政策摘要 (續)

3.13 所得稅之會計處理

所得稅包括當期及遞延稅項。所得稅於收益表確認，如涉及直接於權益確認的項目，則於權益確認。

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結算日均未支付，並按於結算日已制定或大致上已制定之稅率及稅法並根據年內之應課稅溢利計算。

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Accounting for income taxes

Income tax comprises current and deferred tax. Income tax is recognised in the income statement or in equity if it relates to items that are recognised 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 balance sheet date. They are calculated according to the tax rates and tax laws enacted or substantively enacted at the balance sheet date based on the taxable profit for the year.

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

Deferred tax assets and liabilities are not recognised if the temporary difference arises from 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.

3. 主要會計政策摘要 (續)

3.13 所得稅之會計處理 (續)

遞延稅項乃不作貼現按預期於結清負債或變現資產之期間之稅率計算，惟該等稅率於結算日須為已實施或實際上實施。遞延稅項資產或負債變動於收益表確認；如涉及直接於權益扣除或計入權益之項目，則於權益確認。

當存在可依法執行的權利可供當期稅項資產抵銷當期稅項負債，而遞延稅項涉及同一應課稅實體及同一稅務機關時，遞延稅項資產及遞延稅項負債可互相抵銷。

3.14 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、銀行活期存款以及購入後一般在三個月內可予兌換及可隨時轉換為已知數額現金且價值變動風險較少之短期高度流動性投資，扣除須於通知時償還並構成本集團現金管理不可分割部份之銀行透支。

3.15 僱員福利

界定供款計劃

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Accounting for income taxes (continued)

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date. Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.14 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, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

3.15 Employee benefits

Defined contribution plan

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

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

3. 主要會計政策摘要 (續)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 僱員福利 (續)

3.15 Employee benefits (continued)

界定供款計劃 (續)

Defined contribution plan (continued)

本集團於中國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。該等中國附屬公司須按員工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收益表扣除。

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

僱傭條例之長期服務金

Employment Ordinance long service payments

本集團若干僱員已在本集團任職若干年數，符合資格在終止僱用後領取香港僱傭條例規定之長期服務金。

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment.

倘若終止僱用符合僱傭條例規定之情況，則本集團須負責支付有關長期服務金。本集團已就預期未來可能支付之長期服務金作出撥備。撥備乃根據僱員截至結算日向本集團提供服務可能賺取之未來款項的最佳估計。

The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance. A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

短期僱員福利

Short-term employee benefits

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

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

以股份支付之僱員補償

Share-based employee compensation

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3.16。

Details about the accounting policy on share-based compensation to employee are set out in note 3.16 below.

3. 主要會計政策摘要 (續)

3.16 以股份支付之補償

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

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

權益結算交易之成本於收益表確認為開支，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的數目之假設已包括於非市場歸屬條件。如有跡象顯示預期歸屬之購股權數目偏離原先估計，則有關估計其後將予修訂。於過往年度確認的任何公允值調整於回顧年度在收益表扣除／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)

3.16 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.

The cost of equity-settled transactions is recognised as an expense in income statement 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 the income statement for 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 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

3. 主要會計政策摘要 (續)

3.17 財務負債

本集團之財務負債包括貿易及其他應付款項、銀行及其他貸款及融資租賃負債。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，除非本集團有權將有關債務之清償，無條件遞延至結算日後最少十二個月。

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

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

融資租賃負債按初始價值減租賃還款之資本部份計算(見附註3.8)。

所有利息相關開支均於收益表中確認為融資成本開支。

3.18 撥備及或然負債

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

所有撥備均於各個結算日審閱並作調整以反映當時之最佳估計值。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Financial liabilities

The Group's financial liabilities comprise trade and other payables, bank and other loans and finance lease liabilities. 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 expires. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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

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

Finance lease liabilities are measured at initial value less the capital element of lease repayments (see note 3.8).

All interest related charges are recognised as an expense in finance costs in the income statement.

3.18 Provisions and contingent liabilities

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

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

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

3. 主要會計政策摘要 (續)

3.19 作出財務擔保

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

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

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

3.20 借貸成本

所有借貸成本於產生時列作開支。

3.21 股息

董事建議的末期股息須列為權益項下之保留溢利獨立項目，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)

3.19 Financial guarantee issued

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

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

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

3.20 Borrowing costs

All borrowing costs are expensed as incurred.

3.21 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 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

3. 主要會計政策摘要 (續)

3.22 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收益表確認盈虧。

3.23 關連人士

在下列情況下，有關方被視為與本集團有關連之人士：

- (i) 有關方直接或間接地透過一名或多名中介人(1)控制本公司／本集團，或受本公司／本集團所控制，或與本公司／本集團受共同控制；(2)擁有本公司之權益，以至足以對本公司／本集團產生重大影響；或(3)擁有本公司／本集團之共同控制權；
- (ii) 有關方為聯營公司；
- (iii) 有關方為共同控制實體；

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 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 income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.23 Related parties

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

- (i) directly, or indirectly through one or more intermediaries, the party (1) controls, is controlled, or is under common control with, the Company/Group; (2) has an interest in the Company that gives it significant influence over the Company/Group; or (3) has joint control over the Company/Group;
- (ii) the party is an associate;
- (iii) the party is a jointly-controlled entity;

3. 主要會計政策摘要 (續)

3.23 關連人士 (續)

- (iv) 有關方為本公司或其母公司之主要管理人員；
- (v) 有關方為第(i)或(iv)項所述之任何人士之近親；
- (vi) 有關方為第(iv)或(v)項所述之任何人士直接或間接控制、共同控制或能對其有重大影響力或於其中擁有重大投票權之實體；或
- (vii) 有關方為就本公司／本集團或就屬於本公司／本集團關連人士之任何實體之員工福利而設的退休福利計劃。

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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Related parties (continued)

- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company/Group, or of any entity that is a related party of the Company/Group.

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.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

4. 重要會計估計及判斷 (續)

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

4.2 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。管理層將於每個結算日重新評估應收款項之減值金額(如有)。

4.3 物業、廠房及設備之折舊

物業、廠房及設備乃根據附註3.6所述之會計政策計算折舊。物業、廠房及設備之估計可使用年期反映管理層就本集團計劃從使用該等資產獲取未來經濟利益的期間所作之估計。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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

4.2 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 balance sheet date.

4.3 Depreciation of property, plant and equipment

Property, plant and equipment are depreciated in accordance with the accounting policy stated in note 3.6. The estimate useful lives of property, plant and equipment reflect the management's estimation of the periods during which the Group intends to derive future economic benefits from the use of these assets.

4. 重要會計估計及判斷 (續)

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。

5. 收益、其他收入及收益

收益(亦即本集團之營業額)與其他收入及收益之分析如下：

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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 is made.

5. REVENUE, OTHER INCOME AND GAINS

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

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 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	640,708	519,944
供水服務收益	Revenue from water supply services	4,762	-
供水相關安裝費	Water supply related installation fee	3,005	-
		648,475	519,944
其他收入及收益	Other income and gains		
銀行利息收入	Bank interest income	3,854	1,499
超出業務合併成本之 金額(附註29)	Excess over the cost of business combination (note 29)	2,683	-
雜項收入	Sundry income	308	76
		6,845	1,575
總收入	Total income	655,320	521,519

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

6. 分部資料

本集團目前分為兩個經營分部－水務工程承包業務及供水業務。本集團乃基於該等分部呈報其主要分部資料。

該等經營分部之主要業務如下：

- (i) 「水務工程承包業務」分部：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；及
- (ii) 「供水業務」分部：在中國內地提供供水服務及供水相關裝置服務。

本集團決定以地區分部作為次要報告形式。在決定地區分部時，收益乃根據客戶所在地點劃分，資產及資本開支則根據資產所在地點劃分。

6. SEGMENT INFORMATION

The Group is currently organised into two operating divisions – waterworks engineering contracting business and water supply business. These divisions form the basis on which the Group reports its primary segment information.

The principal activities of the operating divisions are as follows:

- (i) “Waterworks engineering contracting business” segment involves 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; and
- (ii) “Water supply business” segment involves the provision of water supply services and water supply related installation services in Mainland China.

The Group determines geographical segments as its secondary reporting format. In determining the geographical segments, revenue is attributed to the segments based on the location of customers, and assets and capital expenditure are attributed to the segments based on the location of the assets.

6. 分部資料 (續)

6. SEGMENT INFORMATION (continued)

業務分部

Business segments

		水務工程承包業務		供水業務		綜合	
		Waterworks engineering contracting business		Water supply business		Consolidated	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
收益及業績	REVENUE AND RESULTS						
分部收益	Segment revenue	640,708	519,944	7,767	-	648,475	519,944
分部業績	Segment results	40,185	52,752	3,684	-	43,869	52,752
企業及其他未分配 收入及開支	Corporate and other unallocated income and expenses					(6,732)	(6,329)
融資成本	Finance costs					37,137	46,423
扣除所得稅前溢利	Profit before income tax					(6,511)	(4,453)
所得稅開支	Income tax expenses					30,626	41,970
						(5,741)	(7,654)
本年度溢利	Profit for the year					24,885	34,316
財務狀況	FINANCIAL POSITIONS						
分部資產	Segment assets	481,157	332,479	115,867	-	597,024	332,479
企業及其他未分配資產	Corporate and other unallocated assets					176,291	24,469
資產總值	Total assets					773,315	356,948
分部負債	Segment liabilities	54,170	58,867	27,648	-	81,818	58,867
企業及其他未分配 負債	Corporate and other unallocated liabilities					253,659	137,329
負債總額	Total liabilities					335,477	196,196
其他資料	OTHER INFORMATION						
資本開支	Capital expenditure	9,796	16,550	74,005	-	83,801	16,550
折舊及攤銷	Depreciation and amortisation	7,497	6,452	1,080	-	8,577	6,452
超出業務合併成本 之金額	Excess over the cost of business combination	-	-	2,683	-	2,683	-
以權益結算以股份支付 之補償	Equity-settled share-based compensation	5,348	3,282	-	-	5,348	3,282

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

6. 分部資料 (續)

6. SEGMENT INFORMATION (continued)

地區分部

Geographical segments

		香港		中國內地		綜合	
		Hong Kong		Mainland China		Consolidated	
		二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
		2008	2007	2008	2007	2008	2007
		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
分部收益	Segment revenue	640,708	519,944	7,767	-	648,475	519,944
其他分部資料	Other segment information						
分部資產	Segment assets	481,157	332,479	115,867	-	597,024	332,479
資本開支	Capital expenditure	9,796	16,550	74,005	-	83,801	16,550

