

明興水務控股有限公司

MING HING WATERWORKS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)



Stock Code 股份代號 : 402

Annual Report 2010

年報



*building
together*

strive for the optimum interests

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公司資料 Corporate Information

董事

執行董事

原秋明先生 (主席)

原偉強先生

(副主席兼行政總裁)

蘇耀祥先生 (副主席)

何顯鴻先生

(於二零一零年三月十五日獲委任)

張志文先生

林翔先生

(於二零一零年六月十七日獲委任)

黃德忠先生

(於二零一零年六月十七日獲委任)

ENEBISH Burenkhuu先生

(於二零一零年六月十七日獲委任)

獨立非執行董事

梁以德教授

廖長天先生

王立石先生

孫伯全先生 (於二零零九年四月一日辭任)

授權代表

原偉強先生

蘇耀祥先生

公司秘書

張志文先生

DIRECTORS

Executive Directors

Mr. YUEN Chow Ming (Chairman)

Mr. YUEN Wai Keung

(Deputy Chairman and Chief Executive Officer)

Mr. SO Yiu Cheung (Deputy Chairman)

Mr. HO Hin Hung, Henry

(Appointed on 15 March 2010)

Mr. CHEUNG Chi Man, Dennis

Mr. LIM Siong, Dennis

(Appointed on 17 June 2010)

Mr. WONG Tak Chung

(Appointed on 17 June 2010)

Mr. ENEBISH Burenkhuu

(Appointed on 17 June 2010)

Independent Non-Executive Directors

Professor LEUNG Yee Tak

Mr. LIAO Cheung Tin, Stephen

Mr. WONG Lap Shek, Eddie

Mr. SUN Bo Quan (Resigned on 1 April 2009)

AUTHORISED REPRESENTATIVES

Mr. YUEN Wai Keung

Mr. SO Yiu Cheung

COMPANY SECRETARY

Mr. CHEUNG Chi Man, Dennis

公司資料 Corporate Information

審核委員會

王立石先生 (主席)
梁以德教授
廖長天先生

提名委員會

原偉強先生 (主席)
梁以德教授
王立石先生

薪酬委員會

原偉強先生 (主席)
梁以德教授
王立石先生

註冊辦事處

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

主要營業地點

香港
九龍灣
宏開道16號
德福大廈
1809-1812室

法律顧問

鄭黃林律師行
香港
中環
花園道1號
中銀大廈50樓

AUDIT COMMITTEE

Mr. WONG Lap Shek, Eddie (*Chairman*)
Professor LEUNG Yee Tak
Mr. LIAO Cheung Tin, Stephen

NOMINATION COMMITTEE

Mr. YUEN Wai Keung (*Chairman*)
Professor LEUNG Yee Tak
Mr. WONG Lap Shek, Eddie

REMUNERATION COMMITTEE

Mr. YUEN Wai Keung (*Chairman*)
Professor LEUNG Yee Tak
Mr. WONG Lap Shek, Eddie

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

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

LEGAL ADVISERS

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

公司資料 Corporate Information

核數師

均富會計師行
執業會計師
香港
中環干諾道中41號
盈置大廈6樓

主要往來銀行

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

主要股份登記處

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

股份登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

股份代號

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AUDITORS

Grant Thornton
Certified Public Accountants
6th Floor, Nexxus Building
41 Connaught Road Central
Hong Kong

PRINCIPAL BANKERS

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

PRINCIPAL SHARE REGISTRAR

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

BRANCH SHARE REGISTRAR

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

STOCK CODE

402

主席報告 Chairman's Statement

引言

本人謹代表明興水務控股有限公司（「本公司」）董事（「董事」）會（「董事會」）欣然提呈本公司及其附屬公司（「本集團」或「明興」）截至二零一零年三月三十一日止年度的業績。

於回顧年內，明興透過競投政府工程，繼續積極尋求水務工程的商機。為了進一步擴闊收入來源，本集團更於二零零九年十二月簽訂協議，收購Well Delight Holdings Limited（「Well Delight」）之全部權益，以進軍蒙古國的採礦及資源相關行業。

財務摘要

於截至二零一零年三月三十一日止年度，本集團錄得收益676,000,000港元，較去年上升2.3%（二零零九年：660,900,000港元）。毛利下跌37.2%至31,400,000港元（二零零九年：50,000,000港元），主要由於原材料及勞工成本上漲所致。此外，由於年內獲得兩份新水務保養工程合約，因此在合約初期產生了較高的開展成本。本公司權益持有人應佔虧損為17,200,000港元（二零零九年：本公司權益持有人應佔溢利6,400,000港元），包括年內於廣東省的投資預付款項作出一次性的減值撥備3,700,000港元、收購蒙古國採礦業務的權益所產生的專業費用及其他開支8,000,000港元，以及物業、廠房及設備之折舊9,000,000港元。每股基本虧損為2.133港仙（二零零九年：每股基本盈利0.713港仙）。本年度董事已於年內宣派中期股息每股1.2港仙，合共9,775,000港元。本公司不會宣派截至二零一零年三月三十一日止年度的末期股息。

INTRODUCTION

On behalf of the board (the “Board”) of directors (the “Directors”) of Ming Hing Waterworks Holdings Limited (the “Company”), I am pleased to present the results of the Company and its subsidiaries (the “Group” or “Ming Hing”) for the year ended 31 March 2010.

During the year under review, Ming Hing continued to actively seek business opportunities for its waterworks business by tendering for government projects. To further diversify its income sources, the Group also signed an agreement in December 2009 to acquire the entire interest in Well Delight Holdings Limited (“Well Delight”), allowing it to participate in the mining and resources-related industry in Mongolia.

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2010, the Group recorded revenue of HK\$676.0 million, representing an increase of 2.3% over last year (2009: HK\$660.9 million). Gross profit dropped by 37.2% to HK\$31.4 million (2009: HK\$50.0 million), which was mainly due to rising raw material and labour costs. Moreover, as there were two new waterworks maintenance contracts during the year, more setup costs were incurred at the beginning of the contracts. Loss attributable to owners of the Company was HK\$17.2 million (2009: profit attributable to owners of the Company was HK\$6.4 million), including a one-off provision for impairment of prepaid investments in Guangdong Province of HK\$3.7 million, professional fees and other expenses incurred for acquiring interests in the mining business in Mongolia of HK\$8.0 million and depreciation on property, plant and equipment of HK\$9.0 million during the year. Basic loss per share was HK2.133 cents (2009: Basic earnings per share were HK0.713 cents). The Directors have declared an interim dividend of HK1.2 cents per share, totalling HK\$9,775,000, during the year. No final dividend has been declared by the Company for the year ended 31 March 2010.

主席報告 Chairman's Statement

業務回顧

I) 水務工程業務 – 香港市場

於回顧年內，香港市場仍是明興最主要的收益來源，達675,400,000港元（二零零九年：630,700,000港元），佔總收益約100%（二零零九年：95%）。收入主要包括上一財政年度自水務署（「水務署」）投得的兩項更換及修復水管工程項目的收益142,100,000港元，佔總收益21%。憑藉本集團在香港水務行業超過四十年的經驗所樹立的良好信譽，明興於回顧年內再投得兩項政府水務保養工程項目，帶來收益213,300,000港元，佔本集團總收益31.6%。此外，防止山泥傾瀉工程項目的收益達43,500,000港元（二零零九年：44,800,000港元），或佔總收益6.4%（二零零九年：6.8%），成為本集團穩定的收入來源。

1. 手頭工程項目

更換及修復水管工程項目

本集團在上一財政年度投得的兩項更換及修復水管工程項目已於二零零九年開始施工。工程涉及約150公里的老化水管，預定於二零一三年竣工，合約總值1,000,000,000港元。項目詳情如下：

- 第三階段 – 東九龍水管工程（甲組）（合約編號：7/WSD/08）
- 第三階段 – 港島南及離島水管工程（合約編號：18/WSD/08）

BUSINESS REVIEW

I) Waterworks business – Hong Kong Market

During the year under review, the Hong Kong market remained as the major revenue contributor to Ming Hing, generating HK\$675.4 million (2009: HK\$630.7 million), or nearly 100% (2009: 95%) of total revenue. The main sources of income included two water mains replacement and rehabilitation projects awarded by the Water Supplies Department (“WSD”) in the last financial year, which contributed revenue of HK\$142.1 million and accounted for 21% of total revenue. Owing to the Group’s solid reputation built from over 40 years of experience in Hong Kong’s water supply services sector, Ming Hing also continued its success in bidding for two new government water mains maintenance projects during the year under review, which contributed revenue of HK\$213.3 million, accounting for 31.6% of the Group’s total revenue. In addition, revenue from landslip prevention projects amounted to HK\$43.5 million (2009: HK\$44.8 million) or 6.4% (2009: 6.8%) of total revenue, representing a stable source of income to the Group.

1. Projects On Hand

Water Mains Replacement and Rehabilitation Projects

Works on two water mains replacement and rehabilitation projects that the Group won in the last financial year have been commenced since 2009. Involving approximately 150 kilometers of aged water mains, the projects, which will be completed by 2013, are valued at HK\$1 billion in total. Project details are as follows:

- Stage 3 – mains in East Kowloon (package A) (contract number: 7/WSD/08)
- Stage 3 – mains on Hong Kong Island South and Outlying Islands (contract number: 18/WSD/08)

主席報告 Chairman's Statement

水務保養工程合約

本集團亦於二零零九年七月自水務署投得兩份水務保養工程合約，預定於二零一二年竣工，合約總值逾700,000,000港元。該等項目已於二零零九年九月一日開始，其收益自回顧年度下半年已納入本集團賬目。項目詳情如下：

- 水務工程定期合約 — 地區 E — 新界東(合約編號：1/WSD/09(E))
- 水務工程定期合約 — 地區 W — 新界西(合約編號：1/WSD/09(W))

上述兩份合約覆蓋全新界的水務保養工程，即超過香港一半人口居住的地方。

由於水務保養工程合約亦包括為供水處理廠提供維修服務，因此明興根據其過往於中國供水廠的同類工程經驗，於年內擴大業務至該範疇。鑑於香港一些供水處理廠因營運已久和原水水質參差，未能發揮原有設計的處理能力，本集團已開始在沙田濾水廠加裝澄清池斜管工程，提高其處理能力；首個階段工程已完成，現正進行第二階段工程。該沙田項目預計將使其處理量提升兩成以上，水質亦將會改善。本集團預計憑著這種有效的方法，加上本身的經驗必定可為本集團在香港締造更多商機。

Waterworks Maintenance Contracts

The Group also won two waterworks maintenance contracts from WSD in July 2009, which will be worth over HK\$700 million in total upon completion by 2012. Works on the projects have been started on 1 September 2009, and revenue contributions have been made to the Group since the second half of the review year. Project details are as follows:

- Term Contract For Waterworks District E – New Territories East (contract number: 1/WSD/09(E))
- Term Contract For Waterworks District W – New Territories West (contract number: 1/WSD/09(W))

The above contracts cover the waterworks maintenance projects for the entire New Territories, where more than half of Hong Kong's population lives.

As waterworks maintenance contracts also include providing upkeep services for treatment plants, Ming Hing has extended its business to this area during the year, based on experience gained from similar work completed at the Group's water plant in China in the past. In view of some treatment plants in Hong Kong not duly operating at their design capacity due to old age and fluctuation in raw water quality, the Group has started to retrofit accelerators at Sha Tin Water Treatment Works where inclined tube settlers technology has been used to enhance performance. The project has completed the first phase with the second phase in progress. The effort being made in the Shatin project is expected to achieve at least a 20% increase in output with improved settling water quality. The Group expects this proven method combined with its experience will attract more business opportunities to the Group in Hong Kong in the future.

主席報告 Chairman's Statement

防止山泥傾瀉工程合約

明興於上一財政年度獲得到兩份來自土木工程拓展署的防止山泥傾瀉新合約，而兩項工程的合約總值約為122,000,000港元，詳情如下：

- 延續十年的防止山泥傾瀉計劃 — 九龍及新界(合約編號：GE/2008/15)
- 延續十年的防止山泥傾瀉計劃 — 新界及離島(合約編號：GE/2008/08)

這兩份工程合約已分別於二零零八年十二月及二零零九年一月開始，並將分別於二零一零年十二月及二零一零年八月完成。

2. 改善技術以提升競爭力

為加強本集團的競爭力以競投政府項目，明興獲得「Wavin」的密實管安裝牌照，Wavin為該密實管的全球獨家供應商。本集團自去年十一月起已於其中一項更換及修復水管工程(合約編號：7/WSD/08)採用該種密實管方法。這種「無開掘」技術可以減少對道路交通、商貿和公眾的影響，並充分運用地下空間，以及利用現有老化水管。該密實管方法有助本集團可在安全、適時及具成本效益的情況下進行工程項目，同時保持最高品質標準。本集團正進行研究及探討於水務保養工程項目應用該技術的可能性。藉著這項先進技術，預期本集團於未來競投項目時將更具優勢。

Landslip Preventive Measures Works Contracts

Ming Hing further possesses two Landslip preventive measures works contracts that were won from the Civil Engineering and Development Department in the last financial year. The total value for these two contracts is approximately HK\$122 million, with details as follows:

- 10-year extended LPM project, Kowloon and New Territories (contract number: GE/2008/15)
- 10-year extended LPM project, New Territories and Outlying Islands (contract number: GE/2008/08)

Works of these two contracts have been commenced in December 2008 and January 2009 and will be completed by December 2010 and August 2010 respectively.

2. Improvement of technology to boost competitiveness

To strengthen the Group's competitive advantages in bidding for government projects, Ming Hing secured a Compact Pipe Installer License with "Wavin", the sole global supplier of compact pipes. The Group has applied the compact pipe method in a water mains replacement and rehabilitation project (contract number: 7/WSD/08) starting from last November. The trenchless technique has the advantages of minimizing impact on road traffic, trade and the general public, utilizing underground space fully as well as making use of the existing aged water mains alignment. With the help of the compact pipe method, the Group can implement the project in a safe, timely and cost-effective manner and at the same time, maintain the highest quality standard. The Group has undertaken a study to identify possible applications in waterworks maintenance projects. It is expected that by leveraging this advanced technology, the Group will be in a more advantageous position to bid for future projects.

