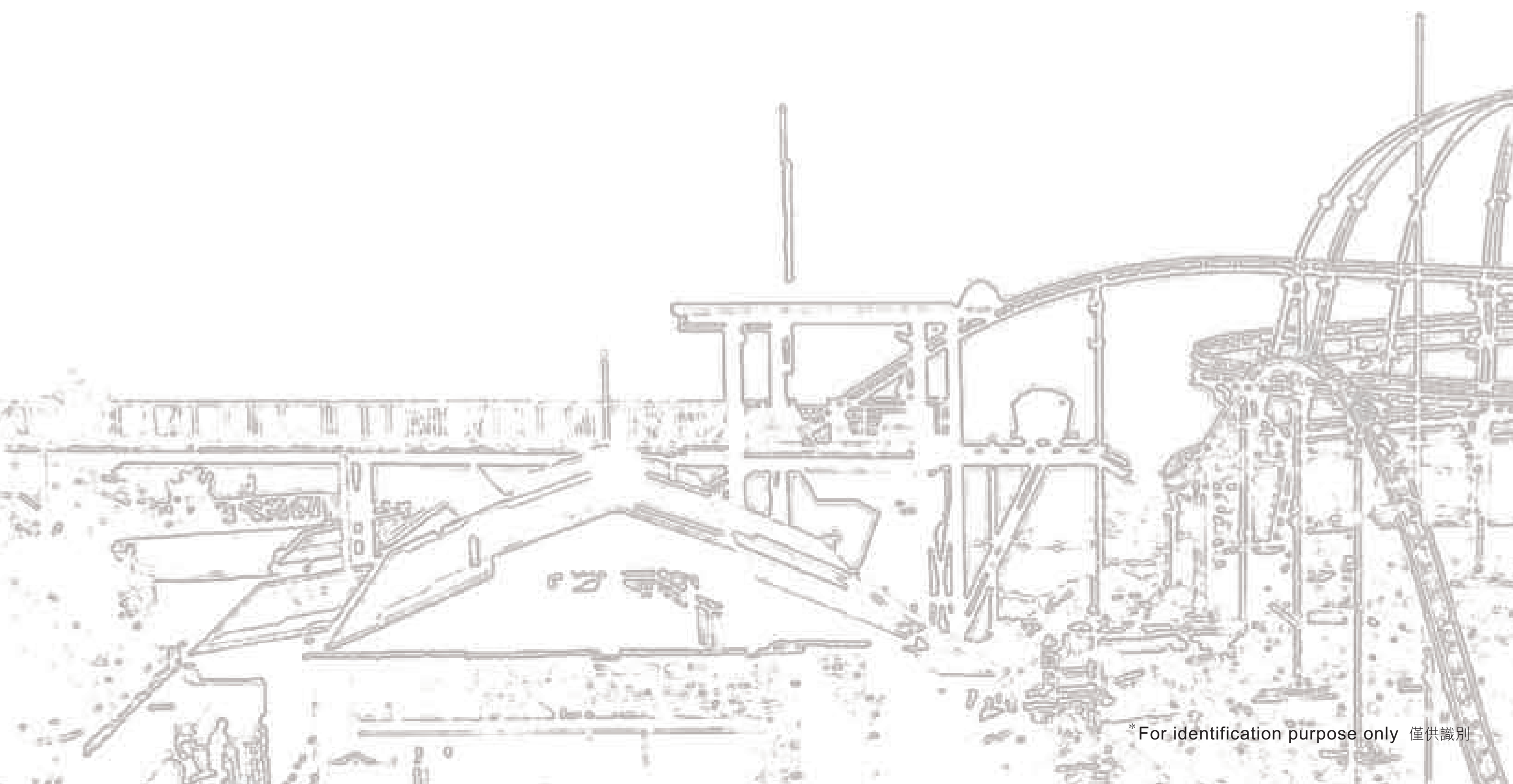
WING HING INTERNATIONAL (HOLDINGS) LIMITED
永興國際(控股)有限公司*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 621)




annual report 2009 年報



* For identification purpose only 僅供識別

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ng Tat Leung, George
(Chairman and Managing Director)
Mr. Wong Teck Ming
(Deputy Chairman)
Ms. Leung Pui Kwan
Dr. Peter He
Mr. Shen Junchen
Mr. Chan Wah Fan

Non-Executive Director

Ms. Yuen Sau Ying, Christine

Independent Non-Executive Directors

Dr. Leung Wai Cheung
Mr. Hui Wah Tat, Anthony
Mr. Li Kam Chung

QUALIFIED ACCOUNTANT

Mr. Ngan Chi Keung, Mike

COMPANY SECRETARY

Mr. Ngan Chi Keung, Mike

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
16/F, The Center
99 Queen's Road Central
Central, Hong Kong

Industrial and Commercial Bank of China (Asia) Limited
1/F, ICBC Tower
122-126 Queen's Road Central
Hong Kong

The Bank of East Asia, Limited
24/F, Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai, Hong Kong

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

LEGAL ADVISERS ON HONG KONG LAW

Leung Chan & Pang
Suite 1203, 12/F
Wing On House
71 Des Voeux Road Central
Hong Kong

LEGAL ADVISERS ON BERMUDA LAW

Appleby
8/F, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton, HM12
Bermuda

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Tengis Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

14/F, Yau Lee Centre
45 Hoi Yuen Road
Kwun Tong, Kowloon
Hong Kong

RESULTS

During the financial year 2008/2009, the Group recorded a loss attributable to equity holders of the Company of approximately HK$69,184,000 or loss of HK86.95 cents per share basic, compared with a profit attributable to equity holders of the Company for the year 2007/2008 of approximately HK$8,104,000 or earnings of HK14.74 cents per share basic.

DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the year ended 31 March 2009 (2008: Nil).

BUSINESS REVIEW

During the year under review, the Group has recorded a turnover of approximately HK$500 million which represents a slight decrease of 2.5% compared with the turnover recorded in the corresponding period of last year. The Group recorded a net loss from ordinary activities attributable to equity holders of approximately HK$69.2 million compared with a net profit from ordinary activities attributable to equity holders of approximately HK$8.1 million for the corresponding period of last year.

Construction

The Group has secured a contract during the last financial year, which is the construction of the Joint-User Complex and Wholesale Fish Market in Area 44, Tuen Mun, New Territories with a contract sum of HK$237 million.

As regards major completed projects, the Group has satisfactorily completed an industrial development at No.37-39 Wing Hong Street and the additional columbarium at Diamond Hill.

In the leisure market, the Group's associated company, Hypsos Leisure Asia Macau Limited, has successfully completed the design and build contract for the Manchester United Experience in the Venetian Hotel and Complex in Macau. The company has also secured a contract for the Exhibit Fabrication and Installation of Jockey Club Environmental Conservation Gallery in the Hong Kong Science Museum with a contract sum of HK$7.5 million.

CHAIRMAN'S STATEMENT

Coal Mining

In view of the flourishing mineral resources market in the PRC (especially when coal is the primary energy resource in the PRC which represents over 65% of total energy consumption), the Group has injected its resources into coal mining business since 2008. The Group has acquired five small-scale coal mines in Guizhou during November 2008, while at that time the Group originally planned to raise fund through debt financing for the speed up of the expansion of the coal mines, enhancement of production capacity, revenue growth, acquisition and merger of more potential coal mines with high return so as to strengthen the competitiveness in mineral resources business. However, it was difficult to secure funding under the impact of the global financial crisis and in the meantime the price of coal products dropped significantly; those factors disabled the expansion plan of the Group. Currently, two of the coal mines are undergoing expansion and the remaining three which include Shuishan, Tiechong and Xinghe coal mines are temporarily leased back to the former owners to operate so as to release the pressure of cash flow for operating costs. Meanwhile, the Group is recruiting mining professionals or reliable teams to prepare for the mining work after the completion of mine expansion. As such, coal mining business does not generate much income at the moment, but we are working on improving the business.

PROSPECTS

Looking ahead, in the medium term, it is anticipated that the construction market in the public sector will steadily recover in tandem with the recent government commitment to increase public expenditures in infrastructure developments in the coming financial years. In the short term, amidst the international financial crisis and economic jitters, the construction market arising from private property development projects will remain uncertain as a result of diminishing economic activities in Hong Kong. However, due to the recent recovery of the property prices, it is anticipated that the construction market in the private sector will remain steady in the foreseeable future. The Group will focus on the high-end and professional construction markets, in particular the leisure areas like theme parks and institutional works.

Taking advantage of the PRC's initiatives in enhancing national economic development with investment plans totalling RMB4 trillion aimed at stimulating domestic demand, and bearing in mind the expectancy to unprecedented hyperinflation in a global scale triggered by the quantitative easing monetary policy of the USA, there will certainly be increasing demand for commodities such as gold and energy, thus owners of gold and energy, among others, will be benefited from the continuous increase in their values. As such, the Directors, are strategically shifting the investment focus to mining and resources sectors. Such move hopefully bring new prospects and opportunities to the future of the Group.

In Hong Kong, the Group will concentrate on a few other areas on top of the traditional construction activities. Hypsos Leisure Asia Limited, an associated company established with two European partners, has been actively tendering for works in the leisure construction markets and it is expected that further new projects in this area are forthcoming.

The Group anticipates to evolve gradually from a traditional low-value construction group to a diversified conglomerate comprising construction, environmental engineering, energy and investment, and specialist construction areas with higher margin related to leisure markets. For the year under review, the performance in the construction sector has not been satisfactory. As a result, the Group is seriously reviewing the mix of its key activities.

EMPLOYEES

During the year under review, the Group employed approximately 160 staff, excluding workers under exclusive sub-contracting arrangement.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2009, the Group's had no outstanding bank borrowings. As at 31 March 2009, the Group's banking facilities were supported by (i) pledged deposits of approximately HK$24,362,000 of the Group; (ii) corporate guarantees to the extent of approximately HK$44,600,000 in aggregate executed by the Company in respect of the banking facilities granted to certain subsidiaries of the company; and (iii) cross guarantees amongst certain subsidiaries of the Company.

The Group's gearing ratio as at 31 March 2009 was 0.049 (2008: 0.168), calculated based on the Group's total borrowings of HK$20,267,000 (2008: HK$98,280,000) over the Group's total assets of HK$412,001,000 (2008: HK$584,731,000).

The Group continues to adopt a policy of dealing principally with clients with whom the Group has enjoyed a long working relationship so as to minimize risks in its business.

FOREIGN EXCHANGE EXPOSURE

Since the functional currencies of the Group's operations are mainly Hong Kong dollars, United States dollars and Renminbi, the directors consider that the potential foreign exchange exposure of the Group is limited.

CHAIRMAN'S STATEMENT

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of shares or other listed securities of the Company or by any of its subsidiaries during the year.

On behalf of the Board of Directors, I would like to express my sincere gratitude to all our customers, shareholders, fellow Board members, senior management and employees for placing their trust in our Company and for the continued support and commitment.

On behalf of the Board

Ng Tat Leung, George
Chairman

Hong Kong SAR, 20 July 2009

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise (i) the undertaking of superstructure construction, foundation piling, substructure works, slope improvement, special construction projects, interior decoration and landscaping works in the Hong Kong Special Administrative Region ("Hong Kong SAR") during the year; and (ii) the operations of coal mines and leasing of mining licenses in the People's Republic of China (the "PRC").

RESULTS AND DIVIDENDS

The Group's results for the year ended 31 March 2009 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 27 to 116.

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2009.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out below:

RESULTS

	Year ended 31 March				
	2009	2008	2007	2006	2005
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Restated)
Net (loss) / profit from ordinary activities attributable to Equity holders	**(69,184)**	8,104	9,519	(22,336)	14,176

REPORT OF THE DIRECTORS

ASSETS, LIABILITIES AND MINORITY INTERESTS

	31 March				
	2009	2008	2007	2006	2005
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Restated)
TOTAL ASSETS	**412,001**	584,731	250,588	271,510	293,920
TOTAL LIABILITIES	**187,430**	280,653	86,826	134,988	155,413
MINORITY INTERESTS	**72,473**	103,003	2,951	5,087	4,265
	152,098	201,075	160,811	131,435	134,242

Note: The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs is provided in note 2 to the financial statements. Figures for the year 2005 have been adjusted. However, it is not practicable to restate earlier years for comparison purpose.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and of the Group during the year are set out in note 16 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital and share options are set out in notes 31 and 42 to the financial statements respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

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

DISTRIBUTABLE RESERVES

At 31 March 2009, the Company had no reserves available for cash distribution and / or distribution in specie to shareholders of Company. In accordance with the Companies Act 1981 of Bermuda (as amended), the contributed surplus may only be distributed in certain circumstances which the Company is presently unable to meet. In addition, the Company's share premium account with a balance of HK$54,326,000 as at 31 March 2009 may be distributed in the form of fully paid bonus shares.

CONTINGENT LIABILITIES

Details of the Group's contingent liabilities during the year are set out in note 39 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 91% of the Group's total sales for the year. Purchases from the Group's five largest suppliers accounted for approximately 25% of the Group's total purchases for the year. In arriving at the relevant percentage, purchases during the year not yet charged to the income statement have been included.

None of the directors of the Company 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 five largest customers or five largest suppliers.

REPORT OF THE DIRECTORS

DIRECTORS

The directors of the Company during the year were:

Executive Directors:
Mr. Ng Tat Leung, George *(Chairman and Managing Director)*
Mr. Wong Teck Ming *(Deputy Chairman)*
Mr. Lui Siu Yee, Samuel (Resigned on 1 April 2009)
Ms. Leung Pui Kwan
Dr. Peter He (Appointed on 18 September 2008)
Mr. Shen Junchen (Appointed on 1 April 2009)
Mr. Chan Wah Fan (Appointed on 1 April 2009)

Non-Executive Director:
Ms. Yuen Sau Ying, Christine (Appointed on 1 April 2009)

Independent Non-Executive Directors:
Mr. Wong Lit Chor, Alexis (Resigned on 1 April 2009)
Dr. Leung Wai Cheung
Mr. Hui Wah Tat, Anthony
Mr. Li Kam Chung (Appointed on 1 April 2009)

In accordance with the Bye-law 98 of the Company's Bye-laws, Dr. Peter He, Mr. Shen Junchen, Mr. Chan Wah Fan, Ms. Yuen Sau Ying, Christine and Mr. Li Kam Chung shall retire from office, and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Ng Tat Leung, George, aged 50, is the Chairman and Managing Director of the Company and has the responsibility for the marketing and business development of the Group, including overseeing the progress of all of the Group's projects and liaison with its suppliers, sub-contractors and clients. Mr. Ng holds a bachelor of science degree in civil engineering from the University of Hong Kong and a master of business administration degree from the Chinese University of Hong Kong. He has more than 27 years of experience in the construction industry. Mr. Ng joined the Group in 1984.

Mr. Wong Teck Ming, aged 51, is the Deputy Chairman of the Company. He holds a bachelor of science degree in civil engineering and a master of science degree in civil and structural engineering from the University of Hong Kong. He is a corporate member of the Institution of Civil Engineers in the United Kingdom. Mr. Wong has more than 27 years of experience in the construction industry and specialises in design and site formation. He is in charge of the piling and foundation work, structural design and the quality control of the Group's projects. He joined the Group in 1992.

