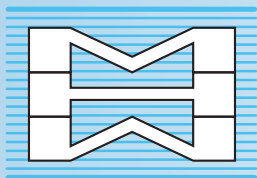


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明興水務控股有限公司

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

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公司資料

Corporate Information

董事

執行董事

原秋明先生 (主席)
原偉強先生
(副主席兼行政總裁)
蘇耀祥先生 (副主席)
張志文先生
(於二零零八年十月十五日調任)

獨立非執行董事

梁以德教授
廖長天先生
(於二零零九年二月二十日獲委任)
王立石先生
(於二零零八年十月十五日獲委任)
鍾麗幗女士
(於二零零九年一月一日辭任)
孫伯全先生
(於二零零九年四月一日辭任)
張志文先生
(於二零零八年十月十五日調任為執行董事)
鄭家銘先生
(於二零零八年十月一日獲委任及於二零零九年二月二十日辭任)

授權代表

原偉強先生
蘇耀祥先生

公司秘書

張志文先生
(於二零零八年十月十五日獲委任)
楊婉嫦女士
(於二零零八年十月十五日辭任)

DIRECTORS

Executive Directors

Mr. YUEN Chow Ming (*Chairman*)
Mr. YUEN Wai Keung
(*Deputy Chairman and Chief Executive Officer*)
Mr. SO Yiu Cheung (*Deputy Chairman*)
Mr. CHEUNG Chi Man, Dennis
(Re-designated on 15 October 2008)

Independent Non-Executive Directors

Professor LEUNG Yee Tak
Mr. LIAO Cheung Tin, Stephen
(Appointed on 20 February 2009)
Mr. WONG Lap Shek, Eddie
(Appointed on 15 October 2008)
Ms. CHUNG Lai Kwok, Elaine
(Resigned on 1 January 2009)
Mr. SUN Bo Quan
(Resigned on 1 April 2009)
Mr. CHEUNG Chi Man, Dennis
(Re-designated as an Executive Director on 15 October 2008)
Mr. CHENG Ka Ming, Martin
(Appointed on 1 October 2008 and resigned on 20 February 2009)

AUTHORISED REPRESENTATIVES

Mr. YUEN Wai Keung
Mr. SO Yiu Cheung

COMPANY SECRETARY

Mr. CHEUNG Chi Man, Dennis
(Appointed on 15 October 2008)
Ms. YEUNG Yuen Sheung
(Resigned on 15 October 2008)

審核委員會

王立石先生 (主席)
(於二零零八年十月十五日獲委任)
梁以德教授
廖長天先生
(於二零零九年二月二十日獲委任)
鍾麗嫻女士
(於二零零九年一月一日辭任)
張志文先生
(於二零零八年十月十五日辭任)
鄭家銘先生
(於二零零八年十月一日獲委任
及於二零零九年二月二十日辭任)

提名委員會

原偉強先生 (主席)
梁以德教授
王立石先生
(於二零零八年十月十五日獲委任)
張志文先生
(於二零零八年十月十五日辭任)

薪酬委員會

原偉強先生 (主席)
梁以德教授
王立石先生
(於二零零八年十月十五日獲委任)
張志文先生
(於二零零八年十月十五日辭任)

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

AUDIT COMMITTEE

Mr. WONG Lap Shek, Eddie (*Chairman*)
(Appointed on 15 October 2008)
Professor LEUNG Yee Tak
Mr. LIAO Cheung Tin, Stephen
(Appointed on 20 February 2009)
Ms. CHUNG Lai Kwok, Elaine
(Resigned on 1 January 2009)
Mr. CHEUNG Chi Man, Dennis
(Resigned on 15 October 2008)
Mr. CHENG Ka Ming, Martin
(Appointed on 1 October 2008
and resigned on 20 February 2009)

NOMINATION COMMITTEE

Mr. YUEN Wai Keung (*Chairman*)
Professor LEUNG Yee Tak
Mr. WONG Lap Shek, Eddie
(Appointed on 15 October 2008)
Mr. CHEUNG Chi Man, Dennis
(Resigned on 15 October 2008)

REMUNERATION COMMITTEE

Mr. YUEN Wai Keung (*Chairman*)
Professor LEUNG Yee Tak
Mr. WONG Lap Shek, Eddie
(Appointed on 15 October 2008)
Mr. CHEUNG Chi Man, Dennis
(Resigned on 15 October 2008)

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

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Telford House
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Kowloon Bay
Hong Kong

公司資料

Corporate Information

法律顧問

鄭黃林律師行
香港
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花園道1號
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核數師

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

主要往來銀行

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

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

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

PRINCIPAL BANKERS

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

PRINCIPAL SHARE REGISTRAR

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

BRANCH SHARE REGISTRAR

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

STOCK CODE

402

主席報告

Chairman's Statement

本人謹代表明興水務控股有限公司（「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」）截至二零零九年三月三十一日止年度之業績。

於回顧年內，明興透過積極競投政府工程，致力拓展香港市場的業務。與此同時，我們亦採取審慎的拓展策略，鞏固在內地的業務。

財務摘要

於回顧年內，本集團錄得收益660,900,000港元，較去年增加1.9%（二零零八年：648,500,000港元）。毛利較二零零八年財政年度的83,800,000港元下降17.2%至69,400,000港元。本公司權益持有人應佔溢利亦相應減少74.3%至6,400,000港元。每股基本盈利為0.713港仙。本公司截至二零零九年三月三十一日止年度並無宣派股息。

業務回顧

香港市場

本集團憑藉在香港水務行業擁有超過四十年的經驗，其香港業務一直穩步增長。鑒於香港特區政府（「政府」）在二零零八至零九年度的施政報告中表示將加快推行「十項大型基礎建設項目」，本集團已積極把握此機遇，加上政府的更換及修復水管計劃亦有利本集團的前景，故本集團於回顧年內積極提交標書，並藉著本集團在業內超卓的信譽，成功取得數份新合約。

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 2009.

During the year under review, Ming Hing placed significant efforts in generating business in Hong Kong by actively tendering for government projects. Concurrently, our prudent expansion strategy allowed us to consolidate the Mainland China business.

FINANCIAL HIGHLIGHTS

For the year under review, the Group recorded revenue of HK\$660.9 million, representing an increase of 1.9% over last year (2008: HK\$648.5 million). Gross profit experienced a decline of 17.2% to HK\$69.4 million compared with HK\$83.8 million recorded in FY2008. Profit attributable to equity holders of the Company likewise dipped to HK\$6.4 million, down 74.3%. Basic earnings per share amounted to HK0.713 cents. No dividend has been declared by the Company for year ended 31 March 2009.

BUSINESS REVIEW

Hong Kong Market

Possessing over 40 years of experience in Hong Kong's water supply services sector, our business in Hong Kong continued to achieve stable growth. With the Hong Kong SAR Government (the "Government") stepping up its implementation of the 10 large-scale infrastructure projects as part of the 2008-09 Policy Address, we have dedicated efforts to capitalise on this opportunity. Furthermore, the Water Mains Replacement and Rehabilitation Programme also offered immense prospects for the Group to generate greater revenue. Accordingly, we actively submitted tenders during the year and our reputation in the industry has provided important leverage for winning several contracts.

主席報告 Chairman's Statement

於回顧年內，本集團香港保養工程合約所帶來的收益為522,600,000港元，按年下跌11.2%（二零零八年：588,200,000港元），佔本集團總收益約79.1%（二零零八年：90.7%）。雖然本集團在二零零八年已完成了兩份保養工程合約，使有關的收益下降，但由於本集團取得有關防止山泥傾瀉工程及更換及修復水管計劃的新合約，抵銷了保養工程合約的減少。

以下是兩份來自香港土木工程拓展署的防止山泥傾瀉工程新合約：

- 延續十年的防止山泥傾瀉計劃第八期D組 — 九龍及新界斜坡及擋土牆防止山泥傾瀉工程（合約編號：GE/2008/15）
- 延續十年的防止山泥傾瀉計劃第八期E組 — 新界及離島防止山泥傾瀉工程（合約編號：GE/2008/08）

兩份工程合約總值約為120,000,000港元。

以下是兩份來自香港水務署的更換及修復水管計劃新合約：

- 更換及修復水管工程第三階段 — 東九龍水管工程（甲組）（合約編號：7/WSD/08）
- 更換及修復水管工程第三階段 — 港島南及離島水管工程（合約編號：18/WSD/08）

兩份工程合約將覆蓋約150公里的已老化水管，合約總值為1,000,000,000港元。

During the year under review, our Hong Kong operation generated revenue from maintenance contracts of HK\$522.6 million, down 11.2% year on year (2008: HK\$588.2 million), accounting for approximately 79.1% (2008: 90.7%) of the Group's total revenue. Despite a decline in revenue from maintenance contracts, which was due to the completion of two projects in 2008, our Hong Kong business is replenished by new contracts won for landslip prevention, and water mains replacement and rehabilitation.

The two new landslip preventive measures works contracts won from the Civil Engineering and Development Department ("**CEDD**") are as follows:

- 10 year extended LPM project, phase 8, package D – landslip preventive works for slopes and retaining walls in Kowloon and the New Territories (contract number: GE/2008/15)
- 10 year extended LPM project, phase 8, package E – landslip preventive works for slopes in the New Territories and Outlying Islands (contract number: GE/2008/08)

The combined value of the two contracts is approximately HK\$120 million in total.

The two new water mains replacement and rehabilitation project contracts won from the Water Supplies Department ("**WSD**") are as follows:

- Replacement and rehabilitation of water mains, stage 3 – mains in East Kowloon (package A) (contract number: 7/WSD/08)
- Replacement and rehabilitation of water mains, stage 3 – mains on Hong Kong Island South and Outlying Islands (contract number: 18/WSD/08)

The two contracts will cover about 150 kilometres of aged water mains valued at HK\$1 billion in total.

主席報告 Chairman's Statement

本集團的毛利下降至69,400,000港元(二零零八年: 83,800,000港元), 毛利率減少至10.5%(二零零八年: 12.9%), 主要由於原材料及勞工成本上漲所致。其中水管及配件、瀝青、混凝土、化學品及鋼鐵的成本於年內上升超過10%。因此本集團開始為實施企業資源規劃系統(ERP)進行裝備工作, 以助改善採購、訂貨程序及存貨管理。我們亦在中國設立部門直接採購更多物料、零件及元件。自二零零九年初開始, 本集團已直接採購各種管道及閥門, 並將會從中國直接採購更多物資以減低成本。

年內, 明興的專業服務及技術獲多個政府部門嘉許, 包括連續第二年獲香港特區政府土木工程拓展署轄下土力工程處嘉許為「最佳防止山泥傾瀉計劃工程承建商」, 以及由發展局頒發「公德地盤獎」。此外, 明興亦分別獲勞工處及職業安全健康局頒發「建造業安全獎勵計劃一優異獎」及「職業健康大獎一優異表現大獎」。

中國市場

本集團於二零零八年八月完成收購清遠供水處理廠, 截至結算日, 已向該供水處理廠增資達人民幣9,500,000元(相等於約10,800,000港元)。隨著當地的工業發展大大提升鄰近地區對水的需求, 我們深信, 透過提升效率及更有效管理經營成本, 該供水處理廠將於短期內帶來盈利。

The Group did record a drop in gross profit to HK\$69.4 million (2008: HK\$83.8 million) and gross margin declined to 10.5% (2008: 12.9%), mainly due to the increases in raw material and labour costs. Specifically, pipes and fittings, asphalt, concrete, chemicals and steel rose in cost by over 10% during the year. Thus, we have commenced preparation for the implementation of an Enterprise Resource Planning (ERP) system that will improve procurement, ordering process, and inventory control. A department in China has been established that allows us to directly source more raw materials, parts and components. Since the beginning of 2009, we have directly sourced various pipes and valves, and more items will be directly procured from China to minimise costs.

Ming Hing received recognition for its professionalism and expertise from several Government departments during the year. The Geotechnical Engineering Office, the Civil Engineering and Development Department of the HKSAR named Ming Hing "Best Landslip Preventive Measures Contractor" for the second consecutive year. We were one of the recipients of the "Considerate Contractors Site Awards," issued by the Development Bureau. In addition, Ming Hing was awarded with the "Construction Industry Safety Award Scheme – Meritorious Prize" and "Occupational Health Award – Merit Award" from the Labour Department and the Occupational Safety and Health Council respectively.

The PRC Market

The acquisition of the Qingyuan water treatment plant was completed in August 2008 and capital injected to this water treatment plant up to the balance sheet date amounted to RMB9.5 million (equivalent to approximately HK\$10.8 million). With the industrial development in the area whereby water demand will be increased drastically, we are confident that by improving efficiency and better management of operating costs, the water treatment plant will become profitable in the near future.

主席報告

Chairman's Statement

完成此項投資後，本集團出售了寧鄉自來水廠。二零零八年十月，本集團宣佈向中國水務集團有限公司（「中國水務」）出售明興中國水務有限公司（「出售事項」）之計劃。中國水務持有明興水務（長沙）有限公司（「明興長沙」）之全部股權。明興長沙主要在湖南省長沙市寧鄉縣從事提供自來水服務。然而，鑑於當地地方部門為了配合該區的大規模發展步伐而急速推行水利基建工程，本集團認為其所需的龐大投資金額與目前的經濟大環境不符。為減低投資風險，本集團後來接觸中國水務，該公司同意收購明興長沙全部股本權益。該交易於二零零八年十二月三十一日完成，免除了本集團之潛在的沉重資本承擔。管理層相信，出售事項可讓本集團維持財務上的靈活性，並能保留流動資金於未來收購合適的供水處理廠。出售明興長沙之代價與另一購回由中國水務所持本公司之128,000,000股普通股的交易代價相抵銷。

前景

香港市場 – 穩定收入來源

愈來愈多香港市民向政府表達了加快推行十項大型基建項目的訴求，而水務工程是基建工程的重要部分，本集團作為全港少數具備相關經驗的公司，擁有極大優勢可從這些計劃中受惠。此外，藉著明興所具備的資深經驗，獲得政府的更換及修復水管計劃，為本集團的香港業務帶來另一重要機遇。因此，我們有信心成功競投政府的工程，以賺取資金發展本集團在內地市場的未來業務，令業績更上一層樓。

Subsequent to this investment, we disposed of our water supply plant in Ningxiang. In October 2008, we announced to dispose of Ming Hing Waterworks Engineering (PRC) Limited, the entire equity holder of Ming Hing Waterworks (Changsha) Company Limited (“**Ming Hing (Changsha)**”), to China Water Affairs Group Limited (“**China Water**”) (the “**Disposal**”). Ming Hing (Changsha) has been principally providing water supply services in Ningxiang County, Changsha City, Hunan Province. However, with local authorities pushing for rapid water infrastructure development in order to keep pace with extensive growth in the area, we felt that the substantial investment required was not congruent with current economic conditions. Seeking to mitigate our investment risk, we subsequently approached China Water which agreed to acquire the entire equity interest in Ming Hing (Changsha). The transaction was completed on 31 December 2008, freeing us from potentially heavy capital commitments. The management believes the Disposal allows us to remain financially flexible and have the liquidity to acquire more suitable water treatment plants in the future. The consideration for disposing Ming Hing (Changsha) was offset against the consideration for another transaction to repurchase 128 million ordinary shares of the Company held by China Water.

PROSPECTS

Hong Kong Market – A Steady Source of Income

A growing number of Hong Kong residents have expressed eagerness for the Government to accelerate implementation of the 10 large-scale infrastructure projects. As water service engineering is a key element of infrastructure engineering works, and we are among a select few that possess such experience in Hong Kong, we are in an extremely strong position to benefit from these projects. The Government's Water Mains Replacement and Rehabilitation Programme presents another important opportunity for our Hong Kong operation, as our experience is substantial. We are therefore optimistic that our tender submissions to the Government will achieve positive results and the income derived will support the development of our PRC business, thus spurring further growth.

除了土木工程業務以外，本集團目前正與若干材料供應商洽談，旨在成為他們的獨家代理商，在香港及中國分銷水務工程物料。此項目可創造新的業務機會及收入來源，並讓明興受惠於物料成本的下降。

中國市場 – 長期增長動力

中國政府的第十一個五年計劃，將投放大量資金於環境保護及節約用水，而其人民幣40,000億元刺激經濟方案當中，其人民幣3,500億元會投放在水務方面，相信將有利明興業務在中國市場的長期增長；此外，水務市場的開放和水價改革均為優質水務供應商如明興等提供發展的機遇。而政府控制水源污染的新措施，也將為本集團參與污水處理項目帶來誘因；我們正在與一間韓國薄膜技術公司合作，預期在中國引入新的污水處理技術及低成本解決方案，從而加強本身的競爭優勢。

由於全球經濟展望仍然不明朗，本集團在進行收購時將會更為謹慎。在中國拓展業務的可行性研究將繼續進行，管理層亦會發掘其他有利可圖的投資機會，以保持集團的業務持續增長。

明興在水務行業中一向表現出色，故將會繼續透過專業技術以提升本集團在中國的地位。我們相信，長遠來說中國市場將成為一個重要的收益來源，有助推動本集團未來的業務增長。

Aside from our civil engineering business, we are currently in talks with several material suppliers with the goal of becoming their sole agent, distributing waterworks materials in Hong Kong and the PRC. This venture can open new possibilities and income streams as well as allow us to benefit from lower cost materials.

China Market – Long-term Growth Driver

Providing optimism for the Group's long-term growth in China is the PRC government's National 11th Five-Year Plan, which alluded to allocating considerable funds for environmental protection and water conservation. Out of the RMB4 trillion stimulus package, RMB350 billion will be spent for this purpose. In addition, liberalisation of the water market and water price reforms create fertile ground for quality water-service providers such as Ming Hing to grow and flourish. With new policies on controlling water pollution also being mandated, this will provide added incentive for us to participate in water sewage projects. We have also lined up partnership with a membrane expert company in Korea with a view to introducing new technology and cost effective solutions for sewage treatment in China, thus strengthening our competitive advantage.

Since the global economic outlook remains unclear, we will adopt a particularly cautious stance toward acquisitions. Discussions on possible business development in the PRC will continue, and the management will explore profitable investment opportunities to maintain the Group's sustained growth.

Possessing the highest level of competence in the water services industry, we will leverage our expertise to enhance Ming Hing's presence in the PRC. We are convinced that the Mainland market will provide a significant source of revenue in the long run and act as catalyst for the Group's future growth.

主席報告

Chairman's Statement

致力控制成本和維持毛利率

展望未來，本集團相信商品價格會繼續穩步上調，使毛利率受壓。為了紓緩這些壓力，管理層計劃聘用更多不同類型的供應商和分包商。本集團在中國設立物料採購公司，有助垂直整合業務、降低採購成本和開拓新收入來源，而本集團持續控制員工成本亦將有助改善毛利率。

致謝

本人謹藉此機會代表董事會對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。明興之全面策略可提升效益、服務質素和競爭力，我們期望本集團繼續穩步增長，為股東帶來滿意的回報。

主席
原秋明
二零零九年七月十七日

Efforts to Control Costs and Maintain Margin

Looking forward, it is believed that commodity prices will continue to increase steadily, placing pressure on the Group's profit margins. To alleviate this pressure, the management plans to employ a more diverse range of suppliers and sub-contractors. Establishing a material sourcing company in the PRC will also allow us to achieve vertical integration, reduce procurement costs and create a new source of income. Continuous control on staff costs will help optimise our margin as well.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to the management and staff for their diligence and dedication over the past year. With a comprehensive strategy in place for enhancing efficiency, service quality and competitiveness, we look forward to maintaining steady growth, and delivering satisfactory returns for our shareholders.

YUEN Chow Ming
Chairman
17 July 2009

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，72歲，執行董事，本公司及本集團主席兼創辦人。一九六七年，原先生與其他三位合夥人創立明興工程公司（「合夥公司」），一九八七年一月，原先生與蘇耀祥先生及其他兩位合夥人共同創立明興水務渠務工程有限公司，彼為創始董事之一。原先生於六十年代早期在廣東省業餘科技大學攻讀工程科學，在水務工程領域擁有逾三十六年的經驗，其中大多數時間致力於發展及管理本集團的水務項目。原先生於二零零四年十月二十九日獲委任為執行董事。自開業以來，原先生一直負責本集團的市場推廣、企業策略的制定、業務規劃及整體管理。原先生為原偉強先生之父親。

原偉強先生，42歲，本集團執行董事、副主席兼行政總裁，負責本集團整體業務管理及企業發展。原先生畢業於倫敦大學皇家科學、科技及醫藥學院，於一九九零年獲機械工程學學士學位。彼更於二零零零年獲得香港科技大學工商管理碩士學位。彼為香港工程師學會會員及英國機械工程師學會會員。原先生於一九九一年加入本集團，自此主要負責各類與本集團水務工程業務相關的工作。彼現為中國人民政治協商會議長沙市第十屆委員會委員。原先生於一九九六年成為明興水務渠務工程有限公司之董事。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 72, is an executive Director, the chairman and the founder of the Company and the Group. Mr. YUEN and three other partners found Ming Hing Engineering Company (the “Partnership”) in 1967. In January 1987, Mr. YUEN, together with Mr. SO Yiu Cheung and two other partners, established Ming Hing Waterworks Engineering Company Limited and he was one of the founding directors. Mr. YUEN studied engineering science at “廣東省業餘科技大學” in the early 1960s and has over 36 years’ experience in waterworks engineering, most time of which were devoted to developing and managing the Group’s waterworks projects. Mr. YUEN was appointed as an executive Director on 29 October 2004. Mr. YUEN has been since the inception of the business responsible for the marketing, formulation of corporate strategies, business planning and overall management of the Group. Mr. YUEN is the father of Mr. YUEN Wai Keung.