主席報告

Chairman's Statement

3. 提升效率和嚴格控制成本

年內，本集團的毛利下跌至31,400,000港元（二零零九年：50,000,000港元），毛利率下跌至4.6%（二零零九年：7.6%），主要由於原材料及勞工成本上漲，以及兩份新水務保養工程合約於初期產生較高的開展成本所致。由於香港及中國內地於金融危機期間大力推行多項基建項目以刺激經濟，因此使水管及配件、瀝青、水泥、化學品及鋼鐵等材料的成本於年內上升約5%。勞工成本亦有所增加，主要由於有關行業的工程師和技術勞工供不應求所致。因此，本集團已於二零零九年十一月中開始採用企業資源規劃(ERP)系統，以助改善採購、訂貨程序及存貨管理。該ERP系統能夠充分提升訂貨程序效率及管理存貨水平，從而讓本集團更有效控制收益成本。

4. 業界肯定

年內，明興的專業服務及技術繼續獲多個香港政府部門嘉許，其中包括：

- 勞工處頒發「二零零九／二零一零年度建造業安全獎勵計劃(裝修及維修工程)一優異獎」
- 勞工處頒發「二零零九／二零一零年度建造業安全獎勵計劃(安全隊伍)一優異獎」
- 發展局頒發「二零零九年公德地盤嘉許計劃優異獎(工務工程工地—新建工程類別)」

3. Enhancing efficiency and stringent control of costs

During the year, the Group's gross profit dropped to HK\$31.4 million (2009: HK\$50.0 million) with gross margin declining to 4.6% (2009: 7.6%). This was mainly due to increases in raw material and labour costs as well as more set up costs incurred in the beginning of two new waterworks maintenance contracts. As Hong Kong and Mainland China pushed forward various infrastructure projects to boost their respective economies during the financial crisis, costs of materials, such as pipes and fittings, asphalt, concrete, chemicals and steel, rose by approximately 5% during the year. Labour costs also increased due to a demand-over-supply situation for engineers and skilled workers in the related fields. Consequently, the Group has adopted an Enterprise Resource Planning (ERP) system in mid-November 2009 to help improve operations in procurement, order processing and inventory control. The ERP system duly enhanced order processing efficiency and controlled inventory levels, thus allowing for greater control over cost of revenue.

4. Industry recognition

In recognition for its professionalism, Ming Hing has continued to receive awards from different Hong Kong Government departments during the year. They included the following:

- Meritorious Prize (Renovation and maintenance works) from the Labour Department's Construction Industry Safety Award Scheme 2009/2010
- Meritorious Prize (Safety Teams) from the Labour Department's Construction Industry Safety Award Scheme 2009/2010
- Meritorious Prize (Public Works Sites – New Works) from the Development Bureau's Considerate Contractors Site Award Scheme 2009

主席報告 Chairman's Statement

II) 水務工程業務 — 中國市場

於回顧期內，本集團位於中國清遠的供水處理廠業務繼續穩步發展。憑著本集團致力提升效率及控制經營成本，加上鄰近該廠房的地區工業發展，大大提升對供水處理服務的需求，預計該供水處理廠將於不久為明興帶來盈利。

III) 收購蒙古國採礦業務

為使收入來源更多元化，本集團於二零零九年十二月五日簽訂合約，收購 Well Delight 的全部權益，Well Delight 及其附屬公司持有位於蒙古國四個礦場的若干煤炭相關的採礦牌照及煤、黃金及銅礦的勘探牌照。本集團可藉著於二零一零年六月十七日完成之收購事項擴大業務範疇至於蒙古國從事資源相關業務。

Well Delight 透過其全資附屬公司持有 Tugrugnuuriin Energy LLC (「TNE」) 的全部權益。TNE 現時持有位於蒙古國首都烏蘭巴托東南約 170 公里的 Tugrug Valley 之煤礦 (「TNE 礦場」) 的四個採礦牌照，而其褐煤礦藏位於 Tugrug Valley，在 Tuv 中部盟省 Bayan 蘇木的行政單位內。根據獨立技術顧問編製的技術報告，TNE 礦場擁有約 64,000,000 噸褐煤 (探明及推斷) 的蘊藏資源及額外 27,900,000 噸褐煤的推斷資源。

Well Delight 亦持有蒙古國 Gobi-Altai 省的两个黃金及銅礦勘探牌照、蒙古國 Zavkhan 省兩個黃金及銅礦勘探牌照及蒙古國 Dund Gobi 省三個煤礦勘探牌照。本集團將於未來於此等煤礦進一步進行地質及勘探工程。

II) Waterworks Business – The PRC Market

Operations at the water treatment plant in Qingyuan, the PRC, continued to realize steady progress during the review period. With the Group's efforts to improve efficiency and manage operating costs, coupled with rising demand for water treatment services due to industrial development occurring adjacent the plant, it expects the facility to contribute profits to Ming Hing in the near future.

III) Acquisition of Mining Business in Mongolia

To further diversify its income sources, the Group signed an agreement on 5 December 2009 to acquire the entire interest in Well Delight, together with its subsidiaries which hold certain coal mining licenses and coal, gold and copper exploration licenses with respect to four mines located in Mongolia. The Acquisition, which was completed on 17 June 2010, enables the Group to expand its business scope to engage in resources-related business in Mongolia.

Well Delight, through its wholly-owned subsidiary, possesses the entire interest in Tugrugnuuriin Energy LLC ("TNE"), which holds four mining licenses for a coal mine in Tugrug Valley (the "TNE Mine"), which is located approximately 170 kilometers southeast of Mongolia's capital city, Ulaanbaatar. The brown coal deposit is in the Tugrug Valley and within the administrative unit of Bayan Soum of Tuv (Central) Aimag (province) in Mongolia. According to a technical report conducted by an independent technical advisor, the TNE Mine has approximately 64.0 million tonnes of brown coal (measured and indicated) in situ resources and an additional 27.9 million tonnes of inferred resources.

Well Delight also holds two exploration licenses for gold and copper deposits located in Gobi-Altai, Mongolia, two exploration licenses for gold and copper deposits in Zavkhan, Mongolia and three exploration licenses for coal deposits in Dund Gobi, Mongolia. The Group will carry out further geological and exploration works for these mines in the future.

主席報告 Chairman's Statement

前景

展望未來，明興將繼續審慎經營為本集團帶來穩定收入的水務工程業務。本集團於二零零九年七月取得兩項為期三年的新水務保養工程項目，以及於上一財政年度取得兩份為期四年的更換及修復水管工程合約，故此等項目將於下一財政年度繼續成為本集團穩定的收益來源。

本集團亦看準即將於未來數年執行的政府項目所帶來的商機。於二零一零年四月底，香港政府的全港更換及修復水管工程第一階段已大致完成，而第二及第三階段工程仍在進行中，分別已完成70%及17%。第四階段工程的偵測及設計工作亦已在進行中，該些工程涉及850公里水管，預計合約總值達6,700,000,000港元。此外，政府亦於二零一零年四月底推出全新長遠防治山泥傾瀉計劃，將有系統地處理人造斜坡及天然山坡，預計每年最少會動用600,000,000港元。此外，隨著香港加快推行十項大型基建項目，預期將衍生多項建築工程，當中包括水務工程。本集團將競投相關項目，把握未來業務商機。

明興亦將專注發展新收購的蒙古國採礦業務，以抓緊蒙古國及中國對天然資源持續上升的需求。TNE礦場已展開就鑽探及挖掘水溝工作的初步研究，預期礦場將於二零一零年底開始錄得收入。按初步業務發展計劃，本集團有意把採礦業務外包予專業承辦商，以減低初期資本開支，以及加快生產，盡快為本集團帶來現金流。

本集團的長期目標是擴闊業務至成為蒙古國資源相關企業集團，並對此新業務重心充滿信心，深信是項業務能擴大本集團的收入來源及開拓新商機，從而為股東帶來更可觀回報。

PROSPECTS

Looking ahead, Ming Hing will continue to prudently operate the waterworks business, which generates steady income for the Group. As the Group won two new waterworks maintenance contracts in July 2009 which last for three years, and two water mains replacement and rehabilitation projects in last financial year which last for four years, they will therefore continue to be steady sources of revenue in the coming financial year.

The Group further sees opportunities arising from various government projects that will be implemented in coming years. At the end of April 2010, Stage 1 of the Hong Kong Government's territory-wide water mains replacement and rehabilitation programme was substantially completed, while Stage 2 and Stage 3 with 70% and 17% completed respectively are in progress. The investigation and design works of Stage 4, which involves 850 kilometers of water mains at an estimated contract value of HK\$6.7 billion in total, is actively underway as well. In addition, the Government's new Landslip Prevention and Mitigation Programme was launched in late April 2010, which will systematically deal with both man-made slopes and natural hillsides, and has an estimated annual expenditure of at least HK\$600 million. As well, with the accelerated implementation of 10 large-scale infrastructure projects, a large number of construction works, including water service engineering, are expecting to be created. The Group will duly bid for related projects, grasping fresh business opportunities ahead.

Ming Hing will also focus on developing the newly acquired mining business in Mongolia, aiming to seize opportunities arising from continuously growing demand for natural resources in Mongolia and the PRC. An early study on drilling and water trenching works on the TNE Mine has commenced. The Group anticipates that the TNE Mine will start to generate income in late 2010. Based on a preliminary business development plan, the Group intends to outsource its mining operation to professional contractors, in order to reduce initial capital expenditure, expedite production and in turn generate cash flows as quickly as possible.

With the long-term goal of diversifying the Group's business into a Mongolian resources-related conglomerate, Ming Hing is confident that its focus on this new area of business will broaden its income sources and open new opportunities, thus generating better returns to shareholders.

主席報告 Chairman's Statement

致謝

本人謹藉此機會代表董事會對管理層和全體員工在過去一年盡忠職守及竭誠努力，致以衷心謝意。明興的全面策略可提升效益、服務質素和競爭力，我們期望本集團繼續穩步增長，為股東帶來滿意的回報。

主席
原秋明
二零一零年七月十六日

APPRECIATION

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

YUEN Chow Ming
Chairman
16 July 2010

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

執行董事

原秋明先生，73歲，執行董事，本公司及本集團主席兼創辦人。一九六七年，原先生與其他三位合夥人創立明興工程公司(「合夥公司」)。一九八七年一月，原先生與蘇耀祥先生及其他兩位合夥人共同創立明興水務渠務工程有限公司，彼為創始董事之一。原先生於六十年代早期在廣東省業餘科技大學攻讀工程科學，在水務工程領域擁有逾三十九年經驗，其中大多數時間致力於發展及管理本集團的水務項目。原先生於二零零四年十月二十九日獲委任為執行董事。自開業以來，原先生一直負責本集團的市場推廣、企業策略的制定、業務規劃及整體管理。原先生為原偉強先生之父親。

原偉強先生，43歲，本集團執行董事、副主席兼行政總裁，負責本集團整體業務管理及企業發展。原先生畢業於倫敦大學皇家科學、科技及醫藥學院，於一九九零年獲機械工程學學士學位。彼更於二零零零年獲得香港科技大學工商管理碩士學位。彼為香港工程師學會會員及英國機械工程師學會會員。原先生於一九九一年加入本集團，自此主要負責各類與本集團水務工程業務相關的工作。彼現為中國人民政治協商會議長沙市第十屆委員會委員。原先生於一九九六年成為明興水務渠務工程有限公司之董事，並於二零零四年六月二日獲委任為本集團執行董事。原先生為原秋明先生之子。

EXECUTIVE DIRECTORS

Mr. YUEN Chow Ming, aged 73, is an executive Director, the Chairman and the founder of the Company and the Group. Mr. YUEN and three other partners found Ming Hing Engineering Company (the "Partnership") in 1967. In January 1987, Mr. YUEN, together with Mr. SO Yiu Cheung and two other partners, established Ming Hing Waterworks Engineering Company Limited and he was one of the founding directors. Mr. YUEN studied engineering science at "廣東省業餘科技大學" in the early 1960s and has over 39 years' experience in waterworks engineering, most time of which were devoted to developing and managing the Group's waterworks projects. Mr. YUEN was appointed as an executive Director on 29 October 2004. Mr. YUEN has been since the inception of the business responsible for the marketing, formulation of corporate strategies, business planning and overall management of the Group. Mr. YUEN is the father of Mr. YUEN Wai Keung.

Mr. YUEN Wai Keung, aged 43, is an executive Director, the Deputy Chairman and the Chief Executive Officer of the Group and is responsible for the overall business management and corporate development of the Group. Mr. YUEN graduated from the Imperial College of Science, Technology and Medicine, University of London with a bachelor's degree in mechanical engineering in 1990. Mr. YUEN also holds a master's degree in business administration from the Hong Kong University of Science and Technology in 2000. Mr. YUEN is a member of The Hong Kong Institution of Engineers and a member of Institution of Mechanical Engineers (UK). Mr. YUEN joined the Group in 1991 and has since then been heavily involved in all aspects relating to the waterworks business of the Group. He is a member of The 10th Committee of Changsha City Chinese People's Political Consultative Conference. Mr. YUEN became a director of Ming Hing Waterworks Engineering Company Limited in 1996 and was appointed as an executive Director of the Group on 2 June 2004. Mr. YUEN is the son of Mr. YUEN Chow Ming.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

蘇耀祥先生，58歲，本集團執行董事兼副主席，負責本集團整體項目管理。蘇先生亦參與本集團企業計劃及策略的制定。蘇先生於一九七三年七月獲得香港理工學院結構工程學證書。彼亦為英國水務學會附屬會員。蘇先生在水務工程領域擁有逾三十四年的經驗。蘇先生於一九八五年加入本集團，成為合夥公司的合夥人，並於一九八七年成為明興水務渠務工程有限公司的創始合夥人之一。蘇先生於二零零四年十月二十九日獲委任為執行董事。

何顯鴻先生，53歲，執行董事。何先生於投資管理、投資銀行及研究方面擁有逾二十七年經驗。於過去十年，何先生曾任職於數間國際著名之投資銀行並領導該等銀行之研究部門。彼於二零零九年三月二十四日起擔任天津天士力制藥股份有限公司之董事，該公司為一間在上海證券交易所上市之公司。於一九九四年至一九九九年期間，何先生擔任香港特別行政區中央政策組之非全職顧問。何先生持有英國University of Lancaster之文學(會計及金融)碩士學位。何先生於二零一零年三月十五日獲委任為執行董事。

張志文先生，42歲，執行董事、財務總監兼公司秘書。張先生於會計及財務管理領域擁有逾十六年之經驗。於擔任本公司上述職位前，彼曾於一間於香港聯合交易所有限公司(「聯交所」)主板上市之公司擔任中國區域之財務總監。張先生持有澳洲新南威爾斯大學商業碩士學位。張先生為香港會計師公會會員及澳洲會計師公會會員。張先生於二零零八年十月十五日獲委任為執行董事。

Mr. SO Yiu Cheung, aged 58, is an executive Director and the Deputy Chairman of the Group and is responsible for the overall project management of the Group. Mr. SO is also involved in the formulation of corporate plans and strategies of the Group. Mr. SO obtained his certificate in structural engineering from Hong Kong Polytechnic in July 1973. Mr. SO is also an associate member of the Institute of Plumbing in the UK. Mr. SO has over 34 years' experience in waterworks engineering. Mr. SO joined the Group in 1985 as a partner to the Partnership and became one of the founding partners of Ming Hing Waterworks Engineering Company Limited in 1987. Mr. SO was appointed as an executive Director on 29 October 2004.