7. 經營溢利

7. OPERATING PROFIT

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
經營溢利乃經扣除 下列各項後得出：	Operating profit is arrived at after charging:		
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	115	–
物業、廠房及設備之折舊	Depreciation of property, plant and equipment		
– 自有資產	– owned assets	6,147	4,828
– 租賃資產	– leased assets	2,315	1,624
		8,462	6,452
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	85,177	59,419
– 退休福利計劃供款	– retirement benefits scheme contributions	3,409	2,449
– 以權益結算以股份 支付之補償	– equity-settled share-based compensation	1,709	–
		90,295	61,868
經營租賃費用	Operating lease charges		
– 土地及樓宇	– land and buildings	1,408	984
– 廠房及機器	– plant and machinery	8,479	5,447
		9,887	6,431
核數師酬金	Auditors' remuneration	613	525
出售物業、廠房及設備 之虧損	Loss on disposal of property, plant and equipment	228	325
匯兌虧損淨額	Net foreign exchange loss	227	–

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

8. 融資成本

8. FINANCE COSTS

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
以下各項之利息費用：	Interest charges on:		
應於五年內悉數償還 之銀行貸款	Bank loans wholly repayable within five years	5,717	4,085
融資租賃付款之利息部份	Interest element of finance lease payments	543	368
應於五年內償還之 其他借貸	Other borrowings repayable within five years	251	–
		6,511	4,453

9. 所得稅開支

9. INCOME TAX EXPENSE

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 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	5,820	7,167
– 企業所得稅	– Enterprise income tax	88	–
		5,908	7,167
往年度之超額撥備	Over provision in prior years		
– 香港利得稅	– Hong Kong profits tax	(143)	(447)
遞延稅項(附註25)	Deferred tax (note 25)	(24)	934
所得稅開支	Income tax expense	5,741	7,654

香港利得稅乃按本年度估計應課稅溢利的17.5%(二零零七年:17.5%)計算。於中華人民共和國(「中國」)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。適用企業所得稅稅率為25%。

Hong Kong profits tax is calculated at 17.5% (2007: 17.5%) of the estimated assessable profits for the year. Enterprise income tax ("EIT") arising from the People's Republic of China (the "PRC") is calculated according to the relevant laws and regulations in the PRC. The applicable tax rate for the EIT is 25%.

9. 所得稅開支 (續)

按適用稅率計算之所得稅開支與扣除所得稅前溢利之對賬如下：

9. INCOME TAX EXPENSE (continued)

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

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
扣除所得稅前溢利	Profit before income tax	30,626	41,970
按適用於有關司法權區溢利之稅率計算之溢利名義稅項	Notional tax on profit calculated at the rates applicable to profits in the jurisdiction concerned	5,565	7,345
毋須課稅收入之稅務影響	Tax effect of non-taxable income	(1,178)	(155)
不可扣減開支之稅務影響	Tax effect of non-deductible expenses	1,143	402
早前未確認的暫時性差額之稅務影響	Tax effect of temporary differences previously not recognised	-	248
往年度之超額撥備	Over provision in prior years	(143)	(447)
其他	Others	354	261
所得稅開支	Income tax expense	5,741	7,654

10. 本年度溢利

本年度綜合溢利為24,885,000港元(二零零七年：34,316,000港元)，其中9,010,000港元(二零零七年：10,581,000港元)之溢利已於本公司之財務報表內處理。

10. PROFIT FOR THE YEAR

Of the consolidated profit for the year of HK\$24,885,000 (2007: HK\$34,316,000), a profit of HK\$9,010,000 (2007: HK\$10,581,000) has been dealt with in the financial statements of the Company.

11. 股息

11. DIVIDENDS

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
結算日後擬派末期股息 每股0.80港仙 (二零零七年：1.12港仙)	Final dividend proposed after the balance sheet date of HK0.80 cent (2007: HK1.12 cents) per share	7,432	10,426

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

11. 股息 (續)

擬派末期股息須待本公司股東於應屆股東週年大會上批准，方可作實。於截至二零零八年三月三十一日止年度已派付及確認為分派的股息為10,448,000港元 (二零零七年：11,520,000港元)。

11. DIVIDENDS (continued)

The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. Dividend paid and recognised as distributions during the year ended 31 March 2008 amounted to HK\$10,448,000 (2007: HK\$11,520,000).

12. 每股盈利

每股基本盈利乃基於本年度溢利24,885,000港元 (二零零七年：34,316,000港元) 及年內已發行普通股的加權平均數874,772,000股 (二零零七年：640,000,000股) 計算。於截至二零零七年三月三十一日止年度之已發行普通股加權平均數已作調整，以反映於附註26(a)所詳述之股份分拆之影響，猶如股份分拆於二零零六年四月一日已經發生。

12. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year of HK\$24,885,000 (2007: HK\$34,316,000) and the weighted average number of ordinary shares in issue during the year of 874,772,000 (2007: 640,000,000). The weighted average number of ordinary shares in issue for the year ended 31 March 2007 was adjusted to reflect the Shares Subdivision as detailed in note 26(a) as if it had occurred on 1 April 2006.

每股攤薄盈利乃基於本年度溢利24,885,000港元 (二零零七年：34,316,000港元) 及年內已發行普通股加權平均數 (已就假設本公司所有尚未行使之購股權視作行使為普通股而按零代價發行之普通股加權平均數作出調整) 計算，計算方法如下：

The calculation of diluted earnings per share is based on the profit for the year of HK\$24,885,000 (2007: HK\$34,316,000) and the weighted average number of ordinary shares in issue during the year adjusted for the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all outstanding share options of the Company into ordinary shares which is calculated as follows:

		二零零八年 2008	二零零七年 2007
用於計算每股基本盈利之本年度已發行普通股加權平均數	Weighted average number of ordinary shares in issue during the year used in the calculation of basic earnings per share	874,772,000	640,000,000
授出之購股權所涉潛在攤薄普通股之影響 (附註27)	Effect of dilutive potential ordinary shares in respect of the share options granted (note 27)	15,217,000	108,000
用於計算每股攤薄盈利之普通股加權平均數	Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	889,989,000	640,108,000

13. 董事及高級管理人員酬金

13. DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS

(a) 董事酬金

(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 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
二零零八年	2008					
執行董事	Executive Directors					
原秋明先生	Mr. Yuen Chow Ming	-	1,014	-	38	1,052
蘇耀祥先生	Mr. So Yiu Cheung	-	1,014	12	38	1,064
原偉強先生	Mr. Yuen Wai Keung	-	1,014	12	38	1,064
獨立非執行董事	Independent Non-Executive Directors					
鍾麗嫻女士*	Ms. Chung Lai Kwok, Elaine *	45	-	-	-	45
孫伯全先生	Mr. Sun Bo Quan	100	-	-	38	138
何鍾泰博士#	Dr. Ho Chung Tai, Raymond #	70	-	-	38	108
梁以德教授	Professor Leung Yee Tak	120	-	-	38	158
張志文先生	Mr. Cheung Chi Man, Dennis	96	-	-	38	134
		431	3,042	24	266	3,763
二零零七年	2007					
執行董事	Executive Directors					
原秋明先生	Mr. Yuen Chow Ming	-	1,014	-	-	1,014
蘇耀祥先生	Mr. So Yiu Cheung	-	1,014	12	-	1,026
原偉強先生	Mr. Yuen Wai Keung	-	1,014	12	-	1,026
獨立非執行董事	Independent Non-Executive Directors					
孫伯全先生	Mr. Sun Bo Quan	50	-	-	-	50
何鍾泰博士	Dr. Ho Chung Tai, Raymond	120	-	-	-	120
梁以德教授	Professor Leung Yee Tak	120	-	-	-	120
張志文先生	Mr. Cheung Chi Man, Dennis	96	-	-	-	96
		386	3,042	24	-	3,452

* 於二零零七年十一月十五日獲委任

於二零零七年十一月一日辭任

* appointed on 15 November 2007

resigned on 1 November 2007

概無董事放棄或同意放棄於截至二零零八年及二零零七年三月三十一日止年度之任何酬金。

No directors waived or agreed to waive any emoluments in respect of the years ended 31 March 2008 and 2007.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

13. 董事及高級管理人員酬金 (續)

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

(b) 五名最高薪人士

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

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
薪金、津貼及實物福利	Salaries, allowances and benefits in kind	1,608	990
退休福利計劃供款	Retirement benefits scheme contributions	20	24
以權益結算以股份 支付之補償	Equity-settled share-based compensation	557	–
		2,185	1,014

上述兩名最高薪非董事人士每人之酬金總額介乎下列範圍：

		人數 Number of individuals	
		二零零八年 2008	二零零七年 2007
1至1,000,000港元	HK\$1 – HK\$1,000,000	1	2
1,000,001至1,500,000港元	HK\$1,000,001 – HK\$1,500,000	1	–
		2	2

(c) 於截至二零零八年及二零零七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。

(b) Five highest paid individuals

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

The aggregate emoluments of each of the above two highest paid, non-director individuals fell within the following bands:

(c) During the years ended 31 March 2008 and 2007, 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.

14. 物業、廠房及設備

14. PROPERTY, PLANT AND EQUIPMENT

本集團	The Group	傢俬、裝置 及設備		租賃物業	機器及		水管網	在建工程	合計
		樓宇	Furniture, fixtures and equipment	裝修 improvements	汽車	工具			
		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	千港元 HK\$'000	千港元 HK\$'000
於二零零六年三月三十一日	At 31 March 2006								
成本	Cost	-	2,718	1,864	15,351	10,656	-	-	30,589
累計折舊	Accumulated depreciation	-	(1,000)	(478)	(4,007)	(5,544)	-	-	(11,029)
賬面淨額	Net book amount	-	1,718	1,386	11,344	5,112	-	-	19,560
賬面淨額	Net book amount								
於二零零六年四月一日	At 1 April 2006	-	1,718	1,386	11,344	5,112	-	-	19,560
添置	Additions	-	583	1,403	7,167	7,397	-	-	16,550
出售	Disposals	-	-	-	(325)	-	-	-	(325)
折舊	Depreciation	-	(377)	(541)	(2,853)	(2,681)	-	-	(6,452)
於二零零七年三月三十一日	At 31 March 2007	-	1,924	2,248	15,333	9,828	-	-	29,333
於二零零七年三月三十一日	At 31 March 2007								
成本	Cost	-	3,266	3,267	21,627	18,053	-	-	46,213
累計折舊	Accumulated depreciation	-	(1,342)	(1,019)	(6,294)	(8,225)	-	-	(16,880)
賬面淨額	Net book amount	-	1,924	2,248	15,333	9,828	-	-	29,333
賬面淨額	Net book amount								
於二零零七年四月一日	At 1 April 2007	-	1,924	2,248	15,333	9,828	-	-	29,333
匯兌調整	Translation adjustment	1,763	304	-	9	-	765	50	2,891
添置	Additions	-	3,885	1,589	3,207	1,251	-	28	9,960
透過業務合併添置 (附註29)	Additions through business combination (note 29)	44,955	7,838	-	255	-	19,543	1,250	73,841
出售	Disposals	-	(103)	-	(334)	-	-	-	(437)
折舊	Depreciation	(377)	(967)	(828)	(3,238)	(2,777)	(275)	-	(8,462)
於二零零八年三月三十一日	At 31 March 2008	46,341	12,881	3,009	15,232	8,302	20,033	1,328	107,126
於二零零八年三月三十一日	At 31 March 2008								
成本	Cost	46,726	15,195	4,856	24,283	19,304	20,313	1,328	132,005
累計折舊	Accumulated depreciation	(385)	(2,314)	(1,847)	(9,051)	(11,002)	(280)	-	(24,879)
賬面淨額	Net book amount	46,341	12,881	3,009	15,232	8,302	20,033	1,328	107,126

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

14. 物業、廠房及設備 (續)

於本年度，由新訂融資租賃提供資金的汽車與機器及工具添置為646,000港元(二零零七年：6,305,000港元)。

於二零零八年三月三十一日，以融資租賃方式持有之資產的賬面淨額已計入汽車與機器及工具賬面淨額，分別為7,134,000港元(二零零七年：8,025,000港元)及2,193,000港元(二零零七年：2,971,000港元)。

附註29所述透過業務合併收購之物業於年終的賬面淨額分析如下：

14. PROPERTY, PLANT AND EQUIPMENT

(continued)

During the year, additions to motor vehicles and machinery and tools financed by new finance leases were HK\$646,000 (2007: HK\$6,305,000).