Ms. Leung Pui Kwan, aged 42, is an Executive Director of the Company. She is the Financial Advisor of Tak Lee Metal Manufactory (HK) Co., Ltd. Ms. Leung is also a MPF Consultant. Ms. Leung joined the Group in 2008.

Dr. Peter He, aged 46, is an Executive Director. Dr. He holds a doctorate degree majoring in economics from The University of Leeds, Leeds, the United Kingdom, a master of science degree majoring in economics from University of Wales, Cardiff, the United Kingdom, a master of arts degree majoring in economics from Wuhan University, Wuhan, China and a bachelor of arts degree majoring in economics from East China Normal University, Shanghai, China. Dr. He was appointed as an Executive Director of the Company on 18 September 2008.

Mr. Shen Junchen, aged 38, is an Executive Director. Mr. Shen holds a master of business administration degree from Asia International Open University (Macau). He has over 15 years of experience in coal mining industry. Mr. Shen was appointed as an Executive Director of the Company on 1 April 2009.

Mr. Chan Wah Fan, aged 48, is an Executive Director. Mr. Chan holds a bachelor of business administration from Open University of Hong Kong. Mr. Chan has over 13 years experience as an accountant of private companies. Mr. Chan was appointed as an Executive Director of the Company on 1 April 2009.

Non-Executive Director

Ms. Yuen Sau Ying Christine, aged 43, is an Non-Executive Director. Ms. Yuen holds a bachelor of laws degree from The University of Hong Kong. Ms. Yuen has extensive legal practice experience in Hong Kong. Her practice covers areas on property, litigation and commercial. She was a part-time tutor / lecturer on commercial, personal property and land law (estate agency practice) for City University and Open University of Hong Kong during the period from 1993 to 2001. She also participated in a number of public services such as presiding member to the Guardianship Board and the legal adviser to the Credit Union of Correctional Services Department. Ms. Yuen was appointed as an Non-Executive Director of the Company on 1 April 2009.

Independent Non-Executive Directors

Dr. Leung Wai Cheung, aged 44, is an Independent Non-Executive Director and Audit Committee Member of the Company. He is currently the Chief Financial Officer of FlexSystem Holdings Limited and Independent Non-Executive Director of Mobicon Group Limited, Sino Prosper Holdings Limited, China Metal Resources Holdings Limited and United Gene High-Tech Group Ltd. which are listed companies in Hong Kong. Dr. Leung is a qualified accountant and chartered secretary with over 20 years of experience in accounting, auditing and financial management. He graduated from Curtin University with a Bachelor of Commence degree majoring in accounting and subsequent obtained a postgraduate diploma in corporate administration, Master of Professional Accounting from the Hong Kong Polytechnic University, Doctor of Philosophy degree in Management from the Empresavial University of Costa Risa and Doctor of Education in Educational Management from Bulcan State University. He is an associate member of each of the Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in England and Wales, CPA Australia, and Institute of Certified Secretaries and Administration, the Hong Kong Institute of Company Secretaries and the Taxation Institute of Hong Kong and a fellow member of the Association of Chartered Certified Accountants. Dr. Leung is also a visiting lecturer of the Open University of Hong Kong (LiPACE) and Hong Kong University (SPACE). He is also a professor of European University. Dr. Leung was appointed as an Independent Non-Executive Director of the Company on 10 June 2003.

REPORT OF THE DIRECTORS

Mr. Hui Wah Tat, Anthony, aged 47, is an Independent Non-Executive Director of the Company. He is a member of The Hong Kong Institute of Directors. He is vice-chairman of Hong Kong Hunan Youth Exchange Promotion Association Limited and a consultant of City Junior Chamber. Mr. Hui is also a committee member of Hunan Province Youth Federation (湖南省青年聯合會), Chinese People's Political Consultative Conference Guangxi Fang Cheng Gang City Committee (廣西省防城港市政協) and Vice President of Guangxi Fang Cheng Gang City Overseas Friendship Association (廣西省防城港市海外聯誼會副會長). Mr. Hui was appointed as an Independent Non-Executive Director of the Company on 7 March 2008.

Mr. Li Kam Chung, aged 57, is an Independent Non-Executive Director. Mr. Li has over 10 years experience in trading businesses between Mainland, China and Hong Kong. Mr. Li is currently the vice chairman of Tai Po Shuen Wan Joint Villages Office Association and a member of Tai Po District Council Environment, Housing and Works Committee. Mr. Li was appointed as an Independent Non-Executive Director of the Company on 1 April 2009.

SENIOR MANAGEMENT

Mr. Lo Chung Sun, Simon, aged 55, is responsible for the undertaking of piling project works of the Group. Mr. Lo holds a master degree in science from the University of Wales in the United Kingdom. He has more than 28 years of experience in the construction industry, and is a member of the Hong Kong Institution of Engineers and the Institution of Structural Engineers of the United Kingdom, as well as being a chartered engineer of the Engineering Council of the United Kingdom and a Registered Structural Engineer with the Building Authority in Hong Kong. He joined the Group in May 1994.

Mr. Kam Kwai Wa, aged 48, is the Senior Project Manager of CWF Piling & Civil Engineering Company Limited, a wholly-owned subsidiary of the Company, and is responsible for site planning and the supervision of foundation piling and superstructural works. Mr. Kam holds a higher certificate in civil engineering from the Hong Kong Polytechnic University and has more than 26 years of experience in the construction industry. He joined the Group in April 1994.

Mr. Chu Lok Yin, aged 53, is the Project Director and has worked in both consultancy and contractor firms during his 27 years of experience in the construction industry. With his architectural background, he can always assist consultants in solving on-site detailing problems and ensure good workmanship. His responsibilities include overseeing all aspects of superstructural projects. He joined the Group in 1998.

Mr. Lui Kwok Keung, aged 42, is the Quantity Surveying and Commercial Manager. He started on site as a Q.S. trainee and gradually promoted to the position of Quantity Surveying and Commercial Manager. He has acquired vast experience in both fitting out and superstructure works. His responsibilities include overall co-ordination of construction, site management, and overseeing project accounts. He joined the Group in 1996.

Mr. Ngan Chi Keung, Mike, aged 34, is the qualified accountant of the Company and the Financial Controller of the Group. Mr. Ngan holds a Bachelor of Business Administration degree from the Hong Kong Baptist University. He is also a fellow member of the Association of Chartered Certified Accountants and Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He has over 10 years of experience in audit, accounting and finance. He joined the Group in 2007.

DIRECTORS' SERVICE CONTRACTS

Each of Messrs. Ng Tat Leung, George and Wong Teck Ming has entered into a service contract with the Company for an initial term of two years commencing from 1 September 1995. On their initial expiry, these service contracts provide that they will continue until terminated by not less than three months' written notice served by either party.

Apart from the foregoing, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN SHARE CAPITAL

At 31 March 2009, the interests and short positions of the directors in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO were as follows:

(1) Long positions in ordinary shares of the Company

	Number of ordinary shares held			
Name of directors	**Personal interests**	**Corporate interests**	**Total interests in shares**	**Percentage of issued ordinary shares as at 31 March 2009**
Mr. Ng Tat Leung, George	4,917,369	10,772,700 *(note (a))*	15,690,069	17.46%
Mr. Wong Teck Ming	30,000	–	30,000	0.03%

Note:

(a) These 10,772,700 shares are beneficially owned by Total Success Worldwide Limited, the entire issued share capital of which is owned as to approximately 92.92% by Mr. Ng Tat Leung, George and the remaining 7.08% by Mr. Wong Teck Ming. Accordingly, Mr. Ng Tat Leung, George, is deemed to be interested in all the shares in which Total Success Worldwide Limited is interested pursuant to the SFO.

(2) Long positions in underlying shares and debentures and short positions in shares, underlying shares and debentures

There were no long positions in the underlying shares and debentures or any short positions in the shares, underlying shares and debentures of the Company and its associated corporations, which were recorded in the register as required to be kept under Section 352 of Part XV of the SFO.

Save as disclosed herein, neither the directors nor any of their associates had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 March 2009 as defined in Section 352 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the heading "Directors' interests in share capital" above and in the share option scheme disclosures in note 42 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 or any other body corporate granted to any director or their respective spouse or minor children, 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 to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

At 31 March 2009, the following companies were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

(1) *Long positions in ordinary shares and underlying shares of the Company*

Name of shareholders	Number of ordinary shares held	Underlying shares of equity derivatives (i.e. warrant)	Total interest	Percentage of issued ordinary shares as at 31 March 2009
Liu Pui Lan	11,700,000	–	11,700,000	13.02%
Total Success Worldwide Limited *(note 1)*	10,772,700	–	10,772,700	11.99%
Cheung Oi Chun	10,000,000	–	10,000,000	11.13%
Grand Legend Limited *(note 2)*	5,750,000	–	5,750,000	6.40%
Toplite Global Capital Limited *(note 3)*	5,587,550	–	5,587,550	6.22%

Notes:

(1) Total Success Worldwide Limited owns 10,772,700 shares of the Company. The entire issued share capital of Total Success Worldwide Limited is owned as to approximately 92.92% by Mr. Ng Tat Leung, George and the remaining 7.08% by Mr. Wong Teck Ming. Accordingly, Mr. Ng Tat Leung, George is deemed to be interested in all the shares in which Total Success Worldwide Limited is interested pursuant to the SFO.

(2) The entire issued share capital of Grand Legend Limited is owned by Mr. Lo Chun Yang. Ms. Loh Siu Yin, Lulu is the spouse of Mr. Lo Chun Yang. Accordingly, Mr. Lo Chun Yang and Ms. Loh Siu Yin, Lulu are deemed to be interested in all the shares in which Grand Legend Limited is interested pursuant to the SFO.

(3) The entire issued capital of Toplite Global Capital Limited is owned by Ms. Lam Yin Fong.

(2) *Short positions in shares and underlying shares*

There were no short positions in the shares and underlying shares of the Company and its associated corporations, which were recorded in the register as required to be kept under Section 336 of Part XV of the SFO.

Save as disclosed herein, as at 31 March 2009, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests in share capital" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31 March 2009, except for the deviation from provision A.2.1 of the Code in respect of the roles of chairman and chief executive officer of the Company. Corporate Governance Report is set out in pages 18 to 24 of this annual report.

The Company has established an Audit Committee ("AC") with specific terms of reference explaining its role and authorities delegated by the Board. The AC consists of three Independent Non-Executive Directors, Mr. Li Kam Chung, Dr. Leung Wai Cheung and Mr. Hui Wah Tat, Authony, who together have sufficient accounting and financial management expertise and business experience to discharge their duties and none of them is a former partner of the external auditors of the Company. Dr. Leung Wai Cheung is the Chairman of the AC.

The AC's principal duties include reviewing the Group's financial controls, internal control and risk management systems, reviewing and monitoring integrity of financial statements and reviewing annual and interim financial statements and reports before submission to the Board. During the year, the AC has reviewed the annual and interim results of the Company for the year ended 31 March 2009 and was content that the accounting policies of the Group are in accordance with the generally accepted accounting practices in Hong Kong.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmation from each of the independent non-executive directors as regards their independence to the Company and considers that each of the independent non-executive directors is independent to the Company.

INDEPENDENT AUDITORS

The financial statements have been audited by HLB Hodgson Impey Cheng who retire and, being eligible, offer themselves for re-appointment.

A resolution for the reappointment of HLB Hodgson Impey Cheng as independent auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Ng Tat Leung, George
Chairman and Managing Director

Hong Kong
20 July 2009

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of Wing Hing International (Holdings) Limited (the "Company") considers that good corporate governance of the Company can protect and safeguard the interests of the shareholders and to enhance the performance of the Company. The Board is committed to maintaining and ensuring high standards of corporate governance. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") for the year ended 31 March 2009, except for the deviation from provision A.2.1 of the Code in respect of the roles of chairman and chief executive officer of the Company. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

CORPORATE GOVERNANCE PRACTICES

The Board assumes overall responsibilities for leadership and control of the Company and is collectively responsible for promoting the success of the Company and its business by directing and supervising the Company's affairs. The Board focuses on overall corporate strategies and policies with attention particularly paid to the financial performance of the Company.

To maximise the effectiveness of the Board, the Company has established audit committee, nomination committee and remuneration committee with specific written terms of reference respectively to assist in the execution of their duties. The terms of reference of each of the committees are reviewed and amended (if necessary) from time to time to enhance the corporate governance practices of the Company.

There is a clear division of the responsibilities of the Board and the management. The Board delegated its responsibilities to directors and senior management to deal with day-to-day operations and review those arrangements on a periodic basis. Management has to report back to the Board and obtain prior approval before making decisions for key matters or entering into any commitments on behalf of the Company. The Board has a balance of skill and experience appropriate for the requirements of the business of the Company.

The Board regularly meets in person to discuss and formulate overall strategic direction and objectives and also approve annual and interim results as well as other significant matters of the Company. Execution of daily operational matters is delegated to management.

The Company Secretary assists the Chairman in preparing notice and agenda for the meetings, and ensures that the Company complied with the corporate governance practices and other compliance matters. At least 14 days notice of all board meetings were given to all directors, who were all given an opportunity to include matters in the agenda for discussion.

All directors have access to the Company Secretary who is responsible for the Company's compliance with the continuing obligations of the Listing Rules, Code on Takeover and Mergers and Share Repurchases, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations etc.

Minutes of the board / committee meetings are recorded in significant detail for any decision and recommendation made during the meetings. Draft and final versions of minutes are circulated to directors or committee members within a reasonable time after the meetings are held and taken as the true records of the proceedings of such meetings. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any director. All directors are entitled to have access to board papers and related materials unless there are legal or regulatory restrictions on disclosure due to regulatory requirements.

If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by way of a board / committee meeting and the interested shareholder or director shall not vote nor shall he / she be counted in the quorum present at the relevant meeting. Non-Executive Director and Independent Non-Executive Director who, and whose associates, have no material interest in the transaction, should be present at such a board meeting.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has established written guidelines for the required standard of dealings in securities (the "Written Guideline") by directors of the Company. Having made specific enquiries of directors of the Company, the Board is pleased to confirm that they have fully complied with the required standard with respect to the securities dealings of the Company and there was no event of non-compliance. The Written Guideline also applies to other specified senior management of the Company.

BOARD OF DIRECTORS

The Board currently comprises ten members as follows:

Executive Directors:
Mr. Ng Tat Leung, George *(Chairman and Managing Director)*
Mr. Wong Teck Ming *(Deputy Chairman)*
Ms. Leung Pui Kwan
Dr. Peter He *(Note 1)*
Mr. Shen Junchen *(Note 2)*
Mr. Chan Wah Fan *(Note 2)*

Non-Executive Director:
Ms. Yuen Sau Ying, Christine *(Note 2)*

Independent Non-Executive Directors:
Dr. Leung Wai Cheung
Mr. Hui Wah Tat, Anthony
Mr. Li Kam Chung *(Note 2)*

CORPORATE GOVERNANCE REPORT

The principal focus of the Board is on the overall strategic development of the Company. The Board also monitors the financial performance and the internal controls of the Company's business operations.

With a wide range of expertise and a balance of skills, the Independent Non-Executive Directors bring independent judgment on issues of strategic direction, development, performance and risk management through their contribution at board meetings and committee work.

The Independent Non-Executive Directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each Independent Non-Executive Director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each Independent Non-Executive Director an annual confirmation regarding his independence, and the Board considered their independence to the Company. The Independent Non-Executive Directors are explicitly identified in all corporate communications of the Company.