Mr. HO Hin Hung, Henry, aged 53, is an executive Director. Mr. HO has over 27 years of experience in investment management, investment banking and research. In the past ten years, Mr. Ho worked for several internationally prestigious investment banks heading their research departments. He has been a director of 天津天士力制藥股份有限公司 (Tianjin Tasly Pharmaceutical Joint Stock Company Limited), a company listed on the Shanghai Stock Exchange, since 24 March 2009. During the period from 1994 to 1999, Mr. Ho served as a part-time member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region. Mr. Ho holds a degree of Master of Arts in Accounting and Finance from the University of Lancaster, United Kingdom. Mr. HO was appointed as an executive Director on 15 March 2010.

Mr. CHEUNG Chi Man, Dennis, aged 42, is an executive Director, Chief Financial Officer and Company Secretary. Mr. CHEUNG has over 16 years of experience in accounting and financial management. Prior to taking up the above-mentioned posts of the Company, he has been the chief financial officer of the China division of a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. CHEUNG holds a Master's degree in Commerce from the University of New South Wales, Australia. Mr. CHEUNG is a member of the Hong Kong Institute of Certified Public Accountants and Australian Society of Certified Practising Accountants. Mr. CHEUNG was appointed as an executive Director on 15 October 2008.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

林翔先生，43歲，執行董事。林先生於一九九零年畢業於香港理工大學酒店管理系。林先生於蒙古國勘探及開採業具有豐富經驗。林先生亦曾於一間美國跨國公司工作，熟悉亞太區的消費品及銷售及市場推廣業務。林先生於二零一零年六月十七日獲委任為執行董事。

黃德忠先生，49歲，執行董事。黃先生分別為英國商業管理學會及香港董事學會之資深會員。直至二零零八年十二月前，彼為廣益國際集團有限公司(易名為高銀金融(集團)有限公司)之董事，該公司之股份於聯交所主板上市。黃先生於二零一零年六月十七日獲委任為執行董事。

ENEBISH Burenkhuu先生，49歲，執行董事。ENEBISH先生於一九八四年畢業於蒙古工業大學地質系，並擁有地質工程學學位。ENEBISH先生於蒙古國處理銅礦藏及其他礦藏評估及採礦勘探工程方面擁有逾二十五年經驗。ENEBISH先生於二零一零年六月十七日獲委任為執行董事。

獨立非執行董事

梁以德教授，61歲，於二零零五年十一月十一日獲委任為獨立非執行董事。梁教授持有英國伯明翰阿斯顿大學理學碩士學位、理學博士學位及哲學博士學位。彼為英國皇家航空學會及英國皇家測量師學會資深會員，現任香港城市大學建築系講座教授。

Mr. LIM Siong, Dennis, aged 43, is an executive Director. Mr. LIM is a graduate of the Hong Kong Polytechnic University in hospitality management in 1990. He has substantial experience in the exploration and mining industry in Mongolia. Mr. Lim also possesses a wealth of experience in consumer products and sales and marketing in Asia Pacific Region as he worked for a USA multinational corporation before. Mr. LIM was appointed as an executive Director on 17 June 2010.

Mr. WONG Tak Chung, aged 49, is an executive Director. Mr. WONG is a fellow member of the Institute of Commercial Management in the United Kingdom and the Hong Kong Institute of Directors respectively. He was a director of Fortuna International Holdings Limited (renamed Goldin Financial Holdings Limited) until December 2008, the shares of which are listed on the Main Board of the Stock Exchange. Mr. WONG was appointed as an executive Director on 17 June 2010.

Mr. ENEBISH Burenkhuu, aged 49, is an executive Director. Mr. ENEBISH graduated from the Geological Faculty of Mongolian Polytechnic University with a degree in geological engineering in 1984. Mr. ENEBISH has over 25 years of experience in dealing with copper and other deposits evaluation and mining exploration works in Mongolia. Mr. ENEBISH was appointed as an executive Director on 17 June 2010.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor LEUNG Yee Tak, aged 61, is an independent non-executive Director and was appointed on 11 November 2005. Professor LEUNG holds a master's degree of science, a doctorate degree of science and a doctorate degree of philosophy from the University of Aston in Birmingham in the UK. Professor LEUNG is a fellow of the Royal Aeronautical Society, a fellow of the Royal Institution of Chartered Surveyor, and he is currently the Chair Professor of the Department of Building and Construction of the City University of Hong Kong.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

廖長天先生，48歲，於二零零九年二月二十日獲委任為獨立非執行董事。廖先生於商貿界擁有逾二十四年之經驗。廖先生現為Sky Holdings Group Limited企業發展部總經理。廖先生持有倫敦大學之化學及管理學聯合榮譽學位。廖先生於一九八五年回流香港，其後曾擔任國際及本地上市及私人公司之高級管理層職位。廖先生亦於多個非牟利機構工作，並為廣西欽州市政協委員、廣西青年企業家協會副會長、廣西桂林青年聯合會副主席、廣西欽州市海外聯誼會常務理事及廣西青年聯合會委員。

王立石先生，45歲，於二零零八年十月十五日獲委任為獨立非執行董事。王先生於會計及財務管理領域擁有逾十六年之經驗。王先生目前為TAG Aviation Asia Limited及Flight Training Adelaide Pty Ltd.之董事。王先生亦為Young Brothers Aviation Ltd. (一間擁有全球業務而主要業務涉及投資及管理航空業務相關資產之公司)之財務總監。王先生持有科廷科技大學會計商業學士學位及清華大學法律學士學位。王先生為香港會計師公會會員及澳洲會計師公會會員。

高級管理人員

馬詠豪先生，42歲，本集團副總經理(香港工程業務)，負責管理本集團的工程項目。馬先生在土木工程領域擁有約二十年經驗。彼於一九九零年獲香港城市大學建造學高級文憑，於一九九九年獲英國赫爾大學工商管理碩士學位，並於二零零五年獲美國皇家百聖大學建築工程及管理學學士學位。彼亦為英國特許建造學會及美國建造師學會的特許會員。彼於二零零五年六月加入本集團。

Mr. LIAO Cheung Tin, Stephen, aged 48, is an independent non-executive Director and was appointed on 20 February 2009. Mr. LIAO has over 24 years' experience in the trade and commerce industry. Mr. LIAO is currently the general manager of the corporate development division of Sky Holdings Group Limited. Mr. LIAO holds a Joint-honors degree in Chemistry with Management Studies from the University of London. Mr. LIAO returned back to Hong Kong in 1985 and had held senior management positions in both international and local listed and private companies since then. Mr. LIAO also serves in various non-profit organizations and is the member of Guangxi Qinzhou Chinese People's Political Consultative Conference, the Vice-President of Guangxi Youth Entrepreneur Association, the Vice-Chairman of Guangxi Guilin Youth Federation, the Executive Member of Guangxi Qinzhou Overseas Friendship Association and the Committee Member of Guangxi Youth Federation.

Mr. WONG Lap Shek, Eddie, aged 45, is an independent non-executive Director and was appointed on 15 October 2008. Mr. WONG has over 16 years of experience in accounting and financial management. Mr. WONG is currently a director of TAG Aviation Asia Limited and Flight Training Adelaide Pty Ltd. Mr. WONG is also the chief financial officer of Young Brothers Aviation Ltd., which is a company with global operation and whose major business involves investment and management of aviation related assets. Mr. WONG holds a Bachelor of business degree in Accounting from Curtin University of Technology and a Bachelor's degree in Chinese Law from Tsinghua University. Mr. WONG is a member of the Hong Kong Institute of Certified Public Accountants and Australian Society of Certified Practicing Accountants.

SENIOR MANAGEMENT

Mr. MA Ving Hoo, aged 42, is the Deputy General Manager (Hong Kong Engineering) of the Group and is responsible for the management of the Group's projects. Mr. MA has about 20 years' experience in the field of civil engineering. Mr. MA obtained a higher diploma in Building from the City University of Hong Kong in 1990 and a master's degree of Business Administration from the University of Hull, the United Kingdom in 1999 and a bachelor's degree of Science in Construction Engineering and Management from the Queen's University of Brighton, the United States in 2005. Mr. MA is also the Chartered Member of Chartered Institute of Building (MCIQB) and American Institute of Constructors (MAIC). Mr. MA joined the Group in June 2005.

董事及高級管理人員簡歷

Biographical Details of Directors & Senior Management

廖興福先生，58歲，本集團副總經理（香港工程業務），負責管理本集團的工程項目。廖先生於一九七六年獲倫敦泰晤士理工學院土木工程學理學學士學位。彼擁有逾三十年的管理經驗，其中十七年任職於金門建築有限公司，負責管理大型及技術上複雜的項目，該等項目涵蓋土木建築的各個領域，例如大埔自來水處理廠、西區海底隧道、三號幹線郊野公園段、九廣鐵路摩地行人隧道及深港西部通道。在加入本集團之前，彼參與澳門威尼斯人發展項目大型工程。廖先生於二零零九年三月加入本集團。

莊良杰先生，57歲，本集團高級項目經理，負責管理新界東水務保養合約工程。彼持有珠海學院土木工程學學士學位。莊先生在土木工程領域擁有逾三十一年工程項目的管理經驗。莊先生於大專畢業後加入金門建築有限公司，並曾參與多項大型工程，如太古城的地基工程、瑪麗醫院擴建，龍翔道及呈翔道改善工程。莊先生於二零零四年十一月加入本集團。

方文恩女士，35歲，本集團高級商務及工料測量經理，負責本集團的成本控制及工料測量工作。彼持有英國利物浦大學工業管理綜合工程學學士學位及香港大學建築項目管理碩士學位。方女士在建築領域擁有約十二年的工料測量經驗。彼於二零零二年十月加入本集團。

黃俊雄博士，40歲，本集團合約經理，負責本集團的工程管理。一九九九年十二月加入本集團之前，彼在其流體動力學及聲學博士後研究期間曾任香港城市大學物理及材料科學系臨時講師。彼分別於一九九三年及一九九八年獲得香港大學工程學學士學位及工程學博士學位。

Mr. LIU Hing Fook, aged 58, is the Deputy General Manager (Hong Kong Engineering) of the Group and is responsible for the management of the Group's projects. Mr. LIU holds a bachelor's degree of Science in Civil Engineering from London Thames Polytechnics in 1976. He has over 31 years of management experience, with 17 years working with Gammon Construction Ltd., managing large and technically complex projects, covering all aspects of civil construction, such as Tai Po Water Treatment, Western Harbour Crossing, Route 3 Country Park Section, Mody Road Subway for KCRC and Hong Kong-Shenzhen Western Corridor. Before joining us, Mr. LIU worked on the mega project for Venetian Development in Macau. Mr. LIU joined the Group in March 2009.

Mr. CHONG Leung Kit, aged 57, is the Senior Project Manager of the Group and is responsible for the management of waterworks maintenance project at New Territories East. Mr. CHONG holds a bachelor's degree of Science in Civil Engineering from the Chu Hai College. Mr. CHONG has over 31 years' project management experience. Mr. CHONG worked for Gammon Construction Ltd. since graduation from college and had participated several mega construction projects, such as the foundation work of Taikoo Shing, extension of Queen's Mary Hospital, improvement works for Lung Cheung Road and Ching Cheung Road. Mr. CHONG joined the Group in November 2004.

Ms. FONG Man Yan, aged 35, is the Senior Commercial and Quantity Surveying Manager of the Group and is responsible for the management of cost planning and quantity surveying works of the Group. Ms. FONG holds a bachelor's degree of Engineering in Integrated Engineering with Industrial Management from the University of Liverpool in the UK and a master's degree of Construction Project Management from the University of Hong Kong. Ms. FONG has about twelve years of quantity surveying experience in the construction field. Ms. FONG joined the Group in October 2002.

Dr. WONG Chun Hung, aged 40, is the Contract Manager of the Group and is responsible for the project management of the Group. Prior to joining the Group in December 1999, Dr. WONG taught in the Department of Physics and Materials Science of the City University of Hong Kong as a temporary lecturer during his post-doctoral research in fluid dynamics and acoustics. Dr. WONG obtained his bachelor's degree in Engineering and doctorate degree of Philosophy in Engineering from the University of Hong Kong in 1993 and 1998, respectively.

董事會報告 Directors' Report

董事欣然提呈彼等之年度報告連同本公司及本集團截至二零一零年三月三十一日止年度之經審核財務報表。

主要業務

本公司為投資控股公司。本集團各成員公司之主要業務詳情載於財務報表附註16。

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

業績及盈利分配

本集團截至二零一零年三月三十一日止年度之業績及本集團與本公司於當日之財務狀況載於第39至143頁之財務報表。

董事已派付中期股息每股1.2港仙，合共9,775,000港元，有關股息已於二零一零年一月二十六日派付。

董事會截至二零一零年三月三十一日止年度不建議派付末期股息。

集團財務概要

本集團過去五個財政年度之業績及資產負債概要載於第144頁。

物業、廠房及設備

本集團於截至二零一零年三月三十一日止年度之物業、廠房及設備變動詳情載於財務報表附註14。

股本及購股權

本公司於截至二零一零年三月三十一日止年度之股本及購股權變動詳情連同其原因分別載於財務報表附註26及27。

The Directors are pleased to present their annual report together with the audited financial statements of the Company and the Group for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Details of the principal activities of each member of the Group are set forth in note 16 to the financial statements.