As at 31 March 2008, the net book amount of assets held under finance leases included in the net book amount of motor vehicles and machinery and tools amounted to HK\$7,134,000 (2007: HK\$8,025,000) and HK\$2,193,000 (2007: HK\$2,971,000) respectively.

The analysis of the net carrying amount of the properties which were acquired through business combination as detailed in note 29 is as follows:

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
在中國內地根據 下列租賃持有：	In Mainland China, held under:		
– 長期租賃	– long-term leases	2,344	–
– 中期租賃	– medium-term leases	66,538	–
		68,882	–
下列各項所佔部份：	Representing:		
樓宇	Buildings	46,341	–
預付土地租賃款項(附註15)	Prepaid land lease payments (note 15)	22,541	–
		68,882	–

截至本財務報表日期，該等物業之法定業權轉讓手續尚未完成。董事認為本集團可合法有效地使用該等物業。

Up to the date of these financial statements, the process to transfer the legal title of these properties is not yet completed. In the opinion of the directors, the Group is entitled to lawfully and validly use these properties.

15. 預付土地租賃款項

15. PREPAID LAND LEASE PAYMENTS

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
於二零零七年／二零零六年 的賬面值	Carrying amount at 1 April 2007/2006	-	-
匯兌調整	Translation adjustment	857	-
透過業務合併添置 (附註29)	Addition through business combination (note 29)	21,799	-
扣除攤銷	Amortisation charged	(115)	-
於二零零八年／二零零七年 三月三十一日的賬面值	Carrying amount at 31 March 2008/2007	22,541	-
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	22,071	-
計入流動資產的流動部份 (附註20)	Current portion included in current assets (note 20)	470	-
		22,541	-

16. 附屬公司

16. SUBSIDIARIES

		本公司 The Company	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
於附屬公司之投資 非上市股份，按成本	Investments in subsidiaries Unlisted shares, at cost	79,857	76,261
應收附屬公司款項	Amounts due from subsidiaries	175,163	58,744
應付一間附屬公司款項	Amount due to a subsidiary	2,171	-

應收／應付附屬公司款項乃無抵押、免
息及須於通知時償還。

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

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

16. 附屬公司 (續)

16. SUBSIDIARIES (continued)

於二零零八年三月三十一日之附屬公司
詳情如下：

Particulars of the subsidiaries as at 31 March 2008 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 <i>Interests held directly</i>				
裕途控股有限公司 Rich Path Holdings Limited	英屬處女群島 British Virgin Islands	1美元(普通股) US\$1 (ordinary share)	100%	投資控股 Investment holding
間接持有權益 <i>Interests held indirectly</i>				
明興水務渠務工程有限公司 Ming Hing Waterworks Engineering Company Limited	香港 Hong Kong	13,800,000港元(普通股) HK\$13,800,000 (ordinary shares)	100%	在香港從事土木工程承包業務 Civil engineering contracting business in Hong Kong
明興土木工程有限公司 Ming Hing Civil Contractors Limited	香港 Hong Kong	15,000港元(普通股) HK\$15,000 (ordinary shares)	100%	在香港從事土木工程承包業務 Civil engineering contracting business in Hong Kong
明力科研有限公司 Dominic Science & Technology Limited	香港 Hong Kong	2,100港元(普通股) HK\$2,100 (ordinary shares)	100%	為香港土木工程承包業務 提供技術支援服務 Provision of technical support services on civil engineering contracting business in Hong Kong
DST Engineering Supplies Limited	香港 Hong Kong	100港元(普通股) HK\$100 (ordinary shares)	100%	在香港從事土木工程物料買賣 Trading of civil engineering materials in Hong Kong
中明管道修復有限公司 DST Pipe Rehab Limited	香港 Hong Kong	100港元(普通股) HK\$100 (ordinary shares)	100%	暫無營業 Inactive

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
明興永富聯營 Ming Hing – INFO JV	香港 Hong Kong	不適用 N/A	95%	在香港從事土木工程承包業務 Civil engineering contracting business in Hong Kong
明興中國水務有限公司 Ming Hing Waterworks Engineering (PRC) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100%	投資控股 Investment holding
明興水務(長沙)有限公司*	中國 PRC	人民幣40,000,000元 RMB40,000,000	100%	在中國內地從事供水業務 Water supply business in Mainland China
明興自來水(南寧)有限公司*	中國 PRC	1,282,343美元 US\$1,282,343	100%	在中國內地從事淨水程序 技術研發 Water purification processing technology research and development in Mainland China
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%	暫無營業 Inactive
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%	暫無營業 Inactive
明興水務(雷州)有限公司 Ming Hing Waterworks (Leizhou) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100%	暫無營業 Inactive
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%	暫無營業 Inactive
明興水務(桂平)有限公司 Ming Hing Waterworks (Guiping) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100%	暫無營業 Inactive

* 該等公司根據中國法律註冊為外資企業。

* These companies are registered as wholly foreign owned enterprises under the PRC Law.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

17. 投資預付款項

截至二零零八年三月三十一日的投資預付款項為6,841,000港元，包括下列各項：

- (a) 本集團就可能成立一間合營公司支付人民幣2,000,000元(相等於約2,157,000港元)的預付金。該合營公司將主要在中國廣東省雷州市提供供水服務。
- (b) 本集團就可能投資於一間中國企業支付人民幣3,000,000元(相等於約3,184,000港元)的預付金。該企業將主要在中國廣西省提供供水服務。
- (c) 本集團就可能收購若干中國企業之股本權益支付1,500,000港元的預付金。該等企業主要在中國廣東省清遠市提供供水服務。如附註36(b)所述，本集團於年結日後已訂立股權轉讓協議書，以收購其中一間企業之若干股本權益。

17. PREPAYMENTS FOR INVESTMENTS

The prepayments for investments amounting to HK\$6,841,000 as at 31 March 2008 comprise the following:

- (a) The amount of RMB2,000,000 (equivalent to approximately HK\$2,157,000) represents the deposit paid by the Group for the potential formation of an equity joint venture which will be principally engaged in provision of water supply services in Leizhou City, Guangdong Province, the PRC.
- (b) The amount of RMB3,000,000 (equivalent to approximately HK\$3,184,000) represents the deposit paid by the Group in relation to the potential investment in a PRC entity which will be principally engaged in the provision of water supply services in Guangxi Province, the PRC.
- (c) The amount of HK\$1,500,000 represents deposit paid by the Group in relation to the potential acquisition of equity interests in certain PRC entities. These entities are principally engaged in the provision of water supply services in Qingyuan City, Guangdong Province, the PRC. As further details in note 36(b), the Group has subsequently after the year end entered into an equity transfer agreement to acquire certain equity interests in one of the entities.

18. 存貨

18. INVENTORIES

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
物料及供應品 – 按成本	Raw materials and supplies – at cost	68	–

19. 土木工程合約

19. CIVIL ENGINEERING CONTRACTS

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 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	1,364,340	756,160
減：迄今之進度款項	Less : Progress billings to date	(974,081)	(519,812)
減：可預見虧損	Less : Foreseeable losses	–	–
		390,259	236,348
應收客戶合約工程款項	Amounts due from customers of contract works	393,966	236,348
應付客戶合約工程款項	Amounts due to customers of contract works	(3,707)	–
		390,259	236,348

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

20. 貿易及其他應收款項

20. TRADE AND OTHER RECEIVABLES

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
貿易應收款項(附註(a))	Trade receivables (note (a))	7,956	32,330
應收保留款項(附註(b))	Retention receivables (note (b))	8,793	8,808
預付土地租賃款項(附註15)	Prepaid land lease payments (note 15)	470	–
預付款項及按金	Prepayments and deposits	8,410	9,143
其他應收款項(附註(c))	Other receivables (note (c))	15,794	5,296
		41,423	55,577
減：列入非流動資產項下 之應收保留款項	Less: Retention receivables included under non-current assets	(6,157)	(4,706)
		35,266	50,871

附註：

Notes:

(a) 於結算日基於發票日期的貿易應收款項之賬齡分析如下：

(a) The ageing analysis of trade receivables (based on invoice date) as at the balance sheet date is as follows:

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
三個月內	Within 3 months	7,658	32,149
四至六個月	4 to 6 months	140	–
七至九個月	7 to 9 months	90	–
十至十二個月	10 to 12 months	17	181
一年以上	Over 1 year	51	–
		7,956	32,330

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.

20. 貿易及其他應收款項 (續)

附註：(續)

(a) (續)

於結算日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：

20. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(a) (continued)

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

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
概無逾期或減值	Neither past due nor impaired	7,165	32,149
逾期但並無視為減值	Past due but not considered impaired		
三個月內	Within 3 months	503	-
四至六個月	4 to 6 months	138	-
七至九個月	7 to 9 months	84	-
十至十二個月	10 to 12 months	16	181
一年以上	Over 1 year	50	-
		7,956	32,330

於結算日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，管理層認為毋須就截至二零零八年三月三十一日的貿易應收款項作出減值撥備。本集團並無就該等結餘持有抵押品。

Trade receivables as at the balance sheet date mainly derived from provision of maintenance and construction works on civil engineering contracts. The related customers are mainly government departments/organisation 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 trade receivables as at 31 March 2008. The Group does not hold any collateral over these balances.

(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。

(b) Retention monies withheld by customers of contract works are released after the completion of maintenance period of the relevant contract or in accordance with the terms specified in the relevant contract.

(c) 於結算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。

(c) Other receivables as at the balance sheet date mainly comprise the advance payments to the principal subcontractors. The Group has established long business relationship with these subcontractors 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.