There is no relationship between members of the Board.

The Board held seventeen meetings during the financial year ended 31 March 2009. Details of attendance of individual director at board meetings are set out as below:

Name of Directors	**Number of meetings held**	**Number of meetings attended**
Executive Directors		
Mr. Ng Tat Leung, George	17	17
Mr. Wong Teck Ming	17	16
Mr. Lui Siu Yee, Samuel *(Note 3)*	17	15
Ms. Leung Pui Kwan	17	2
Dr. Peter He *(Note 1)*	17	2
Independent Non-Executive Directors		
Mr. Wong Lit Chor, Alexis *(Note 3)*	17	4
Dr. Leung Wai Cheung	17	4
Mr. Hui Wah Tat, Anthony	17	3

Note

1. Appointed on 18 September 2008
2. Appointed on 1 April 2009
3. Resigned on 1 April 2009

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Ng Tat Leung, George is the Chairman and Managing Director of the Company and the Company does not appoint Chief Executive Officer ("CEO") during the year under review. Mr. Ng assumes the role of both the Chairman and CEO of the Company.

Mr. Ng Tat Leung, George is responsible for overseeing strategic planning and leadership of the Company and exercising control over the quality, quantity and timeliness of the flow of information between the management of the Company and the Board that would allow them to effectively discharge their responsibilities. Mr. Ng is also responsible for coordinating the Company's business and to market and locate potential business opportunities and execute the policy of the Company.

The duties of Chairman and CEO rests on the same individual which deviates from the Code provision as set out in Appendix 14 of the Listing Rules. The Company does not appoint CEO and is not considering to appoint one in view of the strong leadership from Chairman which allows configuration of resources of the Company in order to focus on the Company's business. Chairman has more than 27 years of experience in the construction industry. The Board considers that Chairman is capable to guide discussions and brief the Board in a timely manner on pertinent issues with balance of power and authority delegated to the Board and senior management.

REMUNERATION OF DIRECTORS

The Company has established a Remuneration Committee ("RC") with specific terms of reference which deal clearly with its authorities and duties. The majority of RC members are Independent Non-Executive Directors which consists of Mr. Li Kam Chung, Dr. Leung Wai Cheung and Mr. Hui Wah Tat, Anthony, all are Independent Non-Executive Directors; and Mr. Ng Tat Leung, George and Mr. Chan Wah Fan, both are Executive Directors of the Company. Mr. Li Kam Chung is the Chairman of the RC.

The RC advises the Board on the Company's overall policy and structure for the remuneration of directors and senior management, determine the remuneration packages of all directors and senior management, review and approve their performance-based remuneration, review and approving compensation to directors and senior management in connection with any loss or termination of their office or appointment. The RC also ensures that no director or any of his associate is involved in deciding his own remuneration.

In determining the emolument payable to directors, the RC takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment and market conditions.

The RC is also authorized to investigate any matter within its terms of reference and seek any information it requires from any employee and obtain outside legal or other independent professional advice at the cost of the Company if necessary.

No RC meeting has been held during the financial year ended 31 March 2009 to review the remuneration packages of directors and senior management, which are nominal by market standards and the Company's performance. The Board considered that the existing remuneration packages to each director and senior management are reasonable and appropriate with reference to the financial performance of the Company, employment and market conditions as a whole.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Company has established a Nomination Committee ("NC") with specific terms of reference which deal clearly with its authorities and duties. The majority of NC members are Independent Non-Executive Directors which consists of Mr. Hui Wah Tat, Anthony, Dr. Leung Wai Cheung and Mr. Li Kam Chung, all are Independent Non-Executive Directors; and Mr. Ng Tat Leung, George and Mr. Chan Wah Fan, both are Executive Directors of the Company. Mr. Hui Wah Tat, Anthony is the Chairman of the NC.

The NC is responsible for the appointment of its own members, identifying appropriate candidate and recommending qualified candidate to the Board for consideration. The Board will review profiles of the candidates recommended by the NC and make appointment if appropriate. Candidates are appointed to the Board on the basis of their integrity, independent mindedness, experience, skill and the ability to commit time and effort to carry out his duties and responsibilities effectively.

The NC also assesses the independence of Independent Non-Executive Directors and marking recommendations to the Board on such appointments or re-election.

All directors are also subject to re-election by shareholders at the annual general meeting pursuant to the Bye-laws of the Company.

No NC meeting has been held during the financial year ended 31 March 2009 to make recommendations to the Board regarding the Board appointment. In accordance with the Company's Articles of Association, one-third of the directors who have been longest in office since their last election or re-election are subject to retirement by rotation. All retiring directors are eligible for re-election.

AUDIT COMMITTEE

The Company has established an Audit Committee ("AC") with specific terms of reference explaining its role and authorities delegated by the Board. The AC consists of three Independent Non-Executive Directors, Dr. Leung Wai Cheung, Mr. Hui Wah Tat, Anthony and Mr. Li Kam Chung, who together have sufficient accounting and financial management expertise and business experience to discharge their duties and none of them is a former partner of the external auditors of the Company. Dr. Leung Wai Cheung is the Chairman of the AC.

The AC's principal duties include reviewing the Group's financial controls, internal control and risk management systems, reviewing and monitoring integrity of financial statements and reviewing annual and interim financial statements and reports before submission to the Board and considering and recommending the appointment, re-appointment and removal of external auditors of the Company.

The AC meets with the external auditors and the management of the Group to ensure that the audit findings are addressed properly. The Audit Committee is authorized to take independent professional advice at Company's expense, if necessary.

The AC meets regularly to review the financial results and other information to shareholders, the system of internal control and risk management. The AC also provides an important link between the Board and the Company's auditors in matters within the scope of its terms of reference and keeps under review the independence of auditors. During the year, the AC has reviewed the annual and interim results of the Company for the year ended 31 March 2009 and was content that the accounting policies of the Group are in accordance with the generally accepted accounting practices in Hong Kong.

The financial statements of the Company for the year have been audited by HLB Hodgson Impey Cheng ("HLB"). During the year, remuneration of approximately HK$1,100,000 was charged by HLB for provision of audit services. In addition, approximately HK$1,280,000 was charged by HLB for other non-audit services. The non-audit services mainly consisted of consultancy services during the year.

During the financial year ended 31 March 2009, two AC meetings were held and the individual attendance of each member is set out below:

Name of Directors	**Number of meetings held**	**Number of meetings attended**
Dr. Leung Wai Cheung	2	2
Mr. Hui Wah Tat, Anthony	2	2
Mr. Wong Lit Chor, Alexis *(Note 1)*	2	2

Note

1. Resigned on 1 April 2009

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

The directors are responsible for the preparation of financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the financial statements 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 adjustments and estimates that are prudent and reasonable, and have prepared the financial statements on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

INTERNAL CONTROLS

The Board has overall responsibility for the system of internal controls of the Company and for reviewing its effectiveness. The Board is committed to implementing an effective internal controls system to protect and safeguard the interest of shareholders and assets of the Company. The controls are to provide reasonable assurance (but not absolute guarantee) that assets are adequately safeguard, operational controls are in place, business risks are suitably protected and proper accounting records are maintained.

The Board reviews the internal control system of the Group annually and will take any necessary and appropriate action to maintain adequate internal control system to protect and safeguard the interest of shareholders and assets of the Company. The effectiveness of the internal control system was discussed on an annual basis with the Audit Committee.

COMMUNICATION WITH SHAREHOLDERS

The Company maintains a high level of transparency in communicating with shareholders and is committed to continue to maintain an open and effective investor communication policy and to update investors on relevant information in a timely manner, subject to relevant regulatory requirements. In order to ensure effective, clear and accurate communications with the shareholders, all corporate communications are arranged and handled by executive directors and designated persons.

The Company aims to provide its shareholders with high standards of disclosure and financial transparency through the publication of annual and interim reports, press announcements and circulars made through Stock Exchange's websites. The Company has announced its annual results and interim results in a timely manner during the year under review. Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors. In addition, procedures for demanding a poll are included in the circular to shareholders as required under the Listing Rules.

The Board also maintains an on-going dialogue with shareholders and use general meeting to communicate with shareholders. The Company encourages all shareholders to attend general meeting which provides a useful forum for shareholders to exchange views with the Board. The Chairman of the Board and members of relevant committees and senior management of the Company are also available to answer the shareholders' questions.

INDEPENDENT AUDITORS' REPORT

HLB 國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF
WING HING INTERNATIONAL (HOLDINGS) LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Wing Hing International (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 27 to 116, 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.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the consolidated 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 consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2009 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 20 July 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Revenue	5	**500,152**	513,387
Cost of sales		**(517,487)**	(490,108)
Gross (loss) / profit		**(17,335)**	23,279
Other income	7	**12,811**	8,735
Other gains and losses	8	**10,736**	(5,642)
Administrative and operating expenses		**(29,055)**	(34,919)
Share of profits of associates		**2,960**	21,484
Share of losses of jointly-controlled entities		**(31,423)**	(4,847)
Finance costs	9	**(22,048)**	(484)
(Loss) / Profit before tax		**(73,354)**	7,606
Income tax expense	10	**(315)**	(1,585)
(Loss) / Profit for the year	11	**(73,669)**	6,021
Attributable to:			
Equity holders of the Company		**(69,184)**	8,104
Minority interests		**(4,485)**	(2,083)
		(73,669)	6,021
(Loss) / Earnings per share			
Basic and diluted (HK cents per share)	14	**(86.95)**	14.74

CONSOLIDATED BALANCE SHEET

At 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	16	**6,481**	16,594
Prepaid lease payments	17	**–**	190,318
Mining rights	18	**242,906**	–
Investment property	19	**–**	6,500
Goodwill	20	**–**	89,829
Interests in associates	22	**2,804**	22,253
Interests in jointly-controlled entities	23	**(12,540)**	14,792
Available-for-sale investment	24	**–**	1
Amount due from an investee entity	24	**–**	53,796
Contract retention receivables	27	**11,417**	10,484
Deferred tax assets	25	**–**	189
		251,068	404,756
Current assets			
Loan receivable	26	**1,000**	1,000
Trade and other receivables	27	**113,489**	98,496
Pledged bank deposits	28, 44	**24,362**	21,860
Bank balances and cash	28	**22,082**	58,619
		160,933	179,975
Current liabilities			
Trade and other payables	29	**165,575**	179,217
Current tax liabilities		**591**	669
		166,166	179,886
Net current (liabilities) / assets		**(5,233)**	89
Total assets less current liabilities		**245,835**	404,845

CONSOLIDATED BALANCE SHEET

At 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Capital and reserves			
Share capital	*31*	**89,860**	69,000
Reserves		**62,238**	132,075
Equity attributable to the equity holders of the Company		**152,098**	201,075
Minority interests		**72,473**	103,003
Total equity		**224,571**	304,078
Non-current liabilities			
Deferred tax liabilities	*25*	**997**	2,487
Promissory notes	*30*	**20,267**	98,280
		21,264	100,767
		245,835	404,845

The consolidated financial statements on pages 27 to 116 were approved and authorized for issue by the Board of Directors on 20 July 2009 and were signed on its behalf by:

Ng Tat Leung, George	**Wong Teck Ming**
Director	*Director*

BALANCE SHEET

At 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	16	**162**	138
Interests in subsidiaries	21	**157,012**	276,423
		157,174	276,561
Current assets			
Amounts due from subsidiaries	21	**15,061**	44,262
Amounts due from associates		**900**	1,262
Other receivables		**378**	1,476
Bank balances and cash		**5,631**	38
		21,970	47,038
Current liabilities			
Amounts due to subsidiaries	21	**5,917**	6,037
Other payables and accruals		**862**	31,898
		6,779	37,935
Net current assets		**15,191**	9,103
Total assets less current liabilities		**172,365**	285,664
Capital and reserves			
Share capital	31	**89,860**	69,000
Reserves	32	**62,238**	118,384
Total equity		**152,098**	187,384
Non-current liabilities			
Promissory notes	30	**20,267**	98,280
		172,365	285,664

Ng Tat Leung, George
Director

Wong Teck Ming
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009

	Attributable to the equity holders of the Company									
	Share capital	Share premium	Contributed surplus	Assets revaluation reserve	Warrant reserve	Convertible loan note equity reserve	Retained profits	Total	Minority interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2007	54,300	35,491	1,781	19,660	1,000	–	48,579	160,811	2,951	163,762
Gain on fair value changes of property, plant and equipment	–	–	–	2,176	–	–	–	2,176	–	2,176
Deferred tax *(note 25)*	–	–	–	487	–	–	–	487	–	487
Release upon disposal of property, plant and equipment	–	–	–	(4,849)	–	–	4,849	–	–	–
Net income recognized directly in equity	–	–	–	(2,186)	–	–	4,849	2,663	–	2,663
Profit for the year	–	–	–	–	–	–	8,104	8,104	(2,083)	6,021
Total income and expenses recognized for the year	–	–	–	(2,186)	–	–	12,953	10,767	(2,083)	8,684
Recognition of equity component of convertible loan note *(note 33)*	–	–	–	–	–	1,653	–	1,653	–	1,653
Early redemption of convertible loan note *(note 33)*	–	–	–	–	–	(1,653)	244	(1,409)	–	(1,409)
Acquisition of subsidiaries *(note 36)*	–	–	–	–	–	–	–	–	105,086	105,086
Shares issued on acquisition of subsidiaries *(note 31 and 36)*	14,700	14,553	–	–	–	–	–	29,253	–	29,253
Release upon disposal of a subsidiary *(note 38)*	–	–	–	–	–	–	–	–	(2,951)	(2,951)
At 31 March 2008	69,000	50,044	1,781	17,474	1,000	–	61,776	201,075	103,003	304,078

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009

	Attributable to the equity holders of the Company										
	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserve *HK$'000*	Contributed surplus *HK$'000*	Assets revaluation reserve *HK$'000*	Warrant reserve *HK$'000*	Translation reserve *HK$'000*	Retained profits / (Accumulated loss) *HK$'000*	Total *HK$'000*	Minority interests *HK$'000*	Total equity *HK$'000*
At 1 April 2008	69,000	50,044	–	1,781	17,474	1,000	–	61,776	201,075	103,003	304,078
Gain on fair value changes of property, plant and equipment	–	–	–	–	3,176	–	–	–	3,176	–	3,176
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	7,301	–	7,301	5,350	12,651
Deferred tax *(note 25)*	–	–	–	–	(380)	–	–	–	(380)	–	(380)
Release upon disposal of property, plant and equipment	–	–	–	–	(5)	–	–	5	–	–	–
Net income recognized directly in equity	–	–	–	–	2,791	–	7,301	5	10,097	5,350	15,447
Loss for the year	–	–	–	–	–	–	–	(69,184)	(69,184)	(4,485)	(73,669)
Total income and expenses recognized for the year	–	–	–	–	2,791	–	7,301	(69,179)	(59,087)	865	(58,222)
Issue of ordinary shares under a placing agreement *(note 31)*	10,860	4,670	–	–	–	–	–	–	15,530	–	15,530
Share issue expenses	–	(388)	–	–	–	–	–	–	(388)	–	(388)
Acquisition of assets through acquisition of subsidiaries *(note 37)*	–	–	–	–	–	–	–	–	–	74,945	74,945
Shares issued on acquisition of assets through acquisition of subsidiaries *(note 31 and 37)*	10,000	–	(800)	–	–	–	–	–	9,200	–	9,200
Release upon expiry of warrant *(note 31)*	–	–	–	–	–	(1,000)	–	1,000	–	–	–
Release upon disposal of subsidiaries *(note 38)*	–	–	–	49,781	(6,931)	–	(7,301)	(49,781)	(14,232)	(106,340)	(120,572)
At 31 March 2009	89,860	54,326	(800)	51,562	13,334	–	–	(56,184)	152,098	72,473	224,571