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

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2010 and the state of affairs of the Group and the Company at that date are set out in the financial statements on pages 39 to 143.

The Directors have declared an interim dividend of HK1.2 cents per share, totalling HK\$9,775,000 which was paid on 26 January 2010.

No final dividend has been recommended by the Board for the year ended 31 March 2010.

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 144.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year ended 31 March 2010 are set out in note 14 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year ended 31 March 2010, together with the reasons thereof, are set out in notes 26 and 27 respectively to the financial statements.

董事會報告 Directors' Report

儲備

本集團及本公司於截至二零一零年三月三十一日止年度之儲備變動詳情分別載於綜合權益變動表及財務報表附註28。

優先購買權

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

購買、贖回或出售本公司之上市證券

於回顧年內，本公司或其任何附屬公司概無購買、贖回或出售任何本公司股份(「股份」)。

董事

本年度及截至本報告日期之董事如下：

執行董事

原秋明先生(主席)

原偉強先生

(副主席兼行政總裁)

蘇耀祥先生(副主席)

何顯鴻先生

(於二零一零年三月十五日獲委任)

張志文先生

林翔先生

(於二零一零年六月十七日獲委任)

黃德忠先生

(於二零一零年六月十七日獲委任)

ENEBISH Burenkhuu先生

(於二零一零年六月十七日獲委任)

RESERVES

Details of movements in the reserves of the Group and the Company during the year ended 31 March 2010 are set out in the consolidated statement of changes in equity and note 28 to the financial statements respectively.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

DIRECTORS

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

Executive Directors

Mr. YUEN Chow Ming (*Chairman*)

Mr. YUEN Wai Keung

(*Deputy Chairman and Chief Executive Officer*)

Mr. SO Yiu Cheung (*Deputy Chairman*)

Mr. HO Hin Hung, Henry

(Appointed on 15 March 2010)

Mr. CHEUNG Chi Man, Dennis

Mr. LIM Siong, Dennis

(Appointed on 17 June 2010)

Mr. WONG Tak Chung

(Appointed on 17 June 2010)

Mr. ENEBISH Burenkhuu

(Appointed on 17 June 2010)

董事會報告 Directors' Report

董事 (續)

獨立非執行董事

梁以德教授
廖長天先生
王立石先生
孫伯全先生(於二零零九年四月一日辭任)

根據組織章程細則第86(3)條，何顯鴻先生、林翔先生、黃德忠先生及ENEbish Burenkhuu先生將留任直至應屆股東週年大會，並合資格膺選連任。

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

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

董事之服務合約

原秋明先生、原偉強先生及蘇耀祥先生已各自與本公司訂立服務合約，任期自二零零九年三月一日起計為期三年。本公司或執行董事可於彼等各自之合約開始日期一年後向另一方發出不少於六個月書面通知或支付代通知金，予以終止執行董事之委任。

張志文先生已與本公司訂立服務合約，任期自二零零八年十月十五日起計為期三年。本公司或執行董事可於服務合約開始日期一年後向另一方發出不少於三個月書面通知或支付代通知金，予以終止執行董事之委任。

DIRECTORS (Continued)

Independent non-executive Directors

Professor LEUNG Yee Tak
Mr. LIAO Cheung Tin, Stephen
Mr. WONG Lap Shek, Eddie
Mr. SUN Bo Quan (Resigned on 1 April 2009)

In accordance with article 86(3) of the Articles, Mr. HO Hin Hung, Henry, Mr. LIM Siong, Dennis, Mr. WONG Tak Chung and Mr. ENEBISH Burenkhuu shall hold office until the forthcoming annual general meeting and, being eligible, shall offer themselves for re-election.

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

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

DIRECTORS' SERVICE CONTRACTS

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

Mr. CHEUNG Chi Man, Dennis has entered into a service contract with the Company for a term of three years commencing on 15 October 2008. Either the Company or the executive Director may, after one year of the commencement date of the contract, terminate the appointment of the executive Director by giving to the other party not less than three months' written notice of termination or by payment in lieu of such notice.

董事會報告 Directors' Report

董事之服務合約 (續)

何顯鴻先生與本公司訂立服務合約，任期自二零一零年三月十五日起計為期三年。林翔先生、黃德忠先生及ENEbish Burenkhuu先生已各自與本公司訂立服務協議，任期由二零一零年六月十七日起計為期三年，惟須根據組織章程細則於股東週年大會上輪席退任及膺選連任。本公司或執行董事可於彼等各自之合約開始日期一年後向另一方發出不少於三個月書面通知或支付代通知金，予以終止執行董事之委任。

梁以德教授為獨立非執行董事，已與本公司訂立委任書，固定任期由二零零九年十一月一日起計為期一年，並可由任何一方發出一個月書面通知予以終止。廖長天先生為獨立非執行董事，已與本公司訂立委任書，固定任期由二零一零年二月一日起計為期半年，並可由任何一方發出一個月書面通知予以終止。王立石先生為獨立非執行董事，已與本公司訂立委任書，固定任期由二零零九年十月一日起計為期一年，並可由任何一方發出一個月書面通知予以終止。

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

本公司有關董事酬金之政策如下：

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

DIRECTORS' SERVICE CONTRACTS (Continued)

Mr. HO Hin Hung, Henry has entered into a service contract with the Company for a term of three years commencing on 15 March 2010. Mr. LIM Siong, Dennis, Mr. Wong Tak Chung and Mr. ENEBISH Burenkhuu, each of them has entered into a service agreement with the Company for a term of three years commencing on 17 June 2010. They are subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Either the Company or the executive Director may, after one year of the commencement date of their respective contract, terminate the appointment of the executive Director by giving to the other party not less than three months' written notice of termination or by payment in lieu of such notice.

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

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

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

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

董事會報告 Directors' Report

董事及五位最高薪人士之酬金

董事及五位本集團最高薪人士之酬金詳情載於財務報表附註13。

持續關連交易

本年度之持續關連交易亦構成關連方交易，有關詳情載於財務報表附註34。

於二零零五年十一月十六日，明興水務渠務工程有限公司(承租人)與君明有限公司(出租人)就位於香港九龍灣宏開道16號德福大廈18樓1809-1812室的物業簽訂租賃協議(「租賃協議」)。租賃協議於二零零八年三月五日續期，條件與條款不變，惟租期為二零零八年四月一日起至二零一一年三月三十一日止，月租為82,000港元。原秋明先生、原偉強先生及蘇耀祥先生均為本公司之執行董事，於君明有限公司分別擁有34%、33%及33%之股權。因此，君明有限公司為本公司三名董事之聯繫人，租賃協議之續期相當於一項持續關連交易，惟可獲豁免上市規則有關申報、公告及獨立股東批准之規定。

獨立非執行董事認為該等交易乃由本集團：

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

DIRECTORS' AND THE FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

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

CONTINUING CONNECTED TRANSACTIONS

Details of continuing connected transactions which also constitute related party transactions for the year are set out in note 34 to the financial statements.

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

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

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

董事會報告 Directors' Report

董事於合約之權益

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

董事於本公司及其相聯法團之股份及相關股份之權益

於二零一零年三月三十一日，董事於本公司及其相聯法團之股份及相關股份中擁有根據證券及期貨條例（「證券及期貨條例」）第352條須列入本公司所存置之股東名冊之權益，或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益如下：

(a) 於本公司每股面值0.05港元之普通股之長倉

董事姓名 Name of Director	附註 Notes	身份／權益性質 Capacity/ Nature of interest	持有股份數目 Number of Shares held	於本公司股權 概約百分比 Approximate percentage of shareholding in the Company
原秋明先生 Mr. YUEN Chow Ming	1	受控制法團之權益 Interest of controlled corporation	453,888,000	54.96%
原偉強先生 Mr. YUEN Wai Keung	2	受控制法團之權益 Interest of controlled corporation 個人權益 Personal	453,888,000 5,704,000	54.96% 0.69%
蘇耀祥先生 Mr. SO Yiu Cheung	3	受控制法團之權益 Interest of controlled corporation 個人權益 Personal	453,888,000 3,000,000	54.96% 0.36%
張志文先生 Mr. CHEUNG Chi Man, Dennis		個人權益 Personal	8,000,000	0.97%
梁以德教授 Professor LEUNG Yee Tak		個人權益 Personal	600,000	0.07%

DIRECTORS' INTERESTS IN CONTRACTS

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

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

As at 31 March 2010, the Directors had the following interests in the shares and underlying shares of the Company and its associated corporations which were recorded in the register required to be kept by the Company pursuant to section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"):

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

董事會報告 Directors' Report

董事於本公司及其相聯法團之股份及相關股份之權益 (續)

(a) 於本公司每股面值0.05港元之普通股之長倉 (續)

附註：

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

(b) 於相聯法團之股份之實益權益

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

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

Notes:

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

(b) Beneficial interests in the shares of associated corporations

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

董事會報告 Directors' Report

董事於本公司及其相聯法團之股份及相關股份之權益 (續)

(b) 於相聯法團之股份之實益權益 (續)

附註：

- (1) 此四股股份由Able Promise持有，而Able Promise為原秋明先生全資擁有之公司。因此，原秋明先生被視為擁有Robinhoods該四股股份中的權益。
- (2) 此四股股份由Foremost Time持有，而Foremost Time為原偉強先生全資擁有之公司。因此，原偉強先生被視為擁有Robinhoods該四股股份中的權益。
- (3) 此四股股份由Group Honour持有，而Group Honour為蘇耀祥先生全資擁有之公司。因此，蘇耀祥先生被視為擁有Robinhoods該四股股份中的權益。

(c) 於相關股份之長倉

根據本公司於二零零六年二月二十五日採納的購股權計劃(有關詳情載於財務報表附註27)，若干董事獲授可認購股份的購股權，而於二零一零年三月三十一日尚未行使及可予行使的購股權詳情如下：

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

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

Notes:

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

(c) Long position in the underlying Shares

Pursuant to the share option scheme adopted by the Company on 25 February 2006 (details are set out in note 27 to the financial statements), certain Directors were granted share options to subscribe for the Shares, details of share options outstanding and exercisable as at 31 March 2010 were as follows:

董事會報告 Directors' Report

董事於本公司及其相聯法團之股份及相關股份之權益 (續)

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

(c) 於相關股份之長倉 (續)

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

董事姓名 Name of Director	授出日期 Date of grant	身份 Capacity	購股權涉及 的相關股份數目 Number of underlying Shares comprised in the share options	行使期 Exercisable period	每股行使價 Exercise price per share
原秋明先生 Mr. YUEN Chow Ming	二零零九年八月二十五日 25 August 2009	實益擁有人 Beneficial owner	1,000,000	二零零九年八月二十五日至 二零一二年八月三十一日 25 August 2009 to 31 August 2012	0.385港元 HK\$0.385
原偉強先生 Mr. YUEN Wai Keung	二零零九年八月二十五日 25 August 2009	實益擁有人 Beneficial owner	1,000,000	二零零九年八月二十五日至 二零一二年八月三十一日 25 August 2009 to 31 August 2012	0.385港元 HK\$0.385
廖長天先生 Mr. LIAO Cheung Tin, Stephen	二零零九年八月二十五日 25 August 2009	實益擁有人 Beneficial owner	600,000	二零零九年八月二十五日至 二零一二年八月三十一日 25 August 2009 to 31 August 2012	0.385港元 HK\$0.385
王立石先生 Mr. WONG Lap Shek, Eddie	二零零九年八月二十五日 25 August 2009	實益擁有人 Beneficial owner	600,000	二零零九年八月二十五日至 二零一二年八月三十一日 25 August 2009 to 31 August 2012	0.385港元 HK\$0.385

除上文披露者外，於二零一零年三月三十一日，董事及彼等之聯繫人概無於本公司或其任何相聯法團之股份及相關股份中擁有根據證券及期貨條例第352條須記錄於登記冊或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

Save as disclosed above, as at 31 March 2010, none of the Directors and their associates, had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事會報告 Directors' Report

董事收購股份或債券之權利

除上文「董事於本公司及其相聯法團之股份及相關股份之權益」各段及財務報表附註27所披露者外，於年內任何時間概無向任何董事或彼等各自之配偶或未滿18歲之子女授出可藉收購本公司之股份或債券而獲益之權利，或彼等概無行使有關權利；本公司或其任何附屬公司亦無訂立任何安排，致使董事或彼等各自之配偶或未成年之子女可於任何其他法人團體獲得有關權利。

主要股東於本公司股份及相關股份之權益

據董事所知，根據證券及期貨條例第XV部第336條須予存置之主要股東名冊顯示，於二零一零年三月三十一日佔本公司已發行股本的5%或以上之主要股東權益，詳情如下：

於股份之長倉

主要股東名稱 Name of Substantial Shareholder	身份／權益性質 Capacity/ Nature of interest	持有股份數目 Number of Shares held	於本公司股權 概約百分比 Approximate percentage of shareholding in the Company
Robinhoods	實益擁有人 Beneficial owner	453,888,000	54.96%
Able Promise	受控制法團之權益 Interest of controlled corporation	453,888,000	54.96%
Foremost Time	受控制法團之權益 Interest of controlled corporation	453,888,000	54.96%
Group Honour	受控制法團之權益 Interest of controlled corporation	453,888,000	54.96%

除上文所披露者外，於二零一零年三月三十一日，本公司根據證券及期貨條例第336條存置之股東名冊並無記錄其他於本公司股份及相關股份中的權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed "Directors' Interests in Shares and Underlying Shares of the Company and its Associated Corporations" above and note 27 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or minor children to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 March 2010, so far as the Directors are aware of, the following substantial shareholders had interests in 5% or more of the Company's issued share capital:

Long position in the Shares

Save as disclosed above, at 31 March 2010, no other interest or short positions in the shares and underlying shares of the Company were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

董事會報告 Directors' Report

董事於競爭業務之權益

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

購股權

本公司之購股權計劃詳情載於財務報表附註27。

主要供應商及客戶

本集團主要客戶、分包商及供應商應佔本年度總收益、總分包費用及購買物料之百分比如下：

收益	
– 最大客戶	72.0%
– 五大客戶合計	100.0%
分包費用	
– 最大分包商	20.3%
– 五大分包商合計	42.0%
購買物料	
– 最大供應商	11.3%
– 五大供應商合計	36.6%

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

SHARE OPTIONS

Details of the Company's share option scheme are set out in note 27 to the financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

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

Revenue	
– the largest customer	72.0%
– five largest customers combined	100.0%
Sub-contracting costs	
– the largest sub-contractor	20.3%
– five largest sub-contractors combined	42.0%
Purchases of materials	
– the largest supplier	11.3%
– five largest suppliers combined	36.6%

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

董事會報告 Directors' Report

企業管治

本公司之企業管治原則及常規載於本報告第31至36頁。

足夠公眾持股量

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

慈善捐款

本集團於本年度內作出慈善捐款為120,000港元。

審核委員會

為遵守上市規則第3.21條，董事會於二零零五年十一月十一日成立審核委員會（「**審核委員會**」）。審核委員會之職權範圍乃採用香港會計師公會所頒佈之「審核委員會成立指引」所載列之書面職權範圍。審核委員會之基本職責為審閱財務匯報程序及內部監控，並提供有關指引。審核委員會成員由三名獨立非執行董事組成，包括王立石先生（審核委員會主席）、梁以德教授及廖長天先生。審核委員會已審閱截至二零一零年三月三十一日止年度之業績。

呈報期末後事項

本集團呈報期末後之重大事項之詳情載於財務報表附註37。

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out on pages 31 to 36 of this report.