Mr. YUEN Wai Keung, aged 42, is an executive Director, the deputy chairman and the Chief Executive Officer of the Group and is responsible for the overall business management and corporate development of the Group. Mr. YUEN graduated from the Imperial College of Science, Technology and Medicine, University of London with a bachelor’s degree in mechanical engineering in 1990. Mr. YUEN also holds a master’s degree in business administration from the Hong Kong University of Science and Technology in 2000. Mr. YUEN is a member of The Hong Kong Institution of Engineers and a member of Institution of Mechanical Engineers (UK). Mr. YUEN joined the Group in 1991 and has since then been heavily involved in all aspects relating to the waterworks business of the Group. He is a member of The 10th Committee of Changsha City Chinese People’s Political Consultative Conference. Mr. YUEN became a director of Ming Hing Waterworks Engineering Company Limited in 1996. Mr. YUEN is the son of Mr. YUEN Chow Ming. Mr. YUEN was appointed as an executive Director on 2 June 2004.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

蘇耀祥先生，57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。

張志文先生，41歲，執行董事、財務總監兼公司秘書。張先生於會計及財務管理領域擁有逾十五之經驗。於擔任本公司上述職位前，他曾於一間於香港聯合交易所有限公司主板上市之公司擔任中國區域之財務總監。張先生持有澳洲新南威爾斯大學商業碩士學位。張先生為香港會計師公會會員及澳洲會計師公會會員。張先生於二零零八年十月十五日獲委任為執行董事。

獨立非執行董事

梁以德教授，60歲，於二零零五年十一月十一日獲委任為獨立非執行董事。梁教授持有英國伯明翰阿斯顿大學理學碩士學位、理學博士學位及哲學博士學位。彼為英國皇家航空學會及英國皇家測量師學會資深會員，現任香港城市大學建築系講座教授。

Mr. SO Yiu Cheung, aged 57, 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. CHEUNG Chi Man, aged 41, is an executive Director, Chief Financial Officer and Company Secretary. Mr. CHEUNG has over 15 years of experience in accounting and financial management. Prior to taking up the above-mentioned posts of the Company, he has been the chief financial officer of the China division of a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. CHEUNG holds a Master's degree in Commerce from the University of New South Wales, Australia. Mr. CHEUNG is a member of the Hong Kong Institute of Certified Public Accountants and Australian Society of Certified Practising Accountants. Mr. CHEUNG was appointed as an executive Director on 15 October 2008.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor LEUNG Yee Tak, aged 60, is an independent non-executive Director and was appointed on 11 November 2005. Professor LEUNG holds a master's degree of science, a doctorate degree of science and a doctorate degree of philosophy from the University of Aston in Birmingham in the UK. Professor LEUNG is a fellow of the Royal Aeronautical Society, a fellow of the Royal Institution of Chartered Surveyor, and he is currently the Chair Professor of the Department of Building and Construction of the City University of Hong Kong.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

廖長天先生，47歲，於二零零九年二月二十日獲委任為獨立非執行董事。廖先生於商貿界擁有逾二十三年之經驗。廖先生現為Sky Holdings Group Limited企業發展部總經理。廖先生持有倫敦大學之化學及管理學聯合榮譽學位。廖先生於一九八五年回流香港，其後曾擔任國際及本地上市及私人公司之高級管理層職位。廖先生亦於多個非牟利機構工作，並為廣西欽州市政協委員、廣西青年企業家協會副會長、廣西桂林青年聯合會副主席、廣西欽州市海外聯誼會常務理事及廣西青年聯合會委員。

王立石先生，44歲，於二零零八年十月十五日獲委任為獨立非執行董事。王先生於會計及財務管理領域擁有逾十五年之經驗。王先生目前為TAG Aviation Asia Limited之董事及Flight Training Adelaide Pty Ltd.之董事。王先生亦為Young Brothers Aviation Ltd. (一間擁有全球業務而主要業務涉及投資及管理航空業務相關資產之公司)之財務總監。王先生持有科廷科技大學會計商業學士學位及清華大學法律學士學位。王先生為香港會計師公會會員及澳洲會計師公會會員。

高級管理人員

馬詠豪先生，41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十九年經驗。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。

Mr. LIAO Cheung Tin, Stephen, aged 47, is an independent non-executive Director and was appointed on 20 February 2009. Mr. LIAO has over 23 years experience in the trade and commerce industry. Mr. LIAO is currently the general manager of the corporate development division of Sky Holdings Group Limited. Mr. LIAO holds a Joint-honors degree in Chemistry with Management Studies from the University of London. Mr. LIAO returned back to Hong Kong in 1985 and had held senior management positions in both international and local listed and private companies since then. Mr. LIAO also serves in various non-profit organizations and is the member of Guangxi Qinzhou Chinese People's Political Consultative Conference, the Vice-President of Guangxi Youth Entrepreneur Association, the Vice-Chairman of Guangxi Guilin Youth Federation, the Executive Member of Guangxi Qinzhou Overseas Friendship Association and the Committee Member of Guangxi Youth Federation.

Mr. WONG Lap Shek, Eddie, aged 44, is an independent non-executive Director and was appointed on 15 October 2008. Mr. WONG has over 15 years of experience in accounting and financial management. Mr. WONG is currently a director of TAG Aviation Asia Limited and a director of Flight Training Adelaide Pty Ltd. Mr. WONG is also the chief financial officer of Young Brothers Aviation Ltd., which is a company with global operation and whose major business involves investment and management of aviation related assets. Mr. WONG holds a Bachelor of business degree in Accounting from Curtin University of Technology and a Bachelor's degree in Chinese Law from Tsinghua University. Mr. WONG is a member of the Hong Kong Institute of Certified Public Accountants and Australian Society of Certified Practising Accountants.

SENIOR MANAGEMENT

Mr. MA Ving Hoo, aged 41, 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 19 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 (MCIQB) and American Institute of Constructors (MAIC). Mr. MA joined the Group in June 2005.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

廖興福先生，57歲，副總經理，負責管理本集團的工程項目。廖先生於一九七六年獲倫敦泰晤士理工學院土木工程學理學學士學位。彼擁有逾三十年的管理經驗，其中十七年任職於金門建築有限公司，負責管理大型及技術上複雜的項目，該等項目涵蓋土木建築的各個領域，例如大埔自來水處理廠、西區海底隧道、三號幹線郊野公園段、九廣鐵路摩地行人隧道及深港西部通道。在加入本集團之前，彼正在參與澳門威尼斯人發展項目大型工程。廖先生於二零零九年三月加入本集團。

蘇世坤先生，58歲，本集團高級項目經理，主要負責中國內地水務項目的採購及管理。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。蘇先生對水務行業，包括供水處理廠及抽水站等水務設備的設計、運作及保養擁有著豐富的經驗。蘇先生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。

莊良杰先生，56歲，本集團項目總管，負責管理新界東水務保養合約工程。彼持有珠海學院土木工程學士學位。莊先生在土木工程領域擁有逾三十年工程項目的管理經驗。莊先生於大專畢業後加入金門建築有限公司，並曾參與多項大型工程，如太古城的地基工程、瑪麗醫院擴建，龍翔道及呈翔道改善工程。莊先生於二零零四年十一月加入本集團。

Mr. LIU Hing Fook, aged 57, is the Deputy General Manager, responsible for the management of the Group's projects. Mr. LIU holds a bachelor's degree of Science in Civil Engineering from London Thames Polytechnics in 1976, he has over 30 years of management experience, with 17 years working with Gammon Construction Ltd., managing large and technically complex projects, covering all aspects of civil construction, such as Tai Po Water Treatment, Western Harbour Crossing, Route 3 Country Park Section, Mody Road Subway for KCRC and Hong Kong- Shenzhen Western Corridor. Before joining us, Mr. LIU is working in the mega project for Venetian Development in Macau. Mr. LIU joined the Group in March 2009.

Mr. SO Sai Kwan, aged 58, 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. Mr. SO 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. Mr. SO retired from WSD in 2006 and joined the Group in April 2007.

Mr. CHONG Leung Kit, aged 56, is the Site Agent of the Group and is responsible for the management of waterworks maintenance project at New Territories East. Mr. CHONG holds a Bachelor's degree of Science in Civil Engineering from the Chu Hai College. Mr. CHONG has over thirty years project management experience. Mr. CHONG worked for Gammon Construction Ltd. since graduation from college and had participated several mega construction projects, such as the foundation work of Taikoo Shing, extension of Queen's Mary Hospital, improvement works for Lung Cheung Road & Ching Cheung Road. Mr. CHONG joined Ming Hing Group in November 2004.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

方文恩女士，34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，39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。

譚錚毅先生，34歲，本集團財務經理，負責本集團的財務管理。譚先生在審計及會計領域擁有逾十年的經驗。彼持有香港中文大學工商管理學學士學位。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。彼於二零零八年十月加入本集團。

王偉俊先生，31歲，本集團財務經理（中國），負責管理中國內地的財務事務。王先生在審計及會計領域擁有約七年的經驗。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。

Ms. FONG Man Yan, aged 34, 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 39, 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 Tsang Ngai, aged 34, is the Finance Manager of the Group and responsible for the financial management of the Group. Mr. TAM has over ten years of experience in the auditing and accounting field. Mr. TAM holds a bachelor's degree in Business Administration from the Chinese University of Hong Kong. Mr. TAM 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. Mr. TAM joined the Group in October 2008.

Mr. WONG Wai Chun, Alex, aged 31, is the Finance Manager (PRC) of the Group and is responsible for the management of the financial works in the Mainland China. Mr. WONG has about seven 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.

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二零零九年三月三十一日止年度之經審核財務報表。

主要業務

本公司為投資控股公司。本集團各成員公司之主要業務詳情載於財務報表附註16。

本集團之主要業務為向香港公營機構提供有關水務工程、道路、渠務及斜坡加固工程之土木工程合約的保養及建造工程服務，及在中國內地從事供水服務。

業績及盈利分配

本集團截至二零零九年三月三十一日止年度之業績及本集團與本公司於當日之財務狀況載於第41至139頁之財務報表。

董事會截至二零零九年三月三十一日止年度不建議派付股息。

集團財務概要

本集團過去五個財政年度之業績及資產負債概要載於第140頁。

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 2009.

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, as well as the provision of water supply services in Mainland China.

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2009 and the state of affairs of the Group and the Company at that date are set out in the financial statements on pages 41 to 139.

No dividend has been recommended by the Board for the year ended 31 March 2009.

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 140.

物業、廠房及設備

本集團於截至二零零九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

本公司於截至二零零九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二零零九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。

優先購買權

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

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year ended 31 March 2009 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 2009, 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 2009 are set out in the consolidated statement of changes in equity and note 28 to the financial statements respectively.

PRE-EMPTIVE RIGHTS

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

董事會報告

Directors' Report

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其本身股份（「股份」）如下：

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year under review, the Company has repurchased its own shares (the "Shares") on the Stock Exchange as follows:

日期	Date	購回股份數目 Number of Shares repurchased	最高每股購買價	最低每股購買價	總價 Total price
			per Share	per Share	
			港元 HK\$	港元 HK\$	港元 HK\$
二零零八年四月十日	10 April 2008	200,000	0.470	0.465	93,500
二零零八年四月十一日	11 April 2008	200,000	0.480	0.480	96,000
二零零八年四月十四日	14 April 2008	200,000	0.475	0.475	95,000
二零零八年四月十五日	15 April 2008	200,000	0.440	0.440	88,000
二零零八年四月十六日	16 April 2008	200,000	0.445	0.445	89,000
二零零八年四月十七日	17 April 2008	200,000	0.465	0.465	93,000
二零零八年四月十八日	18 April 2008	200,000	0.465	0.465	93,000
二零零八年四月二十一日	21 April 2008	200,000	0.460	0.460	92,000
二零零八年四月二十二日	22 April 2008	200,000	0.465	0.465	93,000
		1,800,000			832,500

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750,000港元，已於股份溢價賬扣除。

The repurchased Shares were subsequently cancelled by the Company. The issued share capital of the Company was reduced by the par value thereof. The premium paid for the repurchase of Shares and the related expenses, in the amount of HK\$750,000, were charged to the share premium account.

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年內購回股份，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。

The repurchase of Shares during the year 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.

購買、贖回或出售本公司之上市證券 (續)

於二零零八年十二月三十一日，本公司根據與中國水務集團有限公司(「中國水務」)於二零零八年九月十八日簽訂之協議，按購回價每股0.42港元向中國水務購回128,000,000股股份(「場外購回」)。場外購回之總額53,760,000港元用於抵銷於下文關連交易中所披露之出售本集團之若干附屬公司(「出售事項」)之代價。協議及場外購回之詳情載於本公司日期為二零零八年十一月三日之通函。

本公司隨後註銷128,000,000股購回股份。本公司之已發行股本按面值削減。購回128,000,000股股份所付之溢價及有關費用為47,468,000港元，已於股份溢價賬扣除。董事乃根據本公司於二零零八年十一月二十七日舉行之股東特別大會上獲本公司股東通過之特別決議案進行場外購回。

除上述披露者外，截至二零零九年三月三十一日止年度，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)

原偉強先生

(副主席兼行政總裁)

蘇耀祥先生(副主席)

張志文先生(於二零零八年十月十五日調任)

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

On 31 December 2008, the Company has repurchased 128,000,000 Shares from China Water Affairs Group Limited ("China Water") at the repurchase price of HK\$0.42 per share (the "Off-market Repurchase") pursuant to the agreement entered into between the Company and China Water on 18 September 2008. The aggregate amount of HK\$53,760,000 for the Off-market Repurchase was used to set off the consideration for the disposal of certain subsidiaries of the Group (the "Disposal") as disclosed in connected transaction below. Details of the agreement and Off-market Repurchase are set out in the circular of the Company date 3 November 2008.

The repurchased 128,000,000 Shares were subsequently cancelled by the Company. The issued share capital of the Company was reduced by the par value thereof. The premium paid for the repurchase of 128,000,000 Shares and the related expenses, in the amount of HK\$47,468,000, were charged to the share premium account. The Off-market Repurchase was effected by the Directors pursuant to the special resolution passed by the shareholders of the Company at the extraordinary general meeting of the Company held on 27 November 2008.

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 2009.

DIRECTORS

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

Executive Directors

Mr. YUEN Chow Ming (Chairman)

Mr. YUEN Wai Keung

(Deputy Chairman and Chief Executive Officer)

Mr. SO Yiu Cheung (Deputy Chairman)

Mr. CHEUNG Chi Man, Dennis (Re-designated on 15 October 2008)

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董事 (續)

獨立非執行董事

梁以德教授
廖長天先生
(於二零零九年二月二十日獲委任)
王立石先生
(於二零零八年十月十五日獲委任)
鍾麗幟女士
(於二零零九年一月一日辭任)
孫伯全先生(於二零零九年四月一日辭任)
張志文先生(於二零零八年十月十五日
調任為執行董事)
鄭家銘先生(於二零零八年十月一日
獲委任及於二零零九年二月二十日辭任)

根據組織章程細則第86(3)條，廖長天先生及王立石先生將留任直至應屆股東週年大會，並合資格膺選連任。

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

本公司已接獲各獨立非執行董事根據聯交所證券上市規則(「上市規則」)第3.13條發出之獨立性確認書。本公司認為所有獨立非執行董事均屬獨立。

DIRECTORS (Continued)

Independent non-executive Directors

Professor LEUNG Yee Tak
Mr. LIAO Cheung Tin, Stephen
(Appointed on 20 February 2009)
Mr. WONG Lap Shek, Eddie
(Appointed on 15 October 2008)
Ms. CHUNG Lai Kwok, Elaine
(Resigned on 1 January 2009)
Mr. SUN Bo Quan (Resigned on 1 April 2009)
Mr. CHEUNG Chi Man, Dennis (Re-designated as
an Executive Director on 15 October 2008)
Mr. CHENG Ka Ming, Martin (Appointed on 1 October 2008 and
resigned on 20 February 2009)

In accordance with article 86(3) of the Articles, Mr. LIAO Cheung Tin, Stephen and Mr. WONG Lap Shek, Eddie, shall hold office until the forthcoming annual general meeting and, being eligible, shall offer themselves for re-election.

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

The Company has received, from each of the independent non-executive Director, a confirmation of his independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). The Company considers that all the independent non-executive Directors are independent.

董事之服務合約

原秋明先生、蘇耀祥先生及原偉強先生已各自與本公司訂立服務合約，任期自二零零九年三月一日起計為期三年。張志文先生已與本公司訂立服務合約，任期自二零零八年十月十五日起計為期三年。本公司或執行董事均可於彼等各自之合約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。

廖長天先生為獨立非執行董事，已於二零零九年二月二十日與本公司訂立委任書，固定任期由二零零九年二月二十日起至二零一零年一月三十一日止，並可由任何一方發出一個月書面通知予以終止。王立石先生為獨立非執行董事，已於二零零八年九月二十六日與本公司訂立委任書，固定任期由二零零八年十月十五日起至二零零九年九月三十日止，並可由任何一方發出一個月書面通知予以終止。獨立非執行董事孫伯全先生已與本公司訂立委任書，任期由二零零八年十月一日起計至二零零九年三月三十一日，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如梁以德教授已與本公司訂立委任書，任期由二零零八年十一月一日起計為期一年，並可由任何一方發出一個月書面通知予以終止。

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

董事及五位最高薪人士之酬金

董事及五位本集團最高薪人士之酬金詳情載於財務報表附註13。

DIRECTORS' SERVICE CONTRACTS

Mr. YUEN Chow Ming, Mr. SO Yiu Cheung and Mr. YUEN Wai Keung, each of them has entered into a service contract with the Company for a term of three years commencing on 1 March 2009. Mr. CHEUNG Chi Man, Dennis has entered into a service contract with the Company for a term of three years commencing on 15 October 2008. Either the Company or the executive Director may, after one year of the commencement date of their respective contract, terminate the appointment of the executive Director by giving to the other party not less than six months' written notice of termination or by payment in lieu of such notice.

Mr. LIAO Cheung Tin, Stephen, an independent non-executive Director, has entered into a letter of appointment with the Company on 20 February 2009 for a fixed term commencing on 20 February 2009 and ending on 31 January 2010 and may be terminated by either party by giving one month's written notice. Mr. WONG Lap Shek, Eddie, an independent non-executive Director, has entered into a letter of appointment with the Company on 26 September 2008 for a fixed term commencing on 15 October 2008 and ending on 30 September 2009 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 commencing on 1 October 2008 and ending on 31 March 2009 and may be terminated by either party by giving one month's written notice. For the rest of the independent non-executive Director, Professor LEUNG Yee Tak has entered into a letter of appointment with the Company for a term of one year commencing on 1 November 2008 and may be terminated by either party by giving one month's written notice.

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

DIRECTORS' AND THE FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Details of the emoluments of the Directors and of the five highest paid individuals of the Group are set out in note 13 to the financial statements.

董事會報告

Directors' Report

持續關連交易

於二零零五年十一月十六日，明興水務渠務工程有限公司(承租人)與君明有限公司(出租人)就位於香港九龍灣宏開道16號德福大廈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，月租為82,000港元。原秋明先生、原偉強先生及蘇耀祥先生均為本公司之執行董事，於君明有限公司分別擁有34%、33%及33%之股權。因此，君明有限公司為本公司三名董事之聯繫人，租賃協議之續期相當於一項持續關連交易，惟可獲豁免上市規則有關申報、公告及獨立股東批准之規定。

獨立非執行董事認為該等交易乃由本集團：

- (a) 於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。

本年度內關聯方交易之詳情請參閱財務報表附註34。

關連交易

於二零零八年九月十八日，本集團與中國水務訂立協議，出售其間接全資附屬公司明興中國水務有限公司(「明興中國」)之全部已發行股本，並向中國水務轉讓明興中國於出售完成日期欠負本集團或產生之所有責任、負債及債務(「出售事項」)，總代價為53,760,000港元(「銷售集團代價」)。

出售事項之代價與由本公司購回之128,000,000股股份之代價(相等於購回價每股股份0.42港元(「購回股份代價」))全數對銷。

CONTINUING CONNECTED TRANSACTIONS

On 16 November 2005, Ming Hing Waterworks Engineering Company Limited, as Lessee, and Grand Media Limited, as Lessor, entered into a lease agreement (the "**Lease Agreement**") regarding the premises of Units 1809-1812, 18th Floor, Telford House, No. 16 Wang Hoi Road, Kowloon, Hong Kong. The Lease Agreement was renewed on 5 March 2008 with identical terms and conditions except for a lease term of from 1 April 2008 to 31 March 2011 at a monthly rental of HK\$82,000. Mr. Yuen Chow Ming, Mr. Yuen Wai Keung and Mr. So Yiu Cheung, all being executive Directors of the Company, have equity interest of 34%, 33% and 33% respectively in Grand Media Limited. Therefore, Grand Media Limited is an associate of the three Directors of the Company and the renewal of the Lease Agreement amounted to a continuing connected transaction exempt from reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

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

- (a) in the ordinary and usual course of business;
- (b) on normal commercial terms or on terms no less favourable to the Group than terms available to/from (as appropriate) independent third parties; and
- (c) in accordance with the terms of the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Please also refer to related party transactions for the year as set out in note 34 to the financial statements.