(d) 貿易及其他應收款項(包括應收保留款項)於結算日之賬面值與彼等之公允值相若。

(d) The carrying amounts of trade and other receivables including the retention receivables approximate their fair values at the balance sheet dates.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

21. 已抵押銀行存款

21. PLEDGED BANK DEPOSITS

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
用作若干銀行貸款 (附註24)及一份履約 保證抵押之銀行存款	Bank deposits pledged against certain bank loans (note 24) and a performance bond	28,936	24,229
減：計入非流動資產項下 之已抵押銀行存款	Less: Pledged bank deposit included under non-current assets	(5,000)	(5,000)
計入流動資產項下之 已抵押銀行存款	Pledged bank deposits included under current assets	23,936	19,229

已抵押銀行存款以港元為單位，並按固定年利率1.05厘至1.72厘(二零零七年：3.0厘至4.0厘)賺取利息，平均為三個月到期。該等銀行存款於結算日之賬面值與彼等之公允值相若。

Pledged bank deposits, denominated in HK\$, earn interest at fixed rate ranged from 1.05% to 1.72% (2007: 3.0% to 4.0%) per annum and have maturity period of 3 months on average. The carrying amounts of these bank deposits approximate their fair values at the balance sheet dates.

22. 現金及現金等價物

22. CASH AND CASH EQUIVALENTS

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
銀行結存及現金	Cash at banks and in hand	32,684	11,461
短期銀行存款	Short-term bank deposits	140,200	-
		172,884	11,461

		本公司 The Company	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
銀行結存及現金	Cash at banks and in hand	422	66
短期銀行存款	Short-term bank deposits	139,200	-
		139,622	66

於二零零八年三月三十一日，以人民幣（「人民幣」）列值的現金結餘為5,562,000港元（二零零七年：無）。人民幣不可自由兌換為其他貨幣。

銀行結存按每日銀行存款利率計算之浮動利率賺取利息。短期銀行存款按固定年利率0.30厘至1.15厘賺取利息，平均為一週到期。現金及現金等價物於結算日之賬面值與彼等之公允值相若。

As at 31 March 2008, cash balance denominated in Renminbi ("RMB") amounted to HK\$5,562,000 (2007: nil). RMB is not freely convertible into other currencies.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term bank deposits carry interest at fixed rate ranged from 0.30% to 1.15% per annum and have maturity period of 1 week on average. The carrying amounts of cash and cash equivalents approximate their fair values at the balance sheet dates.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

23. 貿易及其他應付款項

23. TRADE AND OTHER PAYABLES

貿易及其他應付款項(包括根據發票日期之貿易應付款項之賬齡分析)之詳情如下：

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

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
貿易應付款項	Trade payables		
三個月內	Within 3 months	30,823	36,732
四至六個月	4 to 6 months	4,024	5,607
七至九個月	7 to 9 months	175	748
十至十二個月	10 to 12 months	103	268
一年以上	Over 1 year	2,862	818
		37,987	44,173
應付保留款項(附註(a))	Retention payables (note (a))	33	479
其他應付款項及應計費用	Other payables and accruals	27,033	14,806
		65,053	59,458

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。
- (b) 貿易及其他應付款項之賬面值與彼等於結算日之公允值相若。

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

24. 借貸

24. BORROWINGS

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
流動	Current		
銀行貸款，有抵押 (附註(a))	Bank loans, secured (note (a))	197,649	103,961
其他貸款，無抵押	Other loans, unsecured	7,466	-
融資租賃負債(附註(b))	Finance lease liabilities (note (b))	4,688	4,632
		209,803	108,593
非流動	Non-current		
銀行貸款，有抵押 (附註(a))	Bank loans, secured (note (a))	31,649	15,000
其他貸款，無抵押	Other loans, unsecured	5,491	-
融資租賃負債(附註(b))	Finance lease liabilities (note (b))	2,327	6,493
		39,467	21,493
借貸總額	Total borrowings	249,270	130,086
分析如下：	Analysed into:		
於以下年期償還之 銀行貸款	Bank loans repayable		
於一年內	Within one year	197,649	103,961
於第二年	In the second year	20,550	15,000
於第三至第五年 (包括首尾兩年)	In the third to fifth years, inclusive	11,099	-
		229,298	118,961
其他應償還之借貸	Other borrowings repayable		
於一年內	Within one year	12,154	4,632
於第二年	In the second year	2,786	4,396
於第三至第五年 (包括首尾兩年)	In the third to fifth years, inclusive	2,100	2,097
五年以上	Beyond five years	2,932	-
		19,972	11,125
		249,270	130,086

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

24. 借貸 (續)

附註：

(a) 銀行貸款之抵押如下：

- (i) 銀行貸款207,099,000港元(二零零七年：118,961,000港元)由本公司發出的企業擔保作抵押(附註32)，其中197,099,000港元(二零零七年：108,961,000港元)以銀行存款28,936,000港元(二零零七年：24,229,000港元)(附註21)之押記作抵押。此外，銀行貸款114,402,000港元(二零零七年：39,925,000港元)由三份土木工程合約之收入作抵押。
- (ii) 餘下之銀行貸款人民幣20,000,000元(相等於約22,199,000港元)由供水業務產生之收入作抵押。

24. BORROWINGS (continued)

Notes:

(a) Bank loans are secured by the followings:

- (i) Bank loans amounting to HK\$207,099,000 (2007: HK\$118,961,000) are secured by the corporate guarantees issued by the Company (note 32) and of which HK\$197,099,000 (2007: HK\$108,961,000) are secured by charges over bank deposits amounting to HK\$28,936,000 (2007: HK\$24,229,000) (note 21). Apart from this, bank loans amounting to HK\$114,402,000 (2007: HK\$39,925,000) is secured by the proceeds on three civil engineering contracts.
- (ii) The remaining amount of bank loans amounting to RMB20,000,000 (equivalent to approximately HK\$22,199,000) is secured by the pledge of income generated from the water supply business.

24. 借貸 (續)

附註：(續)

- (b) 本集團租賃若干汽車及機器，而該等租賃歸類為融資租賃，剩餘租賃期由一至三年不等。於二零零八年三月三十一日，融資租賃項下之未來最低租金總額及其現值如下：

24. BORROWINGS (continued)

Notes: (continued)

- (b) The Group leases certain of its motor vehicles and machinery and these leases are classified as finance leases having remaining lease terms ranging from one to three years. As at 31 March 2008, the total future minimum lease payments under finance leases and their present values were as follows:

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 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	4,885	5,183
於第二年期到	Due in the second year	2,249	4,665
於第三至第五年期到 (包括首尾兩年)	Due in the third to fifth years, inclusive	115	2,135
		7,249	11,983
減：融資租賃之 未來財務費用	Less: future finance charges on finance leases	(234)	(858)
融資租賃負債之現值	Present value of finance lease liabilities	7,015	11,125
融資租賃負債之現值	Present value of finance lease liabilities		
於一年內到期	Due within one year	4,688	4,632
於第二年期到	Due in the second year	2,214	4,396
於第三至第五年期到 (包括首尾兩年)	Due in the third to fifth years, inclusive	113	2,097
		7,015	11,125
減：列入流動負債而 於一年內到期 之部份	Less: portion due within one year included under current liabilities	(4,688)	(4,632)
列入非流動負債之 非流動部份	Non-current portion included under non-current liabilities	2,327	6,493

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

24. 借貸 (續)

24. BORROWINGS (continued)

附註：(續)

Notes: (continued)

(c) 於二零零八年三月三十一日，以人民幣列值的借貸為35,156,000港元(二零零七年：無)。借貸餘額214,114,000港元(二零零七年：130,086,000港元)以港元列值。

(c) As at 31 March 2008, borrowings denominated in RMB amounted to HK\$35,156,000 (2007: nil) and the remaining balance of borrowings amounting to HK\$214,114,000 (2007: HK\$130,086,000) are denominated in HK\$.

(d) 有關借貸之其他資料：

(d) Other information about the borrowings:

		於年終的實際年利率 Effective interest rate per annum at year end				
		二零零八年 2008		二零零七年 2007		
原有貨幣 Original currency		浮動利率 Floating rate	固定利率 Fixed rate	浮動利率 Floating rate	固定利率 Fixed rate	
銀行貸款	Bank loans	港元 HK\$	2.48% – 3.86%	–	5.2% – 6.0%	5.8%
銀行貸款	Bank loans	人民幣 RMB	8.61% – 9.40%	–	–	–
其他貸款	Other loans	人民幣 RMB	–	1.25% – 8.40%	–	–
融資租賃負債	Finance lease liabilities	港元 HK\$	3.20%	3.25%	5.8% – 5.9%	–

借貸於結算日之賬面值與彼等之公允值相若。非流動借貸之公允值乃根據預期未來現金流量按市場利率貼現計算。

The carrying amounts of the borrowings approximate their fair values at the balance sheet dates. The fair values of non-current borrowings are calculated by discounting their expected future cash flows at market rates.

(e) 於二零零八年三月三十一日，本集團之可動用銀行融資額為273,660,000港元(二零零七年：146,660,000港元)，其中57,960,000港元(二零零七年：23,733,000港元)並無動用。

(e) As at 31 March 2008, the Group had available bank facilities of HK\$273,660,000 (2007: HK\$146,660,000), out of which HK\$57,960,000 (2007: HK\$23,733,000) was not utilised.

25. 遞延稅項

遞延稅項負債變動如下：

25. DEFERRED TAX

The movement of the deferred tax liabilities is as follows:

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
於二零零七年／ 二零零六年四月一日	At 1 April 2007/2006	3,067	2,133
於收益表內(計入)／ 扣除(附註9)	(Credited)/Charged to income statement (note 9)	(24)	934
於二零零八年／ 二零零七年三月三十一日	At 31 March 2008/2007	3,043	3,067

遞延稅項負債指因稅務折舊撥備超逾會計折舊而產生之應課稅暫時差額之稅務影響。

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

26. 股本

26. SHARE CAPITAL

		面值 Par value	普通股數目 Number of ordinary shares	總額 Total
		港元 HK\$		千港元 HK\$'000
		附註 Notes		
法定	Authorised			
於二零零六年四月一日及 二零零七年三月三十一日	At 1 April 2006 and at 31 March 2007	0.1	1,000,000,000	100,000
分拆股份	Subdivision of shares (a)		1,000,000,000	-
於二零零八年三月三十一日	At 31 March 2008	0.05	2,000,000,000	100,000

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

26. 股本 (續)

26. SHARE CAPITAL (continued)

			普通股數目 Number of ordinary shares	總額 Total
	附註 Notes	面值 Par value 港元 HK\$		千港元 HK\$'000
已發行及繳足 於二零零六年四月一日及 二零零七年三月三十一日 因行使購股權而發行股份	Issued and fully paid At 1 April 2006 and at 31 March 2007 Shares issued upon exercise of share options	0.1	320,000,000	32,000
發行新股份	Issue of new shares	0.1	15,380,000	1,538
分拆股份	Subdivision of shares		64,000,000	6,400
			399,380,000	–
		0.05	798,760,000	39,938
因行使購股權而發行股份	Shares issued upon exercise of share options	0.05	6,800,000	340
發行新股份	Issue of new shares	0.05	128,000,000	6,400
購回股份	Repurchase of shares	0.05	(2,780,000)	(139)
於二零零八年三月三十一日	At 31 March 2008	0.05	930,780,000	46,539

附註：

Notes:

(a) 根據於二零零七年六月十一日獲通過之本公司普通決議案，本公司每股面值0.1港元之已發行及未發行普通股，已分拆為兩股每股面值0.05港元之普通股（「股份分拆」）。股份分拆於二零零七年六月十二日起生效。由於股份分拆，本公司之法定股本改為100,000,000港元，分為2,000,000,000股每股面值0.05港元之普通股，而緊接股份分拆前之已發行股本則由39,938,000港元（分為399,380,000股每股面值0.1港元之普通股）改為39,938,000港元（分為798,760,000股每股面值0.05港元之普通股）。

(a) Pursuant to the ordinary resolution of the Company passed on 11 June 2007, every issued and unissued ordinary share of HK\$0.1 each of the Company was subdivided into two ordinary shares of HK\$0.05 each (the "Shares Subdivision"). The Shares Subdivision became effective on 12 June 2007. As a result of the Shares Subdivision, the authorised share capital of the Company has become HK\$100,000,000 divided into 2,000,000,000 ordinary shares of HK\$0.05 each and the issued share capital immediately prior to the Shares Subdivision of HK\$39,938,000 divided into 399,380,000 ordinary shares of HK\$0.1 each has become HK\$39,938,000 divided into 798,760,000 ordinary shares of HK\$0.05 each.