SUFFICIENCY OF PUBLIC FLOAT

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

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounted to HK\$120,000.

AUDIT COMMITTEE

In compliance with rule 3.21 of the Listing Rules, the Board established an audit committee (the "**Audit Committee**") on 11 November 2005, with written terms of reference set out in "A Guide For The Formation Of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants adopted as the terms of reference of the Audit Committee. The primary duties of the Audit Committee are to review the financial reporting procedures and internal control and provides guidance in relation thereto. The Audit Committee comprises three independent non-executive Directors, namely, Mr. WONG Lap Shek, Eddie (as Chairman of the Audit Committee), Professor LEUNG Yee Tak and Mr. LIAO Cheung Tin, Stephen. The annual results for the year ended 31 March 2010 have been reviewed by the Audit Committee.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Details of the significant events after the end of the reporting period of the Group are set out in note 37 to the financial statements.

董事會報告 Directors' Report

核數師

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

代表董事會
明興水務控股有限公司
主席
原秋明

香港，二零一零年七月十六日

AUDITORS

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

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

Hong Kong, 16 July 2010

企業管治報告

Corporate Governance Report

企業管治常規守則

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

於截至二零一零年三月三十一日止年度，本公司一直遵守上市規則附錄十四所載之企業管治常規守則（「守則」）之適用守則條文。

董事會

董事會目前由八名執行董事及三名獨立非執行董事組成。八名執行董事均負責根據所有適用規則及規例（包括但不限於上市規則）處理本集團之業務。全體董事（包括獨立非執行董事）已就本集團所有主要及重大事項進行磋商。

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

THE CODE ON CORPORATE GOVERNANCE PRACTICES

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

The Company has complied with the applicable code provisions set out in the Code of Corporate Governance Practices (the “Code”) set out in appendix 14 to the Listing Rules for the year ended 31 March 2010.

BOARD OF DIRECTORS

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

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

企業管治報告 Corporate Governance Report

截至二零一零年三月三十一日止年度，董事會之組成及其於董事會全體定期會議及其他委員會會議之相關出席率如下：

The composition of the Board and their respective attendance in the regular full Board meetings and other committee meetings for the year ended 31 March 2010 are as follows:

		會議出席次數／舉行次數			
		No. of meetings attended/held			
	董事會 全體定期會議 Regular Full Board Meeting	審核委員會會議 Audit Committee Meeting	提名委員會會議 Nomination Committee Meeting	薪酬委員會會議 Remuneration Committee Meeting	
執行董事	Executive Directors				
原秋明 (主席)	YUEN Chow Ming (Chairman)	8/10	-	-	-
原偉強	YUEN Wai Keung	10/10	-	2/2	4/4
蘇耀祥	SO Yiu Cheung	8/10	-	-	-
何顯鴻 (於二零一零年三月十五日獲委任)	HO Hin Hung, Henry (appointed on 15 March 2010)	0/10	-	-	-
張志文	CHEUNG Chi Man, Dennis	10/10	-	-	-
獨立非執行董事	Independent non-executive Directors				
梁以德	LEUNG Yee Tak	10/10	2/2	2/2	4/4
廖長天	LIAO Cheung Tin, Stephen	8/10	2/2	-	-
王立石	WONG Lap Shek, Eddie	10/10	2/2	2/2	4/4

獨立非執行董事之數目符合上市規則之規定，而王立石先生具有適當的會計專業資格。本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。王立石先生已獲重新委任為獨立非執行董事，任期由二零零九年十月一日起為期一年，而廖長天先生已獲重新委任為獨立非執行董事，任期由二零一零年二月一日起為期半年，而梁以德教授亦已獲重新委任為獨立非執行董事，任期由二零零九年十一月一日起為期一年。所有獨立非執行董事之委任可於任何一方發出一個月書面通知書予以終止，另須根據組織章程細則於本公司股東週年大會上輪席退任。董事認為，所有獨立非執行董事均符合上市規則第3.13條所載之獨立指引。

The number of independent non-executive Directors has met the requirements under the Listing Rules and Mr. WONG Lap Shek, Eddie has appropriate accounting professional qualifications. The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. Mr. WONG Lap Shek, Eddie has been re-appointed as an independent non-executive Director for a period of one year commencing from 1 October 2009, while Mr. LIAO Cheung Tin, Stephen has been re-appointed as an independent non-executive Director for a period of half year commencing from 1 February 2010, while Professor LEUNG Yee Tak has been re-appointed as an independent non-executive Director for a period of one year commencing from 1 November 2009. All the appointments of independent non-executive Directors may be terminated by either party by giving one month's written notice and subject to retirement by rotation at the annual general meeting of the Company in accordance with the Articles. The Directors are of the view that all independent non-executive Directors meet the independence guidelines set out in rule 3.13 of the Listing Rules.

企業管治報告

Corporate Governance Report

於截至二零一零年三月三十一日止年度，舉行了十次董事會全體會議。董事會會議記錄由本公司之公司秘書存置，以供本公司董事及核數師查閱。

主席及行政總裁之角色

主席及行政總裁由兩位不同人士擔任，各有不同的職責，以確保其各自的獨立性及問責性。主席原秋明先生負責領導及制定本集團之企業策略。行政總裁原偉強先生負責本集團之整體業務管理及企業發展。原秋明先生為原偉強先生之父親。董事之進一步資料已載於本報告第13至17頁之「董事及高級管理人員簡歷」一詳內。

董事證券交易之標準守則

本公司已採納上市規則附錄十所載之標準守則，作為董事買賣證券的行為守則。各執行董事服務合約及各獨立非執行董事委任書之條款已載有遵守上市規則之責任。本公司已向董事作出特定查詢，所有董事均已確認，於截至二零一零年三月三十一日止年度，彼等一直遵守標準守則所載之規定。

審核委員會

審核委員會由三名獨立非執行董事組成，分別為王立石先生、梁以德教授及廖長天先生。王立石先生具有專業會計資格及相關之會計經驗，並為審核委員會主席。

During the year ended 31 March 2010, ten full Board meetings were held. Minutes of the Board meetings are being kept by the company secretary of the Company and are available for inspection by the Directors and auditors of the Company.

THE ROLES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman and the Chief Executive Officer are held by two different persons and each of them plays a distinctive role to ensure their respective independence and accountability. The Chairman, Mr. YUEN Chow Ming, is responsible for the leadership and formulation of corporate strategies of the Group. The Chief Executive Officer, Mr. YUEN Wai Keung, is responsible for the overall business management and corporate development of the Group. Mr. YUEN Chow Ming is the father of Mr. YUEN Wai Keung. Further details on the Directors are set out on pages 13 to 17 under the section headed “Biographical Details of the Directors and Senior Management” of this report.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. The obligations to comply with the Listing Rules are set out in the terms of the service contract of each executive Director and the letter of appointment of each independent non-executive Director. The Company has made specific enquiries with the Directors, and all Directors have confirmed that they have complied with the requirements set out under the Model Code for the year ended 31 March 2010.

AUDIT COMMITTEE

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

企業管治報告

Corporate Governance Report

根據審核委員會之職權範圍，其主要角色及功能為審閱本集團之財務資料、監察本集團之財務匯報及內部監控制度，並與本公司核數師維持良好關係。董事會已透過審核委員會對本集團於截至二零一零年三月三十一日止年度內之內部監控制度成效進行定期審閱。

本集團截至二零一零年三月三十一日止年度之全年業績於提交董事會批准前，已經過審核委員會審閱。

提名委員會

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

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

薪酬委員會

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

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

Under its terms of reference, the main role and functions of the Audit Committee are to review the Group's financial information, to supervise the Group's financial reporting and internal control systems, and to maintain relationship with the auditors of the Company. The Board has, through the Audit Committee, conducted regular reviews on the effectiveness of the internal control system of the Group during the year ended 31 March 2010.

The Group's final results for the year ended 31 March 2010 have been reviewed by the members of the Audit Committee before submission to the Board for approval.

NOMINATION COMMITTEE

The Nomination Committee consists of one executive Director, Mr. YUEN Wai Keung (Chairman), and two independent non-executive Directors, namely, Professor LEUNG Yee Tak and Mr. WONG Lap Shek, Eddie.

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

REMUNERATION COMMITTEE

The Remuneration Committee comprises one executive Director, Mr. YUEN Wai Keung (Chairman), and two independent non-executive Directors, namely, Professor LEUNG Yee Tak and Mr. WONG Lap Shek, Eddie.

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

企業管治報告

Corporate Governance Report

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

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

內部監控

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

董事會亦負責斷定財務匯報的內部監控是否足夠及披露監控與程序是否有效。董事會已審閱本集團內部監控制度（包括財務經營、合規監控及風險管理功能）的成效。

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

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

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

INTERNAL CONTROL

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

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

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

企業管治報告 Corporate Governance Report

企業傳訊

本公司致力與其股東及投資者維持長遠關係，遵從誠信、規範及高透明度的原則，同時根據上市規則披露所需資料。為確保與投資者、分析員及基金經理的溝通有效而清晰，執行董事及指定高級行政人員須根據本公司既定的常規安排及舉行會議。

董事及核數師於財務報表之責任

董事確認須負責監管就每個財政期間編製的財務報表，均能真實及公正地反映本集團之財務狀況、期內業績與現金流量。在編製截至二零一零年三月三十一日止年度之賬目時，董事已選擇並貫徹採用合適的會計政策；採納合適的香港財務報告準則及香港會計準則；作出審慎而合理的判斷和估計，以及按持續營運基準編製賬目。董事亦保證本集團之財務報表將會適時發表。

本公司核數師在有關本集團財務報表中就彼等的申報責任作出的聲明已載於本報告第37至38頁之「獨立核數師報告」一節內。

核數師薪酬

本公司核數師均富會計師行已獲聘於截至二零一零年三月三十一日止年度向本集團提供審計服務。本公司於截至二零一零年三月三十一日止年度內就審計服務及非審計服務已付或應付均富會計師行的費用分別為2,773,000港元及77,000港元。

CORPORATE COMMUNICATION

The Company endeavors to maintain a long-term relationship with its shareholders and investors with an adherence to the principles of integrity, regularity and high transparency and disclose the required information in compliance with the Listing Rules. To ensure effective and clear communications with the investors, analysts and fund manager, meetings are arranged and conducted by the executive Directors and designated senior executives according to established practices of the Company.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibilities for overseeing the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group, and of results and cash flows for the period. In preparing the accounts for the year ended 31 March 2010, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made prudent and reasonable judgements and estimates and have prepared the accounts on the going concern basis. The Directors also warrant that the Group's financial statements will be published in a timely manner.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements of the Group is set out in the section headed "Independent Auditors' Report" on pages 37 to 38 of this report.

AUDITORS' REMUNERATION

The auditors of the Company, Grant Thornton, have been employed to provide audit services to the Group for the year ended 31 March 2010. The remuneration paid or payable to Grant Thornton in respect of audit services and non-audit services for the year ended 31 March 2010 amounted to HK\$2,773,000 and HK\$77,000 respectively.

獨立核數師報告 Independent Auditors' Report



Member of Grant Thornton International Ltd

致明興水務控股有限公司全體股東
(於開曼群島註冊成立之有限公司)

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

本核數師已完成審核第39至第143頁所載明興水務控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一零年三月三十一日之綜合及公司財務狀況表、截至該日止年度之綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策摘要與其他附註說明。

We have audited the consolidated financial statements of Ming Hing Waterworks Holdings Limited (the "Company") and its subsidiaries (collectively referred as the "Group") set out on pages 39 to 143, which comprise the consolidated and company statements of financial position as at 31 March 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

董事就財務報表須承擔的責任

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

核數師的責任

AUDITORS' RESPONSIBILITY

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

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

獨立核數師報告 Independent Auditors' Report

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

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

本核數師相信，所得到的審核憑證足夠及適當，可為我們的審核意見建立合理基礎。

意見

本核數師認為，該等綜合財務報表已根據香港財務報告準則，真實及公平地反映 貴公司及 貴集團於二零一零年三月三十一日之財務狀況及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定妥為編製。

均富會計師行
執業會計師

香港
中環干諾道中41號
盈置大廈6樓

二零一零年七月十六日

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010 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.