The contributed surplus of the Group originally arose as a result of the Group reorganization completed on 2 October 1995 and represents the difference between the nominal value of the aggregate share capital of the subsidiaries acquired pursuant to the Group reorganization, over the nominal value of the share capital of the Company issued in exchange therefor.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Operating activities			
(Loss) / Profit for the year		**(73,669)**	6,021
Adjustments for:			
Amortization of prepaid lease payments		**4,474**	4,642
Amortization of mining rights		**1,407**	–
Depreciation for property, plant and equipment		**3,816**	4,480
(Gain) / Loss on disposal of subsidiaries		**(14,654)**	2,791
Gain on fair value changes of an investment property		**–**	(1,700)
(Gain) / Loss on fair value changes of property, plant and equipment		**(5)**	5
Impairment losses recognized in respect of mining rights		**5,737**	–
Impairment losses recognized in respect of trade receivables		**2,858**	1,185
Impairment losses reversed in respect of trade receivables		**(4,614)**	(1,155)
Impairment losses recognized in respect of amounts due from associates		**–**	6,198
Interest income		**(4,429)**	(1,809)
Loss / (Gain) on disposal of property, plant and equipment		**8**	(1,365)
Gain on disposal of an associate		**–**	(2)
Gain on early redemption of convertible loan note		**–**	(48)
Bad debts recovered		**(66)**	(19)
Write off of other receivables		**–**	599
Write back of long outstanding payables		**–**	(847)
Share of profits of associates		**(2,960)**	(21,484)
Share of losses of jointly-controlled entities		**31,423**	4,847
Finance costs		**22,048**	484
Income tax expense		**315**	1,585
Operating cash flows before movements in working capital		**(28,311)**	4,408
Trade receivables		**(7,034)**	2,525
Balances with jointly-controlled entities		**11,081**	1,435
Balances with associates		**(17,410)**	56,427
Balances with related companies		**(681)**	–
Balances with minority shareholders		**831**	(601)
Prepayments, deposits and other receivables		**(39,453)**	(1,844)
Trade payables		**46,054**	35,519
Other payables and accruals		**1,726**	954
Cash (used in) / generated from operations		**(33,197)**	98,823
Interest paid		**(61)**	(192)
Net cash (used in) / generated by operating activities		**(33,258)**	98,631

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Investing activities			
Interest received		**988**	1,809
Dividends received from an associate		**17,500**	–
Purchase of property, plant and equipment		**(1,254)**	(372)
Acquisition of subsidiaries	*36*	**(30,000)**	(21,475)
Acquisition of assets through acquisition of subsidiaries	*37*	**(145,615)**	–
Disposal of subsidiaries	*38*	**45,305**	(536)
Proceeds from repayment of promissory note receivable		**121,000**	–
Amount advanced to an associate		**–**	(1,000)
Amounts advanced to a jointly-controlled entity		**(23,749)**	(10,330)
Amounts advanced to an investee entity		**(96)**	(37,192)
Proceeds from disposal of property, plant and equipment		**2**	4,031
Increase in pledged bank deposits		**(2,502)**	(5,185)
Net cash used in investing activities		**(18,421)**	(70,250)
Financing activities			
Proceeds from issue of ordinary shares		**15,530**	–
Share issue expenses		**(388)**	–
Repayment of bank borrowing		**–**	(3,504)
Proceeds from new trust receipt loans		**22,311**	5,960
Repayment of trust receipt loans		**(22,311)**	(5,960)
Proceeds from issue of convertible loan note		**–**	15,000
Payment for early redemption of convertible loan note		**–**	(15,000)
Net cash generated by / (used in) financing activities		**15,142**	(3,504)
Net (decrease) / increase in cash and cash equivalents		**(36,537)**	24,877
Cash and cash equivalents at the beginning of the financial year		**58,619**	33,742
Cash and cash equivalents at the end of the financial year		**22,082**	58,619
Analysis of balances of cash and cash equivalents			
Bank balances and cash		**22,082**	58,619

1. GENERAL

Wing Hing International (Holdings) Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The Company's principal place of business in Hong Kong is situated at 14th Floor, Yau Lee Centre, 45 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in (i) the undertaking of superstructure construction, foundation piling, substructure works, slope improvement, special construction projects, interior decoration and landscaping works in Hong Kong; and (ii) the operations of coal mines and leasing of mining licenses in the People's Republic of China (the "PRC").

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
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 application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(CONTINUED)*

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs	*1*
HKFRSs (Amendments)	Improvements to HKFRSs 2009	*2*
HKAS 1 (Revised)	Presentation of Financial Statements	*3*
HKAS 23 (Revised)	Borrowing Costs	*3*
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	*4*
HKAS 32 & HKAS 1 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidation	*3*
HKAS 39 (Amendment)	Eligible Hedged Items	*4*
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	*3*
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations	*3*
HKFRS 3 (Revised)	Business Combinations	*4*
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments	*3*
HKFRS 8	Operating Segments	*3*
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives	*5*
HK(IFRIC)-Int 13	Customer Loyalty Programmes	*6*
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate	*3*
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation	*7*
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners	*4*
HK(IFRIC)-Int 18	Transfers of Assets from Customers	*8*

Notes:

1. *Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009*
2. *Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate*
3. *Effective for annual periods beginning on or after 1 January 2009*
4. *Effective for annual periods beginning on or after 1 July 2009*
5. *Effective for annual periods ending on or after 30 June 2009*
6. *Effective for annual periods beginning on or after 1 July 2008*
7. *Effective for annual periods beginning on or after 1 October 2008*
8. *Effective for transfers of assets from customers received on or after 1 July 2009*

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(CONTINUED)*

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain properties, plant and equipment and financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Basis of consolidation (Continued)

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business combinations

The acquisition of business is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Goodwill

Goodwill arising on an acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalized goodwill arising on an acquisition of a business is presented separately in the consolidated balance sheet.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Goodwill (Continued)

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a relevant cash-generating unit, the attributable amount of goodwill capitalized is included in the determination of the amount of profit or loss on disposal.

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. An additional share of losses is provided for and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Jointly-controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly-controlled entities.

The results and assets and liabilities of jointly-controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly-controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly-controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly-controlled entity equals or exceeds its interest in that jointly-controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly-controlled entity), the Group discontinues recognizing its share of further losses. An additional share of losses is provided for and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly-controlled entity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the jointly-controlled entity recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When a group entity transacts with a jointly-controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly-controlled entity.

Revenue recognition

Revenue from construction contracts is recognized in accordance with the Group's accounting policy on construction contracts (see below).

Revenue for sales of goods is recognized when the goods are delivered and title has passed.

Revenue from leasing of mining licenses is recognized on a straight-line basis over the terms of the leasing agreements.

Service income is recognized when services are provided.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Revenue recognition (Continued)

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Property, plant and equipment

Property, plant and equipment are stated at cost or fair value less subsequent accumulated depreciation and impairment losses.

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on revaluation of buildings is credited to the assets revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized as an expense, in which case the increase is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the assets revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

Depreciation is provided to write off the cost or fair value of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognized.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognized.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed to the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as expense immediately.

Where contract costs incurred to date plus recognized profits less recognized losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognized profits less recognized losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under trade and other receivables.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognized in the consolidated income statement on a straight-line basis over the term of the relevant lease.

The Group as lessee

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs (see below).

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognized as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land

Interest in leasehold land is accounted for as operating leases and amortized over the lease term on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognized in equity in the consolidated financials statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity, in which cases, the exchange differences are also recognized directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognized as a separate component of equity (the translation reserve). Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognized in the translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalized as part of the cost of those assets. Capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. To the extent that fixed-rated bank borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflected the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, associates and jointly-controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Mining rights

Mining rights are stated at cost less accumulated amortization and impairment losses. The mining rights are amortized using the unit-of-production method based on the total proven and probable mineral reserves, which are reviewed at least at each balance sheet date.

Impairment of tangible and intangible assets other than goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as revaluation decrease under the standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as revaluation increase under that standard.

Financial instruments

Financial assets and financial liabilities are recognized on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments (Continued)

Financial assets *(Continued)*

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognized on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at fair value through profit or loss

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments (Continued)

Financial assets *(Continued)*

Financial assets at fair value through profit or loss (Continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including amount due from an investee entity, loan receivable, trade receivables, other receivables, pledged bank deposits, and bank balances and cash) are carried at amortized cost using the effective interest method, less any identified impairment losses (see accounting policy in respect of impairment loss on financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments (Continued)

Financial assets *(Continued)*

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognized in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognized in equity is removed from equity and recognized in profit or loss (see accounting policy in respect of impairment loss on financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition (see accounting policy in respect of impairment loss on financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments (Continued)

Financial assets *(Continued)*

Impairment of financial assets (Continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, an impairment loss is recognized in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognized directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments (Continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognized on an effective interest basis other than those financial liabilities designated as at FVTPL, of which the interest expense is included in net gains or losses.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments (Continued)

Financial liabilities and equity *(Continued)*

Financial liabilities at fair value through profit or loss (Continued)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

At each balance sheet date subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss includes any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities (including trade payables, other payables and promissory notes) are subsequently measured at amortized cost, using the effective interest method.

Convertible loan notes

Convertible loan notes issued by the Company that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible loan notes equity reserve).

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments (Continued)

Financial liabilities and equity *(Continued)*

Convertible loan notes (Continued)

In subsequent periods, the liability component of the convertible loan notes is carried at amortized cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible loan notes equity reserve until the conversion option is exercised (in which case the balance stated in convertible loan notes equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible loan notes equity reserve will be released to retained profits. No gain or loss is recognized in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortized over the period of the convertible loan notes using the effective interest method.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer 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 original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognized initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contact at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with HKAS 18 *Revenue*.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments (Continued)

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

For grants of share options which are conditional upon satisfying specified vesting conditions, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve). The impact of the revision of the original estimates during the vesting period, if any, is recognized in profit or loss with a corresponding adjustment to share options reserve.

For share options which are vested at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

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

Share options granted to suppliers or consultants

Share options issued in exchange for goods or services are measured at the fair value of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services are recognized as expenses immediately, unless the goods or services qualify for recognition as assets. Corresponding adjustments are made to equity (share options reserve).

Cash-settled share-based payment transactions

For cash-settled share-based payments, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability. At each balance sheet date, the liability is remeasured at its fair value until the liability is settled, with any changes in fair value recognized in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

Impairment of mining rights

The Group assesses whether there are any indicators of impairment for mining rights at each reporting date. Mining rights are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present values of those cash flows.

Impairment loss of trade and other receivables

The Group's policy for doubtful receivables is based on the on-going evaluation of the collectability and aging analysis of the trade and other receivables and on management's judgments. Considerable judgment is required in assessing the ultimate realization of these receivables, including the current creditworthiness and the past collection history of each debtor, and the present values of the estimated future cash flows discounted at the effective interest rates. If the financial conditions of the Group's debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment loss of trade and other receivables may be required.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

Impairment loss on amounts due from an investee entity, associates and jointly-controlled entities

Management regularly reviews the recoverability of the amounts due from an investee entity, associates and jointly-controlled entities. Appropriate impairment for estimated irrecoverable amount is recognized in profit and loss when there is objective evidence that the amount is not recoverable. Specific allowance is only made for the amounts due from an investee entity, associates and jointly-controlled entities that the management assessed that the recovery of the amounts is doubtful. As at 31 March 2009, the amounts due from an investee entity, associates and jointly-controlled entities amounted to nil (2008: HK$53,796,000), approximately HK$7,842,000 (2008: HK$7,932,000) and approximately HK$36,590,000 (2008: HK$15,014,000), respectively.

Expected useful lives of mining rights and mineral reserves

The Group's management has determined the estimated useful lives of its mining rights based on the proven and probable mineral reserves. The directors of the Company are of the opinion that the Group will be able to continuously renew the mining rights and the business licenses of respective mining subsidiary at minimal charges. Accordingly, the Group has used the proven and probable mineral reserves as a basis for estimation of the useful lives of its mining rights.

Amortization rate is determined based on estimated proven and probable mineral reserve quantities with reference to the independent technical assessment report. The capitalized costs of the mining rights are amortized using the unit-of-production method. Any change to the estimated proven and probable mineral reserves will affect the amortization charge of the mining rights.

Proven and probable mineral reserve estimates are updated at regular basis taking into account production and technical information about the mines. In addition, as prices and cost levels change from year to year, the estimate of proven and probable mineral reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in relation to amortization rate.

Outcome of construction contracts

The Group determines whether outcome of a construction contract can be estimated reliably. This requires a continuous estimation of the total contract revenue and costs and stage of completion with reference to work certified by architects and the assessment of the probability of the future economic flows to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

5. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2009	2008
	HK$'000	*HK$'000*
Construction contract revenue	**497,528**	493,829
Revenue from sales of goods	**–**	19,558
Revenue from leasing of mining licenses	**2,624**	–
	500,152	513,387

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organized into six operating divisions:

(a) Superstructure construction;

(b) Foundation piling, substructure works and slope improvement;

(c) Special construction projects;

(d) Interior decoration and landscaping works;

(e) Energy-related investments, including (i) the operation of coal mines and leasing of mining licenses in the PRC (which was acquired during the year ended 31 March 2009), and (ii) the development and management of a series of sophora products and of biological vegetable oil in the PRC (which was disposed of during the year ended 31 March 2009); and

(f) Corporate and others segment, which comprises the Group's investment holding, and trading of construction machines and plastic products.

These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below.