26. 股本 (續)

附註：(續)

(b) 股份分拆前行使之15,380,000份購股權(計入股份分拆之影響前)及股份分拆後行使之6,800,000份購股權(計入股份分拆之影響後)所附之認購權已導致發行37,560,000股本公司每股面值0.05港元之普通股(計入股份分拆之影響後)，總現金代價為18,455,000港元。於現金代價中，1,878,000港元乃計入股本，餘下16,577,000港元計入股份溢價賬。此外，於購股權獲行使後，3,517,000港元已由購股權儲備轉撥入股份溢價賬。

(c) 於二零零七年四月十三日，本公司與中國水務集團有限公司(「中國水務」)及Oceanup Investments Limited(「Oceanup」)訂立認購協議，據此，中國水務同意透過Oceanup認購及本公司同意發行64,000,000股本公司普通股，認購價為每股0.80港元(計入股份分拆之影響前)。

於二零零七年六月十五日，本公司與一名本公司主要股東Robinhoods Development Limited(「Robinhoods」)及一名配售代理訂立配售協議(「配售協議」)。據此，配售代理同意按每股1.53港元之價格(計入股份分拆之影響後)促成向獨立第三方出售最多128,000,000股由Robinhoods持有之普通股。同日，本公司與Robinhoods訂立認購協議。據此，Robinhoods有條件同意按每股1.53港元之價格認購數目相當於配售代理實際出售之股份數目之普通股。於二零零七年六月二十一日，已向配售代理配售128,000,000股普通股，Robinhoods亦於二零零七年六月二十九日認購同等數目之新發行普通股。

上述認購及配售之所得款項淨額約為237,488,000港元。

26. SHARE CAPITAL (continued)

Notes: (continued)

(b) The subscription rights attached to 15,380,000 share options (before the effect of Shares Subdivision) exercised prior to the Shares Subdivision and to 6,800,000 share options (after the effect of the Shares Subdivision) exercised after the Shares Subdivision has resulted in the issue of 37,560,000 ordinary shares of the Company of HK\$0.05 each (after the effect of the Shares Subdivision) for a total cash consideration of HK\$18,455,000. Out of the cash consideration, HK\$1,878,000 was credited to share capital and the balance of HK\$16,577,000 was credited to the share premium account. In addition, following the exercise of the share options, an amount of HK\$3,517,000 was transferred from the share option reserve to the share premium account.

(c) On 13 April 2007, the Company entered into a subscription agreement with China Water Affairs Group Limited (“China Water”) and Oceanup Investments Limited (“Oceanup”) under which China Water has agreed to subscribe, through Oceanup, and the Company has agreed to issue 64,000,000 ordinary shares of the Company at the subscription price of HK\$0.80 per share (before the effect of the Shares Subdivision).

On 15 June 2007, the Company entered into a placement agreement (the “Placement Agreement”) with Robinhoods Development Limited (“Robinhoods”), a substantial shareholder of the Company, and a placing agent. Pursuant to the Placement Agreement, the placing agent has agreed to procure for the sale of up to 128,000,000 ordinary shares held by Robinhoods to independent third parties at HK\$1.53 per share (after the effect of the Shares Subdivision). On the same day, the Company entered into a subscription agreement with Robinhoods, pursuant to which Robinhoods has conditionally agreed to subscribe for the equivalent number of ordinary shares that are actually sold by the placing agent at HK\$1.53 per share. On 21 June 2007, 128,000,000 ordinary shares were placed to the placing agent and on 29 June 2007, the same number of ordinary shares was issued and subscribed by Robinhoods.

The net proceeds generated from the above-mentioned subscription and placing amounted to approximately HK\$237,488,000.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the Financial Statements (For the year ended 31 March 2008)

26. 股本 (續)

26. SHARE CAPITAL (continued)

附註：(續)

Notes: (continued)

(d) 於本年度，本公司於聯交所購回之本公司普通股如下：

(d) During the year, the Company purchased its own ordinary shares on the Stock Exchange as follows:

年／月	Month/Year	購回股份數目 Number of shares repurchased	已付每股價格 Price paid per share		已付總價* Aggregate price paid* 千港元 HK\$'000
			最高 Highest 港元 HK\$	最低 Lowest 港元 HK\$	
二零零七年八月	August 2007	680,000	1.050	1.000	709
二零零八年三月	March 2008	2,100,000	0.415	0.320	826
		2,780,000			1,535

* 包括直接開支

* included direct expenses

由於股份購回，相等於139,000港元購回股份面值之金額由保留溢利轉撥入資本贖回儲備。

As a result of the share repurchases, an amount equivalent to the par value of the shares repurchased of HK\$139,000 was transferred from retained profits to the capital redemption reserve.

27. 以股份支付之補償

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

該計劃之主要條款概述如下：

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

27. 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 (截至二零零八年三月三十一日止年度)

Notes to the financial statements (For the year ended 31 March 2008)

27. 以股份支付之補償 (續)

(4) 於購股權行使期屆滿、本集團或任何聯屬公司之僱員終止聘約、或本集團或任何聯屬公司與客戶、供應商、代理、合夥人、諮詢人、顧問、股東或承包商之關係終止時，購股權將失效。

(5) 本公司根據該計劃或本公司任何其他計劃將授出之所有購股權獲行使時可予發行之最高股份數目合共不得超過本公司股份於聯交所上市當日本公司已發行股本之10%。股東可不時於股東大會上更新該計劃授權上限，惟經更新之該計劃授權上限不得超過股東於股東大會上批准該項更新當日之已發行股份總數之10%。

在不影響該計劃任何其他條文之情況下，本公司根據該計劃及本公司任何其他計劃所有已授出而尚未行使之購股權獲行使時可予發行之股份最高數目，合共不得超過不時已發行股份總數之30%。除非取得股東批准，否則於任何12個月期間內授予任何合資格參與者之購股權（包括已行使、已註銷及尚未行使之購股權）獲行使時發行及將予發行之股份最高數目不得超過不時已發行股份總數之1%。

(6) 該計劃由採納日期（即二零零六年二月二十五日）起計於十年內有效及生效。

(7) 購股權並不賦予持有人收取股息或於股東大會投票的權利。

27. 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.

27. 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、顧問及供應商之購股權詳情如下：

27. SHARE-BASED COMPENSATION (continued)

Terms and conditions of the share options granted

Details of the 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	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\$
二零零七年三月二十六日 (附註(a))	26 March 2007 (note (a))	38,400,000	(附註(b)) (note (b))	0.445	0.415	0.445
二零零七年四月四日 (附註(a))	4 April 2007 (note (a))	22,300,000	(附註(b)) (note (b))	0.600	0.585	0.600
二零零七年四月十七日 (附註(a))	17 April 2007 (note (a))	2,400,000	(附註(b)) (note (b))	0.975	0.920	0.975
二零零七年五月十七日 (附註(a))	17 May 2007 (note (a))	900,000	(附註(b)) (note (b))	1.420	1.425	1.420
二零零七年十月五日	5 October 2007	12,550,000	(附註(c)) (note (c))	0.812	0.780	0.780
		76,550,000				

附註：

- (a) 於二零零七年三月二十六日、二零零七年四月四日、二零零七年四月十七日及二零零七年五月十七日授出之購股權數目分別為19,200,000份、11,150,000份、1,200,000份及450,000份。於附註26(a)所述的股份分拆後，已分別調整購股權數目至38,400,000份、22,300,000份、2,400,000份及900,000份。本段所披露的相關行使價及本公司股價已就股份分拆之影響作出調整。
- (b) 該等購股權於授出日期歸屬，可於接納購股權當日起至二零零九年五月三十一日行使。
- (c) 於二零零七年十月五日授出的購股權當中，7,900,000份於授出日期歸屬，可於接納購股權當日起至二零零九年十月三十一日行使；2,325,000份於授出日期起六個月後歸屬，並於二零零九年四月四日屆滿；其餘2,325,000份於授出日期起十二個月後歸屬，並於二零零九年十月四日屆滿。

Notes:

- (a) The number of share options granted on 26 March 2007, 4 April 2007, 17 April 2007 and 17 May 2007 was 19,200,000, 11,150,000, 1,200,000 and 450,000 respectively. As a result of the Shares Subdivision as explained in note 26(a), the numbers of share options have been adjusted to become 38,400,000, 22,300,000, 2,400,000 and 900,000 respectively. The respective exercise price and the share price of the Company disclosed herewith have been adjusted for the effect of Shares Subdivision.
- (b) These share options vest on the date of grant and are exercisable from the date of acceptance of the options up to 31 May 2009.
- (c) Among the share options granted on 5 October 2007, 7,900,000 options vest on the date of grant and are exercisable from the date of acceptance of the options up to 31 October 2009, 2,325,000 options vest after 6 calendar months from the grant date and will expire on 4 April 2009, and the remaining 2,325,000 options vest after 12 calendar months from the grant date and will expire on 4 October 2009.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the financial statements (For the year ended 31 March 2008)

27. 以股份支付之補償 (續)

27. SHARE-BASED COMPENSATION (continued)

購股權之變動及其加權平均行使價

Movements of the share options and their weighted average exercise price

於本財政年度的購股權變動如下：

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

二零零八年

2008

承授人	購股權授出日期	Grantees	Options grant date	購股權數目				於二零零八年三月三十一日 At 31 March 2008 '000 千股
				於二零零七年四月一日 At 1 April 2007 '000 千股	已授出 Granted '000 千股	已行使 Exercised '000 千股	已沒收 Forfeited '000 千股	
董事	二零零七年四月十七日	Directors	17 April 2007	-	1,400	-	(200)	1,200
僱員	二零零七年四月四日	Employees	4 April 2007	-	3,100	(1,400)	-	1,700
	二零零七年四月十七日		17 April 2007	-	1,000	(700)	-	300
	二零零七年五月十七日		17 May 2007	-	900	(260)	(200)	440
	二零零七年十月五日		5 October 2007	-	3,800	-	-	3,800
				-	8,800	(2,360)	(200)	6,240
服務或貨品 供應商	二零零七年三月二十六日	Suppliers of services or goods	26 March 2007	38,400	-	(29,400)	-	9,000
	二零零七年四月四日		4 April 2007	-	19,200	(5,800)	-	13,400
	二零零七年十月五日		5 October 2007	-	8,750	-	-	8,750
				38,400	27,950	(35,200)	-	31,150
合計		Total		38,400	38,150	(37,560)	(400)	38,590
每股加權平均 行使價(港元)		Weighted average exercise price (HK\$ per share)		0.445	0.713	0.491	1.198	0.657