Grant Thornton
Certified Public Accountants

6th Floor, Nexus Building
41 Connaught Road Central
Hong Kong

16 July 2010

綜合收益表

Consolidated Income Statement

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

		附註 Notes	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000 (經重列) (Restated)
收益	Revenue	5	675,959	660,870
收益成本	Cost of revenue		(644,566)	(610,920)
毛利	Gross profit		31,393	49,950
其他收入及收益	Other income and gains	5	99	7,312
分銷及銷售開支	Distribution and selling expenses		-	(2,936)
行政開支	Administrative expenses		(45,234)	(39,563)
經營(虧損)/溢利	Operating (loss)/profit	7	(13,742)	14,763
融資成本	Finance costs	8	(1,492)	(6,566)
扣除所得稅前 (虧損)/溢利	(Loss)/Profit before income tax		(15,234)	8,197
所得稅開支	Income tax expense	9	(2,047)	(1,806)
本年度(虧損)/溢利	(Loss)/Profit for the year		(17,281)	6,391
分配於：	Attributable to:			
本公司權益持有人	Owners of the Company	10	(17,241)	6,431
少數股東權益	Minority interests		(40)	(40)
			(17,281)	6,391
每股(虧損)/盈利	(Loss)/Earnings per share	12	港仙 HK cents	港仙 HK cents
- 基本	- Basic		(2.133)	0.713
- 攤薄	- Diluted		不適用 N/A	0.711

綜合全面收益表

Consolidated Statement of Comprehensive Income

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
本年度(虧損)/溢利	(Loss)/Profit for the year	(17,281)	6,391
其他全面收益	Other comprehensive income		
換算海外業務所產生 之匯兌差額	Exchange difference arising from translation of overseas operations	58	1,270
因出售附屬公司 而撥入損益	Transfer to profit or loss on disposal of subsidiaries	-	(3,646)
本年度其他全面收益， 已扣除稅項	Other comprehensive income for the year, net of tax	58	(2,376)
本年度全面收益總額	Total comprehensive income for the year	(17,223)	4,015
分配於：	Attributable to:		
本公司權益持有人	Owners of the Company	(17,183)	4,055
少數股東權益	Minority interests	(40)	(40)
		(17,223)	4,015

綜合財務狀況表

Consolidated Statement of Financial Position

於二零一零年三月三十一日 As at 31 March 2010

		附註 Notes	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
資產與負債	ASSETS AND LIABILITIES			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	14	54,094	36,585
預付土地租賃款項	Prepaid land lease payments	15	138	143
應收保留款項	Retention receivables	20	6,680	16,285
已抵押銀行存款	Pledged bank deposit	21	-	5,000
投資預付款項	Prepayments for investments	17	-	3,657
			60,912	61,670
流動資產	Current assets			
存貨	Inventories	18	24,495	-
應收客戶合約工程款項	Amounts due from customers of contract works	19	232,271	405,609
貿易及其他應收款項、預付款項及按金	Trade and other receivables, prepayments and deposits	20	124,159	53,755
可收回稅項	Tax recoverable		1,746	527
已抵押銀行存款	Pledged bank deposits	21	35,320	27,297
銀行結存及現金	Cash at banks and in hand	22	89,313	63,757
			507,304	550,945
流動負債	Current liabilities			
應付客戶合約工程款項	Amounts due to customers of contract works	19	3,560	2,541
貿易及其他應付款項	Trade and other payables	23	86,975	63,873
借貸	Borrowings	24	107,357	144,134
			197,892	210,548
流動資產淨值	Net current assets		309,412	340,397
總資產減流動負債	Total assets less current liabilities		370,324	402,067

綜合財務狀況表 Consolidated Statement of Financial Position

於二零一零年三月三十一日 As at 31 March 2010

		附註 Notes	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
非流動負債	Non-current liabilities			
借貸	Borrowings	24	372	15,201
遞延稅項負債	Deferred tax liabilities	25	5,684	3,684
			6,056	18,885
資產淨值	Net assets		364,268	383,182
權益	EQUITY			
股本	Share capital	26	41,294	40,049
儲備	Reserves	28	322,712	342,831
本公司權益持有人 應佔權益	Equity attributable to owners of the Company		364,006	382,880
少數股東權益	Minority interests		262	302
總權益	Total equity		364,268	383,182

董事
Director
原偉強
YUEN Wai Keung

董事
Director
蘇耀祥
SO Yiu Cheung

財務狀況表

Statement of Financial Position

於二零一零年三月三十一日 As at 31 March 2010

			二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
		附註 Notes		
資產與負債	ASSETS AND LIABILITIES			
非流動資產	Non-current assets			
於附屬公司之投資	Investments in subsidiaries	16	139,228	136,162
流動資產	Current assets			
預付款項及其他應收款項	Prepayments and other receivables		573	608
可收回稅項	Tax recoverable		841	–
應收附屬公司款項	Amounts due from subsidiaries	16	196,364	213,680
銀行結存及現金	Cash at banks and in hand	22	1,443	568
			199,221	214,856
流動負債	Current liabilities			
其他應付款項及應計費用	Other payables and accruals		3,061	872
稅項撥備	Provision for tax		–	692
應付附屬公司款項	Amounts due to subsidiaries	16	6,758	6,661
			9,819	8,225
流動資產淨值	Net current assets		189,402	206,631
資產淨值	Net assets		328,630	342,793
權益	EQUITY			
股本	Share capital	26	41,294	40,049
儲備	Reserves	28	287,336	302,744
總權益	Total equity		328,630	342,793

董事
Director
原偉強
YUEN Wai Keung

董事
Director
蘇耀祥
SO Yiu Cheung

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

		本公司權益持有人應佔權益 Equity attributable to owners of the Company										
		股本	股份溢價*	合併儲備*	購股權儲備*	資本贖回儲備*	匯兌儲備*	保留溢利*	擬派股息*	少數股東權益	總權益	
		Share capital	Share premium	Merger reserve	Share option reserve	Capital redemption reserve	Translation reserve	Retained profits	Proposed dividend	Minority interests	Total equity	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
於二零零八年四月一日	At 1 April 2008	46,539	255,396	13,805	5,025	139	2,893	106,609	7,432	437,838	-	437,838
本年度溢利	Profit for the year	-	-	-	-	-	-	6,431	-	6,431	(40)	6,391
其他全面收益：	Other comprehensive income:											
換算海外業務所產生之匯兌差額	Exchange difference arising from translation of overseas operations	-	-	-	-	-	1,270	-	-	1,270	-	1,270
因出售附屬公司而撥入損益(附註30)	Transfer to profit or loss on disposal of subsidiaries (note 30)	-	-	-	-	-	(3,646)	-	-	(3,646)	-	(3,646)
本年度全面收益總額	Total comprehensive income for the year	-	-	-	-	-	(2,376)	6,431	-	4,055	(40)	4,015
收購於一間附屬公司之權益	Acquisition of interests in a subsidiary	-	-	-	-	-	-	-	-	-	342	342
已付股息(附註11)	Dividend paid (note 11)	-	-	-	-	-	-	-	(7,432)	(7,432)	-	(7,432)
過往年度授出之購股權(附註27)	Share options granted in previous years (note 27)	-	-	-	198	-	-	-	-	198	-	198
本年度授出之購股權(附註27)	Share options granted in current year (note 27)	-	-	-	2,929	-	-	-	-	2,929	-	2,929
沒收之購股權(附註27)	Share options forfeited (note 27)	-	-	-	(343)	-	-	343	-	-	-	-
購回股份(附註26(a))	Repurchase of shares (note 26(a))	(6,490)	(48,218)	-	-	6,490	-	(6,490)	-	(54,708)	-	(54,708)
與權益持有人之交易	Transactions with owners	(6,490)	(48,218)	-	2,784	6,490	-	(6,147)	(7,432)	(59,013)	342	(58,671)
於二零零九年三月三十一日 及二零零九年四月一日	At 31 March 2009 and 1 April 2009	40,049	207,178	13,805	7,809	6,629	517	106,893	-	382,880	302	383,182
本年度虧損	Loss for the year	-	-	-	-	-	-	(17,241)	-	(17,241)	(40)	(17,281)
其他全面收益：	Other comprehensive income:											
換算海外業務所產生之匯兌差額	Exchange difference arising from translation of overseas operations	-	-	-	-	-	58	-	-	58	-	58
本年度全面收益總額	Total comprehensive income for the year	-	-	-	-	-	58	(17,241)	-	(17,183)	(40)	(17,223)
已宣派中期股息(附註11)	Interim dividend declared (note 11)	-	-	-	-	-	-	(9,775)	-	(9,775)	-	(9,775)
本年度授出之購股權(附註27)	Share options granted in current year (note 27)	-	-	-	2,289	-	-	-	-	2,289	-	2,289
沒收之購股權(附註27)	Share options forfeited (note 27)	-	-	-	(4,952)	-	-	4,952	-	-	-	-
因行使購股權而發行之股份	Shares issued upon exercise of share options	1,245	6,564	-	(2,014)	-	-	-	-	5,795	-	5,795
與權益持有人之交易	Transactions with owners	1,245	6,564	-	(4,677)	-	-	(4,823)	-	(1,691)	-	(1,691)
於二零一零年三月三十一日	At 31 March 2010	41,294	213,742	13,805	3,132	6,629	575	84,829	-	364,006	262	364,268

* 該等結餘之總額即綜合財務狀況表內之儲備。

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

綜合現金流量表

Consolidated Statement of Cash Flows

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
經營活動之現金流量	Cash flows from operating activities		
扣除所得稅前(虧損)/溢利	(Loss)/Profit before income tax	(15,234)	8,197
調整：	Adjustments for:		
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	6	358
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	8,958	9,864
利息收入	Interest income	(96)	(871)
利息開支	Interest expenses	1,492	6,566
投資預付款項減值撥備	Provision for impairment of prepayments for investments	3,657	3,184
其他應收款項減值	Impairment of other receivable	806	-
超出業務合併成本之金額(附註29)	Excess over the cost of business combination (note 29)	-	(945)
匯兌虧損	Exchange loss	8	275
出售物業、廠房及設備之虧損/(收益)	Loss/(Gain) on disposal of property, plant and equipment	957	(96)
以權益結算並以股份支付之補償	Equity-settled share-based compensation	2,289	3,127
出售附屬公司之收益(附註30)	Gain on disposal of subsidiaries (note 30)	-	(3,416)
未計營運資金變動前之經營溢利	Operating profit before working capital changes	2,843	26,243
存貨增加	Increase in inventories	(24,495)	(356)
應收/應付客戶合約工程款項變動淨額	Change in net amounts due from/to customers of contract works	174,357	(12,809)
貿易及其他應收款項、預付款項及按金(包括應收保留款項)增加	Increase in trade and other receivables, prepayments and deposits (including retention receivables)	(61,605)	(40,560)
貿易及其他應付款項增加	Increase in trade and other payables	23,102	11,696
經營業務所產生/(動用)之現金	Cash generated from/(used in) operations	114,202	(15,786)
銀行貸款及其他借貸之已付利息	Interest paid on bank loans and other borrowings	(1,397)	(6,388)
融資租賃之利息部份	Interest element of finance leases	(95)	(178)
已收利息	Interest received	96	871
已付所得稅	Income tax paid		
香港利得稅	Hong Kong profits tax	(1,249)	(1,956)
中國內地稅項	Mainland China tax	(17)	(29)
經營活動所產生/(動用)之現金淨額	Net cash from/(used in) operating activities	111,540	(23,466)

綜合現金流量表

Consolidated Statement of Cash Flows

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
投資活動之現金流量	Cash flows from investing activities		
已抵押銀行存款增加	Increase in pledged bank deposits	(3,023)	(3,361)
購買物業、廠房及設備 所付款項	Payments to acquire property, plant and equipment	(27,116)	(8,874)
出售物業、廠房及設備 所得款項	Proceeds from disposal of property, plant and equipment	130	882
業務合併現金流出淨額 (附註29)	Net cash outflow on business combination (note 29)	-	(668)
出售附屬公司現金流出 淨額(附註30)	Net cash outflow on disposal of subsidiaries (note 30)	-	(5,601)
投資活動所動用之現金淨額 <i>Net cash used in investing activities</i>		(30,009)	(17,622)
融資活動之現金流量	Cash flows from financing activities		
發行股份所得款項	Proceeds from issuance of shares	5,795	-
購回股份所付款項	Payments for repurchase of shares	-	(948)
新借貸款	New borrowings raised	97,361	225,097
償還借貸	Repayment of borrowings	(149,142)	(279,917)
融資租賃之資本部份	Capital element of finance leases	(1,996)	(4,621)
已付股息	Dividend paid	(9,775)	(7,432)
融資活動所動用之現金淨額 <i>Net cash used in financing activities</i>		(57,757)	(67,821)
現金及現金等價物 增加／(減少)淨額	Net increase/(decrease) in cash and cash equivalents	23,774	(108,909)
財政年度初之現金 及現金等價物	Cash and cash equivalents at beginning of financial year	63,757	172,884
匯兌差額	Exchange differences	21	(218)
財政年度末之現金 及現金等價物	Cash and cash equivalents at end of financial year	87,552	63,757
現金及現金等價物之分析	Analysis of cash and cash equivalents		
銀行結存及現金	Cash at banks and in hand	89,313	63,757
減：銀行透支	Less: Bank overdraft	(1,761)	-
財政年度末之現金 及現金等價物	Cash and cash equivalents at end of financial year	87,552	63,757

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

1. 一般資料

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

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

董事認為，於二零一零年三月三十一日，本公司之最終控股公司為Robinhoods Development Limited(一間於英屬處女群島註冊成立之公司)。於本報告日期，本公司之最終控股公司為Best State Holdings Limited(一間於英屬處女群島註冊成立之公司)。

第39頁至143頁所載之財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」，包括所有適用之香港財務報告準則、香港會計準則及詮釋)及香港公司條例之適用披露規定而編製。財務報表亦符合聯交所證券上市規則之適用披露規定。

截至二零一零年三月三十一日止年度之財務報表已於二零一零年七月十六日由董事會批准刊發。同日，董事會建議本公司名稱由「明興水務控股有限公司」更改為「蒙古投資集團有限公司」。該更改本公司名稱建議須經本公司股東於本公司應屆股東週年大會上通過特別決議案及香港公司註冊處批准方可作實。

1. GENERAL INFORMATION

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

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

In the opinion of the Directors, as at 31 March 2010, the ultimate holding company of the Company was Robinhoods Development Limited, which is incorporated in the British Virgin Islands. As at the date of this report, the ultimate holding company of the Company is Best State Holdings Limited, which is incorporated in the British Virgin Islands.