CONNECTED TRANSACTIONS

On 18 September 2008, the Group entered into an agreement with China Water for the disposal of the entire issued capital of its indirect wholly-owned subsidiary, Ming Hing Waterworks Engineering (PRC) Limited ("**MH PRC**"), and to assign to China Water all obligations, liabilities and debts owing or incurred by MH PRC to the Group on the completion date of the disposal (the "**Disposal**") at the consideration of HK\$53,760,000 (the "**Sale Group Consideration**").

The consideration for the Disposal was entirely offset against the consideration of the 128,000,000 shares repurchased by the Company equivalent to a repurchase price of HK\$0.42 per Share ("**Repurchase Shares Consideration**").

關連交易 (續)

銷售集團代價及購回股份代價乃本公司及中國水務經公平磋商各自釐定，並已互相對銷，以便結清賬目，避免不必要的現金流變動。

明興中國擁有明興水務(長沙)有限公司(「明興長沙」)之100%股權。明興長沙主要從事在寧鄉縣提供自來水服務。如附註29所披露，本公司於上一財政年度根據於二零零七年八月三十一日簽訂之一項協議向寧鄉自來水購得明興長沙之主要經營資產。

由於本公司並未計劃於明興長沙營運初期就新基建工程投入龐大資源以及此類型基建投資在短時間內需要龐大投資，且回報一般需時，故本公司認為邀請投資者共同投資新廠房以分散投資風險較為穩妥。本公司為了盡量減低本集團之業務風險及財務風險，並考慮到難以覓得如中國水務一般在中國供水行業擁有合適專業知識及有足夠財力之其他自願性買家，故此訂立上述交易。交易詳情載於日期為二零零八年十一月三日之本公司通函內。

出售事項構成一項須予披露及關連交易，須遵守上市規則有關申報、公告及獨立股東批准之規定。本公司確認符合上市規則之披露規定。

董事於合約之權益

除財務報表附註34所披露外，各董事概無擁有本公司或其任何附屬公司於本年度所訂立且與本集團業務有關連之重大合約之直接或間接重大實益權益。

CONNECTED TRANSACTIONS (Continued)

The Sale Group Consideration and the Repurchase Shares Consideration were separately determined between the Company and China Water after arm's length negotiations and were set off against each other to facilitate settling arrangement to avoid unnecessary cash flow movements.

MH PRC has 100% equity interests in Ming Hing Waterworks (Changsha) Company Limited ("MH Changsha") which is principally engaged in the provision of water supply services in Ningxiang County. As disclosed in Note 29, the major operating assets of MH Changsha were acquired by the Company in the last financial year from Ningxiang Water pursuant to an agreement signed on 31 August 2007.

As the Company has not planned for massive investments on new infrastructure works within the first years of operation of Ming Hing (Changsha) and in view of the magnitude of the investments required within a short period of time, and the normal time lag on return for infrastructure investments of this kind, the Company considers it to be prudent to diversify its investments risk by inviting co-investors to the new plants. In order to minimize the business risk and financial exposure of the Group and take into account the difficulties in finding another willing buyer which would, like China Water, possess the appropriate expertise in the PRC water supply industry and sufficient financial capability, the Company entered into such transaction. Details of the transaction are set out in the circular of the Company dated 3 November 2008.

The Disposal constituted a discloseable and connected transaction subject to the reporting, announcement and independent shareholders approval requirements of the Listing Rules. The Company confirms that it has complied with the disclosure requirements of the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 34 to the financial statements, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

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

於二零零九年三月三十一日，董事於本公司及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條須列入本公司所存置之股東名冊之權益，或根據上市發行人董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所之權益如下：

(a) 於本公司每股面值0.05港元之普通股之長倉

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	56.67%
原偉強先生 Mr. YUEN Wai Keung	2	受控制法團之權益 Interest of controlled corporation 個人權益 Personal	453,888,000 5,704,000	56.67% 0.71%
蘇耀祥先生 Mr. SO Yiu Cheung	3	受控制法團之權益 Interest of controlled corporation 個人權益 Personal	453,888,000 2,000,000	56.67% 0.25%

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。

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

As at 31 March 2009, 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code"):

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

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.

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：(續)

- (2) 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。
- (3) 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。

(b) 於相聯法團之股份之實益權益

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: (Continued)

- (2) 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.
- (3) 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.

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

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)

(b) 於相聯法團之股份之實益權益 (續)

附註：

- (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該四股股份中的權益。
- (2) 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該四股股份中的權益。
- (3) 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該四股股份中的權益。

(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，而於二零零九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)

(b) Beneficial interests in the shares of associated corporations (Continued)

Notes:

- (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 four shares in Robinhoods.
- (2) 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 four shares in Robinhoods.
- (3) 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 four shares in Robinhoods.

(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 2009 were as follows:

董事會報告 Directors' Report

董事於本公司及其相聯法團之股份及相關股份之權益 (續)

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

(c) 於相關股份之長倉 (續)

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

董事姓名 Name of Director	授出日期 Date of grant	身份 Capacity	購股權涉及 的相關股份數目 Number of underlying Shares comprised in the share options	行使期 Exercisable period	每股行使價 Exercise price per share
原秋明先生 Mr. YUEN Chow Ming	二零零七年四月十七日 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
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
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
	二零零九年二月十八日 18 February 2009	實益擁有人 Beneficial owner	8,000,000	二零零九年二月十八日至 二零一二年二月二十九日 18 February 2009 to 29 February 2012	0.148港元 HK\$0.148
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
孫伯全先生 (於二零零九年 四月一日辭任) Mr. SUN Bo Quan (resigned on 1 April April 2009)	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

除上文披露者外，於二零零九年三月三十一日，董事及彼等之聯繫人概無於本公司或其任何相聯法團之股份及相關股份中擁有根據證券及期貨條例第352條須登記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。

Save as disclosed above, as at 31 March 2009, none of the Directors and their associates, had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事會報告

Directors' Report

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。

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，於二零零九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	56.67%
Able Promise	受控制法團之權益 Interest of controlled corporation	453,888,000	56.67%
Foremost Time	受控制法團之權益 Interest of controlled corporation	453,888,000	56.67%
Group Honour	受控制法團之權益 Interest of controlled corporation	453,888,000	56.67%

除上文所披露者外，於二零零九年三月三十一日，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。

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.

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 2009, 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

Save as disclosed above, at 31 March 2009, no other interest 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。

酬金政策

本公司有關僱員（包括董事）酬金之政策如下：

- (i) 酬金額按有關僱員之經驗、責任、工作量及向本集團付出之時間釐定；
- (ii) 可根據僱員之酬金安排，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（「購股權計劃」）授予僱員購股權，作為彼等酬金安排之一部份。

購股權計劃

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總收益、總分包費用及購買物料之百分比如下：

收益	
– 最大客戶	48.6%
– 五大客戶合計	95.6%
分包費用	
– 最大分包商	6.8%
– 五大分包商合計	26.4%
購買物料	
– 最大供應商	12.8%
– 五大供應商合計	41.6%

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

EMOLUMENT POLICY

The Company's policies concerning emoluments of the employees (including the Directors) are as follows:

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

SHARE OPTION SCHEME

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

Revenue	
– the largest customer	48.6%
– five largest customers combined	95.6%
Sub-contracting costs	
– the largest sub-contractor	6.8%
– five largest sub-contractors combined	26.4%
Purchases of materials	
– the largest supplier	12.8%
– five largest suppliers combined	41.6%

董事會報告

Directors' Report

主要供應商及客戶 (續)

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

企業管治

本公司之企業管治原則及常規載於本報告第32至38頁。

足夠公眾持股量

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

慈善捐款

本集團於本年度內作出慈善捐款為284,000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，包括王立石先生(審核委員會主席)、梁以德教授及廖長天先生。審核委員會已審閱截至二零零九年三月三十一日止年度之業績。

MAJOR SUPPLIERS AND CUSTOMERS (Continued)

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

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out on pages 32 to 38 of this report.

SUFFICIENCY OF PUBLIC FLOAT

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

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounted to HK\$284,000.

AUDIT COMMITTEE

In compliance with rule 3.21 of the Listing Rules, the Board established an audit committee (the "Audit Committee") on 11 November 2005, with written terms of reference set out in "A Guide For The Formation Of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants adopted as the terms of reference of the Audit Committee. The primary duties of the Audit Committee are to review the financial reporting procedures and internal control and provides guidance in relation thereto. The Audit Committee comprises three independent non-executive Directors, namely, Mr. WONG Lap Shek, Eddie (as Chairman of the Audit Committee), Professor LEUNG Yee Tak and Mr. LIAO Cheung Tin, Stephen. The annual results for the year ended 31 March 2009 have been reviewed by the Audit Committee.

核數師

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

代表董事會
明興水務控股有限公司
主席
原秋明

香港，二零零九年七月十七日

AUDITORS

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

On behalf of the Board
Ming Hing Waterworks Holdings Limited
YUEN Chow Ming
Chairman

Hong Kong, 17 July 2009

企業管治報告

Corporate Governance Report

企業管治常規守則

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

於截至二零零九年三月三十一日止年度，本公司一直遵守上市規則附錄十四所載之企業管治常規守則（「守則」）之適用守則條文。

董事會

董事會目前由四名執行董事及三名獨立非執行董事組成。四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，以及確保遵守相關法定規定、規則與規例。為履行其職責，董事會定期舉行會議，並以真誠、盡責及審慎之方式行事。

THE CODE ON CORPORATE GOVERNANCE PRACTICES

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

The Company has complied with the applicable code provisions set out in the Code of Corporate Governance Practices (the “Code”) set out in appendix 14 to the Listing Rules for the year ended 31 March 2009.

BOARD OF DIRECTORS

The Board currently consists of four executive Directors and three independent non-executive Directors. All four 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 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

截至二零零九年三月三十一日止年度，董事會之組成及其於董事會全體定期會議及其他委員會會議之相關出席率如下：

The composition of the Board and their respective attendance in the regular full Board meetings and other committee meetings for year ended 31 March 2009 are as follows:

		會議出席次數／舉行次數			
		No. of meetings attended/held			
		董事會	審核委員會會議	提名委員會會議	薪酬委員會會議
		全體定期會議	Audit	Nomination	Remuneration
		Regular Full	Committee	Committee	Committee
		Board Meeting	Meeting	Meeting	Meeting
執行董事	Executive Directors				
原秋明 (主席)	YUEN Chow Ming (Chairman)	7/10	-	-	-
原偉強	YUEN Wai Keung	10/10	-	3/3	5/5
蘇耀祥	SO Yiu Cheung	9/10	-	-	-
張志文	CHEUNG Chi Man, Dennis	6/10	-	-	-
獨立非執行董事	Independent non-executive Directors				
梁以德	LEUNG Yee Tak	6/10	2/3	3/3	4/5
廖長天 (於二零零九年二月二十日獲委任)	LIAO Cheung Tin, Stephen (appointed on 20 February 2009)	1/10	-	-	-
王立石 (於二零零八年十月十五日獲委任)	WONG Lap Shek, Eddie (appointed on 15 October 2008)	5/10	1/3	1/3	3/5
孫伯全 (於二零零九年四月一日辭任)	SUN Bo Quan (resigned on 1 April 2009)	0/10	-	-	-
鄭家銘 (於二零零八年十月一日獲委任及於二零零九年二月二十日辭任)	CHENG Ka Ming, Martin (appointed on 1 October 2008 and resigned on 20 February 2009)	4/10	1/3	-	-
鍾麗嫻 (於二零零八年十二月三十一日辭任)	CHUNG Lai Kwok, Elaine (resigned on 31 December 2008)	6/10	3/3	-	-
張志文 (於二零零八年十月十五日調任為執行董事)	CHEUNG Chi Man, Dennis (re-designated as an Executive Director on 15 October 2008)	4/10	2/3	2/3	2/5

獨立非執行董事之數目符合上市規則之規定，而王立石先生具有適當的會計專業資格。在委任王立石先生之前，當時為獨立非執行董事之張志文先生擁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。本公司認為，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. WONG Lap Shek, Eddie has appropriate accounting professional qualifications. Before the appointment of Mr. WONG Lap Shek, Eddie, Mr. CHEUNG Chi Man, Dennis (then as an independent non-executive Director) had appropriate accounting professional qualifications. The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors meet the independence guidelines set out in rule 3.13 of the Listing Rules.

企業管治報告

Corporate Governance Report

王立石先生於二零零八年十月十五日獲委任為獨立非執行董事，而廖長天先生已獲委任為獨立非執行董事，任期由二零零九年二月二十日起為期一年，而梁以德教授亦已獲重新委任，任期由二零零八年十一月一日起為期一年。所有獨立非執行董事之委任可於任何一方發出一個月書面通知書予以終止，另須根據本公司組織章程細則於本公司股東週年大會上輪席退任。

於截至二零零九年三月三十一日止年度，舉行了十次董事會全體會議。董事會會議記錄由本公司公司秘書存置，以供本公司董事及核數師查閱。

主席及行政總裁之角色

主席及行政總裁由兩位不同人士擔任，各有不同的職責，以確保其各自的獨立性及問責性。主席原秋明先生負責領導及制定本集團之企業策略。行政總裁原偉強先生負責本集團之整體業務管理及企業發展。原秋明先生為原偉強先生之父親。董事之進一步資料已載於本報告第11至15頁之「董事及高級管理人員簡歷」一詳內。

Mr. WONG Lap Shek, Eddie has been appointed as an independent non-executive Director on 15 October 2008 while Mr. LIAO Cheung Tin, Stephen has been appointed as an independent non-executive Director for a period of one year which commencing from 20 February 2009, while Professor LEUNG Yee Tak has been re-appointed for a period of one year commencing from 1 November 2008. All the appointments of independent non-executive Directors may be terminated by either party by giving one month's written notice and they are subject to retirement by rotation at the annual general meeting of the Company in accordance with the articles of association of the Company.

During the year ended 31 March 2009, ten full Board meetings were held. Minutes of the Board meetings are being kept by the company secretary of the Company and are available for inspection by the Directors and auditors of the Company.

THE ROLES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman and the Chief Executive Officer are held by two different persons and each of them plays a distinctive role to ensure their respective independence and accountability. The Chairman, Mr. YUEN Chow Ming, is responsible for the leadership and formulation of corporate strategies of the Group. The Chief Executive Officer, Mr. YUEN Wai Keung, is responsible for the overall business management and corporate development of the Group. Mr. YUEN Chow Ming is the father of Mr. YUEN Wai Keung. Further details on the Directors are set out on pages 11 to 15 under the section headed "Biographical Details of the Directors and Senior Management" of this report.

董事證券交易之標準守則

本公司已採納上市規則附錄十所載之標準守則，作為董事買賣證券的行為守則。各執行董事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，於截至二零零九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，分別為王立石先生、梁以德教授及廖長天先生。王立石先生具有專業會計資格及相關之會計經驗，並為審核委員會主席。

根據審核委員會之職權範圍，其主要角色及功能為審閱本集團之財務資料、監察本集團之財務匯報及內部監控制度，並與本公司核數師維持良好關係。董事會已透過審核委員會對本集團於截至二零零九年三月三十一日止年度內之內部監控制度成效進行定期審閱。

本集團截至二零零九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王立石先生組成。

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. The obligations to comply with the Listing Rules are set out in the terms of the service contract of each executive Director and 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 2009.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. WONG Lap Shek, Eddie, Professor LEUNG Yee Tak and Mr. LIAO Cheung Tin, Stephen. Mr. WONG Lap Shek, Eddie, who possesses a professional accounting qualification and relevant accounting experience, is the Chairman of the Audit Committee.

Under its terms of reference, the main role and functions of the Audit Committee are to review the Group's financial information, to supervise the Group's financial reporting and internal control systems, and to maintain relations with the auditors of the Company. The Board has, through the Audit Committee, conducted regular reviews on the effectiveness of the internal control system of the Group during the year ended 31 March 2009.

The Group's final results for the year ended 31 March 2009 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. WONG Lap Shek, Eddie.

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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。倘董事會確定一名合資格人選適合成為董事會成員，會向提名委員會提出建議，供提名委員會考慮該人選之提名。於本年度，提名委員會已檢討董事會的架構、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王立石先生組成。

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。

薪酬委員會已於本年度考慮及檢討全體董事及高級管理人員的現有薪酬條款。薪酬委員會認為各董事及高級管理人員現行之薪酬條款公平合理。在達致其意見時，薪酬委員會已考慮及檢討本集團及同類公司之薪酬政策、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。

本公司於二零零六年二月二十五日採納購股權計劃，其目的為肯定及承認合資格參與者(包括董事)對本集團業務發展所作出或可能作出之貢獻。有關購股權計劃之主要條款，請參閱財務報表附註27。

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. If the Board identifies a suitable qualified candidate to become a Board member, it will make recommendation to the Nomination Committee for nomination consideration. During the year, the Nomination Committee has reviewed the structure, size and composition (including skills, knowledge and experience) of the Board, made recommendations to the Board regarding any proposed change and determined 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. WONG Lap Shek, Eddie.

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.

During the year, the Remuneration Committee has considered and reviewed the existing terms of remuneration of all the Directors and the senior management. The Remuneration Committee considered that the existing terms of remuneration of the Directors and the senior management were fair and reasonable. In forming its view, the Remuneration Committee has considered and reviewed the remuneration policy of the Group and of comparable companies, time commitment and responsibilities of the Directors and the senior management and desirability of performance-based remuneration.

The Company adopted the Share Option Scheme on 25 February 2006. Its purpose is to recognise and acknowledge the contributions that the eligible participants (including the Directors) have made or may make to the business development of the Group. Please refer to note 27 to the financial statement for the principal terms of the Share Option Scheme.

企業管治報告

Corporate Governance Report

內部監控

本集團董事會及管理層維持本集團穩健妥善而且有效率的內部監控，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。

董事會亦負責確保財務匯報的內部監控及披露監控與程序足夠及有效。董事會已審閱本集團內部監控制度（包括財務經營、合規監控及風險管理功能）的成效。

本公司於本年度成立團隊檢討其內部監控制度的成效。本集團將分階段實行該團隊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。

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

During the year, the Company has set up a team to review the effectiveness of its system of internal control. Relevant applicable recommendations made by the team 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.

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。在編製截至二零零九年三月三十一日止年度之賬目時，董事已選擇並貫徹採用合適的會計政策；採納合適的香港財務報告準則及香港會計準則；作出審慎而合理的判斷和估計，以及按持續營運基準編製賬目。董事亦保證本集團之財務報表將會適時發表。

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

核數師薪酬

本公司核數師均富會計師行已獲委任於截至二零零九年三月三十一日止年度向本集團提供審計服務。本公司於截至二零零九年三月三十一日止年度內就審計服務及非審計服務（包括稅務合規費用及審閱中期業績）已付或應付均富會計師行的費用分別為869,000港元及144,000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 2009, 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 appointed to provide audit services to the Group for the year ended 31 March 2009. The remuneration paid or payable to Grant Thornton in respect of audit services and non-audit services (including taxation compliance fee and review of interim results) for the year ended 31 March 2009 amounted to HK\$869,000 and HK\$144,000 respectively.