27. 以股份支付之補償 (續)

27. SHARE-BASED COMPENSATION (continued)

購股權之變動及其加權平均行使價 (續)

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

二零零七年

2007

承授人	購股權授出日期	Grantees	Options grant date	購股權數目 Number of share options				
				於二零零六年 四月一日 At 1 April 2006 '000 千股	已授出 Granted '000 千股	已行使 Exercised '000 千股	已沒收 Forfeited '000 千股	於二零零七年 三月三十一日 At 31 March 2007 '000 千股
服務或貨品供應商	二零零七年 三月二十六日	Suppliers of services or goods	26 March 2007	-	38,400	-	-	38,400
合計		Total		-	38,400	-	-	38,400
每股加權平均 行使價(港元)		Weighted average exercise price (HK\$ per share)		-	0.445	-	-	0.445

於二零零八年三月三十一日尚未行使之購股權的行使價介乎每股0.445港元至1.420港元，其於二零零八年三月三十一日的加權平均剩餘合約年期為1.30年(二零零七年：2.17年)。

The exercise prices of the outstanding share options as at 31 March 2008 range from HK\$0.445 to HK\$1.420 per share and their weighted average remaining contractual life as at 31 March 2008 is 1.30 years (2007: 2.17 years).

於本年度，緊接行使日期前及於購股權獲行使當日的本公司加權平均股價分別為每股1.41港元及1.48港元。

Regarding the share options exercised during the year, the weighted average share price of the Company immediately preceding the exercise date of those options and on exercise date are HK\$1.41 per share and HK\$1.48 per share, respectively.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the financial statements (For the year ended 31 March 2008)

27. 以股份支付之補償 (續)

27. SHARE-BASED COMPENSATION (continued)

於本財政年度已授出購股權的公允值

於本年度已授出之購股權的加權平均公允值為每股0.151港元(二零零七年：0.085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對本集團一直作出的貢獻，難以釐定有關獎勵的公允值。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。

有關權益工具之公允值由獨立估值師採用二項式模式(「該模式」)計算。代入該模式之數據詳列如下：

Fair value of the share options granted during the financial year

The weighted average fair value of the share options granted during the year is HK\$0.151 (2007: HK\$0.085) 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 and it is impractical to determine the fair value of such incentive. 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 equity instruments is determined by independent valuers using the Binomial Model (the "Model"). Details of the inputs to the Model are as follows:

		於下列日期授出之購股權			
		Share options granted on			
		二零零七年	二零零七年	二零零七年	二零零七年
		四月四日	四月十七日	五月十七日	十月五日
		4 April	17 April	17 May	5 October
		2007	2007	2007	2007
每股股價(港元)	Share price (HK\$ per share)	0.600	0.975	1.420	0.780
每股行使價(港元)	Exercise price (HK\$ per share)	0.600	0.975	1.420	0.812
預期波幅(%)	Expected volatility (%)	38%	38%	38%	83.49%
無風險利率(%)	Risk-free interest rate (%)	3.804%	3.968%	3.898%	3.744% – 3.768%
股息收益率(%)	Dividend yield (%)	5%	5%	5%	1.44%
預期購股權有效期(年)	Expected life of option (years)	1.6 – 1.7	1.5 – 2.0	1.5	1.5 – 2.1

27. 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 (續)

就於二零零七年四月四日、二零零七年四月十七日及二零零七年五月十七日授出的購股權而言，其預期波幅乃參照若干經營同類行業之上市公司於授出日期前兩年內的每週股價統計分析而釐定，並假設該波幅在整個購股權有效期維持不變。就於二零零七年十月五日授出的購股權而言，預期波幅乃參照上市日期（二零零六年三月十四日）起本公司的每日股價而釐定。

預期購股權有效期乃根據管理層經考慮購股權之不可轉讓性、行使限制及行為因素之影響後所作出的最佳估計而釐定。在計量公允值時並無計入所授購股權的其他特色。

購股權的財務影響

於本年度，授出購股權所產生以股份支付之補償金額為5,348,000港元（二零零七年：3,282,000港元）。授予分包商及供應商之購股權所涉以股份支付之補償金額2,203,000港元（二零零七年：1,094,000港元）已確認為收益成本，而授予董事及僱員與顧問之購股權所涉以股份支付之補償金額分別為1,709,000港元（二零零七年：無）及1,436,000港元（二零零七年：2,188,000港元），已確認為行政開支。相應金額5,348,000港元（二零零七年：3,282,000港元）已計入購股權儲備。由於該等金額屬以權益結算以股份支付之交易，因此並無確認任何負債。

於二零零八年三月三十一日尚未行使及可予行使的購股權數目為33,940,000份（二零零七年：38,400,000份），佔當日本公司已發行股份約3.6%（二零零七年：6.0%）。倘該等購股權全數獲行使，將導致本公司須額外發行33,940,000股普通股，並增加約1,697,000港元的股本及約19,870,000港元的股份溢價。

27. SHARE-BASED COMPENSATION (continued)

Fair value of the share options granted during the financial year (continued)

Regarding the share options granted on 4 April 2007, 17 April 2007 and 17 May 2007, their expected volatility is determined by referring to the statistical analysis of the weekly share prices of certain listed companies engaging in similar industry for two years prior to the grant date. It is assumed that the volatility is constant throughout the option life. Regarding the share options granted on 5 October 2007, their expected volatility is determined by referring to the daily share price of the Company starting from the listing date on 14 March 2006.

The expected life of option is determined based on management's best estimates for the effects of non-transferability of the options, exercise restrictions and behavioural considerations. No other feature of the options granted was incorporated into the measurement of fair value.

Financial effect of the share options

The amount of share-based compensation arising from granting the share options during the year was HK\$5,348,000 (2007: HK\$3,282,000). The share-based compensation in respect of the share options granted to the sub-contractors and suppliers amounting to HK\$2,203,000 (2007: HK\$1,094,000) was recognised as cost of revenue while the share-based compensation in respect of the share options granted to the directors and employees amounting to HK\$1,709,000 (2007: nil) and consultants amounting to HK\$1,436,000 (2007: HK\$2,188,000) was recognised as administrative expenses. The corresponding amount of HK\$5,348,000 (2007: HK\$3,282,000) has been credited to the share option reserve. No liabilities were recognised as those are equity-settled share-based payment transactions.

The number of outstanding share options which are exercisable as at 31 March 2008 was 33,940,000 (2007: 38,400,000) which represent approximately 3.6% (2007: 6.0%) of the Company's shares in issue on that date. The exercise in full of these share options would result in the issue of 33,940,000 additional ordinary shares of the Company including additional share capital of HK\$1,697,000 and share premium of HK\$19,870,000.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the financial statements (For the year ended 31 March 2008)

28. 儲備

28. RESERVES

本集團

The Group

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
股份溢價(附註(a))	Share premium (note (a))	255,396	12,010
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))	5,025	3,282
資本贖回儲備(附註(e))	Capital redemption reserve (note (e))	139	–
匯兌儲備(附註(f))	Translation reserve (note (f))	2,893	–
保留溢利	Retained profits	106,609	89,229
		383,867	118,326

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))	保留溢利 Retained profits 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零六年四月一日	At 1 April 2006	12,010	76,249	–	–	26	88,285
授出之購股權	Share options granted	–	–	3,282	–	–	3,282
本年度溢利	Profit for the year	–	–	–	–	10,581	10,581
擬派末期股息(附註11)	Proposed final dividend (note 11)	–	–	–	–	(10,426)	(10,426)
於二零零七年三月三十一日 及二零零七年四月一日	At 31 March 2007 and 1 April 2007	12,010	76,249	3,282	–	181	91,722
本年度溢利	Profit for the year	–	–	–	–	9,010	9,010
就二零零七年末期股息 作出調整	Adjustment for 2007 final dividend adjustment	–	–	–	–	(22)	(22)
授出之購股權(附註27)	Share options granted (note 27)	–	–	5,348	–	–	5,348
沒收之購股權	Share options forfeited	–	–	(88)	–	38	(50)
因行使購股權發行之股份 (附註26(b))	Share issued upon exercise of share options (note 26(b))	20,094	–	(3,517)	–	–	16,577
發行新股份(附註26(c))	Issue of new shares (note 26(c))	234,240	–	–	–	–	234,240
股份發行開支(附註26(c))	Share issue expenses (note 26(c))	(9,552)	–	–	–	–	(9,552)
購回股份(附註26(d))	Repurchase of shares (note 26(d))	(1,396)	–	–	139	(139)	(1,396)
擬派末期股息(附註11)	Proposed final dividend (note 11)	–	–	–	–	(7,432)	(7,432)
於二零零八年三月三十一日	At 31 March 2008	255,396	76,249	5,025	139	1,636	338,445

28. 儲備 (續)

本公司 (續)

附註：

- (a) 根據開曼群島公司法第22章(一九六一年第3條法例，經綜合及修訂)，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。
- (b) 本集團之合併儲備指根據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3.16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購回股份面值之金額。
- (f) 匯兌儲備包括所有根據附註3.12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。

28. 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 the Company's share on the Stock Exchange.
- (c) Contributed surplus of the Company represents the difference between the costs of investments in subsidiaries acquired over the nominal value of the share capital of the Company in exchange pursuant to the reorganisation of the Group taken place before the listing of the Company's share 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 3.16.
- (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 3.12.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the financial statements (For the year ended 31 March 2008)

29. 業務合併

於二零零七年八月三十一日，本公司與中國湖南省長沙市寧鄉縣地方政府當局（「寧鄉縣政府」）（本公司與寧鄉縣政府統稱「訂約方」）訂立協議（「主要協議」）。根據主要協議，本公司同意收購湖南省寧鄉縣自來水公司（「寧鄉自來水」）之總資產（「資產」），總現金代價為人民幣90,080,000元（相等於約99,983,000港元）（「收購事項」）。寧鄉自來水為於中國成立之國有企業，乃寧鄉縣若干地區之獨家供水服務供應商。有關收購事項之進一步詳情已載列於本公司日期為二零零七年九月二十七日之通函內。

收購事項須待訂約方或訂約方指派的代表簽訂其他協議（「其他協議」），以轉讓寧鄉自來水的資產予本集團，並授予本集團於寧鄉縣若干地區提供供水服務之30年特許經營權，方可落實。其他協議已予以簽訂，且收購事項其後於二零零七年十二月三十一日完成。

根據主要協議，本公司可透過承擔寧鄉自來水的負債以支付代價。此外，本集團接納寧鄉自來水於二零零七年四月一日起至收購當日止自其日常經營過程中產生之業績。計及收購事項附帶的法律及專業費用後，收購事項的總投資成本為105,914,000港元。

29. BUSINESS COMBINATION

On 31 August 2007, the Company entered into an agreement (the “**Main Agreement**”) with the local government authority of Ningxiang County, Changsha City, Hunan Province, the PRC (the “**Ningxiang Government**”) (the Company and the Ningxiang Government are collectively referred to as the “**Parties**”). Pursuant to the Main Agreement, the Company agreed to acquire the total assets (the “**Assets**”) of 湖南省寧鄉縣自來水公司 (Hunan Province Ningxiang County Water Supply Company) (“**Ningxiang Water**”) at a total cash consideration of RMB90,080,000 (equivalent to approximately HK\$99,983,000) (the “**Acquisition**”). Ningxiang Water is a state-owned enterprise established in the PRC and it is an exclusive water supply service provider in certain areas of Ningxiang County. Further details about the Acquisition were set out in the circular of the Company dated 27 September 2007.