The financial statements on pages 39 to 143 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (including all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The financial statements for the year ended 31 March 2010 were approved for issue by the board of directors on 16 July 2010. On the same date, the Board proposed that the name of the Company to be changed from “Ming Hing Waterworks Holdings Limited 明興水務控股有限公司” to “Mongolia Investment Group Limited 蒙古投資集團有限公司”. The proposed change of the name of the Company is subject to the passing of a special resolution by the shareholders of the Company at the forthcoming annual general meeting and the approval of the Registrar of Companies in Hong Kong.

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

2. 採納新訂及經修訂之香港財務報告準則

2.1 於本年度生效之新訂及經修訂之香港財務報告準則之影響

於本年度，本集團首次採納下列有關於本集團之財務報表且於二零零九年四月一日開始之年度期間生效之香港財務報告準則之新準則、修訂及詮釋：

香港會計準則 第1號 (二零零七年經重訂)	財務報表 的呈列
香港會計準則 第23號 (二零零七年經重訂)	借貸成本
香港會計準則 第27號 (經修訂)	於附屬公司、 共同控制 實體或 聯營公司 之投資 成本
香港財務報告準則 第2號(經修訂)	以股份為 基礎的 付款－ 歸屬條件 及註銷
香港財務報告準則 第7號(經修訂)	改善金融 工具之披露
香港財務報告準則 第8號	營運分部

2. ADOPTION OF NEW AND REVISED HKFRSs

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

During the year, the Group has adopted, for the first time, the following new standards, amendments and interpretations to HKFRSs which are relevant to and effective for the Group's financial statements for annual periods beginning on 1 April 2009:

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or an associate
HKFRS 2 (Amendments)	Share-based payment – vesting conditions and cancellations
HKFRS 7 (Amendments)	Improving disclosures about financial instruments
HKFRS 8	Operating segments

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

2. 採納新訂及經修訂之香港財務報告準則 (續)**2.1 於本年度生效之新訂及經修訂之香港財務報告準則之影響 (續)****香港會計準則第1號 (二零零七年經重訂) 財務報表的呈列**

採納香港會計準則第1號 (二零零七年經重訂) 對主要財務報表之格式和項目標題及該等報表內部分項目之呈報作出若干變動。當追溯應用會計政策或於其財務報表追溯重列項目或其重新分類於財務報表之項目時，須呈報第三份於最早比較期間期初之財務狀況表。該準則亦須作出額外披露。

本集團資產、負債及收支之計量及確認並無變動。惟部分過往直接於權益確認之項目現時於其他全面收益項目下確認，例如換算海外業務引致之匯兌差額。香港會計準則第1號影響權益持有人權益變動之呈報，並引入「全面收益表」。比較數字已經重列，以符合經修訂準則。本集團已就財務報表的呈列及分部報告追溯修改其會計政策。然而，比較數字之變動對於二零零八年四月一日之綜合或母公司財務狀況表並無構成影響，因此並無呈列於二零零八年四月一日之第三份財務狀況表。

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)**2.1 Impact of new and revised HKFRSs which are effective during the year (Continued)****HKAS 1 (Revised 2007) Presentation of financial statements**

The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. A third statement of financial position as at the beginning of the earliest comparative period is required when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements. It also gives rise to additional disclosures.

The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income, for example exchange difference arising on the translation of overseas operations. HKAS 1 affects the presentation of owner changes in equity and introduces a "Statement of comprehensive income". Comparatives have been restated to conform with the revised standard. The Group has applied changes to its accounting policies on presentation of financial statements and segment reporting retrospectively. However, the changes to the comparatives have not affected the consolidated or parent company statement of financial position at 1st April, 2008 and accordingly, the third statement of financial position as at 1st April, 2008 is not presented.

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

2. 採納新訂及經修訂之香港財務報告準則 (續)

2.1 於本年度生效之新訂及經修訂之香港財務報告準則之影響 (續)

香港會計準則第23號 (二零零七年經重訂) 借貸成本

香港會計準則第23號已作重訂，規定將與收購、建造或生產合資格資產直接相關之借貸成本撥充資本。由於本集團現時有關借貸成本之政策符合經重訂之香港會計準則第23號之規定，故經重訂之香港會計準則第23號對本集團並無造成任何財務影響。

香港會計準則第27號 (經修訂) 於附屬公司、共同控制實體或聯營公司之投資成本

該修訂規定投資方於收益表內確認來自附屬公司、共同控制實體或聯營公司之股息，而不論有關分派是以被投資方之收購前或收購後儲備撥付。根據此新會計政策，倘股息分派數額過大，則根據本公司有關非財務資產減值之會計政策對投資進行減值測試。本集團已根據香港會計準則第27號修訂之規定追溯應用此新會計政策，故並無重列可比較數字。本公司並無收取其附屬公司自收購前儲備分派之任何股息。因此，採納該修訂對本集團並無造成任何財務影響。

香港財務報告準則第2號 (經修訂) 以股份為基礎的付款 – 歸屬條件及註銷

該準則已經作出修訂，以澄清歸屬條件之定義，並描述了在未能滿足非歸屬條件而有效地確認為註銷之獎勵會計處理方法。採納該修訂對於本集團之財務狀況或表現並無任何影響。

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

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

HKAS 23 (Revised 2007) Borrowing costs

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy of accounting for borrowing costs aligns with the requirements of the revised HKAS 23, the revised HKAS 23 did not have any financial impact on the Group.

HKAS 27 (Amendments) Cost of an investment in a subsidiary, jointly controlled entity or an associate

The amendment requires the investor to recognise dividends from a subsidiary, jointly controlled entity or an associate in profit or loss irrespective the distributions are out of the investee's pre-acquisition or post-acquisition reserves. Under the new accounting policy, if the dividend distribution is excessive, the investment would be tested for impairment according to the Company's accounting policy on impairment of non-financial assets. The new accounting policy has been applied prospectively as required by the amendments to HKAS 27, and therefore no comparatives have been restated. The Company did not receive any dividends from its subsidiaries which are distributed out of pre-acquisition reserves and accordingly, the adoption of this amendment did not have any financial impact on the Group.

HKFRS 2 (Amendments) Share-based payment – vesting conditions and cancellations

This standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

2. 採納新訂及經修訂之香港財務報告準則 (續)**2.1 於本年度生效之新訂及經修訂之香港財務報告準則之影響 (續)****香港財務報告準則第7號 (經修訂) 改善金融工具之披露**

該修訂規定須就對財務狀況表內按公允值計量之金融工具作出額外披露。有關公允值計量分為三個公允值層次，反映計量中所使用之可觀察市場數據之程度。本集團已應用該修訂之過渡條文，並無提供有關此等新規定之可比資料。

香港財務報告準則第8號營運分部

根據取代香港會計準則第14號分部報告之香港財務報告準則第8號，營運分部乃以營運決策者定期審閱內部管理呈報資料為基準釐定。於過往年度財務報表內，分部之確認乃參照本集團風險及回報之主要來源及性質而定。採納香港財務報告準則第8號並未改變本集團營運分部之分類及呈報。根據香港會計準則第14號呈報之分部資料計量與根據香港財務報告準則第8號所呈報者相同。然而，若干比較數字已經重列以符合該新準則之新披露要求。

採納於本年度生效之其他新訂及經修訂之香港財務報告準則對財務報表並無影響。

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)**2.1 Impact of new and revised HKFRSs which are effective during the year (Continued)****HKFRS 7 (Amendments) Improving disclosures about financial instruments**

The amendments require additional disclosures for financial instruments which are measured at fair value in the statement of financial position. These fair value measurements are categorised into a three-level fair value hierarchy, which reflects the extent of observable market data used in making the measurements. The Group has taken advantage of the transitional provisions in the amendments and has not provided comparative information in respect of the new requirements.

HKFRS 8 Operating segments

Under HKFRS 8, which replaces HKAS 14 *Segment Reporting*, operating segment is determined based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns. The adoption of HKFRS 8 has not changed the identified and reportable operating segments for the Group. The measurement of the segment information presented under HKAS 14 is the same as that under HKFRS 8. However, certain comparatives have been restated to conform with the new disclosure requirements under this new standard.

The adoption of other new and revised HKFRSs which are effective during the current year does not have impact on the financial statements.

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

2. 採納新訂及經修訂之香港財務報告準則 (續)

2.2 已頒佈但未生效之新訂及經修訂香港財務報告準則之影響

於授權刊發本財務報表之日，若干新訂及經修訂之香港財務報告準則已頒佈，惟本集團並無提早採納。董事預期，本集團將於所有有關規定生效日期後開始之首個期間將該等規定納入本集團之會計政策中。有關預期會影響本集團會計政策之新訂及經修訂香港財務報告準則之資料，載列如下。若干其他新訂及經修訂香港財務報告準則已頒佈，但預期對本集團之財務報表並無重大影響。

香港會計準則第27號綜合及獨立財務報表 (二零零八年經重訂)

此經重訂準則於二零零九年七月一日或之後開始之會計期間生效，並引入失去附屬公司控制權及本集團於附屬公司之權益變動之會計處理變動。全面收益總額須由非控制性權益 (前稱少數股東權益) 分佔，即便這會導致非控制性權益產生虧絀結餘。管理層預期此準則不會對本集團財務報表產生重大影響。

香港財務報告準則第3號業務合併 (二零零八年經重訂)

此項準則適用於二零零九年七月一日或以後開始之呈報期間所發生之業務合併及將於未來應用。新準則仍規定須採用購買法 (現稱為收購法) 入賬，但對轉讓代價及被收購方之可識別資產和負債之確認及計量，以及於被收購方之非控制性權益之計量引入重大變動。此項新準則預期將會對於二零零九年七月一日或以後開始之呈報期間所發生之業務合併產生重大影響。

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

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

At the date of authorisation of these financial statements, certain new and revised HKFRSs have been published but are not yet effective, and have not been adopted early by the Group. The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and revised HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and revised HKFRSs have been issued but are not expected to have a material impact on the Group's financial statements.

HKAS 27 Consolidated and separate financial statements (Revised 2008)

The revised standard is effective for accounting periods beginning on or after 1 July 2009 and introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests (previously known as minority interests) even if this results in the non-controlling interests having a deficit balance. Management anticipates that the standard would not result in materials impact on the Group's financial statements.

HKFRS 3 Business combinations (Revised 2008)

The standard is applicable for business combinations occurring in reporting period beginning on or after 1 July 2009 and will be applied prospectively. The new standard still requires the use of the purchase method (now renamed the acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests in the acquiree. The new standard is expected to have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009.

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

2. 採納新訂及經修訂之香港財務報告準則 (續)

2.2 已頒佈但未生效之新訂及經修訂香港財務報告準則之影響 (續)

香港財務報告準則第3號業務合併 (二零零八年經重訂) (續)

如附註37所披露，本集團於二零一零年六月十七日收購Well Delight Holdings Limited之全部已發行股本，該收購將會採用經修訂之香港財務報告準則第3號於下一個財政年度入賬。該收購採用經修訂香港財務報告準則第3號入賬而產生之會計影響將會與應用本集團現有相關會計政策所處理之結果有所差別。該等差別主要包括：

(a) 收購成本

根據現有香港財務報告準則第3號，業務合併之直接應佔成本入賬列作收購成本之一部分。然而，根據經修訂之香港財務報告準則第3號，交易成本應列作開支。預計收購所產生之交易成本約為11,000,000港元。

(b) 或然代價

根據現有香港財務報告準則第3號，倘有可能產生或然代價並能可靠計量，或然代價須於收購日期確認業務合併。倘並無發生未來事件或須對估計作出修訂，業務合併之成本將予相應調整。倘不可能產生或然代價或或然代價無法可靠計量，則於合併初步入賬時不會將或然代價計入合併成本。倘於其後可能作出調整並能可靠計量，額外代價將會計入合併成本列作調整。

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

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

HKFRS 3 Business combinations (Revised 2008) (Continued)

As disclosed in note 37, the Group acquired the entire issued share capital of Well Delight Holdings Limited on 17 June 2010 and the acquisition will be accounted for in the coming financial year using the revised HKFRS 3. The accounting impact arising from the adoption of revised HKFRS 3 in accounting for the acquisition would be different from that resulted from applying the Group's existing relevant accounting policies. Such differences mainly include:

(a) Acquisition cost

Under the existing HKFRS 3, costs directly attributable to the business combination are included as part of the cost of acquisition. However, under the revised HKFRS 3, transaction costs should be expensed. The estimated transactions costs incurred for the acquisition is approximately HK\$11 million.

(b) Contingent consideration

Under the existing HKFRS 3, contingent consideration should be recognised at the acquisition date of a business combination if the contingent consideration is probable and can be measured reliably. If the future events do not occur or the estimate needs to be revised, the cost of the business combination is to be adjusted accordingly. Contingent consideration is not included in the cost of the combination at the time of initially accounting for the combination if it either is not probable or cannot be measured reliably. If that adjustment subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination.