獨立核數師報告 Independent Auditors' Report



Member of Grant Thornton International Ltd

致明興水務控股有限公司全體股東
(於開曼群島註冊成立之有限公司)

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

本核數師已完成審核第41至第139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，包括於二零零九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 139, which comprise the consolidated and company balance sheets as at 31 March 2009, 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 貴集團於二零零九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

二零零九年七月十七日

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 2009 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

17 July 2009

綜合收益表

Consolidated Income Statement

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

		附註 Notes	二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
收益	Revenue	5	660,870	648,475
收益成本	Cost of revenue		(591,429)	(564,664)
毛利	Gross profit		69,441	83,811
其他收入及收益	Other income and gains	5	7,312	6,845
分銷及銷售開支	Distribution and selling expenses		(2,936)	(629)
行政開支	Administrative expenses		(59,054)	(52,890)
經營溢利	Operating profit	7	14,763	37,137
融資成本	Finance costs	8	(6,566)	(6,511)
扣除所得稅前溢利	Profit before income tax		8,197	30,626
所得稅開支	Income tax expense	9	(1,806)	(5,741)
本年度溢利	Profit for the year		6,391	24,885
分配於：	Attributable to:			
本公司權益持有人	Equity holders of the Company	10	6,431	24,885
少數股東權益	Minority interests		(40)	–
			6,391	24,885
股息	Dividend	11	–	7,432
每股盈利	Earnings per share	12	港仙 HK cents	港仙 HK cents
– 基本	– Basic		0.713	2.845
– 攤薄	– Diluted		0.711	2.796

綜合資產負債表

Consolidated Balance Sheet

於二零零九年三月三十一日 As at 31 March 2009

			二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
	附註 Notes			
資產與負債	ASSETS AND LIABILITIES			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	14	36,585	107,126
預付土地租賃款項	Prepaid land lease payments	15	143	22,071
應收保留款項	Retention receivables	20	16,285	6,157
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	3,657	6,841
			61,670	147,195
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	405,609	393,966
貿易及其他應收款項、 預付款項及按金	Trade and other receivables, prepayments and deposits	20	53,755	35,266
可收回稅項	Tax recoverable		527	–
已抵押銀行存款	Pledged bank deposits	21	27,297	23,936
現金及現金等價物	Cash and cash equivalents	22	63,757	172,884
			550,945	626,120
流動負債	Current liabilities			
應付客戶合約工程 款項	Amounts due to customers of contract works	19	2,541	3,707
貿易及其他應付款項	Trade and other payables	23	63,873	65,053
借貸	Borrowings	24	144,134	209,803
稅項撥備	Provision for tax		–	680
			210,548	279,243
流動資產淨值	Net current assets		340,397	346,877
總資產減流動負債	Total assets less current liabilities		402,067	494,072

綜合資產負債表

Consolidated Balance Sheet

於二零零九年三月三十一日 As at 31 March 2009

		附註 Notes	二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
非流動負債	Non-current liabilities			
其他應付款項	Other payables		–	13,724
借貸	Borrowings	24	15,201	39,467
遞延稅項	Deferred tax	25	3,684	3,043
			18,885	56,234
資產淨值	Net assets		383,182	437,838
權益	EQUITY			
股本	Share capital	26	40,049	46,539
擬派末期股息	Proposed final dividend	11	–	7,432
儲備	Reserves	28	342,831	383,867
本公司權益持有人 應佔權益	Equity attributable to equity holders of the Company		382,880	437,838
少數股東權益	Minority interests		302	–
總權益	Total equity		383,182	437,838

董事
Director
原偉強
YUEN Wai Keung

董事
Director
蘇耀祥
SO Yiu Cheung

資產負債表

Balance Sheet

於二零零九年三月三十一日 As at 31 March 2009

		附註 Notes	二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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	136,162	79,857
流動資產	Current assets			
預付款項及其他應收款項	Prepayments and other receivables		608	892
應收附屬公司款項	Amounts due from subsidiaries	16	213,680	175,163
現金及現金等價物	Cash and cash equivalents	22	568	139,622
			214,856	315,677
流動負債	Current liabilities			
其他應付款項及應計費用	Other payables and accruals		872	666
稅項撥備	Provision for tax		692	281
應付附屬公司款項	Amounts due to subsidiaries	16	6,661	2,171
			8,225	3,118
流動資產淨值	Net current assets		206,631	312,559
資產淨值	Net assets		342,793	392,416
權益	EQUITY			
股本	Share capital	26	40,049	46,539
擬派末期股息	Proposed final dividend	11	-	7,432
儲備	Reserves	28	302,744	338,445
總權益	Total equity		342,793	392,416

董事
Director
原偉強
YUEN Wai Keung

董事
Director
蘇耀祥
SO Yiu Cheung

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

		本公司權益持有人應佔權益 Equity attributable to equity holders of the Company										
		股本	股份溢價*	合併儲備*	購股權儲備*	資本贖回儲備*	匯兌儲備*	保留溢利*	擬派末期股息	合計	少數股東權益	總權益
		Share capital	Share premium*	Merger reserve*	Share option reserve*	Capital redemption reserve*	Translation reserve*	Retained profits*	Proposed final dividend	Total	Minority interests	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	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零七年四月一日	At 1 April 2007	32,000	12,010	13,805	3,282	-	-	89,229	10,426	160,752	-	160,752
換算海外業務所產生之匯兌差額直接於權益確認之收入淨額	Exchange differences arising on translation of foreign operations/Net income recognised directly in equity	-	-	-	-	-	2,893	-	-	2,893	-	2,893
本年度溢利	Profit for the year	-	-	-	-	-	-	24,885	-	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	-	27,778
已付股息	Dividend paid	-	-	-	-	-	-	-	(10,448)	(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	Share options granted	-	-	-	5,348	-	-	-	-	5,348	-	5,348
沒收之購股權	Share options forfeited	-	-	-	(88)	-	-	88	-	-	-	-
因行使購股權後發行之股份	Shares issued upon exercise of share options	1,878	20,094	-	(3,517)	-	-	-	-	18,455	-	18,455
發行新股份	Issue of new shares	12,800	234,240	-	-	-	-	-	-	247,040	-	247,040
股份發行開支	Share issue expenses	-	(9,552)	-	-	-	-	-	-	(9,552)	-	(9,552)
購回股份	Repurchase of shares	(139)	(1,396)	-	-	139	-	(139)	-	(1,535)	-	(1,535)
擬派末期股息	Proposed final dividend	-	-	-	-	-	-	(7,432)	7,432	-	-	-
於二零零八年三月三十一日及二零零八年四月一日	At 31 March 2008 and 1 April 2008	46,539	255,396	13,805	5,025	139	2,893	106,609	7,432	437,838	-	437,838
換算海外業務所產生之匯兌差額	Exchange difference arising on translation of foreign operations	-	-	-	-	-	1,270	-	-	1,270	-	1,270
因出售附屬公司而撥入損益(附註30)	Transfer to profit or loss on disposal of subsidiaries (note 30)	-	-	-	-	-	(3,646)	-	-	(3,646)	-	(3,646)
直接於權益確認之開支淨額	Net expenses recognised directly in equity	-	-	-	-	-	(2,376)	-	-	(2,376)	-	(2,376)
本年度溢利	Profit for the year	-	-	-	-	-	-	6,431	-	6,431	(40)	6,391
本年度已確認收入及開支總額	Total recognised income and expense for the year	-	-	-	-	-	(2,376)	6,431	-	4,055	(40)	4,015
收購於一間附屬公司之權益	Acquisition of interests in a subsidiary	-	-	-	-	-	-	-	-	-	342	342
已付股息	Dividend paid	-	-	-	-	-	-	-	(7,432)	(7,432)	-	(7,432)
以股份支付之補償(附註27)	Share-based compensation (note 27)	-	-	-	-	-	-	-	-	-	-	-
住年度授出之購股權	Share options granted in previous years	-	-	-	198	-	-	-	-	198	-	198
本年度授出之購股權	Share options granted in current year	-	-	-	2,929	-	-	-	-	2,929	-	2,929
沒收之購股權(附註27)	Share options forfeited (note 27)	-	-	-	(343)	-	-	343	-	-	-	-
購回股份(附註26(c))	Repurchase of shares (note 26 (c))	(6,490)	(48,218)	-	-	6,490	-	(6,490)	-	(54,708)	-	(54,708)
於二零零九年三月三十一日	At 31 March 2009	40,049	207,178	13,805	7,809	6,629	517	106,893	-	382,880	302	383,182

* 該等結餘之總額即綜合資產負債表內之儲備。

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

綜合現金流量表

Consolidated Cash Flow Statement

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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	8,197	30,626
調整：	Adjustments for:		
預付土地租賃	Amortisation of prepaid land		
款項攤銷	lease payments	358	115
物業、廠房及設備	Depreciation of property,		
之折舊	plant and equipment	9,864	8,462
利息收入	Interest income	(871)	(3,854)
利息開支	Interest expenses	6,566	6,511
投資預付款項減值	Impairment of prepayments for investments	3,184	-
超出業務合併成本	Excess over the cost of		
之金額 (附註29)	business combination (note 29)	(945)	(2,683)
匯兌差額	Exchange differences	275	462
出售物業、廠房及設備	(Gain)/Loss on disposal of		
之(收益)/虧損	property, plant and equipment	(96)	228
以權益結算以股份支付	Equity-settled share-based		
之補償	compensation	3,127	5,348
出售附屬公司之收益	Gain on disposal of subsidiaries	(3,416)	-
(附註30)	(note 30)		
未計營運資金變動前	Operating profit before working		
之經營溢利	capital changes	26,243	45,215
存貨(增加)/減少	(Increase)/Decrease in inventories	(356)	554
應收/應付客戶合約工程	Change in net amounts due from/to		
款項變動淨額	customers of contract works	(12,809)	(153,911)
貿易及其他應收款項、	(Increase)/Decrease in trade and		
預付款項及按金	other receivables, prepayments and		
(包括應收保留款項)	deposits (including retention receivables)	(40,560)	24,139
(增加)/減少			
貿易及其他應付款項	Increase/(Decrease) in trade and		
增加/(減少)	other payables	11,696	(5,454)
經營業務所動用之現金	Cash used in operations	(15,786)	(89,457)
銀行貸款及其他借貸	Interest paid on bank loans and		
之已付利息	other borrowings	(6,388)	(6,463)
已收利息	Interest received	871	3,854
已付所得稅	Income tax paid		
香港利得稅	Hong Kong profits tax	(1,956)	(8,593)
中國內地稅項	Mainland China tax	(29)	-
經營活動所動用	Net cash used in operating		
之現金淨額	activities	(23,288)	(100,659)

綜合現金流量表

Consolidated Cash Flow Statement

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
投資活動之現金流量	Cash flows from investing activities		
已抵押銀行存款增加	Increase in pledged bank deposits	(3,361)	(4,707)
購買物業、廠房 及設備所付款項	Payments to acquire property, plant and equipment	(8,874)	(9,314)
出售物業、廠房 及設備所得款項	Proceeds from disposal of property, plant and equipment	882	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)	(668)	(29,041)
出售附屬公司現金 流出淨額(附註30)	Net cash outflow on disposal of subsidiaries (note 30)	(5,601)	–
投資活動所動用 之現金淨額	Net cash used in investing activities	(17,622)	(49,694)
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	(948)	(1,535)
新借貸款	New borrowings raised	225,097	259,134
償還借貸	Repayment of borrowings	(279,917)	(186,142)
融資租賃付款 之資本部份	Capital element of finance lease payments	(4,621)	(4,756)
融資租賃付款 之利息部份	Interest element of finance lease payments	(178)	(543)
已付股息	Dividend paid	(7,432)	(10,448)
融資活動所(動用)/ 產生之現金淨額	Net cash (used in)/generated from financing activities	(67,999)	311,653
現金及現金等價物 (減少)/增加淨額	Net (decrease)/increase in cash and cash equivalents	(108,909)	161,300
財政年度初之現金 及現金等價物	Cash and cash equivalents at beginning of financial year	172,884	11,461
匯兌差額	Exchange differences	(218)	123
財政年度末之現金 及現金等價物	Cash and cash equivalents at end of financial year	63,757	172,884

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

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(統稱「本集團」)主要從事向香港公營機構提供有關水務工程、道路、渠務及斜坡加固工程之土木工程合約的保養及建造工程服務，及在中國內地從事供水服務。

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

第41頁至139頁所載之財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」，包括所有適用之香港財務報告準則、香港會計準則及詮釋)及香港公司條例與聯交所證券上市規則之適用披露規定而編製。

截至二零零九年三月三十一日止年度之財務報表已於二零零九年七月十七日由董事會批准刊發。

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, as well as the provision of water supply services in Mainland China.

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 139 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (including all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), 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 2009 were approved for issue by the board of directors on 17 July 2009.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

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

於本年度，本集團首次採納下列於本財政年度生效之香港財務報告準則之修訂及詮釋：

香港會計準則第39號及香港財務報告準則第7號 (經修訂)	重新分類財務資產
香港(國際財務報告詮釋委員會) – 詮釋第11號	香港財務報告準則第2號 – 集團及庫存股份交易
香港(國際財務報告詮釋委員會) – 詮釋第12號	服務經營權安排
香港(國際財務報告詮釋委員會) – 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

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。

2. ADOPTION OF NEW AND REVISED HKFRSs

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

During the year, the Group has adopted, for the first time, the following amendments and interpretations to HKFRSs which are effective during the current financial year:

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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 statement. Accordingly, no prior period adjustment is required.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

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於授權刊發本財務報表之日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 ¹
香港會計準則第1號、 香港會計準則第32號、 香港會計準則第39號 及香港財務報告準則 第7號(經修訂)	可沽售財務工具 及清盤產生之 責任 ¹
香港會計準則第23號 (經重訂)	借貸成本 ¹
香港會計準則第27號 (經重訂)	綜合及獨立財務 報表 ²
香港會計準則第39號 (經修訂)	合資格對沖項目 ²
香港財務報告準則第1號 (經重訂)	首次採納香港財務 報告準則 ²
香港財務報告準則第1號 及香港會計準則第27號 (經修訂)	於附屬公司、 共同控制實體 及聯營公司之 投資成本 ¹
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 ¹
香港財務報告準則第3號 (經重訂)	業務合併 ²
香港財務報告準則第7號 (經修訂)	改進金融工具之 披露 ¹
香港財務報告準則第8號	營運分部 ¹
香港(國際財務報告 詮釋委員會) — 詮釋第9號及 香港會計準則第39號 (經修訂)	嵌入式衍生工具 ⁵
香港(國際財務報告 詮釋委員會) — 詮釋第13號	客戶忠誠計劃 ³
香港(國際財務報告 詮釋委員會) — 詮釋第15號	建設房地產合約 ¹

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

2.2 Impact of new and revised HKFRSs which are issued but are not yet effective

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

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 1, HKAS 32, HKAS 39 & HKFRS 7 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 39 (Amendment)	Eligible Hedged Items ²
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ²
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controller Entity and an Associate ¹
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives ⁵
HK(IFRIC) – Int 13	Customer Loyalty Programmes ³
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ¹

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

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 (續)

香港(國際財務報告 詮釋委員會) — 詮釋第16號	對沖海外業務投資 淨額 ⁴
香港(國際財務報告 詮釋委員會) — 詮釋第17號	向擁有人分派 非現金資產 ²
香港(國際財務報告 詮釋委員會) — 詮釋第18號	從客戶轉讓資產 ⁶
香港財務報告準則 (經修訂)	二零零八年香港 財務報告準則 之年度改善 ⁷
香港財務報告準則 (經修訂)	二零零九年香港 財務報告準則 之年度改善 ⁸

附註：

- 1 於二零零九年一月一日或以後開始之年度期間生效
- 2 於二零零九年七月一日或以後開始之年度期間生效
- 3 於二零零八年七月一日或以後開始之年度期間生效
- 4 於二零零八年十月一日或以後開始之年度期間生效
- 5 於截至二零零九年六月三十日或以後日期止之年度期間生效
- 6 於二零零九年七月一日或以後接獲從客戶轉讓之資產時生效
- 7 普遍於二零零九年一月一日或以後開始之年度期間生效，惟特定香港財務報告準則另有訂明者除外
- 8 普遍於二零一零年一月一日或以後開始之年度期間生效，惟特定香港財務報告準則另有訂明者除外

董事預期，本集團將於所有有關規定生效後之首個期間將該等規定納入本集團之會計政策中。

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

2.2 Impact of new and revised HKFRSs which are issued but are not yet effective (Continued)

HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁴
HK(IFRIC) – Int 17	Distributions of Non-Cash Assets to Owners ²
HK(IFRIC) – Int 18	Transfer of Assets from Customers ⁶
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2008 ⁷
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009 ⁸

Notes:

- 1 Effective for annual periods beginning on or after 1 January 2009
- 2 Effective for annual periods beginning on or after 1 July 2009
- 3 Effective for annual periods beginning on or after 1 July 2008
- 4 Effective for annual periods beginning on or after 1 October 2008
- 5 Effective for annual periods ending on or after 30 June 2009
- 6 Effective for transfers of assets from customers received on or after 1 July 2009
- 7 Generally effective for annual periods beginning on or after 1 January 2009 unless otherwise stated in the specific HKFRS
- 8 Generally effective for annual periods beginning on or 1 January 2010 unless otherwise stated in the specific HKFRS

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

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 (續)

香港會計準則第1號(經重訂)財務報表的呈列

該等修訂影響擁有人權益變動之呈列，並引入綜合收入報表。本集團可選擇以單一綜合收入報表方式(連同小計項目)呈列收入及開支項目及其他綜合收入之組成部份，或另立收益表以呈列其他綜合收入。該修訂不會對本集團之財務狀況或業績構成影響，但將會令披露事項增加。

香港財務報告準則第3號(經重訂)業務合併

此項準則適用於二零零九年七月一日或以後開始之呈報期間所發生之業務合併及將於未來應用。新準則引入與業務合併相關之會計處理變動，但仍需採用購買法入賬，其將會對於二零零九年七月一日或以後開始之呈報期間所發生之業務合併產生重大影響。

香港財務報告準則第8號營運分部

此準則取代香港會計準則第14號「分部報告」。識別分部之會計政策可採用本集團主要營運決策者定期審閱之內部管理報告資料為基礎。相比之下，香港會計準則第14號要求本集團按區分分部之風險及回報為準則，以識別兩類分部(業務及地區)。管理層預期採納此準則將不會影響本集團識別之營運分部。此新準則亦將要求採用不同披露方式，有關披露以內部向主要營運決策者提供之資料為基礎。

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

2.2 Impact of new and revised HKFRSs which are issued but are not yet effective (Continued)

HKAS 1 (Revised) Presentation of financial statements

The amendment 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 expenses 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 result of the Group but will give rise to additional disclosures.

HKFRS 3 (Revised) Business Combinations

The standard is applicable for business combinations occurring in reporting period beginning on or after 1 July 2009 and will be applied prospectively. The new standard introduce changes to the accounting requirements for business combinations, but still requires the use of the purchase method and will have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009.

HKFRS 8 Operating Segments

This standard replaces HKAS 14 “Segment reporting”. The accounting policy for identifying segments could be based on internal management reporting information that is regularly reviewed by the Group’s chief operating decision maker. In contrast HKAS 14 requires the Group to identify two sets of segments (business and geographical) based on the risks and rewards of separating segments. Management anticipate that the adoption of this standard will not affect the identified operating segments of the Group. The new standard will also require a different format of disclosures which would be based on information provided internally to the chief operating decision marker.

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

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 (續)

香港會計準則第27號 (經重訂) 綜合及獨立財務報表

此經重訂準則引入失去附屬公司控制權及本集團於附屬公司之權益轉變之會計處理變動。管理層預期此準則不會對本集團財務報表產生重大影響。

本集團現正評估初次應用其他新訂或經修訂香港財務報告準則所產生之影響，但仍未能說明此等香港財務報告準則是否會對本集團之財務報表構成重大影響。

3. 主要會計政策摘要

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

3.1 編製基礎

財務報表乃根據歷史成本常規編製。計量基準於下文之會計政策詳述。

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

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

2.2 Impact of new and revised HKFRSs which are issued but are not yet effective (Continued)

HKAS 27 (Revised) Consolidated and Separate Financial Statements

The revised standard introduces changes to the accounting requirements for the loss of control of a subsidiary and for the changes in the Group's interest in subsidiaries. Management anticipates that the standard would not result in materials impact on the Group's financial statements.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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".

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

3. 主要會計政策摘要 (續)

3.2 綜合基礎

綜合財務報表包括本公司及其附屬公司(附註3.3)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。

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。

在編製綜合財務報表時，集團內部交易、集團各成員公司間之交易結餘及未變現收益均予撇銷。除非交易所轉讓資產有減值跡象，否則未變現虧損亦予以撇銷。

少數股東權益為非由本集團擁有及不屬於本集團財務負債之股本權益應佔附屬公司溢利或虧損及資產淨值之部份。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (note 3.3) 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.

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.

Intra-group transaction, balance and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Minority interest represents the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Group and are not the Group's financial liabilities.

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

3. 主要會計政策摘要 (續)**3.2 綜合基礎 (續)**

少數股東權益乃於綜合資產負債表中，按獨立於本公司權益持有人應佔權益之權益入賬。少數股東權益應佔溢利或虧損乃於綜合收益表中列為本集團之業績獨立呈列。倘少數股東應佔虧損超過其所佔附屬公司股權中之少數股東權益，超額部份及任何少數股東應佔之其他虧損則分配予少數股東權益，惟以少數股東須承擔具約束力之責任及其有能力為彌補虧損而作額外投資為限。否則，該等虧損會從本集團之權益中扣除。倘該附屬公司其後錄得溢利，該等溢利則待收回本集團過往承擔之少數股東應佔虧損後，方分配予少數股東權益。

3.3 附屬公司

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

於本公司之資產負債表內，附屬公司乃按成本扣除任何減值虧損入賬。本公司根據於結算日之已收及應收股息將附屬公司之業績列賬。

3.4 商譽

商譽指業務合併成本超逾於收購日期本集團所佔所收購可識別資產及所承擔負債(包括或然負債)之公允值權益的差額。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**3.2 Basis of consolidation (Continued)**

Minority interests are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the Company. Profit or loss attributable to the minority interests are presented separately in the consolidated income statement as an allocation of the Group's results. Where losses applicable to the minority exceeds the minority interests in the subsidiary's equity, the excess and further losses applicable to the minority are allocated against the minority interest to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. Otherwise, the losses are charged against the Group's interests. If the subsidiary subsequently reports profits, such profits are allocated to the minority interests only after the minority's share of losses previously absorbed by the Group has been recovered.

3.3 Subsidiaries

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

In the Company's balance sheet, subsidiaries are carried at cost less any impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the balance sheet date.

3.4 Goodwill

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

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

3. 主要會計政策摘要 (續)

3.4 商譽 (續)

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。

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)

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 change in circumstances indicate that the carrying value of goodwill may be impaired.