The Acquisition was conditional upon the signing of further agreements by the Parties or parties designated by the Parties regarding the transfer of the Assets from Ningxiang Water to the Group and granting concession to the Group for the provision of water supply services in certain areas of Ningxiang County for 30 years (the “**Additional Agreements**”). The Additional Agreements were signed and subsequently the Acquisition was completed on 31 December 2007.

Pursuant to the Main Agreement, the consideration could be settled by way of assuming the liabilities of Ningxiang Water. In addition, the results of Ningxiang Water arising from normal operation from 1 April 2007 until the date of the Acquisition were taken up by the Group. Taking into account the legal and professional fees incidental to the Acquisition, the total cost of investment for the Acquisition was HK\$105,914,000.

29. 業務合併 (續)

寧鄉自來水之可識別資產及負債於收購事項日期的公允值與緊接收購事項前之相關賬面值如下：

29. BUSINESS COMBINATION (continued)

The fair value of the identifiable assets and liabilities of Ningxiang Water as at the date of the Acquisition and the corresponding carrying amounts immediately before the Acquisition are as follows:

		收購事項前 之賬面值 Carrying amount before the Acquisition 千港元 HK\$'000	公允值調整 Fair value adjustments 千港元 HK\$'000	收購事項日期 之公允值 Fair value on date of the Acquisition 千港元 HK\$'000
物業、廠房及設備	Property, plant and equipment	68,986	4,855	73,841
預付土地租賃款項	Prepaid land lease payments	10,779	11,020	21,799
存貨	Inventories	598	–	598
貿易及其他應收款項	Trade and other receivables	9,229	–	9,229
現金及現金等價物	Cash and cash equivalents	3,130	–	3,130
已收購之資產	Assets acquired	92,722	15,875	108,597
超出業務合併成本之 金額(附註5)	Excess over the cost of business combination (note 5)			(2,683)
投資成本總額	Total cost of investment			105,914
投資成本總額由以下 方式支付：	The total cost of investment is satisfied by:			
現金	Cash			33,207
承擔寧鄉自來水的負債	Assuming the liabilities of Ningxiang Water			72,707
				105,914
業務合併產生的現金流出 淨額分析如下：	An analysis of the net cash outflow arising on the business combination is as follows:			
現金代價	Cash consideration			33,207
所收購之銀行結餘 及現金	Bank balances and cash acquired			(3,130)
匯兌差額	Exchange differences			(1,036)
				29,041

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the financial statements (For the year ended 31 March 2008)

29. 業務合併 (續)

收購事項後供水業務產生之收益及純利分別為7,767,000港元及164,000港元。若收購事項於二零零七年四月一日進行，則本集團截至二零零八年三月三十一日止年度之收益及純利應分別為675,965,000港元及19,185,000港元。該等備考資料僅供說明用途，並不代表收購事項若於二零零七年四月一日完成本集團實際可達致的收益及經營業績，亦無意用作預測未來業績。

30. 承擔

本集團

除本財務報表其他部份所披露者外，本集團於二零零八年三月三十一日已作出的重大承擔如下：

- (a) 截至二零零八年三月三十一日，本集團已訂約購入一幅位於中國之租賃土地的權益，代價為人民幣2,040,000元（相等於約2,264,000港元），並於截至二零零八年三月三十一日已支付其中人民幣1,000,000元（相等於約1,110,000港元）作為訂金。
- (b) 於二零零八年三月三十一日，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：

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
一年內	Within one year	1,289	984
第二年至第五年 (包括首尾兩年)	In the second to fifth years, inclusive	2,091	—
		3,380	984

29. BUSINESS COMBINATION (continued)

Revenue and net profit generated from the water supply business after the Acquisition amounted to HK\$7,767,000 and HK\$164,000 respectively. Had the Acquisition been taken place on 1 April 2007, the revenue and net profit of the Group for the year ended 31 March 2008 would have been HK\$675,965,000 and HK\$19,185,000 respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operations of the Group that actually would have been achieved had the Acquisition been completed on 1 April 2007, nor are they intended to be a projection of future results.

30. COMMITMENTS

The Group

Save as disclosed elsewhere in these financial statements, the Group had the following significant commitments as at 31 March 2008:

- (a) As at 31 March 2008, the Group had contracted to purchase an interest in a leasehold land in the PRC at a price of RMB2,040,000 (equivalent to approximately HK\$2,264,000), of which RMB1,000,000 (equivalent to approximately HK\$1,110,000) was paid as deposit as at 31 March 2008.
- (b) As at 31 March 2008, the future aggregate minimum lease rental payable under non-cancellable operating leases in respect of land and buildings was as follows:

30. 承擔 (續)

本集團 (續)

本集團根據經營租賃租賃若干物業。該等租賃初步為期一至三年，並訂明於到期日有權重續租賃及重新磋商條款。該等租賃不包括任何或然租金。

本公司

於二零零八年及二零零七年三月三十一日，本公司並無任何重大承擔。

31. 或然負債及訴訟

截至二零零八年三月三十一日，本集團於日常業務過程中遭提出數項訴訟及索償，且截至本財務報表日期尚未解決。所申請之訴訟及索償並無訂明索償金額。董事認為已投購足夠之保險以就因該等訴訟及索償而產生之損失(如有)作出保障，因此，該等訴訟及索償項下之最終責任將不會對本集團之財務狀況造成重大不利影響。

於上一個財政年度，本集團就兩項已完成工程遭一家分包商提出兩項索償，索償額合共約7,000,000港元，而本集團之法律顧問就上述兩項索償認為本集團理據充份，不僅可作出申辯，更可就多付款額(如有)提出反索償。自截至二零零七年三月三十一日止之財政年度起，上述兩項索償並無重大進展。董事認為該等索償應不會對本集團之財務狀況造成重大不利影響。

30. COMMITMENTS (continued)

The Group (continued)

The Group leases certain properties under operating leases. The leases run for an initial period of one 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 commitments as at 31 March 2008 and 2007.

31. CONTINGENT LIABILITIES AND LITIGATIONS

As at 31 March 2008, a number of lawsuits and claims arising from the normal course of business were lodged against the Group which remains outstanding as at the date of these financial statements. Claim amounts are not specified in the applications of these lawsuits and claims. In the opinion of directors, sufficient insurance policies are maintained to cover the losses, if any, arising from these lawsuits and claims and therefore the ultimate liability under these lawsuits and claims would not have a material adverse impact on the financial position of the Group.

During the last financial year, the Group received from a subcontractor two claims in respect of two completed projects with claim amount of approximately HK\$7 million in aggregate and the legal advisers of the Group on these two claims opined that the Group has a good case not only to defend but also to counterclaim the overpaid amount, if any. Since the financial year ended 31 March 2007, there has been no material progress on these two claims. The directors consider that the claims will unlikely result in any material financial impact on the Group.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the financial statements (For the year ended 31 March 2008)

32. 擔保

截至結算日，本公司作出的重大財務擔保如下：

32. GUARANTEES

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

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 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	207,099	118,961
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	13,000	–
若干附屬公司訂立之 融資租賃安排	Finance lease arrangements entered into by certain subsidiaries	6,482	11,125
		226,581	130,086

董事認為提供上述財務擔保不會產生重大財務影響。

In the opinion of the directors, the financial impact arising from providing the above financial guarantees is immaterial.

33. 關連方交易

本集團由Robinhoods(一間於英屬處女群島註冊成立及存置股東名冊之有限公司)控制。Able Promise Holdings Limited、Group Honour Assets Limited及Foremost Time Holdings Limited(三者均為於英屬處女群島註冊成立及存置股東名冊之有限公司)各自持有Robinhoods三分之一股權。

33. RELATED PARTY TRANSACTIONS

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

(i) 與一間關連公司之交易

(i) Transactions with a related company

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
支付予君明有限公司之 辦公室租金(附註)	Rental expenses for office premises paid to Grand Media Limited (Note)	984	984

附註：

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

Note:

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

33. 關連方交易 (續)

(ii) 主要管理人員

員工成本包括以下各類之主要管理人員補償：

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	7,031	5,154
以權益結算以股份支付之補償	Equity-settled share-based compensation	1,247	–
僱用後福利	Post-employment benefits	101	84
		8,379	5,238

33. RELATED PARTY TRANSACTIONS (continued)

(ii) Key management personnel

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

34. 資本管理

本集團的資金管理目標是保障本集團能繼續營運，從而為股東提供回報，同時兼顧其他持份者的利益，並維持最佳的資本架構以減低資金成本，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。淨債務包括借貸減現金及現金等價物與已抵押存款。為維持或調整資本架構，本集團或會調整派付予股東之股息或發行新股份。

34. 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 and cash equivalents and pledged deposits. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the financial statements (For the year ended 31 March 2008)

34. 資本管理 (續)

34. CAPITAL MANAGEMENT (continued)

本集團於二零零八年及二零零七年三月三十一日的資本負債比率如下：

The gearing ratios of the Group as at 31 March 2008 and 2007 were as follows:

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
債務	Debt	249,270	130,086
減：現金及現金等 價物與已抵押存款	Less: cash and cash equivalents and pledged deposits	(201,820)	(35,690)
淨債務	Net debt	47,450	94,396
資本：權益總額	Capital represented by total equity	437,838	160,752
資本負債比率	Gearing ratio	10.8%	58.7%

為獲取更多資金用作本集團的營運資金及在中國開拓投資商機，本集團於本年度進行兩次集資活動，亦即發行256,000,000股本公司股份(已計入股份分拆的影響)，所得款項淨額合共為237,000,000港元。因此，權益水平得以加強，而資本負債比率亦因而減少。

To obtain more funding for financing the Group's working capital and exploring investment opportunities in the PRC, the Group carried out two fund raising activities during the year which were to issue 256,000,000 shares (after the effect of Shares Subdivision) of the Company in aggregate with total net proceeds of HK\$237 million raised. As a result, the equity level was strengthened and the gearing ratio decreased.