6. BUSINESS AND GEOGRAPHICAL SEGMENTS *(CONTINUED)*

Business segments (Continued)

2009

	Superstructure construction *HK$'000*	Foundation piling, substructure works and slope improvement *HK$'000*	Special construction projects *HK$'000*	Interior decoration and landscaping works *HK$'000*	Energy-related investments *HK$'000*	Corporate and others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
REVENUE								
External sales	493,320	3,406	–	802	2,624	–	–	500,152
Inter-segment sales	–	39,918	–	10,170	–	–	(50,088)	–
Total	493,320	43,324	–	10,972	2,624	–	(50,088)	500,152
Inter-segment sales are charged at prevailing market rates.								
RESULT								
Segment result	(4,744)	(6,083)	–	724	(8,992)	14,745	(160)	(4,510)
Unallocated other income, other gains and losses								4,434
Unallocated corporate expenses								(22,767)
Share of profits / (losses) of								
– associates								2,960
– jointly-controlled entities								(31,423)
Finance costs								(22,048)
Loss before tax								(73,354)
Income tax expense								(315)
Loss for the year								(73,669)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

6. BUSINESS AND GEOGRAPHICAL SEGMENTS *(CONTINUED)*

Business segments (Continued)

2009

	Superstructure construction HK$'000	Foundation piling, substructure works and slope improvement HK$'000	Special construction projects HK$'000	Interior decoration and landscaping works HK$'000	Energy-related investments HK$'000	Corporate and others HK$'000	Eliminations HK$'000	Consolidated HK$'000
BALANCE SHEET								
ASSETS								
Segment assets	116,839	9,977	–	17	245,799	2,661	–	375,293
Interests in associates	2,804	–	–	–	–	–	–	2,804
Interests in jointly -controlled entities	–	(12,540)	–	–	–	–	–	(12,540)
Unallocated corporate assets								46,444
Consolidated total assets								412,001
LIABILITIES								
Segment liabilities	118,648	31,266	–	13,776	727	1,158	–	165,575
Unallocated corporate liabilities								21,855
Consolidated total liabilities								187,430
OTHER INFORMATION								
Capital additions	47	–	–	–	250,050	1,207	–	251,304
Depreciation and amortization	242	3,265	–	–	5,881	309	–	9,697
Gain on fair value changes of property, plant and equipment	–	(5)	–	–	–	–	–	(5)
Impairment losses on mining rights	–	–	–	–	5,737	–	–	5,737
Impairment losses on trade receivables	2,317	541	–	–	–	–	–	2,858
Impairment losses reversed on trade receivables	(4,303)	(299)	–	(12)	–	–	–	(4,614)
Loss on disposal of property, plant and equipment	8	–	–	–	–	–	–	8
Gain on disposal of subsidiaries	–	–	–	–	–	(14,654)	–	(14,654)

6. BUSINESS AND GEOGRAPHICAL SEGMENTS *(CONTINUED)*

Business segments (Continued)

2008

	Superstructure construction *HK$'000*	Foundation piling, substructure works and slope improvement *HK$'000*	Special construction projects *HK$'000*	Interior decoration and landscaping works *HK$'000*	Energy-related investments *HK$'000*	Corporate and others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
REVENUE								
External sales	484,139	9,609	–	81	–	19,558	–	513,387
Inter-segment sales	–	19,489	–	46,887	–	–	(66,376)	–
Total	484,139	29,098	–	46,968	–	19,558	(66,376)	513,387
Inter-segment sales are charged at prevailing market rates.								
RESULT								
Segment result	18,889	6,915	–	3,276	(4,626)	1,136	(11)	25,579
Unallocated other income, other gains and losses								(5,197)
Unallocated corporate expenses								(28,929)
Share of profits / (losses) of								
– associates								21,484
– jointly-controlled entities								(4,847)
Finance costs								(484)
Profit before tax								7,606
Income tax expense								(1,585)
Profit for the year								6,021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

6. BUSINESS AND GEOGRAPHICAL SEGMENTS *(CONTINUED)*

Business segments (Continued)

2008

	Superstructure construction HK$'000	Foundation piling, substructure works and slope improvement HK$'000	Special construction projects HK$'000	Interior decoration and landscaping works HK$'000	Energy-related investments HK$'000	Corporate and others HK$'000	Eliminations HK$'000	Consolidated HK$'000
BALANCE SHEET								
ASSETS								
Segment assets	99,290	13,205	–	192	279,488	74,322	521	467,018
Interests in associates	–	–	–	–	–	22,253	–	22,253
Interests in jointly-controlled entities	646	1,927	(7,012)	–	–	19,231	–	14,792
Unallocated corporate assets								80,668
Consolidated total assets								584,731
LIABILITIES								
Segment liabilities	93,494	6,916	–	7,565	23	71,219	–	179,217
Unallocated corporate liabilities								101,436
Consolidated total liabilities								280,653
OTHER INFORMATION								
Capital additions	–	53	–	–	284,114	319	–	284,486
Depreciation and amortization	237	2,457	–	2	4,626	1,800	–	9,122
Loss on fair value changes of property, plant and equipment	–	5	–	–	–	–	–	5
Impairment losses on trade receivables	144	775	–	221	–	45	–	1,185
Impairment losses reversed on trade receivables	(420)	(30)	–	(705)	–	–	–	(1,155)
Impairment losses on amounts due from associates	6,198	–	–	–	–	–	–	6,198
Gain on disposal of property, plant and equipment	12	132	–	–	–	(1,509)	–	(1,365)
Loss on disposal of subsidiaries	–	(932)	–	–	–	3,723	–	2,791
Gain on disposal of an associate	–	–	–	–	–	(2)	–	(2)
Gain on fair value changes of investment property	–	–	–	–	–	(1,700)	–	(1,700)
Write back of long-outstanding payables	(847)	–	–	–	–	–	–	(847)
Write off of other receivables	599	–	–	–	–	–	–	599

6. BUSINESS AND GEOGRAPHICAL SEGMENTS *(CONTINUED)*

Geographical segments

As over 90% of the Group's revenue is derived from customers based in Hong Kong, no further analysis of the Group's segment revenue by geographical area is presented.

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, mining rights, land use rights and intangible assets, analyzed by the geographical area in which the assets are located:

	2009	2008
	HK$'000	*HK$'000*
Assets located in		
– Hong Kong	**175,938**	268,194
– PRC	**245,799**	279,492
	421,737	547,686
Interests in associates	**2,804**	22,253
Interests in jointly-controlled entities	**(12,540)**	14,792
	412,001	584,731
Capital expenditure		
– Hong Kong	**1,254**	372
– PRC	**250,050**	284,114
	251,304	284,486

7. OTHER INCOME

	2009	2008
	HK$'000	*HK$'000*
Service fee income from:		
– jointly-controlled entities	**989**	1,549
– associates	**4,597**	2,045
– independent third parties	**550**	972
	6,136	4,566
Interest income on bank deposits	**868**	1,796
Effective interest income on promissory note receivable	**2,002**	–
Interest income on loan to an associate	**120**	13
Interest income on a trade receivable	**1,439**	–
Rental income from investment property	**–**	22
Rental income from machinery held for operating lease purposes	**745**	1,308
Others	**1,501**	1,030
	12,811	8,735

8. OTHER GAINS AND LOSSES

	2009 **HK$'000**	2008 HK$'000
(Loss) / Gain on disposal of property, plant and equipment	**(8)**	1,365
Gain on early redemption of convertible loan note	**–**	48
Gain / (Loss) on disposal of subsidiaries	**14,654**	(2,791)
Gain on disposal of an associate	**–**	2
Gain / (Loss) on fair value changes of property, plant and equipment	**5**	(5)
Impairment losses recognized in respect of mining rights	**(5,737)**	–
Impairment losses recognized in respect of trade receivables	**(2,858)**	(1,185)
Impairment losses reversed in respect of trade receivables	**4,614**	1,155
Impairment losses recognized in respect of amounts due from associates	**–**	(6,198)
Write off of other receivables	**–**	(599)
Write back of long outstanding payables	**–**	847
Gain on fair value changes of an investment property	**–**	1,700
Bad debts recovered	**66**	19
	10,736	(5,642)

9. FINANCE COSTS

	2009 **HK$'000**	2008 HK$'000
Interest on bank borrowings wholly repayable within five years	**57**	192
Effective interest expense on promissory note payable	**21,987**	–
Effective interest expense on convertible loan note	**–**	292
Others	**4**	–
	22,048	484

No borrowing costs were capitalized during the year ended 31 March 2009 (2008: Nil).

10. INCOME TAX EXPENSE

	2009	2008
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**–**	669
PRC Enterprise Income Tax	**591**	–
Deferred tax *(note 25)*	**(276)**	916
Tax charge for the year	**315**	1,585

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profit tax rate from 17.5% to 16.5% which is effective from the year of assessment 2008 / 2009. Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) of the estimated assessable profit for the year.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2008: 33%).

On 16 March 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council issued Implementation Regulation of the New Law. The New Law and Implementation Regulation changed the tax rate of the PRC subsidiaries to 25% from 1 January 2008 onwards.

10. INCOME TAX EXPENSE *(CONTINUED)*

The tax charge for the year can be reconciled to the (loss) / profit per the consolidated income statement as follows:

	2009	2008
	HK$'000	*HK$'000*
(Loss) / Profit before tax	**(73,354)**	7,606
Tax at Hong Kong Profits Tax rate of 16.5% (2008: 17.5%)	**(12,103)**	1,331
Tax effect of income not taxable for tax purpose	**(4,013)**	(2,181)
Tax effect of expenses not deductible for tax purpose	**11,656**	4,593
Utilization of tax losses previously not recognized	**(135)**	(2,093)
Effect of different tax rates of group entities operating in jurisdictions other than Hong Kong	**201**	–
Decrease in opening deferred tax liability resulting from a decrease in applicable tax rate	**11**	–
Others	**4,698**	(65)
Tax charge for the year	**315**	1,585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

11. (LOSS) / PROFIT FOR THE YEAR

(Loss) / Profit for the year has been arrived at after charging / (crediting):

	2009	2008
	HK$'000	*HK$'000*
Depreciation for property, plant and equipment	**3,816**	4,480
Less: Amounts capitalized in construction contracts	**(3,165)**	(2,358)
	651	2,122
Amortization of prepaid lease payments	**4,474**	4,642
Amortization of mining rights (included in cost of sales)	**1,407**	–
Total depreciation and amortization	**6,532**	6,764
Auditors' remuneration	**1,004**	834
Net foreign exchange (gains) / losses	**(3)**	233
Gross rental income from investment property	**–**	(22)
Less: Direct operating expenses from investment property that generated rental income during the year	**–**	25
	–	3
Minimum lease payments paid under operating leases during the year:		
Leasehold land and buildings	**1,871**	437
Plant and machinery	**425**	676
Less: Amounts capitalized in construction contracts	**(425)**	(676)
	–	–
	1,871	437

11. (LOSS) / PROFIT FOR THE YEAR *(CONTINUED)*

	2009	2008
	HK$'000	*HK$'000*
Employee benefits expense (including directors' remuneration):		
Wages and salaries	**45,735**	46,950
Contributions to retirement benefits schemes	**1,231**	1,462
	46,966	48,412
Less: Amounts capitalized in construction contracts	**(13,692)**	(13,955)
	33,274	34,457
Cost of services and inventories recognized as an expense	**517,487**	490,108
Share of tax of associates (included in share of results of associates)	**987**	4,722
Share of tax of a jointly-controlled entity (included in share of results of jointly-controlled entities)	**149**	158

12. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the directors were as follows:

For the year ended 31 March 2009

	Fees	Salaries and other benefits	Contributions to retirement benefits schemes	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive Directors				
Mr. Ng Tat Leung, George	–	1,671	12	1,683
Mr. Wong Teck Ming	–	1,280	12	1,292
Mr. Lui Siu Yee, Samuel	–	772	12	784
Mr. Chan Wai Keung, Ivan (resigned on 29 April 2008)	–	8	–	8
Ms. Leung Pui Kwan	–	–	–	–
Mr. Peter He (appointed on 18 September 2008)	–	–	–	–
Independent Non-Executive Directors				
Mr. Wong Lit Chor, Alexis	100	–	–	100
Dr. Leung Wai Cheung	100	–	–	100
Mr. Hui Wah Tat, Anthony	50	–	–	50
Total	250	3,731	36	4,017

12. DIRECTORS' EMOLUMENTS *(CONTINUED)*

For the year ended 31 March 2008

	Fees	Salaries and other benefits	Contributions to retirement benefits schemes	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive Directors				
Mr. Ng Tat Leung, George	–	1,569	12	1,581
Mr. Wong Teck Ming	–	1,246	12	1,258
Mr. Lui Siu Yee, Samuel	–	770	12	782
Mr. Chan Wai Keung, Ivan	–	803	12	815
Mr. Lo Chung Sun, Simon (resigned on 7 March 2008)	–	1,089	11	1,100
Ms. Leung Pui Kwan (appointed on 7 March 2008)	–	–	–	–
Independent Non-Executive Directors				
Mr. Wong Lit Chor, Alexis	100	–	–	100
Mr. Lo Ka Wai (resigned on 7 March 2008)	120	–	–	120
Dr. Leung Wai Cheung	100	–	–	100
Mr. Hui Wah Tat, Anthony (appointed on 7 March 2008)	–	–	–	–
Total	320	5,477	59	5,856

During both years, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

For the year ended 31 March 2009, Ms. Leung Pui Kwan, Mr. Peter He and Mr. Hui Wah Tat, Anthony waived emoluments of HK$480,000, HK$600,000 and HK$30,000, respectively (2008: nil).

The amount of directors' emoluments which is directly attributable to construction activities and capitalized in construction contracts amounted to approximately HK$1,108,000 (2008: HK$1,108,000).

For the year ended 31 March 2008, the directors' emoluments shown above did not include the estimated monetary value of the Group's owned premises provided rent-free to a director. The estimated rental value of such accommodation was HK$96,000 for the year ended 31 March 2008.

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2008: four) were directors of the Company whose emoluments are included in the disclosures in note 12 above. The emoluments of the remaining two (2008: one) individuals were as follows:

	2009	2008
	HK$'000	*HK$'000*
Salaries and other benefits	**1,770**	1,060
Contributions to retirement benefits schemes	**24**	12
	1,794	1,072

Their emoluments were within the following bands:

	Number of individuals	
	2009	2008
Nil-HK$1,000,000	**2**	–
HK$1,000,001-HK$1,500,000	**–**	1
	2	1

14. (LOSS) / EARNINGS PER SHARE

The calculation of the basic (loss) / earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2009	2008
	HK$'000	*HK$'000*
(Loss) / Earnings		
(Loss) / Earnings for the purpose of basic (loss) / earnings per share ((Loss) / Profit for the year attributable to equity holders of the Company)	**(69,184)**	8,104

Number of shares

	2009	2008
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic (loss) / earnings per share	**79,572**	54,983

The computation of diluted earnings per share did not assume the exercise of the Company's outstanding warrants as their exercise price was higher than the average market price for shares for the year ended 31 March 2008 and 2009.

15. (LOSS) / PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$59,628,000 (2008: profit of HK$1,761,000) (note 32).

16. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold buildings *HK$'000*	Plant and machinery *HK$'000*	Furniture and equipment *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
Cost or valuation					
At 1 April 2007	10,000	9,916	8,602	670	29,188
Additions	–	–	26	346	372
Disposals	–	(2,491)	–	(175)	(2,666)
Disposal of subsidiaries	–	–	(35)	–	(35)
Revaluation	(29)	(1,832)	–	(120)	(1,981)
At 31 March 2008	9,971	5,593	8,593	721	24,878
Additions	–	–	1,254	–	1,254
Disposals	–	–	–	(10)	(10)
Disposal of subsidiaries	(9,971)	(528)	(935)	(63)	(11,497)
Revaluation	–	(282)	–	(27)	(309)
At 31 March 2009	–	4,783	8,912	621	14,316
Comprising					
At cost	–	–	8,912	–	8,912
At valuation	–	4,783	–	621	5,404
	–	4,783	8,912	621	14,316
Depreciation and impairment					
At 1 April 2007	–	–	7,990	–	7,990
Provided for the year	250	3,612	328	290	4,480
Eliminated on disposal of subsidiaries	–	–	(34)	–	(34)
Eliminated on revaluation	(250)	(3,612)	–	(290)	(4,152)
At 31 March 2008	–	–	8,284	–	8,284
Provided for the year	–	3,185	326	305	3,816
Eliminated on disposal of subsidiaries	–	–	(775)	–	(775)
Eliminated on revaluation	–	(3,185)	–	(305)	(3,490)
At 31 March 2009	–	–	7,835	–	7,835
Carrying amounts					
At 31 March 2009	**–**	**4,783**	**1,077**	**621**	**6,481**
At 31 March 2008	9,971	5,593	309	721	16,594

16. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

Company

	Furniture and equipment *HK$'000*
Cost	
At 1 April 2007	2,373
Additions	26
At 31 March 2008	2,399
Additions	114
At 31 March 2009	2,513
Depreciation and impairment	
At 1 April 2007	2,168
Provided for the year	93
At 31 March 2008	2,261
Provided for the year	90
At 31 March 2009	2,351
Carrying amounts	
At 31 March 2009	**162**
At 31 March 2008	138

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold buildings:	Over the lease terms
Plant and machinery:	10%
Furniture and equipment:	20%
Motor vehicles:	20%

At 31 March 2008, the Group's leasehold buildings were situated in Hong Kong and held under medium-term leases, which were pledged to secure general banking facilities granted to the Group (note 44).

16. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

The Group's leasehold buildings were revalued on 31 March 2008 at HK$9,971,000 by Asset Appraisal Limited, independent qualified professional valuers not connected with the Group. Asset Appraisal Limited is a member of Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The gain on revaluation of approximately HK$221,000 was credited to the asset revaluation reserve for the year ended 31 March 2008.

The fair value of the Group's plant and machinery at 31 March 2009 of approximately HK$4,783,000 (2008: HK$5,593,000) was arrived at on the basis of a valuation carried out on that date by Asset Appraisal Limited, on a fair market value, continued use basis. The gain on revaluation of approximately HK$2,903,000 (2008: HK$1,780,000) was credited to the asset revaluation reserve.

The fair value of the Group's motor vehicles at 31 March 2009 of approximately HK$621,000 (2008: HK$721,000) was arrived at on the basis of a valuation carried out on that date by Asset Appraisal Limited, on a fair market value, continued use basis. The gain on revaluation of approximately HK$273,000 (2008: HK$175,000) was credited to the asset revaluation reserve and a gain on revaluation of approximately HK$5,000 (2008: a loss on revaluation of HK$5,000) was credited / charged to the income statement.

The directors consider that the carrying value of furniture and equipment at 31 March 2009 of approximately HK$1,077,000 (2008: HK$309,000) approximates their fair value and, in view of the immateriality of the individual amounts involved, a professional valuation has not been carried out on these assets.

Had the Group's property, plant and equipment been measured on a historical cost basis, the carrying amounts of plant and machinery and motor vehicles at 31 March 2009 would have been approximately HK$1,152,000 and HK$131,000, respectively.

17. PREPAID LEASE PAYMENTS

At 31 March 2009, the Group's prepaid lease payments comprised:

	2009	2008
	HK$'000	*HK$'000*
Land in Hong Kong		
Medium term lease	–	659
Land outside Hong Kong		
Medium term lease	–	189,659
	–	190,318

18. MINING RIGHTS

	Group
	HK$'000
Cost	
Acquired through acquisition of subsidiaries *(note 37)*	
and at 31 March 2009	250,050
Amortization and impairment	
Amortization provided for the year	1,407
Impairment losses recognized for the year	5,737
At 31 March 2009	7,144
Carrying amounts	
At 31 March 2009	**242,906**

The mining rights represent the rights to conduct mining activities in various coal mines situated in Guizhou Province, the PRC.

18. MINING RIGHTS *(CONTINUED)*

The Group has recognized impairment losses of approximately HK$5,737,000 for the year ended 31 March 2009 as a result of an impairment testing conducted by management taking into account an independent professional valuation on the mining rights at 31 March 2009.

19. INVESTMENT PROPERTY

	Group
	HK$'000
FAIR VALUE	
At 1 April 2007	4,800
Net increase in fair value	1,700
At 31 March 2008	6,500
Disposal of subsidiaries	(6,500)
At 31 March 2009	–

The fair value of the Group's investment property at 31 March 2008 had been arrived at on the basis of a valuation carried out on that date by Asset Appraisal Limited. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's property interests held under operating leases to earn rentals purposes were measured using the fair value model and were classified and accounted for as investment properties.

At 31 March 2008, the Group's investment property was located in Hong Kong and held under medium-term lease, which was pledged to secure general banking facilities granted to the Group (note 44).

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20. GOODWILL

	Group
	HK$'000
Cost and carrying amounts	
At 1 April 2007	1,943
Eliminated on disposal of a subsidiary *(note 38)*	(1,943)
Acquired on acquisition of subsidiaries *(note 36)*	89,829
At 31 March 2008	89,829
Eliminated on disposal of subsidiaries *(note 38)*	(89,829)
At 31 March 2009	–

For the purpose of impairment testing, the carrying amount of goodwill at 31 March 2008 was allocated to the cash generating unit which was engaged in the development and management of a series of sophora products and of biological vegetable oil in the PRC.

21. INTERESTS IN SUBSIDIARIES

	Company	
	2009	2008
	HK$'000	*HK$'000*
Unlisted shares, at cost	**–**	53,662
Amounts due from subsidiaries	**298,162**	382,150
	298,162	435,812
Less: accumulated impairment	**(126,089)**	(115,127)
	172,073	320,685
Amounts due from subsidiaries classified as current	**(15,061)**	(44,262)
	157,012	276,423

The amounts due from and due to subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

21. INTERESTS IN SUBSIDIARIES *(CONTINUED)*

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

Name of subsidiary	Place of incorporation and operations	Form of business structure	Issued share capital / paid up capital	Percentage of equity attributable to the Company	Principal activities
Directly held					
CWS International Trading Limited	British Virgin Islands	Limited liability company	Ordinary US$10	100%	Investment holding
Club Ace Holdings Limited	British Virgin Islands	Limited liability company	Ordinary US$1	100%	Investment holding
Bless Luck International Limited	British Virgin Islands	Limited liability company	Ordinary US$1	100%	Investment holding
Asian Time Development Limited	Hong Kong	Limited liability company	Ordinary HK$1	100%	Investment holding
Indirectly held					
W. Hing Construction Company Limited	Hong Kong	Limited liability company	Ordinary HK$102,300,100 Deferred HK$2,380,000 *(Note (i))*	100%	Superstructure construction
CWF Piling & Civil Engineering Company Limited	Hong Kong	Limited liability company	Ordinary HK$48,500,000 Deferred HK$1,500,000 *(Note (i))*	100%	Foundation piling

21. INTERESTS IN SUBSIDIARIES *(CONTINUED)*

Name of subsidiary	Place of incorporation and operations	Form of business structure	Issued share capital / paid up capital	Percentage of equity attributable to the Company	Principal activities
Indirectly held *(Continued)*					
W H China (Holdings) Limited	Hong Kong	Limited liability company	Ordinary HK$2	100%	Investment holding
W H Interior Design and Contracting Company Limited	Hong Kong	Limited liability company	Ordinary HK$2	100%	Interior decoration
JCL Engineering Limited	Hong Kong	Limited liability company	Ordinary HK$10,000	91%	Environmental engineering
TCL Piling Specialist Limited	Hong Kong	Limited liability company	Ordinary HK$1,920,002	100%	Foundation piling
Union Sense Development Limited	British Virgin Islands	Limited liability company	Ordinary US$100	70%	Investment holding
Pacific Land International Investments Limited	Hong Kong	Limited liability company	Ordinary HK$1	70%	Investment holding
貴州金億達礦業有限公司 (transliterated as Guizhou Jinyida Mining Company Limited)	PRC	Wholly foreign owned enterprise	Registered capital US$4,680,000	70%	Leasing of mining licenses and coal mining

Note:

(i) The deferred shares carry no rights to dividends and no rights to receive notice of or to attend or vote at any general meeting of the company. In the winding-up of the company, holders of the deferred shares are entitled to receive amounts paid-up or credited as paid-up on shares after the holders of the ordinary shares of the company have received a total return of HK$1,000,000,000 per share. At 31 March 2009, all these deferred shares were owned by Club Ace Holdings Limited.

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22. INTERESTS IN ASSOCIATES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Cost of investments in associates		
Unlisted	**4,783**	4,787
Share of post-acquisition results, net of dividends received	**(1,979)**	17,466
	2,804	22,253
Amounts due from associates	**14,917**	15,007
Less: accumulated impairment	**(7,075)**	(7,075)
	7,842	7,932
Amounts due from associates classified as current	**(7,842)**	(7,932)
	–	–
	2,804	22,253

Particulars of the Group's principal associates at 31 March 2009 are as follows:

Name of entity	**Form of business structure**	**Place of incorporation and operations**	**Proportion of nominal value of issued capital held by the Group**	**Principal activities**
Design Landscapes International (HK) Company Limited	Limited liability company	Hong Kong	50%	Provision of landscaping services
Design Landscapes International (Group) Company Limited	Limited liability company	Hong Kong	50%	Provision of landscaping services
Hypsos Leisure Asia Limited	Limited liability company	Hong Kong	42.5%	Exhibition project management
Hypsos Leisure Asia Macau Limited	Limited liability company	Macau	42.5%	Exhibition project management

22. INTERESTS IN ASSOCIATES *(CONTINUED)*

The above table lists the associates of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

The summarized financial information in respect of the Group's associates is set out below:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Total assets	**27,932**	261,716
Total liabilities	**(30,031)**	(207,023)
Net (liabilities) / assets	**(2,099)**	54,693
Group's share of net assets of associates	**2,804**	22,253
Revenue	**81,419**	176,358
Profit for the year	**7,200**	50,564
Group's share of profits of associates for the year	**2,960**	21,484

The Group has discontinued the recognition of its share of losses of Design Landscapes International (HK) Company Limited and Design Landscapes International (Group) Company Limited because the share of losses of associates exceeded the Group's interests in these associates. The Group's unrecognized share of losses of these associates for the current year and cumulatively was nil (2008: HK$3,953,000) and HK$4,341,000 (2008: HK$4,422,000), respectively.

23. INTERESTS IN JOINTLY-CONTROLLED ENTITIES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Cost of investments in jointly-controlled entities		
Unlisted	**–**	34,639
Share of post-acquisition results, net of dividends received	**(46,620)**	(30,177)
	(46,620)	4,462
Amounts due from jointly-controlled entities	**36,590**	15,014
	(10,030)	19,476
Amounts due from jointly-controlled entities classified as current	**(2,510)**	(4,684)
	(12,540)	14,792

Particulars of the Group's principal jointly-controlled entities at 31 March 2009 are as follows:

Name of entity	**Form of business structure**	**Place of incorporation / registration and operations**	**Proportion of voting power held**	**Proportion of nominal value of issued capital held by the Group**	**Principal activities**
Costain-China Harbour Joint Venture	Unincorporated	Hong Kong	33-1 / 3%	40%	Foundation piling
CHEC-CWF Limited	Limited liability company	Hong Kong	30%	30%	Highway maintenance
China Harbour–Transfield Joint Venture	Unincorporated	Hong Kong	25%	15.3%	Drainage improvement
China Harbour-CWF Joint Venture	Unincorporated	Hong Kong	50%	49%	Foundation piling
MLL-CWF Joint Venture	Unincorporated	Hong Kong	50%	40%	Foundation piling
Excel-China Harbour Joint Venture	Unincorporated	Hong Kong	15%	15%	Fresh water plumbing work

23. INTERESTS IN JOINTLY-CONTROLLED ENTITIES *(CONTINUED)*

The above table lists the jointly-controlled entities of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other jointly-controlled entities would, in the opinion of the directors, result in particulars of excessive length.

The summarized financial information in respect of the Group's jointly-controlled entities is set out below:

	2009 **HK$'000**	2008 HK$'000
Total assets	**54,939**	378,486
Total liabilities	**(202,631)**	(391,847)
Net liabilities	**(147,692)**	(13,361)
Group's share of net (liabilities) / assets of jointly-controlled entities	**(46,620)**	4,462
Revenue	**395,163**	549,233
Loss for the year	**(96,525)**	(31,202)
Group's share of losses of jointly-controlled entities for the year	**(31,423)**	(4,847)

24. AVAILABLE-FOR-SALE INVESTMENT

	Group	
	2009 **HK$'000**	2008 HK$'000
Unlisted equity securities	–	1

Notes:

(i) The unlisted equity securities represented the Group's investment in 8% of the issued share capital of Wealthy Star Development Limited, a private limited liability company incorporated in Hong Kong which is engaged in property development. The investment was measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates was so significant that the directors of the Company were of the opinion that its fair value could not be measured reliably.

(ii) The amount due from an investee entity, Wealthy Star Development Limited, at 31 March 2008 of approximately HK$53,796,000 was unsecured, interest-free and had no fixed terms of repayment.

25. DEFERRED TAXATION

The following are the Group's major deferred tax balances recognized and movements thereon during the current and prior year:

Deferred tax liabilities

	Accelerated tax depreciation HK$'000	Revaluation of assets HK$'000	Total HK$'000
At 1 April 2007	–	2,812	2,812
Charge to consolidated income statement for the year *(note 10)*	818	–	818
Credit to equity for the year	–	(487)	(487)
At 31 March 2008	818	2,325	3,143
Credit to consolidated income statement for the year *(note 10)*	(131)	–	(131)
Release upon disposal of subsidiaries *(note 38)*	(687)	(718)	(1,405)
Charge to equity for the year	–	380	380
At 31 March 2009	**–**	**1,987**	**1,987**

Deferred tax assets

	Tax losses HK$'000	Decelerated tax depreciation HK$'000	Revaluation of assets HK$'000	Total HK$'000
At 1 April 2007	608	356	124	1,088
Released upon disposal of a subsidiary *(note 38)*	(144)	(1)	–	(145)
Credit / (Charge) to consolidated income statement for the year *(note 10)*	381	(355)	(124)	(98)
At 31 March 2008	845	–	–	845
(Charge) / Credit to consolidated income statement for the year *(note 10)*	(196)	341	–	145
At 31 March 2009	**649**	**341**	**–**	**990**

25. DEFERRED TAXATION *(CONTINUED)*

For the purpose of balance sheet presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2009	2008
	HK$'000	*HK$'000*
Deferred tax liabilities	**997**	2,487
Deferred tax assets	**–**	(189)
	997	2,298

At the balance sheet date, the Group has unused tax losses of approximately HK$58,974,000 (2008: HK$31,735,000) available for offset against future profits that may be carried forward indefinitely. A deferred tax asset has been recognized in respect of approximately HK$3,936,000 (2008: HK$4,830,000) of such losses. No deferred tax asset has been recognized in respect of the remaining tax losses of approximately HK$55,038,000 (2008: HK$26,905,000) due to the unpredictability of future profit streams.

26. LOAN RECEIVABLE

	Group	
	2009	2008
	HK$'000	*HK$'000*
Loan to an associate	**1,000**	1,000

The Group has provided a short-term loan to an associate which is unsecured and has no fixed terms of repayment. The effective interest for the year ended 31 March 2008 and 2009 is 12% per annum.