Any excess of the Group's interest in the net fair value of the acquiree's 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

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

3. 主要會計政策摘要 (續)

3.6 物業、廠房及設備

物業、廠房及設備乃按成本(包括購入價格及任何使該項資產達到其擬定用途之運作狀況及地點之直接應佔成本)減累計折舊及任何減值虧損(附註3.7)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。

各物業、廠房及設備項目乃按其估計可使用年期計算折舊，以撇銷成本扣減其剩餘價值(倘適用)。樓宇及水管網乃使用直線法分別按年率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：

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 Property, plant and equipment

Property, plant and equipment are stated at cost, which comprise purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, less accumulated depreciation and any impairment losses (note 3.7). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs such as repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided to write off the cost of each item of property, plant and equipment less its residual value, if applicable over its estimated useful lives. Buildings and water pipelines are depreciated using straight-line method at the annual rates of 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:

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

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3. 主要會計政策摘要 (續)

3.6 物業、廠房及設備 (續)

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

在建工程按成本扣除任何減值虧損賬，及不計提折舊。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

每當有跡象顯示有關資產之賬面值未必能收回時，須就物業、廠房及設備、預付土地租賃款項及於附屬公司之投資進行減值測試。

當減值虧損按資產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折現率，折現至其現值。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 Property, plant and equipment (Continued)

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

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

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

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

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3. 主要會計政策摘要 (續)

3.7 非財務資產之減值 (續)

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

如用以釐定資產可收回金額之估計發生有利變化，減值虧損需予回撥，惟有關資產之賬面值不得超出假設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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Impairment of non-financial assets (Continued)

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

An impairment loss is 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.

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3. 主要會計政策摘要 (續)

3.8 租賃 (續)

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。

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減值虧損列賬(附註3.7)。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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Leases (Continued)

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.

Operating leases – as lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to 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 (note 3.7). 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.

3. 主要會計政策摘要 (續)**3.8 租賃 (續)****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。

3.9 財務資產

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**3.8 Leases (Continued)****Finance leases – as leases**

Where the Group acquires the right to use the assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present 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.

3.9 Financial assets

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

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3. 主要會計政策摘要 (續)

3.9 財務資產 (續)

所有財務資產僅於本集團訂立有關工具之合約條文時確認。所有循正常途徑買賣之財務資產於交易日予以確認。循正常途徑買賣指按照市場規例或慣例在一般指定的期間內交付資產之財務資產買賣。財務資產於初步確認時按公允值計量，倘屬並非按公允值計入損益賬之投資，則另加上直接應佔交易成本計量。倘收取投資所產生現金流量之權利期滿或被轉讓，且擁有權之絕大部份風險及回報已經轉移，須取消確認財務資產。

本集團之財務資產主要包括貸款及應收款項。貸款及應收款項為具固定或可予釐定付款金額之非衍生財務資產，在活躍市場中並無報價。貸款及應收款項其後以實際利率法按攤銷成本，減任何減值撥備計量。攤銷成本之計算經計及任何收購時產生之折讓或溢價，包括構成實際利率及交易成本之費用。有關損益在貸款及應收款項取消確認或出現減值時於收益表及透過攤銷程序確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Financial assets (Continued)

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognised on trade date. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction cost. Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

The Group's financial assets mainly comprise loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost. Gain and losses are recognised in the income statement when the loans and receivables are derecognised or impaired as well as through the amortisation process.

3. 主要會計政策摘要 (續)

3.9 財務資產 (續)

貸款及應收款項須於每個結算日檢討，以釐定有否客觀跡象顯示減值。個別財務資產之客觀減值跡象包括本集團注意到之有關下列一項或多項虧損事件之可觀察數據：

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Financial assets (Continued)

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

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

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

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the assets is reduced through the use of an allowance account. The amount of impairment loss is recognised in the income statement of the period in which the impairment occurs. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

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3. 主要會計政策摘要 (續)

3.9 財務資產 (續)

倘於其後期間，減值虧損金額減少，而有關減少客觀地關乎於確認減值後之事件，則早前確認之減值虧損透過調整撥備賬撥回。任何其後撥回之減值虧損均在收益表中確認，惟該項資產於撥回當日之賬面值不得超過其攤銷成本。

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，土木工程合約之保養或建造工程產生之收益及相關合約成本將根據個別合約於結算日之完成階段確認。完成階段乃參照對已履行工程之調查或迄今所產生之合約成本(視合約性質而定)釐定。

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Financial assets (Continued)

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

3.10 Civil engineering contracts

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

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

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

3. 主要會計政策摘要 (續)**3.10 土木工程合約 (續)**

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、預付款項及按金」項下。

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

3.11 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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**3.10 Civil engineering contracts (Continued)**

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, prepayments and deposits".

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, prepayments and deposits" respectively.

3.11 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.

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3. 主要會計政策摘要 (續)

3.11 外幣 (續)

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之匯率換算。

若干本集團實體之功能貨幣並非港元。在綜合財務報表中，該等實體之資產及負債於結算日按當日之匯率換算為港元。收支項目按該年度之平均匯率換算為港元。所產生之匯兌差額將列入本集團之匯兌儲備。該等匯兌差額於出售該海外實體之期間確認為收入或開支。

3.12 所得稅

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之項目，則於權益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Foreign currencies (Continued)

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.

3.12 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.

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

3. 主要會計政策摘要 (續)

3.12 所得稅 (續)

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，並按有關財政期間適用之稅率及稅法並根據年內之應課稅溢利計算。

遞延稅項乃在結算日使用負債法按財務報表中資產及負債的賬面值與相應稅基之間的暫時差額計算。一般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（包括現有暫時差額）可用作抵銷可扣減暫時差額、未動用稅項虧損及未動用稅項抵免。

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Income taxes (Continued)

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

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, including existing temporary difference, will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilised.

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

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

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

3. 主要會計政策摘要 (續)

3.12 所得稅 (續)

遞延稅項乃不作折現按預期於結清負債或變現資產之期間適用之稅率計算，惟該等稅率於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。

3.13 現金及現金等價物

現金及現金等價物包括銀行結存及現金、銀行活期存款以及原本在三個月內到期及可隨時轉換為已知數額現金且價值變動風險較小之短期高度流動性投資。就現金流量表之呈列而言，現金及現金等價物包括須於通知時償還並構成本集團現金管理不可分割部份之銀行透支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 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 set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.13 Cash and cash equivalents

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

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

3. 主要會計政策摘要 (續)

3.14 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。

本集團於中國內地經營的附屬公司之僱員須參與一個當地市政府運作的中央退休金計劃。該等附屬公司須按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。

短期僱員福利

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 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.

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

Short-term employee benefits

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

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

3. 主要會計政策摘要 (續)

3.14 僱員福利 (續)

以股份支付之僱員補償

有關以股份支付之僱員補償的會計政策詳情載於下文附註3.15。

3.15 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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Employee benefits (Continued)

Share-based employee compensation

Details about the accounting policy on share-based compensation to employee are set out in note 3.15 below.

3.15 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.

3. 主要會計政策摘要 (續)

3.15 以股份支付之補償 (續)

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)

3.15 Share-based compensation (Continued)

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.

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3. 主要會計政策摘要 (續)

3.16 財務負債

本集團之財務負債包括貿易及其他應付款項、借貸及融資租賃負債。財務負債於本集團參與訂立有關工具之合約協議時確認。財務負債於負債責任獲履行或註銷或到期時終止確認。財務負債均歸類為流動負債，惟本集團有權將有關債務之清償，無條件遞延至結算日後最少十二個月則除外。

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

貿易及其他應付款項初步按其公允值確認，其後則採用實際利率法按攤銷成本計量。

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

融資租賃負債按初始價值減租賃還款之資本部份計算(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 Financial liabilities

The Group's financial liabilities comprise trade and other payables, borrowings 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.

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

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

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

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

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

財務報表附註

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3. 主要會計政策摘要 (續)

3.17 撥備及或然負債

倘本集團因過往事件而須承擔現有法律責任或推定責任，且履行該責任時很可能導致經濟利益流出，並能可靠地估計所須承擔之金額，則須確認撥備。倘折現之影響重大，則撥備須就履行責任預期所需支出之現值列賬。因時間過去而引致之折現現值之增加會於收益表內計作履行責任預期所需支出之融資成本內。

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並非完全受本集團控制的未來不確定事件的發生與否才可確定）亦須披露為或然負債；除非導致經濟利益流出的可能性極低，則作別論。

3.18 作出財務擔保

香港會計準則第39號範圍內之財務擔保合約計作財務負債。財務擔保合約為要求發行人（或擔保人）作出特定付款，以付還持有人因特定欠款人未能按照債務文據條款於到期時還款所產生損失之合約。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the effect of discounting is material, provisions are stated at the present value of the expenditure expected to settle the obligation. The increase in the discount present value amount arising from the passage of time is included in finance costs in the income statement 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 uncertain events not wholly with the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.18 Financial guarantee issued

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities. A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

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3. 主要會計政策摘要 (續)

3.18 作出財務擔保 (續)

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溢利或虧損確認為開支。

初步確認為遞延收入之擔保金額按擔保年期於溢利或虧損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）），則按附註3.17確認撥備。

3.19 借貸成本

所有借貸成本於產生時列作開支。

3.20 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。

3.21 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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Financial guarantee issued (Continued)

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

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 3.17 if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

3.19 Borrowing costs

All borrowing costs are expensed as incurred.

3.20 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.

3.21 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

3. 主要會計政策摘要 (續)

3.21 權益工具 (續)

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。

3.22 關連人士

就本財務報表而言，在下列情況下，有關方被視為與本集團有關連之人士：

- (i) 有關方有能力直接或間接地透過一名或多名中介人控制本集團或對本集團之財務及經營決定有重大影響力，或擁有本集團之共同控制權；
- (ii) 本集團與有關方受共同控制；
- (iii) 有關方為本集團之聯營公司或本集團參與投資之合營公司；
- (iv) 有關方為本集團或本集團母公司之主要管理人員，或有關人士之近親，或受有關人士控制、共同控制或受重大影響之實體；
- (v) 有關方為第(i)項所述之任何人士之近親或受有關人士控制、共同控制或受重大影響之實體；或
- (vi) 有關方為就本集團或就屬於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。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Equity instruments (Continued)

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.

3.22 Related parties

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

- (i) the party has the ability, directly or indirectly through one or more intermediate, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a jointly venture in which the Group is a venturer;
- (iv) the party is a member of the key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or any entity that is related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealing with the entity.

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

3. 主要會計政策摘要 (續)

3.23 分部報告

根據本集團之內部財務報告，本集團決定以業務分部作為主要報告形式，以地區分部作為次要報告形式。

就業務分部報告而言，未分配收入及開支包括企業收入及開支以及不能合理分配至可報告分部之其他收入及開支。分部資產主要包括物業、廠房及設備、預付土地租賃款項、應收款項、已抵押存款及經營現金。分部負債包括經營負債，不包括就融資而產生之稅項及借貸等項目。

資本開支包括添置物業、廠房及設備及預付土地租賃款項，包括透過業務合併之收購而產生之添置。

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 Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

In respect of business segment reporting, unallocated income and expenses include corporate income and expenses and other income and expenses that cannot be allocated on a reasonable basis to the reportable segments. Segment assets consist primary of property, plant and equipment, prepaid land leases payments, receivables, pledged deposits and operating cash. Segment liabilities comprise operating liabilities and exclude items such as taxation and borrowings incurred for financing purpose.

Capital expenditure comprises additions to property, plant and equipment and prepaid land leases payments including additions resulting from acquisition through business combination.

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.

Notes to the Financial Statements

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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合約成本及毛利率。個別合約之合約成本及毛利率乃根據本集團管理層制定之合約預算而釐定。為確保估計合約總成本為準確及最新從而得以可靠估計毛利率，管理層經常審閱迄今所產生之成本及直至完成之成本，尤其是於成本超支及客戶更改指示時，並於有需要時檢討估計合約成本。

倘實際合約成本及毛利率偏離管理層之估計，則將於下一個財政年度確認之合約收益及毛利作出調整。

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. 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 contract costs and gross profit margin of each contract. Contract costs and gross profit margin of individual contract is determined based on budget of the contract which was prepared by the management of the Group. In order to ensure that the total estimated contract costs are accurate and up-to-date such that gross profit margin can be estimated reliably, management reviews the costs incurred to date and costs to completion frequently, in particular in the case of costs over-runs and the variation orders from customers, and revise the estimated contract costs where necessary.

If the actual contract costs and the gross profit margin differs from the management's estimates, the contract revenue and gross profit 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.

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4. 重要會計估計及判斷 (續)

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。

4.4 當期稅項及遞延稅項之估計

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.3 Depreciation of property, plant and equipment

Property, plant and equipment are depreciated in according 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.

4.4 Estimates of current tax and deferred tax

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

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5. 收益、其他收入及收益

收益(亦即本集團之營業額)及其他收入及收益之分析如下:

5. REVENUE, OTHER INCOME AND GAINS

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

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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	630,749	640,708
供水服務收益	Revenue from water supply services	19,212	4,762
供水相關安裝費	Water supply related installation fee	10,909	3,005
		660,870	648,475
其他收入及收益	Other income and gains		
銀行利息收入	Bank interest income	871	3,854
已收補償(附註)	Compensation received (note)	1,077	-
超出業務合併成本之金額(附註29)	Excess over the cost of business combination (note 29)	945	2,683
出售物業、廠房及設備之收益	Gain on disposal of property, plant and equipment	96	-
出售附屬公司之收益(附註30)	Gain on disposal of subsidiaries (note 30)	3,416	-
雜項收入	Sundry income	907	308
		7,312	6,845
總收入	Total income	668,182	655,320

附註:

於本財政年度,本集團自中華人民共和國(「中國」)政府收取1,077,000港元作為因上一財政年度發生之雪災而產生之損失補償。

Note:

During the current financial year, the Group received an amount of HK\$1,077,000 from the government of the People's Republic of China (the "PRC") as compensation for the loss arising from the snow storm occurred in last financial year.

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

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，以便管理。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安裝服務。

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

For management purposes, 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.

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6. 分部資料 (續)

業務分部

6. SEGMENT INFORMATION (Continued)

Business segments

		水務工程承包業務 Waterworks engineering contracting business		供水業務 Water supply business		綜合 Consolidated	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
收益及業績	REVENUE AND RESULTS						
分部收益*	Segment revenue*	630,749	640,708	30,121	7,767	660,870	648,475
分部業績	Segment results	18,772	40,185	5,841	3,684	24,613	43,869
企業及其他未分配 收入及開支	Corporate and other unallocated income and expenses					(9,850)	(6,732)
						14,763	37,137
融資成本	Finance costs					(6,566)	(6,511)
扣除所得稅前溢利	Profit before income tax					8,197	30,626
所得稅開支	Income tax expenses					(1,806)	(5,741)
本年度溢利	Profit for the year					6,391	24,885
財務狀況	FINANCIAL POSITIONS						
分部資產	Segment assets	557,438	481,157	17,519	115,867	574,957	597,024
企業及其他未分配資產	Corporate and other unallocated assets					37,658	176,291
資產總值	Total assets					612,615	773,315
分部負債	Segment liabilities	68,081	54,170	24	27,648	68,105	81,818
企業及其他未分配負債	Corporate and other unallocated liabilities					161,328	253,659
負債總額	Total liabilities					229,433	335,477
其他資料	OTHER INFORMATION						
資本開支	Capital expenditure	3,314	9,796	15,634	74,005	18,948	83,801
折舊及攤銷	Depreciation and amortisation	6,776	7,497	3,446	1,080	10,222	8,577
超出業務合併成本 之金額	Excess over the cost of business combination	-	-	945	2,683	945	2,683
以權益結算以股份支付 之補償	Equity-settled share-based compensation	3,127	5,348	-	-	3,127	5,348

* 截至二零零九年及二零零八年三月三十一日止年度，不同業務分部並無分部間銷售。

* There were no inter-segment sales between different business segments for the years ended 31 March 2009 and 2008.

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6. 分部資料 (續)

地區分部

6. SEGMENT INFORMATION (Continued)

Geographical segments

		香港		中國內地		綜合	
		Hong Kong		Mainland China		Consolidated	
		二零零九年	二零零八年	二零零九年	二零零八年	二零零九年	二零零八年
		2009	2008	2009	2008	2009	2008
		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	630,749	640,708	30,121	7,767	660,870	648,475
其他分部資料	Other segment information						
分部資產	Segment assets	595,096	657,448	17,519	115,867	612,615	773,315
資本開支	Capital expenditure	3,314	9,796	15,634	74,005	18,948	83,801

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7. 經營溢利

7. OPERATING PROFIT

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
經營溢利乃經扣除／(計入) 下列各項後得出：	Operating profit is arrived at after charging/(crediting):		
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	358	115
物業、廠房及設備之折舊	Depreciation of property, plant and equipment		
– 自有資產	– owned assets	8,123	6,147
– 租賃資產	– leased assets	1,741	2,315
		9,864	8,462
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	83,600	85,177
– 退休福利計劃供款	– retirement benefits scheme contributions	1,652	3,409
– 以權益結算以股份支付 之補償(附註27)	– equity-settled share-based compensation (note 27)	886	1,709
		86,138	90,295
經營租賃費用	Operating lease charges		
– 土地及樓宇	– land and buildings	1,382	1,408
– 廠房及機器	– plant and machinery	12,790	8,479
		14,172	9,887
核數師酬金	Auditors' remuneration	924	613
出售物業、廠房及設備 之(收益)／虧損	(Gain)/Loss on disposal of property, plant and equipment	(96)	228
投資預付款項減值 (附註17)	Impairment of prepayments for investments (note 17)	3,184	–
匯兌虧損淨額	Net foreign exchange loss	147	227

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8. 融資成本

8. FINANCE COSTS

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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	5,949	5,717
融資租賃付款 之利息部份	Interest element of finance lease payments	178	543
應於五年內償還 之其他借貸	Other borrowings repayable within five years	439	251
		6,566	6,511

9. 所得稅開支

9. INCOME TAX EXPENSE

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
所得稅開支包括：	Income tax expenses comprise:		
本年度即期稅項	Current tax for the year		
– 香港利得稅	– Hong Kong profits tax	1,791	5,820
– 企業所得稅	– Enterprise income tax	897	88
		2,688	5,908
以往年度之超額撥備	Over provision in prior years		
– 香港利得稅	– Hong Kong profits tax	(1,009)	(143)
遞延稅項(附註25)	Deferred tax (note 25)		
– 稅率下降之影響	– Attributable to decrease in tax rate	(173)	–
– 其他	– Others	300	(24)
		127	(24)
所得稅開支	Income tax expense	1,806	5,741

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9. 所得稅開支 (續)

香港特區政府由二零零八／零九課稅年度起將利得稅稅率由17.5%降至16.5%。因此，相關利得稅及遞延稅項乃使用新稅率16.5%計算。

於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。企業所得稅適用稅率為25%(二零零八年：25%)。

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)

The Hong Kong SAR Government enacted a reduction in the Profits Tax Rates from 17.5% to 16.5% with effect from the year of assessment 2008/09. Accordingly, the relevant profits tax and deferred tax have been calculated using the new tax rate of 16.5%.

Enterprise Income Tax ("EIT") arising from the PRC is calculated according to the relevant laws and regulations in the PRC. The applicable tax rate for the EIT is 25% (2008: 25%).

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	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
扣除所得稅前溢利	Profit before income tax	8,197	30,626
按適用於有關司法權區溢利之稅率計算之溢利名義稅	Notional tax on profit calculated at the rates applicable to profits in the jurisdiction concerned	894	5,565
年內稅率下降對期初遞延稅項結餘之影響	Effect on opening deferred tax balance resulting from a decrease in tax rate during the year	(173)	–
毋須課稅收入之稅務影響	Tax effect of non-taxable income	(1,545)	(1,178)
不可扣減開支之稅務影響	Tax effect of non-deductible expenses	3,172	1,143
往年度之超額撥備	Over provision in prior years	(1,009)	(143)
其他	Others	467	354
所得稅開支	Income tax expense	1,806	5,741

10. 本公司權益持有人應佔溢利

本公司權益持有人應佔綜合溢利為6,431,000港元(二零零八年：24,885,000港元)，其中9,702,000港元(二零零八年：9,010,000港元)之溢利已於本公司之財務報表內處理。

10. PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

Of the consolidated profit attributable to the equity holders of the Company of HK\$6,431,000 (2008: HK\$24,885,000), a profit of HK\$9,702,000 (2008: HK\$9,010,000) has been dealt with in the financial statements of the Company.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

11. 股息

11. DIVIDEND

	二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
結算日後擬派末期股息：無 (二零零八年：每股0.80港仙)	Final dividend proposed after the balance sheet date of nil (2008: HK0.80 cents) per share -	7,432

於截至二零零九年三月三十一日止年度已派付及確認為分派的股息為7,432,000港元(二零零八年：10,448,000港元)。

Dividend paid and recognised as distributions during the year ended 31 March 2009 amounted to HK\$7,432,000 (2008: HK\$10,448,000).

12. 每股盈利

12. EARNINGS PER SHARE

每股基本盈利乃基於本年度溢利6,431,000港元(二零零八年：24,885,000港元)及年內已發行普通股的加權平均數901,701,000股(二零零八年：874,772,000股)計算。

The calculation of basic earnings per share is based on the profit for the year of HK\$6,431,000 (2008: HK\$24,885,000) and the weighted average number of ordinary shares in issue during the year of 901,701,000 (2008: 874,772,000).