35. 金融工具

35. FINANCIAL INSTRUMENTS

(a) 金融工具類別

(a) Categories of financial instruments

本集團

The Group

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
財務資產	Financial assets		
貸款及應收款項 (包括銀行結存及 已抵押銀行存款)	Loans and receivables (including cash at bank and pledged bank deposits)	235,441	83,150
財務負債	Financial liabilities		
按攤銷成本列賬 的財務負債	Financial liabilities at amortised cost	328,047	189,544

35. 金融工具 (續)

35. FINANCIAL INSTRUMENTS (continued)

(a) 金融工具類別 (續)

 (a) Categories of financial instruments
(continued)

本公司

The Company

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
財務資產	Financial assets		
貸款及應收款項 (包括銀行結存及 已抵押銀行存款)	Loans and receivables (including cash at bank and pledged bank deposits)	314,785	58,810
財務負債	Financial liabilities		
按攤銷成本列賬 的財務負債	Financial liabilities at amortised cost	2,837	591

(b) 按金融工具呈列的財務業績

(b) Financial results by financial instruments

本集團

The Group

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
金融工具的收支或 盈虧：	Income, expense, gains or losses on financial instruments:		
以下各項之利息收入 或(開支)：	Interest income or (expenses) on:		
貸款及應收款項	Loans and receivables	3,854	1,499
按攤銷成本列賬 的財務負債	Financial liabilities at amortised cost	(6,511)	(4,453)

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the financial statements (For the year ended 31 March 2008)

35. 金融工具 (續)

(c) 財務風險管理目標及政策

本集團承受不同種類的財務風險，包括市場風險(主要為利率風險)、信貸風險及流動資金風險。本集團的整體風險管理專注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政策。

(d) 財務風險管理

市場風險 – 利率風險

本集團的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，使本集團面臨現金流量利率風險。於年終尚未償還之銀行借貸的利率及還款條款已於附註24披露。

本集團目前並無利率風險對沖政策，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。

35. FINANCIAL INSTRUMENTS (continued)

(c) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks which comprise market risk (mainly interest rate 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.

(d) Financial risk management

Market risk – interest rate risk

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 year end are disclosed in note 24.

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.

35. 金融工具 (續)

(d) 財務風險管理 (續)

市場風險 – 利率風險 (續)

以下敏感度分析顯示，倘所有其他因素維持不變，本集團於結算日之浮息銀行借貸利率面臨的合理可能變動（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）。

		除稅後溢利及 權益增加／(減少) Increase/(Decrease) in profit after tax and equity	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
基點增加／減少	Increase/Decrease in basis points ("bp")		
+100基點	+ 100 bp	(1,929)	(1,011)
-50基點	- 50 bp	963	507

在編製上述敏感度分析時，乃假設於二零零八年及二零零七年三月三十一日的借貸於整個相關財政年度內一直存在。

35. FINANCIAL INSTRUMENTS (continued)

(d) Financial risk management (continued)

Market risk – interest rate risk (continued)

The following sensitivity analysis demonstrates 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 balance sheet date (in practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material):

The above sensitivity analysis is prepared based on the assumption that the borrowings as at 31 March 2008 and 2007 existed throughout the whole respective financial year.

財務報表附註 (截至二零零八年三月三十一日止年度)

Notes to the financial statements (For the year ended 31 March 2008)

35. 金融工具 (續)

(d) 財務風險管理 (續)

信貸風險

倘交易對手未能履行其有關各類已確認財務資產之責任，則本公司與本集團所面臨的最大信貸風險為資產負債表所述該等資產之賬面值及附註32所披露本公司作出的擔保金額。

本集團嚴格揀選交易對手，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貿易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，管理層於各結算日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。

流動資金風險

本集團定期監察其流動資金需求和遵守信貸契約，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應付其短期和長期流動資金需求。

35. FINANCIAL INSTRUMENTS (continued)

(d) Financial risk management (continued)

Credit risk

The Company's and the Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in balance sheets and the amount of guarantees issued by the Company as disclosed in note 32.

The Group limits its exposure to credit risk by rigorously selecting the counterparties. Credit risk on cash and cash equivalents 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 balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts.

Liquidity risk

The Group regularly monitors 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.

35. 金融工具 (續)

(d) 財務風險管理 (續)

流動資金風險 (續)

下表詳列本集團與本公司之財務負債於結算日的餘下已訂約到期日，乃根據本集團與本公司可能被要求還款之最早日期計算之訂約未折算現金流量釐定：

本集團	The Group	1年內或 應要求償還	1至2年	2至5年	5年以上
		Within 1 year or on demand	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
於二零零八年三月三十一日	As at 31 March 2008				
借貸	Borrowings	209,803	23,336	13,199	2,932
就借貸支付利息(附註)	Interest payments on borrowings (note)	4,379	1,437	1,035	144
貿易應付款項	Trade payables	37,987	-	-	-
應付保留款項	Retention payables	33	-	-	-
其他應付款項及應計費用	Other payables and accruals	27,033	769	2,306	10,649
		279,235	25,542	16,540	13,725
於二零零七年三月三十一日	As at 31 March 2007				
借貸	Borrowings	108,593	19,396	2,097	-
就借貸支付利息(附註)	Interest payments on borrowings (note)	3,118	701	38	-
貿易應付款項	Trade payables	44,173	-	-	-
應付保留款項	Retention payables	479	-	-	-
其他應付款項及應計費用	Other payables and accruals	14,806	-	-	-
		171,169	20,097	2,135	-

35. FINANCIAL INSTRUMENTS (continued)

(d) Financial risk management (continued)

Liquidity risk (continued)

The table below analyses the remaining contractual maturities of the Group's and the Company's financial liabilities at the balance sheet 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 (截至二零零八年三月三十一日止年度)

Notes to the financial statements (For the year ended 31 March 2008)

35. 金融工具 (續)

35. 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)

本公司	The Company	1年內或 應要求償還	1至2年	2至5年	5年以上
		Within 1 year or on demand	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
於二零零八年 三月三十一日	As at 31 March 2008				
其他應付款項及 應計費用	Other payables and accruals	666	–	–	–
應付一間附屬公司款項	Amount due to a subsidiary	2,171	–	–	–
		2,837	–	–	–
於二零零七年 三月三十一日	As at 31 March 2007				
其他應付款項及應計費用	Other payables and accruals	591	–	–	–
		591	–	–	–

附註：

借貸利息乃根據於二零零八年及二零零七年三月三十一日尚未償還之借貸金額計算，且並無計入未來事件。利率乃根據於二零零八年及二零零七年三月三十一日之當時利率作出估計。

Note:

The interest on borrowings is calculated based on the amount of borrowings outstanding as at 31 March 2008 and 2007 without taking into account future issues. Interest rate is estimated using the current interest rate as at 31 March 2008 and 2007, respectively.

36. 結算日後事項

除本財務報表其他部份所披露者外，本集團於結算日後發生的重大事項如下：

- (a) 於二零零八年三月六日，本集團與一家由本公司一名主要股東間接全資擁有的公司（「合營夥伴」）訂立合營協議（「合營協議」），以成立合營公司（「合營公司」）。合營公司將在中國主要從事有關水務之投資、建設、經營、管理、承包及顧問服務。合營公司將由本集團及合營夥伴分別擁有40%及60%。根據合營協議，本集團將出資合共人民幣40,000,000元（相等於約44,398,000港元）作為出資及股東貸款。合營協議其後由一項於二零零八年四月十八日通過之普通決議案予以批准。有關該等交易之進一步詳情已載列於本公司日期為二零零八年三月三十一日之通函內。
- (b) 於二零零八年四月二十九日，本集團與一名獨立第三方（「賣方」）訂立股權轉讓協議書（「股權轉讓協議書」）。據此，本集團同意購買及賣方同意出售一家中國企業清新縣飛來峽發興水務有限公司（「清新縣飛來峽發興水務」）之83.33%權益，現金代價為人民幣500,000元（相等於約555,000港元）。股權轉讓協議書完成後，本集團將擁有清新縣飛來峽發興水務之83.33%權益，而餘下之16.67%權益將由一家中國國有企業擁有。清新縣飛來峽發興水務主要在中國廣東省清遠市清新縣若干地區從事供水服務。於二零零八年五月九日，本集團訂立另一協議，據此同意就清新縣飛來峽發興水務另行出資人民幣13,000,000元（相等於約14,429,000港元）。有關該等交易之進一步詳情已載列於本公司日期為二零零八年五月十四日之公佈內。

36. POST BALANCE SHEET EVENTS

Save as disclosed elsewhere in these financial statements, the Group had the following material post balance sheet events:

- (a) On 6 March 2008, the Group entered into an agreement (the "JV Agreement") with a company (the "JV Partner") which is indirectly wholly-owned by a substantial shareholder of the Company to form a joint venture (the "JV") which will be principally engaged in investment, construction, operation, management, contracting and consulting on waterworks in the PRC. The JV will be owned as to 40% by the Group and 60% by the JV Partner. Pursuant to the JV Agreement, the Group will inject an aggregate of RMB40,000,000 (equivalent to HK\$44,398,000) as capital injection and shareholder's loan. The JV Agreement was subsequently approved by the ordinary resolution passed on 18 April 2008. Further details about the transactions are set out in the Company's circular dated 31 March 2008.
- (b) On 29 April 2008, the Group entered into an equity transfer agreement (the "Equity Transfer Agreement") with an independent third party (the "Vendor") under which the Group agreed to buy and the Vendor agreed to sell 83.33% equity interest in a PRC entity, 清新縣飛來峽發興水務有限公司 ("清新縣飛來峽發興水務"), at cash consideration of RMB500,000 (equivalent to approximately HK\$555,000). Upon completion of the Equity Transfer Agreement, the Group will own 83.33% equity interest in 清新縣飛來峽發興水務 and the remaining 16.67% equity interests will be owned by a state-owned enterprise in the PRC. 清新縣飛來峽發興水務 is principally engaged in provision of water supply services in certain areas of Qingxin County, Qingyuan City, Guangdong Province, the PRC. On 9 May 2008, the Group entered into another agreement under which the Group agreed to inject further capital of RMB13,000,000 (equivalent to approximately HK\$14,429,000) to 清新縣飛來峽發興水務. Further details about the transactions are set out in the Company's announcement dated 14 May 2008.

財務概要 Financial Summary

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

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

業績

RESULTS

		截至三月三十一日止年度 For the years ended 31 March				
		二零零四年 2004 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
收益	Revenue	267,369	207,196	263,768	519,944	648,475
本年度溢利	Profit for the year	29,837	35,651	38,619	34,316	24,885

資產及負債

ASSETS AND LIABILITIES

		於三月三十一日 As at 31 March				
		二零零四年 2004 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
總資產	Total assets	151,830	113,010	210,206	356,948	773,315
總負債	Total liabilities	(115,629)	(60,953)	(75,532)	(196,196)	(335,477)
總權益	Total equity	36,201	52,057	134,674	160,752	437,838

附註：

Note:

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

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

明興水務控股有限公司
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