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27. TRADE AND OTHER RECEIVABLES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Accounts receivable	**85,350**	68,998
Less: Allowance for doubtful debts	**(18,448)**	(27,491)
	66,902	41,507
Contract retention receivables	**42,769**	35,344
Less: Allowance for doubtful debts	**(11,345)**	(9,444)
	31,424	25,900
Less: contract retention receivables classified as non-current assets	**(11,417)**	(10,484)
Retentions held by contract customers included in trade receivables under current assets	**20,007**	15,416
Amounts due from contract customers	**4,540**	26,603
Total trade receivables as shown under current assets	**91,449**	83,526
Prepayments, deposits and other receivables	**11,007**	2,354
Amounts due from jointly-controlled entities	**2,510**	4,684
Amounts due from associates	**7,842**	7,932
Amounts due from related companies	**681**	–
	22,040	14,970
	113,489	98,496

The Group's credit terms for its contracting business are negotiated with contract customers. Accounts receivable of a non-retention nature are generally due within 30 days of certification by independent architects as to the value of the contract works performed and claimed by the Group in its interim applications for progress payment.

27. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

Retentions are due on the expiration of contract maintenance / defects liability period, which is determined in accordance with relevant contract terms and generally stipulated as 181 days to 365 days from the date of practical completion of the contract works.

Included in trade receivables are amounts due from contract customers which represent the excess of contract costs incurred to date by the Group plus recognized profits (less recognized losses) over progress billings raised by the Group for respective contracts at the balance sheet date:

	2009 ***HK$'000***	2008 *HK$'000*
Contract costs incurred plus recognized profits less recognized losses	**320,173**	591,047
Less: progress billings	**(315,633)**	(564,444)
Amounts due from contract customers	**4,540**	26,603

Included in the Group's trade receivables at 31 March 2009 are amounts due from associates and a jointly-controlled entity of the Group of approximately HK$82,000 (2008: HK$1,775,000) and HK$541,000 (2008: HK$541,000) respectively, which are unsecured, interest-free and payable on similar credit terms to those offered to other major customers of the Group. The receivables arose from the undertaking of construction contract works during the year.

The amounts due from jointly-controlled entities, associates and related companies are unsecured, interest-free and have no fixed terms of repayment.

27. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

An aged analysis of accounts receivable net of allowance for doubtful debts at the balance sheet date, based on the invoice date, is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
0-90 days	**61,184**	40,619
91-180 days	**738**	24
181-365 days	**794**	644
Over 365 days	**4,186**	220
	66,902	41,507

An aged analysis of contract retention receivables net of allowance for doubtful debts at the balance sheet date, based on the invoice date, is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
0-90 days	**1,795**	3,487
91-180 days	**12,672**	3,351
181-365 days	**5,132**	10,533
Over 365 days	**11,825**	8,529
	31,424	25,900

27. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

An aged analysis of accounts receivable that are not considered to be impaired is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Neither past due nor impaired	**59,056**	39,798
Past due but not impaired		
1-90 days	**1,419**	933
91-180 days	**1,447**	–
181-365 days	**794**	644
Over 365 days	**4,186**	132
	66,902	41,507

An aged analysis of contract retention receivables that are not considered to be impaired is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Neither past due nor impaired	**31,424**	25,012
Past due but not impaired		
1-90 days	**–**	888
	31,424	25,900

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

27. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

The movement in the allowance for doubtful debts on accounts receivable is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Balance at beginning of the year	**27,491**	27,333
Impairment losses recognized	**541**	975
Amounts written off as uncollectible	**–**	(67)
Impairment losses reversed	**(4,198)**	(750)
Release upon disposal of subsidiaries	**(5,386)**	–
Balance at end of the year	**18,448**	27,491

The movement in the allowance for doubtful debts on contract retention receivables is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Balance at beginning of the year	**9,444**	9,859
Impairment losses recognized	**2,317**	210
Amounts written off as uncollectible	**–**	(220)
Impairment losses reversed	**(416)**	(405)
Balance at end of the year	**11,345**	9,444

Included in the allowances for doubtful debts are individually impaired accounts receivable and contract retention receivables with balances of HK$18,448,000 and HK$11,345,000 (2008: HK$27,491,000 and HK$9,444,000) respectively. The individually impaired receivables related to customers that were in dispute or in delinquency in payments and the management assessed that the recovery of the amounts is doubtful. The Group does not hold any collateral over these balances.

27. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

An aged analysis of impaired accounts receivable is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Over 365 days	**18,448**	27,491

An aged analysis of impaired contract retention receivables is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Over 365 days	**11,345**	9,444

28. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

The pledged bank deposits and bank balances carried interest at prevailing market rates.

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. Pledged bank deposits were denominated in Hong Kong dollars. Further details are set out in note 44 to the financial statements.

29. TRADE AND OTHER PAYABLES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Accounts payable	**64,407**	67,923
Amounts due to contract customers	**85,895**	37,333
Total trade payables as shown under current liabilities	**150,302**	105,256
Other payables and accruals	**4,953**	34,485
Amount due to a director	**313**	–
Amount due to an associate	**–**	39,207
Amounts due to jointly-controlled entities	**8,966**	59
Amounts due to minority shareholders	**1,041**	210
	15,273	73,961
	165,575	179,217

An aged analysis of accounts payable at the balance sheet date is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
0-90 days	**29,934**	37,982
91-180 days	**6,385**	2,257
181-365 days	**5,339**	8,166
Over 365 days	**22,749**	19,518
	64,407	67,923

29. TRADE AND OTHER PAYABLES *(CONTINUED)*

Included in trade payables are amounts due to contract customers which represent the excess of progress billings raised by the Group for the respective contracts over the contract costs incurred to date by the Group plus recognized profits (less recognized losses) at the balance sheet date:

	2009	2008
	HK$'000	*HK$'000*
Contract costs incurred plus recognized profits less recognized losses	**1,262,186**	849,294
Less: progress billings	**(1,348,081)**	(886,627)
Amounts due to contract customers	**(85,895)**	(37,333)

The amounts due to a director, an associate, jointly-controlled entities and minority shareholders are unsecured, interest-free and have no fixed terms of repayment.

30. PROMISSORY NOTES

On 26 March 2008, the Company issued a promissory note with a principal amount of HK$120,000,000 to the vendor as part of the purchase consideration for the acquisition of the entire equity interests in Farrell Global Limited (note 36). The promissory note was transferable, unsecured, interest-free and had a fixed term of five years from the date of issue.

On 1 December 2008, the Company issued a promissory note with a principal amount of HK$20,000,000 to the vendor as part of the purchase consideration for the acquisition of the 70% equity interests in Union Sense Development Limited (note 37). The promissory note is transferable, unsecured, carries interest at 4% per annum and has a fixed term of five years from the date of issue.

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31. SHARE CAPITAL

	Notes	**Number of shares**	**Share capital** *HK$'000*
Ordinary shares of HK$1 each			
Authorized			
At 1 April 2007 and 31 March 2008		100,000,000	100,000
Increase in authorized share capital	*(b)*	50,000,000	50,000
At 31 March 2009		**150,000,000**	**150,000**
Issued and fully paid			
At 1 April 2007		54,300,000	54,300
Shares issued on acquisition of subsidiaries	*(c)*	14,700,000	14,700
At 31 March 2008 and 1 April 2008		69,000,000	69,000
Issue of ordinary shares under a placing agreement	*(d)*	10,860,000	10,860
Shares issued on acquisition of assets through acquisition of subsidiaries	*(e)*	10,000,000	10,000
At 31 March 2009		**89,860,000**	**89,860**

Notes:

(a) On 30 August 2005, the Company issued 5,000,000 unlisted warrants to Complete Success Limited at HK$0.20 each as part of the purchase consideration for acquisition of additional interest in a subsidiary. The warrants were issued to Complete Success Limited in registered form and constituted by a warrant instrument, and rank *pari passu* in all respects among themselves. Each warrant carried the right to subscribe for one share of HK$1.00 each in the capital of the Company at an adjusted subscription price of HK$2.64 per share. The warrants expired on 29 August 2008.

(b) Pursuant to the ordinary resolution passed by the Company's shareholders at the special general meeting held on 16 September 2008, the authorized share capital of the Company was increased from HK$100,000,000 to HK$150,000,000 by the creation of an additional 50,000,000 shares of HK$1 each in the capital of the Company.

31. SHARE CAPITAL *(CONTINUED)*

Notes: (Continued)

(c) Pursuant to a sale and purchase agreement dated 10 January 2008, the Company issued 14,700,000 consideration shares to the vendor as part of the purchase consideration for the acquisition of the entire equity interests in Farrell Global Limited (note 36).

(d) Pursuant to a conditional placing agreement dated 1 August 2008 between the Company and Partners Capital Securities Limited (the "Placing Agent"), the Company conditionally agreed to place, through the Placing Agent on a fully underwritten basis, 10,860,000 new shares of the Company to independent third parties at the placing price of HK$1.43 per share. Completion of the placing took place on 14 August 2008 and the Company raised net proceeds of approximately HK$15,142,000 which would be used as general working capital of the Group.

(e) Pursuant to a sale and purchase agreement dated 20 June 2008 and a supplemental agreement dated 31 July 2008, the Company issued 10,000,000 consideration shares to the vendor as part of the purchase consideration for the acquisition of the 70% equity interests in Union Sense Development Limited (note 37).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32. RESERVES

Company

	Share premium	Capital reserve	Contributed surplus	Warrant reserve	Convertible loan note equity reserve	Retained profits / (Accumulated loss)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2007	35,491	–	51,562	1,000	–	13,773	101,826
Profit for the year	–	–	–	–	–	1,761	1,761
Recognition of equity component of convertible loan note *(note 33)*	–	–	–	–	1,653	–	1,653
Early redemption of convertible loan note (note 33)	–	–	–	–	(1,653)	244	(1,409)
Shares issued on acquisition of subsidiaries (note 36)	14,553	–	–	–	–	–	14,553
At 31 March 2008	50,044	–	51,562	1,000	–	15,778	118,384
Loss for the year	–	–	–	–	–	(59,628)	(59,628)
Issue of ordinary shares under a placing agreement *(note 31)*	4,670	–	–	–	–	–	4,670
Share issue expenses	(388)	–	–	–	–	–	(388)
Shares issued on acquisition of assets through acquisition of subsidiaries *(note 31 and 37)*	–	(800)	–	–	–	–	(800)
Release upon expiry of warrant *(note 31)*	–	–	–	(1,000)	–	1,000	–
At 31 March 2009	**54,326**	**(800)**	**51,562**	**–**	**–**	**(42,850)**	**62,238**

The contributed surplus of the Company originally arose as a result of the Group reorganization scheme and represents the excess of the then combined net assets of the subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefor. In accordance with the laws of Bermuda, the contributed surplus is distributable in certain circumstances.

33. CONVERTIBLE LOAN NOTE

On 7 May 2007, the Company issued an unsecured convertible loan note with a principal amount of HK$15,000,000 (the "Convertible Note") to Best Time International Limited. The Convertible Note bore interest at 1% per annum payable half yearly in arrears, with a maturity date of 6 May 2009. The Convertible Note was, at the option of the holder, convertible into ordinary shares of the Company at an initial conversion price of HK$1.50 per share (subject to adjustment) at any time between the date of issue and the maturity date. The Company had the option to redeem the Convertible Note at any time after the expiry of three calendar months after the date of issue.

The directors had assessed the fair value of the embedded derivative representing the early redemption option and considered that its fair value was insignificant.

On 29 August 2007, the entire Convertible Note was early redeemed by the Company for a consideration of HK$15,000,000.

The Convertible Note contains the liability and equity components. The equity component is presented in equity heading "Convertible loan note equity reserve". The effective interest rate of the liability component is 7% per annum.

The movement of the liability component of the convertible loan note for the year ended 31 March 2008 is set out below:

	HK$'000
Proceed of issue	15,000
Equity component	(1,653)
Liability component at date of issue	13,347
Interest charged during the year	292
Interest payable during the year	(48)
Early redemption by the Company	(13,591)
Liability component at 31 March 2008	–

34. CAPITAL RISK MANAGMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt (which includes trade and other payables, and promissory notes), cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained profits / (accumulated loss).

Gearing ratio

	2009 ***HK$'000***	2008 *HK$'000*
Debt (i)	**185,842**	277,497
Cash and cash equivalents	**(22,082)**	(58,619)
Net debt	**163,760**	218,878
Equity (ii)	**224,571**	304,078
Net debt to equity ratio	**73%**	72%

Notes:

(i) Debt comprises trade and other payables, and promissory notes as detailed in notes 29 and 30 respectively.

(ii) Equity includes all capital and reserves of the Group.

35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		Group	
		2009	2008
	Notes	***HK$'000***	*HK$'000*
Financial assets			
Loans and receivables:			
– Amount due from an investee entity	*24*	**–**	53,796
– Loan receivable	*26*	**1,000**	1,000
– Trade and other receivables	*27*	**119,961**	91,572
– Pledged bank deposits	*28*	**24,362**	21,860
– Bank balances and cash	*28*	**22,082**	58,619
		167,405	226,847
Available-for-sale financial asset:			
– Available-for-sale investment	*24*	**–**	1
Financial liabilities			
Amortized cost:			
– Trade and other payables	*29*	**79,680**	141,884
– Promissory notes	*30*	**20,267**	98,280
		99,947	240,164

35. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investment, loan receivable, trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables and promissory notes. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

There has been no change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

Foreign currency risk

During the year ended 31 March 2009, the Group mainly operated in Hong Kong and the majority of the Group's transactions and balances as at and for the year ended 31 March 2009 were denominated in Hong Kong dollars. The directors consider that the currency risk is not significant and the Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

The Group is not exposed to significant fair value interest rate risk and cash flows interest rate risk. 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.

Price risk

As the Group has no significant investments, the Group is not subject to significant price risk.

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheet.

In order to minimize the credit risk, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management considers that the Group's credit risk is significantly reduced.

35. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies (Continued)

Credit risk *(Continued)*

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for over 90% (2008: over 90%) of the total trade receivables as at 31 March 2009. In addition, the Group has concentration risk on the amounts due from a jointly-controlled entity and an associate amounted to approximately HK$34,080,000 (2008: HK$12,506,000) and HK$13,745,000 (2008: HK$14,000,000) respectively. The Group has certain concentrations of credit risk as 41% (2008: 22%) and 84% (2008: 72%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of borrowings and ensures compliance with loan covenants.

The following tables detail the Group's remaining contractual maturity for its financial liabilities which are included in the maturity analysis provided internally to the key management personnel for the purpose of managing liquidity risk. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	On demand	Less than 3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Total carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2009						
Non-derivative financial liabilities						
Trade and other payables	**29,185**	**40,175**	**10,320**	**–**	**79,680**	**79,680**
Promissory note	**–**	**–**	**–**	**24,000**	**24,000**	**20,267**
	29,185	**40,175**	**10,320**	**24,000**	**103,680**	**99,947**

35. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies (Continued)

Liquidity risk *(Continued)*

	On demand	Less than 3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Total carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2008						
Non-derivative financial liabilities						
Trade and other payables	63,314	39,094	39,476	–	141,884	141,884
Promissory note	–	–	–	120,000	120,000	98,280
	63,314	39,094	39,476	120,000	261,884	240,164

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

(i) The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and

(ii) The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input. For an option-based derivative, the fair value is estimated using option pricing model.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

36. ACQUISITION OF SUBSIDIARIES

Pursuant to a sale and purchase agreement dated 10 January 2008, the Group acquired the entire equity interests in Farrell Global Limited and its shareholder's loan. Farrell Global Limited and its subsidiaries were principally engaged in the development and management of a series of sophora products and of biological vegetable oil in the PRC.