每股攤薄盈利乃基於本年度溢利6,431,000港元(二零零八年：24,885,000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\$6,431,000 (2008: HK\$24,885,000) 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:

	二零零九年 2009	二零零八年 2008
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 901,701,000	874,772,000
尚未行使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 outstanding share options (note 27) 3,029,000	15,217,000
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 904,730,000	889,989,000

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

13. 董事及高級管理人員酬金

13. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS

(a) 董事酬金

(a) Directors' emoluments

		薪金、津貼 及實物福利 Salaries, allowances and benefits in kind	退休福利 計劃供款 Retirement benefits scheme contributions	以權益結算 以股份支付 之補償 Equity- settled share-based compensation	總額 Total
	袍金 Fees	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
二零零九年	2009				
執行董事	Executive Directors				
原秋明先生	Mr. Yuen Chow Ming	-	1,034	-	1,034
原偉強先生	Mr. Yuen Wai Keung	-	1,034	12	1,046
蘇耀祥先生	Mr. So Yiu Cheung	-	1,034	12	1,046
張志文先生 (附註(i))	Mr. Cheung Chi Man, Dennis (note (i))	-	525	6	366
獨立非執行董事	Independent Non- Executive Directors				
梁以德教授	Professor Leung Yee Tak	120	-	-	120
廖長天先生 (附註(ii))	Mr. Liao Cheung Tin, Stephen (note (ii))	13	-	-	13
王立石先生 (附註(iii))	Mr. Wong Lap Shek, Eddie (note (iii))	33	-	-	33
張志文先生 (附註(i))	Mr. Cheung Chi Man, Dennis (note (i))	48	-	-	48
鍾麗嫻女士 (附註(iv))	Ms. Chung Lai Kwok, Elaine (note (iv))	90	-	-	90
孫伯全先生 (附註(v))	Mr. Sun Bo Quan (note (v))	100	-	-	100
鄭家銘先生 (附註(vi))	Mr. Cheng Ka Ming, Martin (note (vi))	47	-	-	47
		451	3,627	30	366
					4,474

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

13. 董事及高級管理人員酬金 (續)

13. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS

(Continued)

(a) 董事酬金 (續)

(a) Directors' emoluments (Continued)

		薪金、津貼 及實物福利 Salaries, allowances and benefits	袍金 Fees	退休福利 計劃供款 Retirement benefits scheme contributions	以權益結算 以股份支付 之補償 Equity- settled share-based compensation	總額 Total
		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
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
原偉強先生	Mr. Yuen Wai Keung	–	1,014	12	38	1,064
蘇耀祥先生	Mr. So Yiu Cheung	–	1,014	12	38	1,064
獨立非執行董事	Independent Non- Executive Directors					
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
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 (附註(vii))	Dr. Ho Chung Tai, Raymond (note (vii))	70	–	–	38	108
		431	3,042	24	266	3,763

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

13. 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

附註：

- (i) 於二零零八年十月十五日由獨立非執行董事調任為執行董事
- (ii) 於二零零九年二月二十日獲委任
- (iii) 於二零零八年十月十五日獲委任
- (iv) 於二零零九年一月一日辭任
- (v) 於二零零九年四月一日辭任
- (vi) 於二零零八年十月一日獲委任及於二零零九年二月二十日辭任
- (vii) 於二零零七年十一月一日辭任

概無董事放棄或同意放棄截至二零零九年及二零零八年三月三十一日止年度之任何酬金。

13. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS

(Continued)

(a) Directors' emoluments (Continued)

Note:

- (i) re-designated from an Independent Non-executive Directors to be an Executive Directors on 15 October 2008
- (ii) appointed on 20 February 2009
- (iii) appointed on 15 October 2008
- (iv) resigned on 1 January 2009
- (v) resigned on 1 April 2009
- (vi) appointed on 1 October 2008 and resigned on 20 February 2009
- (vii) resigned on 1 November 2007

No director waived or agreed to waive any emoluments in respect of the years ended 31 March 2009 and 2008.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

13. 董事及高級管理人員酬金 (續)

(b) 五名最高薪人士

本集團五名最高薪人士包括四名(二零零八年：三名)董事，其酬金已於上文披露。已付予餘下一名(二零零八年：兩名)最高薪非董事人士之酬金如下：

		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
薪金、津貼及實物福利	Salaries, allowances and benefits in kind	780	1,608
退休福利計劃供款	Retirement benefits scheme contributions	12	20
以權益結算以股份支付之補償	Equity-settled share-based compensation	30	557
		822	2,185

上述一名(二零零八年：兩名)最高薪非董事人士之酬金總額介乎下列範圍：

		人數 Number of individuals	
		二零零九年 2009	二零零八年 2008
1至1,000,000港元	HK\$1 – HK\$1,000,000	1	1
1,000,001至1,500,000港元	HK\$1,000,001 – HK\$1,500,000	–	1
		1	2

於截至二零零九及二零零八年三月三十一日止年度內，本集團並無向董事或任何五名最高薪人士支付任何酬金，作為招攬彼等加入本集團或彼等加入本集團後之獎勵或作為離職補償。

13. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS

(Continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group included four (2008: three) directors whose emoluments have been disclosed above. The emoluments paid to the remaining one (2008: two) highest paid, non-director individuals are as follows:

The aggregate emoluments of the above one (2008: two) highest paid, non-director individual fell within the following bands:

During the years ended 31 March 2009 and 2008, no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

14. 物業、廠房及設備

14. PROPERTY, PLANT AND EQUIPMENT

本集團	The Group	樓宇	傢俬、 裝置及設備	租賃 物業裝修	汽車	機器及工具	水管網	在建工程	合計
		Buildings	Furniture, fixtures and equipment	Leasehold improve- ments	Motor vehicles	Machinery and tools	Water pipelines	Construction in progress	
		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
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	Additions through business combination	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
賬面淨額	Net book amount								
於二零零八年四月一日	At 1 April 2008	46,341	12,881	3,009	15,232	8,302	20,033	1,328	107,126
匯兌調整	Translation adjustment	954	166	-	4	-	361	68	1,553
添置	Additions	-	1,672	331	2,147	316	22	4,554	9,042
透過業務合併添置 (附註29)	Additions through business combination (note 29)	1,371	597	-	-	-	6,822	968	9,758
轉撥	Transfer	-	-	-	-	-	961	(961)	-
出售附屬公司 (附註30)	Disposal of subsidiaries (note 30)	(46,159)	(8,393)	-	(141)	-	(19,594)	(5,957)	(80,244)
出售	Disposals	-	(105)	(368)	(271)	(42)	-	-	(786)
折舊	Depreciation	(1,192)	(1,647)	(773)	(2,931)	(2,234)	(1,087)	-	(9,864)
於二零零九年三月三十一日	At 31 March 2009	1,315	5,171	2,199	14,040	6,342	7,518	-	36,585
於二零零九年三月三十一日	At 31 March 2009								
成本	Cost	1,360	8,139	4,369	25,486	19,569	7,754	-	66,677
累計折舊	Accumulated depreciation	(45)	(2,968)	(2,170)	(11,446)	(13,227)	(236)	-	(30,092)
賬面淨額	Net book amount	1,315	5,171	2,199	14,040	6,342	7,518	-	36,585

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Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

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添置為168,000港元(二零零八年：646,000港元)。

於二零零九年三月三十一日，以融資租賃方式持有之資產的賬面淨額已計入汽車及機器及工具賬面淨額，分別為5,995,000港元(二零零八年：7,134,000港元)及1,334,000港元(二零零八年：2,193,000港元)。

物業的賬面淨額分析如下：

14. PROPERTY, PLANT AND EQUIPMENT

(Continued)

During the year, additions to motor vehicles financed by new finance leases were HK\$168,000 (2008: HK\$646,000).

As at 31 March 2009, 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\$5,995,000 (2008: HK\$7,134,000) and HK\$1,334,000 (2008: HK\$2,193,000) respectively.

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

		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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	1,460	66,538
		1,460	68,882
下列各項所佔部份：	Representing:		
樓宇	Buildings	1,315	46,341
預付土地租賃款項 (附註15)	Prepaid land lease payments (note 15)	145	22,541
		1,460	68,882

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

15. 預付土地租賃款項

15. PREPAID LAND LEASE PAYMENTS

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
於二零零八/二零零七年 四月一日的賬面值	Carrying amount at 1 April 2008/2007	22,541	–
匯兌調整	Translation adjustment	470	857
透過業務合併添置 (附註29)	Addition through business combination (note 29)	148	21,799
出售附屬公司(附註30)	Disposal of subsidiaries (note 30)	(22,656)	–
扣除攤銷	Amortisation charged	(358)	(115)
於二零零九/二零零八年 三月三十一日的賬面值	Carrying amount at 31 March 2009/2008	145	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	143	22,071
計入流動資產的 流動部份(附註20)	Current portion included in current assets (note 20)	2	470
		145	22,541

16. 附屬公司

16. SUBSIDIARIES

		本公司 The Company	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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	136,162	79,857
應收附屬公司款項	Amounts due from subsidiaries	213,680	175,163
應付附屬公司款項	Amounts due to subsidiaries	6,661	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

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

16. 附屬公司 (續)

於二零零九年三月三十一日之附屬公司詳情如下：

16. SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 March 2009 are as follows:

名稱 Name	註冊成立／註冊之地點 Place of incorporation/ registration	已發行及 繳足股本 Issued and paid up capital	所持應佔股權 Attributable equity interests held	主要業務及經營地點 Principal activities and place of operation
直接持有權益 Interests held directly				
裕途控股有限公司 Rich Path Holdings Limited	英屬處女群島 British Virgin Islands	1美元(普通股) US\$1 (ordinary share)	100%	在香港從事投資控股 Investment holding in Hong Kong
間接持有權益 Interests held indirectly				
明興水務渠務工程有限公司 Ming Hing Waterworks Engineering Company Limited	香港 Hong Kong	68,800,000港元(普通股) HK\$68,800,000 (ordinary shares)	100%	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

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

16. 附屬公司 (續)

於二零零九年三月三十一日之附屬公司詳情如下：(續)

16. SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 March 2009 are as follows: (Continued)

名稱 Name	註冊成立／註冊之地點 Place of incorporation/ registration	已發行及 繳足股本 Issued and paid up capital	所持應佔股權 Attributable equity interests held	主要業務及經營地點 Principal activities and place of operation
間接持有權益 (續) Interests held indirectly (Continued)				
中明管道修復有限公司 DST Pipe Rehab Limited	香港 Hong Kong	100港元(普通股) HK\$100 (ordinary shares)	100%	暫無營業 Inactive
明興永富聯營 Ming Hing – INFO JV	香港 Hong Kong	不適用 N/A	95%	在香港從事土木工程承包業務 Civil engineering contracting business in Hong Kong
明興自來水(南寧)有限公司 附註(a) note (a)	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%	在香港從事投資控股 Investment holding in Hong Kong
明興中國水務處理工程有限公司 Ming Hing Water Treatment Engineering (PRC) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100%	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

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16. 附屬公司 (續)

於二零零九年三月三十一日之附屬公司詳情如下：(續)

16. SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 March 2009 are as follows: (Continued)

名稱 Name	註冊成立/註冊之地點 Place of incorporation/ registration	已發行及 繳足股本 Issued and paid up capital	所持應佔股權 Attributable equity interests held	主要業務及經營地點 Principal activities and place of operation
間接持有權益 (續) Interests held indirectly <i>(Continued)</i>				
明興水務(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
清遠市新興自來水淨化 有限公司 附註(a) note (a)	中國 PRC	1,367,670美元 US\$1,367,670	100%	在中國內地從事投資控股 Investment holding in Mainland China
清新縣飛來峽發興自來水 有限公司	中國 PRC	人民幣9,600,000元 RMB9,600,000	附註(b) note (b)	在中國內地從事供水業務 Water supply business in Mainland China

附註：

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

Notes:

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

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17. 投資預付款項

17. PREPAYMENTS FOR INVESTMENTS

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
就可能投資支付之按金	Deposits paid for potential investments	6,841	6,841
減：減值撥備	Less: Provision for impairment	(3,184)	–
		3,657	6,841

截至二零零九年三月三十一日的結餘包括下列各項：

The balance as at 31 March 2009 comprise the followings:

- | | |
|---|---|
| <p>(a) 本集團於上一財政年度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)的按金。該合營公司將主要在中國廣東省雷州市提供供水服務。</p> <p>(b) 本集團於上一財政年度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)的按金。該企業將主要在中國廣西省提供供水服務。鑒於完成有關收購及收回上述按金之不確定性不斷增加，故董事已就按金作出全數撥備。</p> <p>(c) 本集團於上一財政年度就可能收購若干中國企業之股本權益支付1,500,000港元的按金。該等企業主要在中國廣東省清遠市提供供水服務。</p> | <p>(a) The amount of RMB2,000,000 (equivalent to approximately HK\$2,157,000) represents the deposit paid by the Group in last financial year 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.</p> <p>(b) The amount of RMB3,000,000 (equivalent to approximately HK\$3,184,000) represents the deposit paid by the Group in last financial year 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. In light of the increasing uncertainty as to the completion of the acquisition and the recoverability of the aforesaid deposit, the Directors have made full provision for the deposit accordingly.</p> <p>(c) The amount of HK\$1,500,000 represents deposit paid by the Group in last financial year 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.</p> |
|---|---|

18. 存貨

18. INVENTORIES

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
物料及供應品 – 按成本	Raw materials and supplies – at cost	–	68

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19. 土木工程合約

19. CIVIL ENGINEERING CONTRACTS

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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	1,958,371	1,364,340
減：迄今之進度款項	Less: Progress billings to date	(1,539,214)	(974,081)
減：可預見虧損	Less: Foreseeable losses	(16,089)	–
		403,068	390,259
應收客戶合約工程款項	Amounts due from customers of contract works	405,609	393,966
應付客戶合約工程款項	Amounts due to customers of contract works	(2,541)	(3,707)
		403,068	390,259

20. 貿易及其他應收款項、預付款項及按金

20. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
貿易應收款項 (附註(a))	Trade receivables (note (a))	27,068	7,956
應收保留款項 (附註(b))	Retention receivables (note (b))	18,487	8,793
預付土地租賃款項 (附註15)	Prepaid land lease payments (note 15)	2	470
預付款項及按金	Prepayments and deposits	6,319	8,410
其他應收款項 (附註(c))	Other receivables (note (c))	18,164	15,794
		70,040	41,423
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	(16,285)	(6,157)
		53,755	35,266

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

20. 貿易及其他應收款項、預付款項及按金 (續)

附註：

- (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：

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

Notes:

- (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	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
三個月內	Within 3 months	27,065	7,658
四至六個月	4 to 6 months	2	140
七至九個月	7 to 9 months	1	90
十至十二個月	10 to 12 months	-	17
一年以上	Over 1 year	-	51
		27,068	7,956

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。給供水業務客戶之信貸期通常為30日。

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

於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：

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	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
概無逾期或減值	Neither past due nor impaired	27,065	7,165
逾期但並無視為減值	Past due but not considered impaired		
三個月內	Within 3 months	1	503
四至六個月	4 to 6 months	1	138
七至九個月	7 to 9 months	1	84
十至十二個月	10 to 12 months	-	16
一年以上	Over 1 year	-	50
		27,068	7,956

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

20. 貿易及其他應收款項、預付款項及按金 (續)

附註：(續)

(a) (續)

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二零零九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。

(b) 合約工程客戶預扣之保留金於相關合約之保養期結束後支付或根據相關合約規定之條款支付。

(c) 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。

(d) 貿易及其他應收款項(包括應收保留款項)乃屬短期，因此董事認為，貿易及其他應收款項於結算日之賬面值與彼等之公允值相若。

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

Notes: (Continued)

(a) (Continued)

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 2009. The Group does not hold any collateral over these balances.

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

(d) Trade and other receivables including the retention receivables are short term and hence the directors consider the carrying amount of trade and other receivables approximate their fair values at the balance sheet dates.

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

21. 已抵押銀行存款

21. PLEDGED BANK DEPOSITS

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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 performance bonds	32,297	28,936
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	27,297	23,936

已抵押銀行存款均以港元為單位，並按固定年利率0.05厘至2.49厘(二零零八年：1.05厘至1.72厘)賺取利息，平均為一個月(二零零八：三個月)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 all denominated in HK\$, earn interest at fixed rate ranged from 0.05% to 2.49% (2008: 1.05% to 1.72%) per annum and have maturity period of one month (2008: three 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	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
銀行結存及現金	Cash at banks and in hand	60,757	32,684
短期銀行存款	Short-term bank deposits	3,000	140,200
		63,757	172,884

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22. 現金及現金等價物 (續)

22. CASH AND CASH EQUIVALENTS (Continued)

		本公司 The Company	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
銀行結存及現金	Cash at banks and in hand	568	422
短期銀行存款	Short-term bank deposits	—	139,200
		568	139,622

於二零零九年三月三十一日，以人民幣（「人民幣」）列值的現金結餘為3,521,000港元（二零零八年：5,562,000港元）。人民幣不可自由兌換為其他貨幣。

As at 31 March 2009, cash balance denominated in Renminbi (“RMB”) amounted to HK\$3,521,000 (2008: HK\$5,562,000). RMB is not freely convertible into other currencies.

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1.00厘（二零零八年：0.30厘至1.15厘）賺取利息，平均為一個月（二零零八年：一週）到期。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term bank deposits carry interest at fixed rate of 1.00% (2008: 0.30% to 1.15%) per annum and have maturity period of one month (2008: one week) on average.

董事認為，由於到期日短，因此短期銀行存款之公允值與其賬面值並無重大差異。

The directors consider that the fair value of the short-term deposits is not materially different from their carrying amounts because of the short maturity period.

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23. 貿易及其他應付款項

貿易及其他應付款項(包括於結算日基於發票日期之貿易應付款項)之賬齡分析如下：

23. TRADE AND OTHER PAYABLES

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

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
貿易應付款項賬齡	Trade payables aged		
三個月內	Within 3 months	41,243	30,823
四至六個月	4 to 6 months	7,128	4,024
七至九個月	7 to 9 months	508	175
十至十二個月	10 to 12 months	1,418	103
一年以上	Over 1 year	897	2,862
		51,194	37,987
應付保留款項(附註(a))	Retention payables (note (a))	1,805	33
其他應付款項及應計費用	Other payables and accruals	10,874	27,033
		63,873	65,053

附註：

- (a) 本集團預扣之保留金於相關合約之保養期結束後支付。
- (b) 供應商及分包商給予之信貸期通常為30至60日。
- (c) 由於貿易及其他應付款項乃屬短期，因此董事認為，貿易及其他應付款項之賬面值與彼等於結算日之公允值相若。

Notes:

- (a) Retention monies withheld by the Group are released after the completion of maintenance period of the relevant contract.
- (b) Credit period granted by suppliers and subcontractors is normally 30 to 60 days.
- (c) Trade and other payables are short term and hence the directors consider the carrying amount of trade and other payables approximate their fair values at the balance sheet dates.

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24. 借貸

24. BORROWINGS

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
流動	Current		
銀行貸款，有抵押 (附註(a))	Bank loans, secured (note (a))	141,771	197,649
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))	2,363	4,688
		144,134	209,803
非流動	Non-current		
銀行貸款，有抵押 (附註(a))	Bank loans, secured (note (a))	15,000	31,649
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))	201	2,327
		15,201	39,467
借貸總額	Total borrowings	159,335	249,270
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	141,771	197,649
於第二年	In the second year	15,000	20,550
於第三至第五年 (包括首尾兩年)	In the third to fifth years, inclusive	–	11,099
		156,771	229,298
其他應償還之借貸	Other borrowings repayable		
於一年內	Within one year	2,363	12,154
於第二年	In the second year	201	2,786
於第三至第五年 (包括首尾兩年)	In the third to fifth years, inclusive	–	2,100
五年以上	Beyond five years	–	2,932
		2,564	19,972
		159,335	249,270

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24. 借貸 (續)

附註：

- (a) 銀行貸款156,771,000港元(二零零八年：207,099,000港元)由本公司發出的企業擔保作抵押(附註33)，其中123,771,000港元(二零零八年：197,099,000港元)進一步以銀行存款32,297,000港元(二零零八年：28,936,000港元)(附註21)之押記作抵押。此外，銀行貸款81,421,000港元(二零零八年：114,402,000港元)由若干土木工程合約之收入作抵押。除上述者外，銀行貸款15,000,000港元(二零零八年：無)由本公司一名董事以個人擔保作抵押。
- (b) 本集團租賃若干汽車及機器，而該等租賃歸類為融資租賃，剩餘租賃期由五個月至兩年(二零零八：一至三年)不等。於二零零九年三月三十一日，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:

- (a) Bank loans amounting to HK\$156,771,000 (2008: HK\$207,099,000) are secured by the corporate guarantees issued by the Company (note 33) and of which HK\$123,771,000 (2008: HK\$197,099,000) are further secured by charges over bank deposits amounting to HK\$32,297,000 (2008: HK\$28,936,000) (note 21). In addition, bank loans amounting to HK\$81,421,000 (2008: HK\$114,402,000) is secured by the proceeds on certain civil engineering contracts. Apart from the above, bank loan amounting to HK\$15,000,000 (2008: Nil) is secured by personal guarantee from a director of the Company.
- (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 five months to two years (2008: one to three years). As at 31 March 2009, the total future minimum lease payments under finance leases and their present values were as follows:

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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	2,399	4,885
— 於第二年到	— Due in the second year	207	2,249
— 於第三至第五年到	— Due in the third to fifth years, inclusive	—	115
		2,606	7,249
減：融資租賃之 未來財務費用	Less: future finance charges on finance leases	(42)	(234)
融資租賃負債之現值	Present value of finance lease liabilities	2,564	7,015
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	2,363	4,688
— 於第二年到	— Due in the second year	201	2,214
— 於第三至第五年到	— Due in the third to fifth years, inclusive	—	113
		2,564	7,015
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	(2,363)	(4,688)
列入非流動負債之 非流動部份	Non-current portion included under non-current liabilities	201	2,327

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24. 借貸 (續)

附註：(續)

(c) 有關借貸之其他資料：

原有貨幣 Original currency	於年終的實際年利率 Effective interest rate per annum at year end				
	二零零九年 2009		二零零八年 2008		
	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\$	1.40% – 3.20%	–	2.48% - 3.86%	
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\$	2.02% – 2.09%	3.25% – 4.00%	3.20%	3.25%

董事認為，本集團之流動及非流動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折算。

(d) 於二零零九年三月三十一日，本集團之可動用銀行融資額為268,431,000港元(二零零八年：273,660,000港元)，其中111,660,000港元(二零零八年：57,960,000港元)並無動用。

24. BORROWINGS (Continued)

Notes: (Continued)

(c) Other information about the borrowings:

In the opinion of the directors, the carrying amounts of the Group's current and non-current borrowings approximate their fair values as of balance sheet date. The fair values of the non-current borrowings are calculated by discounting their expected future cash flow at market rate.