The net assets acquired in the transaction and the goodwill arising are as follows:

	Acquirees' carrying amount before combination and fair value
	HK$'000
Net assets acquired:	
Prepaid lease payments	194,285
Bank balances and cash	5
Other payables	(20)
Minority interests	(105,086)
	89,184
Goodwill	89,829
	179,013
Total consideration satisfied by:	
Costs directly attributable to the acquisition	1,480
Cash consideration paid during the year ended 31 March 2008	20,000
Cash consideration paid during the year ended 31 March 2009	30,000
Fair value of 14,700,000 consideration shares issued *(note (i))*	29,253
Fair value of promissory note issued *(note (ii))*	98,280
	179,013

36. ACQUISITION OF SUBSIDIARIES *(CONTINUED)*

	HK$'000
Net cash outflow arising on acquisition:	
Cash consideration paid	(21,480)
Bank balances and cash acquired	5
	(21,475)

Notes:

(i) The fair value of the 14,700,000 consideration shares issued was determined by reference to the published share price at the date of exchange.

(ii) The fair value of the promissory note issued was determined by discounting the amounts payable to their present value at the date of exchange.

37. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

Pursuant to a sale and purchase agreement dated 20 June 2008 and a supplemental agreement dated 31 July 2008, the Group acquired 70% equity interests in Union Sense Development Limited. The acquisition was completed on 1 December 2008.

Union Sense Development Limited (through its mining subsibiary) is mainly involved in holding of mining rights to conduct mining activities in various coal mines situated in Guizhou Province, the PRC and has not carried out any other significant business transactions since its incorporation. In the opinion of the directors, the acquisition did not, therefore, constitute an acquisition of business as the Group principally acquired the mining rights through the acquisition. Therefore, the acquisition was not disclosed as a business combination in accordance with the requirements of HKFRS 3 *Business Combinations*.

37. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES *(CONTINUED)*

The net assets acquired in the acquisition were as follows:

	HK$'000
Net assets acquired:	
Mining rights	250,050
Prepayment	57
Bank balances	57
Amount due to a director	(347)
Minority interests	(74,945)
	174,872
Total consideration satisfied by:	
Costs directly attributable to the acquisition	5,672
Cash consideration paid	140,000
Fair value of 10,000,000 consideration shares issued *(note (i))*	9,200
Fair value of promissory note issued *(note (ii))*	20,000
	174,872
Net cash outflow arising on acquisition:	
Cash consideration paid	(145,672)
Bank balances and cash acquired	57
	(145,615)

Notes:

(i) The fair value of the 10,000,000 consideration shares issued was determined by reference to the published share price at the date of exchange.

(ii) The fair value of the promissory note issued was determined by discounting the amounts payable to their present value at the date of exchange.

38. DISPOSAL OF SUBSIDIARIES

(i) For the year ended 31 March 2009

Disposal of the entire equity interests in Wing Hing Group (BVI) Limited and its shareholder's loan

On 28 February 2008, the Company entered into a conditional sale and purchase agreement (the "WH Disposal Agreement") with Heart Ace Limited (a connected person of the Company) to dispose of the entire equity interests in Wing Hing Group (BVI) Limited and its shareholder's loan (the "WH Disposal").

Pursuant to the WH Disposal Agreement, a reorganization of the Group was conducted prior to completion of the WH Disposal. Upon completion of the reorganization, Wing Hing Group (BVI) Limited directly held the entire issued share capital of Sunny Engineering Limited and CSP (HK) Limited and indirectly held 35% of the issued share capital of King Fine Development Limited, 8% of the issued share capital of Wealthy Star Development Limited, 39% of the registered and paid up capital of Veolia Water (Zhuhai) Wastewater Treatment Operations Company Limited and 40% of the registered and paid up capital of Veolia Water (Zhuhai) Wastewater Treatment Company Limited. Upon completion of the WH Disposal Agreement on 30 April 2008, the Group ceased to hold any equity interest in Wing Hing Group (BVI) Limited.

Disposal of the entire equity interests in Farrell Global Limited and its shareholder's loan

On 31 December 2008, the Group entered into a conditional sale and purchase agreement (the "FG Disposal Agreement") with Liu Pui Lan (a connected person of the Company) to dispose of the entire equity interests in Farrell Global Limited and its shareholder's loan (the "FG Disposal"). Upon completion of the FG Disposal Agreement on 25 March 2009, the Group ceased to hold any equity interest in Farrell Global Limited.

38. DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(i) For the year ended 31 March 2009 *(Continued)*

The consolidated net assets of Wing Hing Group (BVI) Limited and Farrell Global Limited at the respective dates of disposals were as follows:

	Wing Hing Group (BVI) Limited	**Farrell Global Limited**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Property, plant and equipment	10,722	–	10,722
Investment property	6,500	–	6,500
Prepaid lease payments	659	197,836	198,495
Interests in jointly-controlled entities	19,658	–	19,658
Interest in an associate	4,909	–	4,909
Available-for-sale investment	1	–	1
Amount due from an investee entity	53,892	–	53,892
Other receivables	32,296	–	32,296
Bank balances and cash	1,535	7	1,542
Trade and other payables	(2,277)	(23)	(2,300)
Current tax liabilities	(669)	–	(669)
Amount due to an associate	(21,707)	–	(21,707)
Deferred tax liabilities	(1,405)	–	(1,405)
Minority interests	–	(106,340)	(106,340)
	104,114	91,480	195,594
Attributable goodwill	–	89,829	89,829
Release of assets revaluation reserve	(6,931)	–	(6,931)
Release of translation reserve	–	(7,301)	(7,301)
Gain / (Loss) on disposal of subsidiaries	70,265	(55,611)	14,654
	167,448	118,397	285,845
Satisfied by:			
Costs directly attributable to the disposals	(1,550)	(1,603)	(3,153)
Cash consideration	50,000	–	50,000
Fair value of promissory note receivable	118,998	–	118,998
Fair value of promissory note payable being offset	–	120,000	120,000
	167,448	118,397	285,845

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38. DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(i) For the year ended 31 March 2009 (Continued)

Net cash inflow / (outflow) arising on disposals of subsidiaries for the year ended 31 March 2009 were as follows:

	Wing Hing Group (BVI) Limited *HK$'000*	**Farrell Global Limited** *HK$'000*	**Total** *HK$'000*
Costs directly attributable to the disposals	(1,550)	(1,603)	(3,153)
Cash consideration	50,000	–	50,000
Bank balances and cash disposed of	(1,535)	(7)	(1,542)
	46,915	(1,610)	45,305

(ii) For the year ended 31 March 2008

CHEC-CWF Joint Venture, a 51% owned subsidiary of the Group, was deregistered on 2 January 2008 upon cessation of business. On 3 January 2008, the Group disposed of its entire equity interests in Supertact Plastics Company Limited for a cash consideration of HK$5. The net assets of CHEC-CWF Joint Venture and Supertact Plastics Company Limited at the respective dates of disposals were as follows:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	1
Deferred tax assets	145
Trade receivables	965
Other receivables	1,685
Bank balances and cash	536
Trade payables	(3,754)
Other payables and accruals	(12)
Amounts due from minority shareholders	4,233
Minority interests	(2,951)
	848
Attributable goodwill	1,943
Loss on disposal of subsidiaries	(2,791)
	–

38. DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(ii) For the year ended 31 March 2008 (Continued)

	HK$'000
Satisfied by:	
Cash consideration	–
Net cash outflow arising on disposal:	
Cash consideration	–
Bank balances and cash disposed of	(536)
	(536)

39. CONTINGENT LIABILITIES

(i) At 31 March 2009, the Group had executed guarantees in respect of performance bonds in favor of contract customers of approximately HK$28,583,000 (2008: HK$25,143,000).

At 31 March 2008, the Company had executed guarantees in favor of contract customers in respect of the performance of obligation under contracts by a jointly-controlled entity, China Harbour-CWF Joint Venture, with original contract sum of approximately HK$85,392,000. China Harbour-CWF Joint Venture is jointly-controlled by China Harbour Engineering Company Limited, an independent third party, and CWF Piling & Civil Engineering Co., Ltd., a wholly-owned subsidiary of the Company.

At 31 March 2009, the Company had executed guarantees for approximately HK$36,000,000 in respect of the general banking facilities granted to CHEC-CWF Limited (a jointly-controlled entity in which the Group has 30% equity interests).

At 31 March 2009, the Company had executed guarantees for approximately HK$44,620,000 (2008: HK$44,620,000) in respect of the general banking facilities granted to W. Hing Construction Company Limited and CWF Piling & Civil Engineering Company Limited (wholly-owned subsidiaries of the Company).

In the opinion of the directors, no material liabilities will arise from the above corporate guarantees which arose in the ordinary course of business and the fair value of the corporate guarantees granted by the Company is immaterial.

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39. CONTINGENT LIABILITIES *(CONTINUED)*

(ii) At 31 March 2009, certain subsidiaries of the Company had provided undertakings of financial support to certain of the Group's jointly-controlled entities in proportion to their equity interests in these entities, in order that these entities could meet their obligations and liabilities as and when they fall due. The Group's share of the net deficiency in assets of these jointly-controlled entities at 31 March 2009 in the amount of approximately HK$47,580,000 (2008: HK$17,342,000) has already been accounted for in presenting these financial statements.

(iii) The Group was previously engaged in early 2000 in the undertaking of a piling work contract, which was terminated by the contract customer during 2001 prior to the completion of contract works as a result of the allegation of non-conforming piles. In the previous year, the contract customer demanded from the Group the retrenchment of HK$5 million of the contract fees received by the Group, as compensation for early termination of the contract works. In prior years, the contract customer was in the process of undergoing a court compulsory winding-up and the provisional liquidator of the contract customer requested payment of HK$8 million from the Group. Having considered legal counsel's advice, the directors are of the opinion that the claim is unlikely to succeed. Accordingly, no provision has been made in these financial statements.

(iv) The Group has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of HK$2.8 million at 31 March 2009. The contingent liability has arisen because, at the balance sheet date, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognized in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

(v) The Group was previously engaged in early 2000 in the undertaking of a piling work contract. In 2001, the Group made a claim against the main contractor of HK$7 million for variation orders in addition to the original contract sum. In prior years, the main contractor submitted a counterclaim of HK$44 million for additional costs incurred due to wrongful repudiation of the subcontract. Having considered the legal counsel's advice, the directors are of the opinion that the Group has a good chance of defending the counterclaim. Accordingly, the directors consider that a provision for the counterclaim is not necessary.

(vi) A number of claims have been brought against the Group in respect of compensation for alleged personal injuries sustained by construction workers during the execution of contract works. The directors believe that any liabilities of the Group in respect of such claims will be covered either by the Group's insurance policies, or that the Group has a meritorious defense against such claims. Accordingly, the directors do not believe that these claims will have any material adverse impact on the Group and, therefore no provisions have been made in respect thereof.

40. OPERATING LEASES

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancelable operating leases in respect of rented premises which fall due as follows:

	2009	2008
	HK$'000	*HK$'000*
Within one year	**1,015**	–
In the second to fifth year inclusive	**1,168**	–
	2,183	–

41. COMMITMENT

	2009	2008
	HK$'000	*HK$'000*
Capital commitment of US$2,000,000 (2008: US$4,932,500) to the registered capital of a PRC subsidiary payable by the Group	**15,560**	38,474

42. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives or rewards to eligible participants for their contribution to the Group and / or to enable the Group to recruit and retain high-caliber employees and attract human resources that are valuable to the Group and any entity in which the Group holds an equity interest (the "Invested Entity"). Eligible participants of the Scheme include the directors and employees of the Company, its subsidiaries or any Invested Entity, suppliers and customers of the Group or any Invested Entity, any technical, financial and legal professional advisers engaged by the Group or any Invested Entity, and any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity. The Scheme became effective on 28 August 2002 and unless otherwise terminated or amended, will remain in force for 10 years from that date.

42. SHARE OPTION SCHEME *(CONTINUED)*

The maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares in issue from time to time. The total number of shares which may be issued upon exercise of all share options to be granted under the Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue on 28 August 2002. Share options which lapse in accordance with the terms of the Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit. The Company may seek approval of the shareholders in a general meeting for refreshing the 10% limit under the Scheme, save that the total number of shares which may be issued upon exercise of all share options to be granted under the Scheme and any other share option schemes of the Company under the limit as refreshed shall not exceed 10% of the total number of shares in issue as at the date of approval of the limit as refreshed. Share options previously granted under the Scheme or any other share option schemes of the Company (including share options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the limit as refreshed. The total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

Each grant of the share options to a director, chief executive or substantial shareholder of the Company, or to any of their associates, under the Scheme must comply with the requirements of Rule 17.04 of the Listing Rules and must be subject to approval by independent non-executive directors to whom share options have not been granted. In addition, any grant of share options to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, which would result in the shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK$5 million, are subject to prior shareholders' approval in a general meeting.

The offer of a grant of share options shall be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, save that such period shall not be more than 10 years from the date of the offer of the share options, subject to the provisions for early termination set out in the Scheme. There is no minimum period for which an option must be held before the exercise of the subscription right attaching thereto, except as otherwise imposed by the board of directors.

42. SHARE OPTION SCHEME *(CONTINUED)*

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares as quoted on the daily quotation sheets of the Stock Exchange on the date of the offer of the share options; (ii) the average closing price of the Company's shares as quoted on the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The Company has not granted any share options during the year ended 31 March 2009 (2008: Nil). At 31 March 2009, there were no outstanding share options.

43. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees. During the year under review, the total amount contributed by the Group to the scheme and charged to the consolidated income statement amounted to approximately HK$1,231,000 (2008: HK$1,462,000). At 31 March 2009, there were no forfeited contributions available for the Group to offset contributions payable in future years (2008: Nil).

44. PLEDGED OF ASSETS

Assets with the following carrying amounts have been pledged to secure general bank facilities granted to the Group:

	2009	2008
	HK$'000	*HK$'000*
Investment property *(note 19)*	**–**	6,500
Leasehold land and buildings *(note 16 and 17)*	**–**	10,630
Bank deposits *(note 28)*	**24,362**	21,860
	24,362	38,990

45. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following significant related party transactions:

	Notes	2009 HK$'000	2008 HK$'000
Service fee income from jointly-controlled entities	*(i)*	**989**	1,549
Service fee income from associates	*(i)*	**4,597**	2,045
Sales of materials to a jointly-controlled entity	*(ii)*	**–**	6,522
Purchases of finished goods from a jointly-controlled entity	*(ii)*	**–**	12,325
Contract sum received and receivable from an associate	*(iii)*	**185**	7,088
Contract sum paid and payable to an associate	*(iii)*	**4,600**	–
Rental expenses paid to a related company	*(iv)*	**880**	–

Notes:

(i) The service fee income was charged in relation to the provision of management and consultancy services and labors in respect of the undertaking of construction works. The service charge was made on a cost recovery basis.

(ii) The sales of materials and purchases of finished goods were made in accordance with terms mutually agreed between the parties involved.

(iii) The contract sum was received and paid for construction contracts subcontracted to the Group. The contract fees were charged in accordance with terms mutually agreed between the parties involved.

(iv) The rental expenses were charged in accordance with terms mutually agreed between the parties involved.

The directors of the Company consider that they are the only key management personnel of the Group and details of their compensation are set out in note 12.

WING HING INTERNATIONAL (HOLDINGS) LIMITED
永興國際(控股)有限公司

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