(d) As at 31 March 2009, the Group had available bank facilities of HK\$268,431,000 (2008: HK\$273,660,000), out of which HK\$111,666,000 (2008: HK\$57,960,000) 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	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
於二零零八年／二零零七年 四月一日	At 1 April 2008/2007	3,043	3,067
因業務合併產生(附註29)	Arising from business combination (note 29)	514	–
於收益表內扣除／(計入) (附註9)	Charged/(Credited) to income statement (note 9)	127	(24)
於二零零九年／二零零八年 三月三十一日	At 31 March 2009/2008	3,684	3,043

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25. 遞延稅項 (續)

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。

25. DEFERRED TAX (Continued)

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

		附註 Notes	面值 Par value 港元 HK\$	普通股數目 Number of ordinary shares	總額 Total 千港元 HK\$'000
法定	Authorised				
於二零零八年三月三十一日及 二零零九年三月三十一日	At 31 March 2008 and 31 March 2009	(a)	0.05	2,000,000,000	100,000
已發行及繳足	Issued and fully paid				
於二零零七年四月一日	At 1 April 2007		0.1	320,000,000	32,000
因行使購股權而發行股份	Shares issued upon exercise of share options		0.1	15,380,000	1,538
發行新股份	Issue of new shares	(b)	0.1	64,000,000	6,400
分拆股份	Subdivision of shares	(a)		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	(b)	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及 二零零八年四月一日	At 31 March 2008 and 1 April 2008		0.05	930,780,000	46,539
購回股份	Repurchase of shares	(c)	0.05	(129,800,000)	(6,490)
於二零零九年三月三十一日	At 31 March 2009		0.05	800,980,000	40,049

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

26. 股本 (續)

附註：

(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）。

(b) 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」）及中國水務之全資附屬公司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（或128,000,000股為進行股份分拆而調整之普通股），認購價為每股0.80港元或每股0.40港元（就股份分拆之影響作出調整後）。認購已於二零零七年六月完成。

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:

(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.

(b) On 13 April 2007, the Company entered into a subscription agreement with China Water Affairs Group Limited (“**China Water**”) and Oceanup Investments Limited (“**Oceanup**”), a wholly-owned subsidiary of China Water, under which China Water has agreed to subscribe, through Oceanup, and the Company has agreed to issue 64,000,000 ordinary shares (or 128,000,000 ordinary shares to adjust for the effect of the Shares Subdivision) of the Company at the subscription price of HK\$0.80 per share (or HK\$0.40 per share to adjust for the effect of the Shares Subdivision). The subscription was completed in June 2007.

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.

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26. 股本 (續)

附註：(續)

- (c) 於本年度，本公司購回之本公司普通股詳情如下：

年/月 Month/Year	回購方法 Method of purchase	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\$	
二零零八年四月 April 2008	聯交所 On the Stock Exchange	1,800,000	0.48	0.44	840
二零零八年十二月 December 2008	場外(附註(ii)) Off-market (note (ii))	128,000,000	0.42	0.42	53,868
		129,800,000			54,708

* 包括直接開支

附註：

- (i) 於二零零八年九月十八日，本公司與中國水務透過訂立一份協議於場外購回股份，按購回價每股0.42港元向中國水務購回128,000,000股本公司普通股（「**128,000,000股股份購回**」），由此產生總代價53,760,000港元。如上文附註(b)所述，Oceanup於二零零七年六月認購該等股份。

128,000,000股股份購回之代價與出售本集團若干附屬公司(如附註30所述)之另一交易代價對銷。

- (ii) 由於股份購回，相等於6,490,000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。

26. SHARE CAPITAL (Continued)

Notes: (Continued)

- (c) During the year, the Company repurchased its own ordinary shares and the details are so as follows:

Number of shares repurchased	Price paid per share		Aggregate price paid* 千港元 HK\$'000
	Highest 港元 HK\$	Lowest 港元 HK\$	
1,800,000	0.48	0.44	840
128,000,000	0.42	0.42	53,868
129,800,000			54,708

* Including direct expenses

Notes:

- (i) The Company made an off-market repurchases by entering into an agreement with China Water on 18 September 2008 to repurchase from China Water 128,000,000 ordinary shares of the Company (the "**128M Shares Repurchase**") at the repurchase price of HK\$0.42 per share, giving rise to the total consideration of HK\$53,760,000. Those shares were subscribed by Oceanup in June 2007 as mentioned in note (b) above.

The consideration for the 128M Shares Repurchase was offset against the consideration for another transaction to the disposal of certain subsidiaries of the Group as mentioned in note 30.

- (ii) As a result of the share repurchases, an amount equivalent to the par value of the shares repurchased of HK\$6,490,000 was transferred from retained profits to the capital redemption reserve.

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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.

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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.

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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	於授出日期之
					之本公司股價 Company's share price immediately before grant 港元 HK\$	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	note (b) 附註(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	note (b) 附註(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	note (b) 附註(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	note (b) 附註(b)	1.420	1.425	1.420
二零零七年十月五日	5 October 2007	12,550,000	note (c) 附註(c)	0.812	0.780	0.780
二零零九年二月十八日	18 February 2009	64,000,000	note (d) 附註(d)	0.148	0.150	0.148
		140,550,000				

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27. 以股份支付之補償 (續)

已授出購股權之條款及條件 (續)

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曆月後歸屬，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曆月後歸屬，並於二零零九年十月四日屆滿。
- (d) 於二零零八年二月十八日授出之購股權於授出日期歸屬，可於接納購股權當日起至二零一二年二月二十九日行使。

27. SHARE-BASED COMPENSATION (Continued)

Terms and conditions of the share options granted (Continued)

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.
- (d) Share options granted on 18 February 2008 vest on the date of grant and are exercisable from the date of acceptance of the options up to 29 February 2012.

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Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

27. 以股份支付之補償 (續)

購股權之變動及其加權平均行使價

於本財政年度的購股權變動如下：

二零零九年

承授人 Grantees	購股權授出日期 Options grant date	購股權數目 Number of share options				於二零零九年 三月三十一日 At 31 March 2009 千 '000
		於二零零八年 四月一日 At 1 April 2008 千 '000	已授出 Granted 千 '000	已行使 Exercised 千 '000	已沒收 Forfeited 千 '000	
董事 Directors	二零零七年四月十七日 17 April 2007	1,200	-	-	-	1,200
	二零零九年二月十八日 18 February 2009	-	8,000	-	-	8,000
		1,200	8,000	-	-	9,200
僱員 Employees	二零零七年四月四日 4 April 2007	1,700	-	-	-	1,700
	二零零七年四月十七日 17 April 2007	300	-	-	(300)	-
	二零零七年五月十七日 17 May 2007	440	-	-	(40)	400
	二零零七年十月五日 5 October 2007	3,800	-	-	(1,750)	2,050
	二零零九年二月十八日 18 February 2009	-	8,000	-	-	8,000
		6,240	8,000	-	(2,090)	12,150
服務或貨品供應商 Suppliers of services or goods	二零零七年三月二十六日 26 March 2007	9,000	-	-	-	9,000
	二零零七年四月四日 4 April 2007	13,400	-	-	-	13,400
	二零零七年十月五日 5 October 2007	8,750	-	-	(250)	8,500
	二零零九年二月十八日 18 February 2009	-	48,000	-	-	48,000
		31,150	48,000	-	(250)	78,900
合計 Total		38,590	64,000	-	(2,340)	100,250
每股加權平均行使價 (港元) Weighted average exercise price (HK\$ per share)		0.657	0.148	-	0.843	0.328

27. SHARE-BASED COMPENSATION (Continued)

Movements of the share options and their weighted average exercise price

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

2009

財務報表附註

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

27. 以股份支付之補償 (續)

購股權之變動及其加權平均行使價 (續)

二零零八年

27. SHARE-BASED COMPENSATION (Continued)

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

2008

承授人 Grantees	購股權授出日期 Options grant date	購股權數目 Number of share options				於二零零八年 三月三十一日 At 31 March 2008
		於二零零八年 四月一日 At 1 April 2007	已授出 Granted	已行使 Exercised	已沒收 Forfeited	
		千 '000	千 '000	千 '000	千 '000	千 '000
董事 Directors	二零零七年四月十七日 17 April 2007	-	1,400	-	(200)	1,200
僱員 Employees	二零零七年四月四日 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 Suppliers of services or goods	二零零七年三月二十六日 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

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Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

27. 以股份支付之補償 (續)

購股權之變動及其加權平均行使價 (續)

於二零零九年三月三十一日尚未行使之購股權的行使價介乎每股0.148港元至1.420港元(二零零八年: 0.445港元至1.420港元), 其於二零零九年三月三十一日的加權平均剩餘合約年期為1.97年(二零零八年: 1.30年)。

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0.046港元(二零零八年: 0.151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。

於本財政年度授出之購股權之公允值由獨立估值師採用栢力克—舒爾斯期權定價模式(「該模式」)計算。代入該模式之數據詳列如下:

每股股價(港元)	Share price (HK\$ per share)	0.148
每股行使價(港元)	Exercise price (HK\$ per share)	0.148
預期波幅(%)	Expected volatility (%)	96.06%
無風險利率(%)	Risk-free interest rate (%)	0.26%
股息收益率(%)	Dividend yield (%)	5.41%
預期購股權有效期(年)	Expected life of option (years)	1.0

27. SHARE-BASED COMPENSATION (Continued)

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

The exercise prices of the outstanding share options as at 31 March 2009 range from HK\$0.148 to HK\$1.420 per share (2008: HK\$0.445 to HK\$1.420 per share) and their weighted average remaining contractual life as at 31 March 2009 is 1.97 years (2008: 1.30 years).

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\$0.046 (2008: HK\$0.151) 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 share options granted during the financial year is determined by an independent valuer using the Black-Scholes option pricing model (the "Model"). Details of the inputs to the Model are as follows:

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

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)

預期波幅乃參照本公司二零零八年六月二日至二零零九年六月二日期間之每週股價變動而釐定。

無風險利率指於估值日到期之各項香港外匯基金票據之到期收益率。

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。

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2,929,000港元(二零零八年：5,348,000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1,098,000港元(二零零八年：2,203,000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733,000港元(二零零八年：1,709,000港元)及1,098,000港元(二零零八年：1,436,000港元)，已確認為行政開支。相應金額2,929,000港元(二零零八年：5,348,000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。

此外，年內就於二零零七年十月五日授出及於年內歸屬之若干購股權確認以股份支付之補償198,000港元。授予僱員之購股權產生之以股份支付之補償為153,000港元，而授予顧問之購股權產生之以股份支付之補償則為45,000港元。以股份支付之補償之全部金額均確認為行政開支。相關金額198,000港元計入購股權儲備。

27. SHARE-BASED COMPENSATION (Continued)

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

Expected volatility is determined by reference to the weekly share price movement of the Company for the period from 2 June 2008 to 2 June 2009.

Risk-free interests rate represents the yields to maturity of Hong Kong Exchange Fund Note with respective terms to maturity as at the valuation date.

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.

Financial effect of the share options

The amount of share-based compensation arising from granting the share options during the year was HK\$2,929,000 (2008: HK\$5,348,000). The share-based compensation in respect of the share options granted to the sub-contractors and suppliers amounting to HK\$1,098,000 (2008: HK\$2,203,000) 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\$733,000 (2008: HK\$1,709,000) and consultants amounting to HK\$1,098,000 (2008: HK\$1,436,000) was recognised as administrative expenses. The corresponding amount of HK\$2,929,000 (2008: HK\$5,348,000) has been credited to the share option reserve. No liabilities were recognised as those are equity-settled share-based payment transactions.

In addition, shares-based compensations amounting to HK\$198,000 is recognised during the year in respect of certain share options granted on 5 October 2007 which become vested during the year. The amount of share-based compensation arising from the share options granted to employees is HK\$153,000 whereas those arising from the share options granted to consultants is HK\$45,000. The entire amount of share-based compensation is recognised as administrative expenses. The corresponding amount of HK\$198,000 is credited to the share option reserve.

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

27. 以股份支付之補償 (續)

購股權的財務影響 (續)

於本財政年度，授予顧問及僱員之2,340,000份購股權被沒收，相關購股權開支343,000港元由購股權儲備撥入保留溢利。於上一財政年度，授予董事及僱員之400,000份購股權被沒收，相關購股權開支88,000港元由購股權儲備撥入保留溢利。

於二零零九年三月三十一日尚未行使及可予行使的購股權數目為100,250,000份(二零零八年：33,940,000份)，佔當日本公司已發行股份約12.5%(二零零八年：3.6%)。倘該等購股權全數獲行使，將導致本公司須額外發行100,250,000股普通股，並增加約5,013,000港元的股本及約27,829,000港元的股份溢價。

28. 儲備

本集團

股份溢價 (附註(a))	Share premium (note (a))
合併儲備 (附註(b))	Merger reserve (note (b))
購股權儲備 (附註(d))	Share option reserve (note (d))
資本贖回儲備 (附註(e))	Capital redemption reserve (note (e))
匯兌儲備 (附註(f))	Translation reserve (note (f))
保留溢利	Retained profits

27. SHARE-BASED COMPENSATION (Continued)

Financial effect of the share options (Continued)

During the current financial year, 2,340,000 share options which were granted to consultants and employees were forfeited and the corresponding share option expense of HK\$343,000 was transferred from share option reserve to retained profits. During last financial year, 400,000 share options which were granted to directors and employees were forfeited and the corresponding share option expense of HK\$88,000 was transferred from share option reserve to retained profits.

The number of outstanding share options which are exercisable as at 31 March 2009 was 100,250,000 (2008: 33,940,000) which represent approximately 12.5% (2008: 3.6%) of the Company's shares in issue on that date. The exercise in full of these share options would result in the issue of 100,250,000 additional ordinary shares of the Company including additional share capital of HK\$5,013,000 and share premium of HK\$27,829,000.

28. RESERVES

The Group

	二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
股份溢價 (附註(a))	207,178	255,396
合併儲備 (附註(b))	13,805	13,805
購股權儲備 (附註(d))	7,809	5,025
資本贖回儲備 (附註(e))	6,629	139
匯兌儲備 (附註(f))	517	2,893
保留溢利	106,893	106,609
	342,831	383,867

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Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

28. 儲備 (續)

本公司

28. RESERVES (Continued)

The Company

		股份溢價	繳入盈餘	購股權儲備	資本贖回儲備	保留溢利	總額
		Share premium	Contributed surplus	Share option reserve	Capital redemption reserve	Retained profits	Total
		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
		(附註(a))	(附註(c))	(附註(d))	(附註(e))		
		(note (a))	(note (c))	(note (d))	(note (e))		
於二零零七年四月一日	At 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
就二零零七年度末期股息作出調整	Adjustment for 2007 final dividend	-	-	-	-	(22)	(22)
授出之購股權	Share options granted	-	-	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	Share issued upon exercise of share options	20,094	-	(3,517)	-	-	16,577
發行新股份	Issue of new shares	234,240	-	-	-	-	234,240
股份發行開支	Share issue expenses	(9,552)	-	-	-	-	(9,552)
購回股份	Repurchase of shares	(1,396)	-	-	139	(139)	(1,396)
擬派末期股息	Proposed final dividend	-	-	-	-	(7,432)	(7,432)
於二零零八年三月三十一日及二零零八年四月一日	At 31 March 2008 and 1 April 2008	255,396	76,249	5,025	139	1,636	338,445
本年度溢利	Profit for the year	-	-	-	-	9,702	9,702
以股份支付之補償 (附註27) :	Share-based compensation (note 27):						
往年度授出之購股權	Share options granted in previous years	-	-	198	-	-	198
本年度授出之購股權	Share options granted in current years	-	-	2,929	-	-	2,929
沒收之購股權 (附註27)	Share options forfeited (note 27)	-	-	(343)	-	31	(312)
購回股份 (附註26(c))	Repurchase of shares (note 26(c))	(48,218)	-	-	6,490	(6,490)	(48,218)
於二零零九年三月三十一日	At 31 March 2009	207,178	76,249	7,809	6,629	4,879	302,744

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

28. 儲備 (續)

本公司

附註：

- (a) 根據開曼群島法例第22章公司法(一九六一年第3條法例，經綜合及修訂)，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。
- (b) 本集團之合併儲備指根據本集團於本公司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3.15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3.11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。

29. 業務合併

收購清新縣飛來峽發興自來水有限公司

於二零零八年四月二十九日，本集團與一獨立第三方(「賣方」)訂立一份股權轉讓協議(「股權轉讓協議」)，據此，本集團同意購買而賣方同意出售於一間中國企業清新縣飛來峽發興自來水有限公司(「發興自來水」)(前稱清新縣江口興迅自來水公司)之83.33%股本權益，代價為人民幣500,000元(相等於約570,000港元)，以現金方式支付(「清新收購事項」)。發興自來水主要在中國廣東省清遠市清新縣若干地區從事供水服務。有關清新收購事項之進一步詳情已載於本公司日期為二零零八年五月十四日之公佈內。

28. RESERVES (Continued)

The Company (Continued)

Note:

- (a) Under the Companies Law Cap. 22, (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.
- (b) The merger reserve of the Group represents the difference between the nominal value of the aggregate share capital of subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange pursuant to the reorganisation of the Group taken place before the listing of Company on the Stock Exchange.
- (c) Contributed surplus of the Company represents the difference between the costs of investment in subsidiaries acquired over the nominal value of the share capital of the Company in exchange pursuant to the reorganisation of the Group taken place before the listing of Company's shares on the Stock Exchange.
- (d) Share option reserve represents the fair value of share options granted as further explained in the accounting policy adopted for share-based compensation in note 3.15.
- (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 3.11.

29. BUSINESS COMBINATIONS

Acquisition of 清新縣飛來峽發興自來水有限公司

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, 清新縣飛來峽發興自來水有限公司 (previously known as 清新縣江口興迅自來水公司) ("發興自來水"), at the consideration of RMB500,000 (equivalent to approximately HK\$570,000) which was satisfied by way of cash (the "Qingxin Acquisition"). 發興自來水 is principally engaged in provision of water supply services in certain areas of Qingxin County, Qingyuan City, Guangdong Province, the PRC. Further details about the Qingxin Acquisition were set out in the announcement of the Company dated 14 May 2008.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

29. 業務合併 (續)

收購清新縣飛來峽發興自來水有限公司 (續)

發興自來水之可識別資產及負債於清新收購事項日期之公允值與緊接收購事項前之相關賬面值如下：

29. BUSINESS COMBINATIONS (Continued)

Acquisition of 清新縣飛來峽發興自來水有限公司 (Continued)

The fair value of the identifiable assets and liabilities of 發興自來水 at the date of Qingxin Acquisition and the corresponding carrying amounts immediately before the Qingxin Acquisition are as follows:

		於清新收購事項日期 On the date of the Qingxin Acquisition		
		賬面值 Carrying amount	公允值調整 Fair value adjustments	公允值 Fair value
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
物業、廠房及設備	Property, plant and equipment	7,740	2,018	9,758
預付土地租賃款項	Prepaid land lease payments	108	40	148
其他應收款項	Other receivables	5	–	5
銀行結餘及現金	Bank balances and cash	19	–	19
其他應付款項	Other payables	(7,347)	–	(7,347)
應付稅項	Tax payables	(109)	–	(109)
遞延稅項負債 (附註25)	Deferred tax liabilities (note 25)	–	(514)	(514)
資產及負債總額	Total assets and liabilities	416	1,544	1,960
83.33%之已收購可識別 資產及負債之公允值	Fair value of identifiable assets and liabilities acquired - 83.33%			1,632
超出業務合併成本之 金額 (附註5)	Excess over the cost of business combination (note 5)			(945)
投資成本總額#	Total cost of investment#			687
投資成本總額 由以下方式支付： 現金	The total cost of investment is satisfied by: Cash			687
清新收購事項產生之 現金流出淨額 分析如下： 投資成本	Net cash outflow arising on the Qingxin Acquisition: Cost of investment			687
所收購之銀行結餘及現金	Bank balances and cash acquired			(19)
				668

包括清新收購事項之附帶成本

including incidental costs for the Qingxin Acquisition

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

29. 業務合併 (續)

收購清新縣飛來峽發興自來水有限公司 (續)

本集團所佔發興自來水之可識別資產及負債之公允值權益高於投資成本是由於發興自來水近年來一直虧損經營，並預計發興自來水來年仍會錄得虧損。然而，由於清遠市工業快速擴張，預計該地區之供水需求將會因此而增加，管理層認為發興自來水於可見未來將會錄得盈利。

發興自來水於清新收購事項後產生之收益及虧損淨額分別為418,000港元及267,000港元。若清新收購事項於二零零八年四月一日完成，則本集團截至二零零九年三月三十一日止年度之收益及純利將分別為661,401,000港元及5,956,000港元。此等備考資料僅供說明用途，並不代表清新收購事項若於二零零八年四月一日完成則本集團實際可達致之收益及經營業績，亦無意用作預測未來業績。

收購湖南省寧鄉縣自來水公司之資產

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）（「寧鄉收購事項」）。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。有關寧鄉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。

29. BUSINESS COMBINATIONS (Continued)

Acquisition of 清新縣飛來峽發興自來水有限公司 (Continued)

The excess of the Group's interests in the fair value of the identifiable assets and liabilities of 發興自來水 over the cost of investment is attributable to the fact that 發興自來水 has been operating at net loss in recent years and it is expected that 發興自來水 will continue to make loss in the coming year. However with the repaid expansion of the industrial sector in Qingyuan City and thus expected growth in demand of water supply in the region, management is of the opinion that 發興自來水 will become profit making in foreseeable future.

Revenue and net loss generated by 發興自來水 after the Qingxin Acquisition amounted to HK\$418,000 and HK\$267,000 respectively. Had the Qingxin Acquisition been taken place on 1 April 2008, the revenue and net profit of the Group for the year ended 31 March 2009 would have been HK\$661,401,000 and HK\$5,956,000 respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operation of the Group that actually would have been achieved had the Qingxin Acquisition been completed on 1 April 2008, nor are they intended to be a projection of future results.

Acquisition of the assets of 湖南省寧鄉縣自來水公司

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 "Ningxiang 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 Ningxiang Acquisition were set out in the circular of the Company dated 27 September 2007.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

29. 業務合併 (續)

收購湖南省寧鄉縣自來水公司之資產 (續)

寧鄉收購事項須待訂約方或訂約方指派之人士簽訂有關將寧鄉自來水之資產轉讓予本集團，並授予本集團於寧鄉縣若干地區提供供水服務之30年特許經營權之其他協議（「其他協議」），方可落實。其他協議已簽訂，且寧鄉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之負債以支付代價。此外，本集團接納寧鄉自來水於二零零七年四月一日起至寧鄉收購事項日期止自其日常經營過程中產生之業績。計及寧鄉收購事項附帶之法律及專業費用後，寧鄉收購事項之總投資成本為105,914,000港元。

29. BUSINESS COMBINATIONS (Continued)

Acquisition of the assets of 湖南省寧鄉縣自來水公司 (Continued)

The Ningxiang Acquisition was conditional upon the signing of further agreements by the Parties or parties designated by 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 Ningxiang 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 Ningxiang Acquisition were taken up by the Group. Taking into account the legal and professional fees incidental to the Ningxiang Acquisition, the total cost of investment for the Ningxiang Acquisition was HK\$105,914,000.

財務報表附註

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

29. 業務合併 (續)

收購湖南省寧鄉縣自來水公司之資產 (續)

寧鄉自來水之可識別資產及負債於寧鄉收購事項日期之公允值與緊接寧鄉收購事項前之相關賬面值如下：

29. BUSINESS COMBINATIONS (Continued)

Acquisition of the assets of 湖南省寧鄉縣自來水公司 (Continued)

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

		於寧鄉收購事項日期 On the date of the Ningxiang Acquisition		
		賬面值 Carrying amount 千港元 HK\$'000	公允值調整 Fair value adjustments 千港元 HK\$'000	公允值 Fair value 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
承擔寧鄉自來水之負債	Assuming the liabilities of Ningxiang Water			72,707
				105,914
寧鄉收購事項產生之 現金流出淨額分析如下：	Net cash outflow arising on the Ningxiang Acquisition:			
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

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

29. 業務合併 (續)

收購湖南省寧鄉縣自來水公司
之資產 (續)

寧鄉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。若寧鄉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，並不代表寧鄉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之收益及經營業績，亦無意用作預測未來業績。

30. 出售附屬公司

於二零零八年九月十八日，本集團與中國水務訂立協議，出售其間接全資附屬公司明興中國水務有限公司(「明興中國」)之全部已發行股本，並向中國水務轉讓明興中國於出售完成日期欠負本集團或產生之所有責任、負債及債務(「出售事項」)。

明興中國擁有明興水務(長沙)有限公司(「明興長沙」)之100%股權。明興長沙主要從事在寧鄉縣提供自來水服務。如附註29所述，本公司於上一財政年度根據於二零零七年八月三十一日簽訂之主要協議向寧鄉自來水購得明興長沙之主要經營資產。

29. BUSINESS COMBINATIONS (Continued)

Acquisition of the assets of 湖南省寧鄉縣自來
水公司 (Continued)

Revenue and net profit generated from the water supply business after the Ningxiang Acquisition amounted to HK\$7,767,000 and HK\$164,000 respectively. Had the Ningxiang 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 Ningxiang Acquisition been completed on 1 April 2007, nor are they intended to be a projection of future results.

30. DISPOSAL OF SUBSIDIARIES

On 18 September 2008, the Group entered into an agreement with China Water for the disposal of entire issued capital of its indirect wholly-owned subsidiary, Ming Hing Waterworks Engineering (PRC) Limited ("MH PRC"), and to assign to China Water all obligations, liabilities and debts owing or incurred by MH PRC to the Group on the completion date of the disposal (the "Disposal").

MH PRC has 100% equity interests in Ming Hing Waterworks (Changsha) Company Limited ("MH Changsha") which is principally engaged in the provision of water supply services in Ningxiang County. The major operating assets of MH Changsha were acquired by the Company in last financial year from Ningxiang Water pursuant to Main Agreement signed on 31 August 2007 as mentioned in note 29.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

30. 出售附屬公司

30. DISPOSAL OF SUBSIDIARIES (Continued)

明興中國及明興長沙於出售日期之資產淨值如下：

The net assets of MH PRC and MH Changsha at the date of the Disposal were as follows:

		千港元 HK\$'000
已出售之資產淨值：	Net assets disposed of:	
物業、廠房及設備	Property, plant and equipment	80,244
預付土地租賃款項	Prepaid land lease payments	22,656
存貨	Inventories	431
貿易及其他應收款項、 預付款項及按金	Trade and other receivables, prepayment and deposits	11,307
銀行結餘及現金	Bank balances and cash	4,201
應付集團公司款項	Amounts due to group companies	(43,175)
貿易及其他應付款項	Trade and other payables	(33,995)
借貸	Borrowings	(31,357)
應付稅項	Tax payables	(897)
		9,415
轉讓予中國水務之債券	Debts assigned to China Water	43,175
撥回換算儲備	Release of translation reserve	(3,646)
		48,944
出售事項產生之附帶成本	Incidental costs incurred for the Disposal	1,400
		50,344
出售附屬公司之收益 (附註5)	Gain on disposal of subsidiaries (note 5)	3,416
總代價	Total consideration	53,760
出售事項產生之現金流出淨額：	Net cash outflow arising from the Disposal:	
出售之銀行結餘及現金	Bank balances and cash disposed of	(4,201)
出售事項產生之附帶成本	Incidental cost incurred for the Disposal	(1,400)
		(5,601)

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

30. 出售附屬公司 (續)

出售事項之代價經協定為53,760,000港元，乃參照明興中國及明興長沙之資產及負債當時之公允值釐定。出售事項之代價與128,000,000股股份購回之另一交易代價全數對銷（如附註26(c)(i)所述）。出售事項及128,000,000股股份購回之進一步詳情載於本公司日期為二零零八年十一月三日之通函。

31. 承擔

本集團

除本財務報表其他部份所披露者外，本集團於二零零九年三月三十一日已作出的重大承擔如下：

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：

		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
一年內	Within one year	1,523	1,289
第二年至第五年 (包括首尾兩年)	In the second to fifth years, inclusive	1,450	2,091
		2,973	3,380

本集團根據經營租賃租賃若干物業。該等租賃初步為期兩至三年，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

於二零零九年及二零零八年三月三十一日，本公司並無任何重大承擔。

30. DISPOSAL OF SUBSIDIARIES (Continued)

The consideration for the Disposal was agreed at HK\$53,760,000 which was determined by reference to the then fair value of the assets and liabilities of MH PRC and MH Changsha. The consideration for the Disposal was entirely offset against the consideration for the another transaction of 128M Shares Repurchase as mentioned in note 26(c)(i). Further details about the Disposal and the 128M Shares Repurchase were set out in the circular of the Company dated 3 November 2008.

31. COMMITMENTS

The Group

Save as disclosed elsewhere in these financial statements, the Group had the following significant commitments as at 31 March 2009:

The future aggregate minimum lease rental payable under non-cancellable operating leases in respect of land and buildings was as follows:

The Group leases certain properties under operating leases. The leases run for an initial period of two to three years, 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 2009 and 2008.

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

32. 或然負債及訴訟

截至二零零九年三月三十一日，本集團於日常業務過程中遭提出數項訴訟及索償，且於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。

於截至二零零七年三月三十一日止財政年度，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。於本財政年度，本集團收到分包商之律師函，將索償金額增至合共約9,000,000港元。根據本集團法律顧問之建議，董事認為本集團理據充份，不僅可作出申辯，更可就多付款額提出反索償。因此，董事認為索償不大可能對本集團產生任何重大財務影響。

32. CONTINGENT LIABILITIES AND LITIGATIONS

As at 31 March 2009, a number of lawsuits and claims arising from the normal course of business were lodged against the Group which remain outstanding as at the date of these financial statements. Claim amounts are not specified in the applications of these lawsuits and claims. In the opinion of the 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 financial year ended 31 March 2007, the Group received from a sub-contractor two claims in respect of two completed projects with claim amount of approximately HK\$7 million in aggregate. During the current financial year, the Group received correspondence from the solicitors of the sub-contractor to increase the amount of claims to approximately HK\$9 million in aggregate. Based on the advice from the legal advisers of the Group, the Directors believe that the Group has a good case not only to defend but also to counterclaim the overpaid amount. Accordingly, the Directors consider that the claims will unlikely result in any material financial impact on the Group.

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截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

33. 擔保

於結算日，本公司作出的重大財務擔保如下：

33. GUARANTEES

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

		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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	156,771	207,099
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	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	2,064	6,482
		171,835	226,581

本公司連同其若干附屬公司向銀行作出交叉擔保，作為向附屬公司授出信貸融資之部分抵押。

The Company, together with certain of its subsidiaries, issued cross guarantees to bankers as part of the security for credit facilities granted to the subsidiaries.

董事認為提供上述財務擔保所產生之財務影響並不重大，因此該等財務擔保並無計入財務報表。

In the opinion of the Directors, the financial impact arising from providing the above financial guarantees is immaterial and accordingly, they are not accounted for in these financial statements.

34. 關連方交易

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

34. 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.

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Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

34. 關連方交易 (續)

(i) 與一間關連公司之交易

		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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、原偉強先生及蘇耀祥先生於君明有限公司分別擁有34%、33%及33%之股權。

34. RELATED PARTY TRANSACTIONS (Continued)

(i) Transactions with a related company

Note:

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

(ii) 主要管理人員

員工成本包括以下各類之主要管理人員補償：

(ii) Key management personnel

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

		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
薪金、津貼及 實物利益	Salaries, allowances and benefits in kind	6,490	7,031
以權益結算以股份 支付之補償	Equity-settled share-based compensation	848	1,247
僱用後福利	Post-employment benefits	93	101
		7,431	8,379

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

35. 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。本集團於二零零九年及二零零八年三月三十一日的資本負債比率如下：

		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000
債務	Debt	159,335	249,270
減：現金及現金等價物 與已抵押存款	Less: cash and cash equivalents and pledged deposits	(96,054)	(201,820)
淨債務	Net debt	63,281	47,450
資本：權益總額	Capital represented by total equity	383,182	437,838
資本負債比率	Gearing ratio	16.5%	10.8%

本集團旨在將資本負債比率維持於本財政年度及過往財政年度之穩健水平，以符合經濟及財務狀況之預期變動。

35. 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. The gearing ratios of the Group as at 31 March 2009 and 2008 were as follows:

The Group targets to maintain gearing ratio at a healthy level as have achieved in the current and last financial years, which is in line with the expected changes in economics and financial conditions.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

36. 金融工具

(a) 金融工具類別

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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)	Loan and receivables (including cash at bank and pledged bank deposits)	161,276	235,441
財務負債	Financial liabilities		
按攤銷成本列賬的 財務負債	Financial liabilities at amortised cost	223,208	328,047

		本公司 The Company	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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)	Loan and receivables (including cash at bank and pledged bank deposits)	214,856	314,785
財務負債	Financial liabilities		
按攤銷成本列賬的 財務負債	Financial liabilities at amortised cost	7,533	2,837

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

36. 金融工具 (續)

(b) 按金融工具呈列的財務業績

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial results by financial instruments

		本集團 The Group	
		二零零九年 2009 千港元 HK\$'000	二零零八年 2008 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	871	3,854
按攤銷成本列賬的 財務負債	Financial liabilities at amortised cost	(6,566)	(6,511)

(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。

(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.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

36. 金融工具 (續)

(d) 財務風險管理

市場風險 – 利率風險

利率風險與金融工具之公允值或現金流量由於市場利率變動而波動之風險有關。本集團之收益及營運現金流量明顯不受市場利率變動影響。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。

以下敏感度顯示，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）：

36. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management

Market risk – interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk mainly arises from bank borrowings. Majority of the bank borrowings are arranged at variable rates which expose the Group to cash flow interest rate risk. The interest rate and repayment terms of the bank borrowings outstanding at 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.

The following sensitivity 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):

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Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

36. 金融工具 (續)

(d) 財務風險管理 (續)

市場風險 – 利率風險 (續)

		除稅後溢利及權益增加／(減少)	
		Increase/(Decrease) in profit after tax and equity	
		二零零九年	二零零八年
		2009	2008
		千港元	千港元
		HK\$'000	HK\$'000
基點(「基點」)	Increase/Decrease in basis points		
增加／減少	(“bp”)		
+ 100基點	+ 100 bp	(1,325)	(1,929)
- 50 基點	- 50 bp	663	963

利率變動並不影響本集團權益之其他組成部分。

在編製上述敏感度分析時，乃假設於二零零九年及二零零八年三月三十一日的借貸於整個相關財政年度內一直存在。

信貸風險

信貸風險指金融工具之交易對手可能未能根據金融工具之條款履行其責任，導致本集團承受虧損。本集團與本公司所面臨的與各類型已確認財務資產有關之最大信貸風險為綜合賬目及本公司資產負債表所述該等資產之賬面值及附註33所披露本公司作出的擔保金額。

36. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management (Continued)

Market risk – interest rate risk (Continued)

		除稅後溢利及權益增加／(減少)	
		Increase/(Decrease) in profit after tax and equity	
		二零零九年	二零零八年
		2009	2008
		千港元	千港元
		HK\$'000	HK\$'000
基點(「基點」)	Increase/Decrease in basis points		
增加／減少	(“bp”)		
+ 100基點	+ 100 bp	(1,325)	(1,929)
- 50 基點	- 50 bp	663	963

The changes in interests rates do not affect the Group's other components of equity.

The above sensitivity analysis is prepared based on the assumption that the borrowings as at 31 March 2009 and 2008 existed throughout the whole respective financial year.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's and the Company's maximum exposure to credit risk in relation to each class of recognised financial assets is the carrying amount of those assets (note 36(a)) as stated in the consolidated and the Company's balance sheets and the amount of guarantees issued by the Company as disclosed in note 33.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

36. 金融工具 (續)

(d) 財務風險管理 (續)

信貸風險 (續)

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(附註22)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。本集團自過往年度以來已採納信貸政策，並認為已將本集團面對之信貸風險有效控制至合適水平。

本集團之財務資產並無以抵押品或其他信貸提升項目抵押。

流動資金風險

流動資金風險指本集團未能履行與其財務負債相關之責任之風險。本集團之政策為定期監察其流動資金需求和遵守信貸契約，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貸款以應付其短期和長期流動資金需求。本集團自過往年度以來已採納流動資金政策，並認為已有效管理流動資金風險。

36. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management (Continued)

Credit risk (Continued)

The Group limits its exposure to credit risk by rigorously selecting the counterparties. Credit risk on cash and cash equivalents (*note 22*) 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. The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group's policy is to 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. The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risk.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

36. 金融工具 (續)

36. FINANCIAL INSTRUMENTS (Continued)

(d) 財務風險管理 (續)

(d) Financial risk management (Continued)

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：

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:

本集團	The Group	1年內或	1至2年	2至5年	5年以上
		應要求償還	Between	Between	Over
		Within	1 and	2 and	5 years
		1 year or	2 years	5 years	5 years
		on demand			
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零九年	As at 31 March 2009				
三月三十一日					
借貸	Borrowings	144,134	15,201	–	–
就借貸支付利息	Interest payments on				
(附註)	borrowings (note)	577	77	–	–
貿易應付款項	Trade payables	51,194	–	–	–
應付保留款項	Retention payables	1,805	–	–	–
其他應付款項	Other payables				
及應計費用	and accruals	10,874	–	–	–
		208,584	15,278	–	–
於二零零八年	As at 31 March 2008				
三月三十一日					
借貸	Borrowings	209,803	23,336	13,199	2,932
就借貸支付利息	Interest payments on				
(附註)	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	Other payables and				
應計費用	accruals	27,033	769	2,306	10,649
		279,235	25,542	16,540	13,725

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

36. 金融工具 (續)

36. 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
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零九年 三月三十一日		As at 31 March 2009			
其他應付款項及 應計費用	Other payables and accruals	872	–	–	–
應付附屬公司 款項	Amounts due to subsidiaries	6,661	–	–	–
		7,533	–	–	–
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	–	–	–
應付附屬公司 款項	Amounts due to subsidiaries	2,171	–	–	–
		2,837	–	–	–

附註：

借貸利息乃根據於二零零九年及二零零八年三月三十一日尚未償還之借貸金額按各自之利率計算。

Note:

The interest on borrowings is calculated based on the amount of borrowings outstanding as at 31 March 2009 and 2008 at the respective interest rates.

財務報表附註

Notes to the Financial Statements

截至二零零九年三月三十一日止年度 For the year ended 31 March 2009

36. 金融工具 (續)

(d) 財務風險管理 (續)

流動資金風險 (續)

董事認為，於結算日，財務擔保合約之交易對手不可能向本集團就擔保合約所擔保之任何虧損提出申索，因此到期分析並不包括本集團根據所授出之擔保合約可能須支付之任何款項。

合約財務擔保於附註33披露。

(e) 公允值估計

貿易應收款項之賬面值減減值撥備及應付款項後與其公允值合理相若。付息貸款之公允值乃按本集團就類似金融工具可獲得之現行市場利率折算未來合約現金流量估計。

36. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management (Continued)

Liquidity risk (Continued)

The directors are of opinion that, at the balance sheet date, it is not probable for the counterparties to the financial guarantee contracts to claim the Group for any losses covered by the guarantee contracts. Therefore, the maturity analysis does not include any amount that the Group may have to pay under the guarantee contracts granted.

The contractual financial guarantee are disclosed in note 33.

(e) Fair value estimation

The carrying values of trade receivable net of impairment provision and payables are reasonable approximation of their fair values. The fair values of interest bearing loans is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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。

業績

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.

RESULTS

		截至三月三十一日止年度 For the year ended 31 March					
		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	二零零九年 2009 千港元 HK\$'000	
收益	Revenue	207,196	263,768	519,944	648,475	660,870	
本年度溢利	Profit for the year	35,651	38,619	34,316	24,885	6,391	

資產及負債

ASSETS AND LIABILITIES

		於三月三十一日 As at 31 March					
		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	二零零九年 2009 千港元 HK\$'000	
總資產	Total assets	113,010	210,206	356,948	773,315	612,615	
總負債	Total liabilities	(60,953)	(75,532)	(196,196)	(335,477)	(229,433)	
總權益	Total equity	52,057	134,674	160,752	437,838	383,182	

附註：

本集團於二零零五年三月三十一日及截至該日止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，猶如該架構於該財政年度內一直存在。

Note:

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



明興水務控股有限公司

MING HING WATERWORKS HOLDINGS LIMITED