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

2. 採納新訂及經修訂之香港財務報告準則 (續)

2.2 已頒佈但未生效之新訂及經修訂香港財務報告準則之影響 (續)

香港財務報告準則第3號業務合併 (二零零八年經重訂) (續)

(b) 或然代價 (續)

根據經修訂之香港財務報告準則第3號，收購方就交換被收購方所轉讓之代價包括或然代價安排所產生之任何資產或負債，而收購方須將收購日期或然代價之公允值確認為交換被收購方所轉讓代價之一部分。因收購後取得有關收購日期之事實及情況之額外資料而導致或然代價公允值之變動乃被視為計量期間調整。收購方透過調整商譽金額確認額外資產或負債。此外，計量期間不得超過自收購日期起計之一年。然而，因收購日期後之事件而產生之變動並非計量期間調整，不應於收購日期透過調整商譽入賬。取以代之，歸類為權益之或然代價其後不會重新計量，或然代價付款則入賬列於權益中，而歸類為資產或負債之或然代價且(i)為金融工具，並屬香港會計準則第39號範圍內之或然代價須按公允值計量，所產生收益或虧損則根據香港財務報告準則於損益或其他全面收益確認；(ii)並非屬香港會計準則第39號範圍內之或然代價則根據香港會計準則第37號或其他香港財務報告準則(倘適用)入賬。

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

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

HKFRS 3 Business combinations (Revised 2008) (Continued)

(b) Contingent consideration (Continued)

Under the revised HKFRS 3, the consideration the acquirer transfers in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement and the acquirer shall recognise the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree. Changes in fair value of contingent consideration resulted from additional information obtained after the acquisition about facts and circumstances that existed at the acquisition date are regarded as measurement period adjustments. The acquirer recognises additional assets or liabilities by means of adjusting the amount of goodwill. In addition, measurement period shall not exceed one year from the acquisition date. However, changes resulting from events after the acquisition date are not measurement period adjustments and shall not be accounted for by adjusting the goodwill on the acquisition date. Instead, contingent consideration classified as equity is not subsequently re-measured and settlement is accounted for within equity, whereas contingent consideration classified as an asset or a liability that (i) is financial instrument and is within the scope of HKAS 39 shall be measured at fair value, with any resulting gain or loss recognised either in profit or loss or in other comprehensive income in accordance with that HKFRS, (ii) is not within the scope of HKAS 39 shall be accounted for in accordance with HKAS 37 or other HKFRSs as appropriate.

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

2. 採納新訂及經修訂之香港財務報告準則 (續)

2.2 已頒佈但未生效之新訂及經修訂香港財務報告準則之影響 (續)

香港財務報告準則第3號業務合併 (二零零八年經重訂) (續)

(b) 或然代價 (續)

根據經修訂之香港財務報告準則第3號，本集團須於收購日期確認或然代價(定義見附註37)之公允值。由於或然代價不被視為可能產生，因此或然代價可能未根據經修訂之香港財務報告準則第3號記錄，公允值(定義見附註37)總額將會達1,550,000,000港元或以上。

香港財務報告準則第9號金融工具

此項準則於二零一三年一月一日或之後開始之會計期間生效，有關財務資產分類及計量。此項新準則減少了財務資產之計量類別數目，所有財務資產將會根據有關實體管理財務資產之業務模式及財務資產合約現金流量之特點，按攤銷成本或公允值計量。公允值收益及虧損將於收益表確認，惟有關若干權益投資之公允值收益及虧損則於其他全面收益呈列。董事現正評估此項新準則於首次應用年度對本集團業績及財務狀況可能產生之影響。

二零零九年之年度改善

香港會計師公會已頒佈「二零零九年香港財務報告準則之改善」，大部份修訂於二零一零年一月一日或之後開始之年度期間生效。董事預期此等修訂不會對本集團之財務報表產生重大影響。

2. ADOPTION OF NEW AND REVISED HKFRSs (Continued)

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

HKFRS 3 Business combinations (Revised 2008) (Continued)

(b) Contingent consideration (Continued)

According to the revised HKFRS 3, the Group is required to recognise the fair value of the Contingent Consideration (as defined in note 37) at the date of the acquisition. The Contingent Consideration may not have been recorded under the existing HKFRS 3 since it is not considered probable that the Fair Value (as defined in note 37) will be amounted to HK\$1,550 million or above.

HKFRS 9 Financial instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The Directors are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

Annual improvements 2009

The HKICPA has issued "Improvements to Hong Kong Financial Reporting Standards 2009". Most of the amendments become effective for annual periods beginning on or after 1 January 2010. The Directors do not expect those amendments to have a material effect on the Group's financial statements.

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

3. 主要會計政策摘要

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

3.1 編製基礎

財務報表乃根據歷史成本常規編製。計量基準於下文之會計政策詳述。

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

於本年度，董事已檢討本集團開支之功用並決定將之過往分配為行政開支之若干開支分類為收益成本。此等成本主要包括因保養及建造工程而產生之折舊、員工成本及徵費。因此次開支分類變動，於本年度綜合收益表之可比較數字中，為數19,491,000港元之行政開支已由行政開支重新分類為收益成本，以與本年度之呈報方式保持一致。上述重新分類對截至二零零九年三月三十一日止年度之業績並無淨影響。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of preparation

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

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

During the current year, the Directors have reviewed the function of the Group's expenses and have decided to classify certain expenses as cost of revenue which were previously allocated under administrative expenses. Such costs mainly include certain depreciation and staff costs as well as levy payments which are mainly incurred for the maintenance and construction works. As a result of this change in classification of expenses, administrative expenses amounting to HK\$19,491,000 have been reclassified from administrative expenses to cost of revenue in the comparatives of the consolidated income statement of the current year to conform with the current year's presentation. The above reclassification has no net impact to the result for the year ended 31 March 2009.

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

3. 主要會計政策摘要 (續)

3.2 綜合基礎

綜合財務報表包括本公司及其附屬公司(附註3.3)截至每年三月三十一日之財務報表。附屬公司業績由收購日期(即本公司取得控制權當日)起綜合入賬，直至控制權終止當日終止入賬。本集團內公司間之所有重大交易、結餘及本集團內部交易之未變現收益均在綜合賬目時撇銷。未變現虧損亦予撇銷，惟有關交易可提供憑證顯示所轉讓資產有所減值則除外，而在此情況下，未變現虧損須即時於收益表確認。

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (note 3.3) made up to 31 March each year. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. All material intercompany transactions, balances and unrealised gains on transactions within the Group are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

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

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

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

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Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

3. 主要會計政策摘要 (續)

3.2 綜合基礎 (續)

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

3.3 附屬公司

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation (Continued)

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

3.3 Subsidiaries

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

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

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

3. 主要會計政策摘要 (續)

3.4 商譽

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

收購產生之商譽初步按成本於綜合財務狀況表列賬為資產，其後按成本減任何減值虧損計量。商譽每年於呈報日期評估有否減值，或如有事件或環境變動顯示商譽的賬面值可能有所減值，則須進行更頻密的評估。

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

3.5 收益及其他收入確認

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

- (i) 當土木工程合約之結果能被可靠估計時，土木工程合約之保養或建造工程產生之收益將根據個別合約於呈報日期之完成百分比確認(附註3.10)。
- (ii) 供水產生之收益乃根據年內水錶所錄得之供水量確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Goodwill

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

Goodwill arising on acquisition is initially recognised in the consolidated statement of financial position as an asset at cost and subsequently measured at cost less any impairment losses. Goodwill is reviewed for impairment annually at the reporting date or more frequently if events or change in circumstances indicate that the carrying value of goodwill may be impaired.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in profit or loss.

3.5 Revenue and other income recognition

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

- (i) When the outcome of civil engineering contracts can be estimated reliably, revenue from maintenance or construction works on civil engineering contracts is recognised according to the percentage of completion of individual contract at the reporting date (note 3.10).
- (ii) Revenue arising from water supply is recognised based on the volume of water supplied as recorded by meters read during the year.

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3. 主要會計政策摘要 (續)

3.5 收益及其他收入確認 (續)

- (iii) 供水相關裝置之收入乃於相關安裝工作完成時確認。
- (iv) 利息收入乃參照未償還之本金及適用實際利率按時間比例而確認。

3.6 物業、廠房及設備

物業、廠房及設備乃按成本(包括購入價格及任何使該項資產達到其擬定用途之運作狀況及地點之直接應佔成本)減累計折舊及任何減值虧損(附註3.7)列賬。其後之成本僅於與該項目有關之未來經濟利益可能流入本集團,而該項目成本能被可靠計算時,計入資產之賬面值,或確認為一項獨立資產(倘適用)。維修及保養等其他所有成本乃於產生之財政期間內在收益表扣除。

各物業、廠房及設備項目乃按其估計可使用年期計算折舊,以撇銷成本扣減其剩餘價值(倘適用)。樓宇及水管網乃使用直線法分別按年率3.17%及4.85%計算折舊。物業、廠房及設備的其他項目乃使用結餘遞減法按下列年率計算折舊:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Revenue and other income recognition (Continued)

- (iii) Water supply related installation income is recognised when the relevant installation work is performed.
- (iv) Interest income is recognised on a time-proportion basis by reference to the principal outstanding and at the effective interest rate applicable.

3.6 Property, plant and equipment

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

Depreciation is provided to write off the cost of each item of property, plant and equipment less its residual value, if applicable, over its estimated useful lives. Buildings and water pipelines are depreciated using straight-line method at the annual rates of 3.17% and 4.85% respectively. Other items of property, plant and equipment are depreciated using reducing balance method at the following rates per annum:

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

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3. 主要會計政策摘要 (續)**3.6 物業、廠房及設備 (續)**

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

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

3.7 非財務資產之減值

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**3.6 Property, plant and equipment (Continued)**

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

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

3.7 Impairment of non-financial assets

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

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

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3. 主要會計政策摘要 (續)

3.7 非財務資產之減值 (續)

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

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

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

3.8 租賃

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Impairment of non-financial assets (Continued)

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

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

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

3.8 Leases

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

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

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3. 主要會計政策摘要 (續)

3.8 租賃 (續)

經營租賃 – 作為承租人

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

預付土地租賃款項指購入土地使用權或租賃土地之預付款，按成本減累計攤銷及減值虧損列賬(附註3.7)。攤銷於租期內以直線法計算，除非有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。

融資租賃 – 作為承租人

倘本集團以融資租賃獲得資產使用權，則租賃資產公允值或最低租金現值(以較低者為準)計入物業、廠房及設備內，而相關負債於扣除財務費用後入賬列為融資租賃責任。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Leases (Continued)

Operating leases – as lessee

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

Prepaid land lease payments represent up-front payments to acquire the land use rights or leasehold land. They are stated at cost less accumulated amortisation and impairment losses (note 3.7). Amortisation is calculated on a straight-line basis over the lease term except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets.

Finance leases – as lessees

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

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

財務報表附註

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3. 主要會計政策摘要 (續)

3.8 租賃 (續)

融資租賃 – 作為承租人 (續)

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

3.9 財務資產

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Leases (Continued)

Finance leases – as lessees (Continued)

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

3.9 Financial assets

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

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

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

3. 主要會計政策摘要 (續)

3.9 財務資產 (續)

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Financial assets (Continued)

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

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

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

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3. 主要會計政策摘要 (續)

3.9 財務資產 (續)

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Financial assets (Continued)

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

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

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

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3. 主要會計政策摘要 (續)

3.10 土木工程合約

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Civil engineering contracts

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

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

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

Amounts due from customers of contract works represent contract costs incurred plus recognised profits less progress billings and any foreseeable losses. Amounts due to customers of contract works represent the excess of progress billings over contract costs incurred plus recognised profits less any foreseeable losses. Costs mainly comprise materials, direct labour and sub-contractors' fees. Costs incurred during the year in connection with future activity of a contract are recognised as amounts due from customers of contract works provided it is probable that these costs will be recovered. Amounts billed for works performed but not yet paid by the customers are included in the statement of financial position under "trade and other receivables, prepayments and deposits".

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3. 主要會計政策摘要 (續)

3.10 土木工程合約

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

3.11 存貨

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

3.12 外幣

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Civil engineering contracts (Continued)

Retentions, representing amounts of progress billings which are payable to sub-contractors or receivables from customers when conditions specified in the contracts undertaken are satisfied, are included in the statement of financial position under “trade and other payables” and “trade and other receivables, prepayments and deposits” respectively.

3.11 Inventories

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

3.12 Foreign currencies

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

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

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3. 主要會計政策摘要 (續)

3.12 外幣 (續)

若干本集團實體之功能貨幣並非港元。在綜合財務報表中，該等實體之資產及負債於呈報日期按當日之匯率換算為港元。收支項目按交易日之匯率或倘有關匯率並無大幅波動則按呈報期間之平均匯率換算為港元。所產生之匯兌差額列入其他全面收益並於權益之匯兌儲備內單獨累計。該等匯兌差額於出售該海外實體之期間從權益中重新分類計入收益表作為出售損益之一部份。

3.13 所得稅

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

當期所得稅資產及／或負債包括有關當前或過往呈報期間對財政機關之責任或來自財政機關之申索，而該等責任或申索於呈報日期均未支付，並按有關財政期間適用之稅率及稅法並根據呈報期間之應課稅溢利計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Foreign currencies (Continued)

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

3.13 Income taxes

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

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

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3. 主要會計政策摘要 (續)

3.13 所得稅 (續)

遞延稅項乃在呈報日期使用負債法按財務報表中資產及負債的賬面值與相應稅基之間的暫時差額計算。一般會就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產乃就所有可扣減暫時差額、可結轉稅項虧損及其他未動用稅項抵免確認，惟應可能有應課稅溢利(包括現有暫時差額)可用作抵銷可扣減暫時差額、未動用稅項虧損及未動用稅項抵免。

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Income taxes (Continued)

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

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

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

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

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

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3. 主要會計政策摘要 (續)

3.14 現金及現金等價物

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

3.15 僱員福利

界定供款計劃

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Cash and cash equivalents

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

3.15 Employee benefits

Defined contribution plan

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

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

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3. 主要會計政策摘要 (續)

3.15 僱員福利 (續)

短期僱員福利

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

以股份支付之僱員補償

有關以股份支付之僱員補償的會計政策詳情載於下文附註3.16。

3.16 以股份支付之補償

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Employee benefits (Continued)

Short-term employee benefits

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

Share-based employee compensation

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

3.16 Share-based compensation

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

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

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3. 主要會計政策摘要 (續)

3.16 以股份支付之補償 (續)

權益結算交易之成本於收益表確認為開支，並在權益項下的購股權儲備作出相應增加。倘歸屬期或其他歸屬條件適用，則按照預期將歸屬之購股權數目之最佳估計於歸屬期內以直線法分配開支。有關預期成為可行使購股權的數目之假設已包括非市場歸屬條件。如有跡象顯示預期歸屬之購股權數目偏離原先估計，則有關估計其後將予修訂。於過往年度確認的任何公允值調整於回顧年度在收益表扣除／計入，並在購股權儲備作出相應調整。

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 Share-based compensation (Continued)

The cost of equity-settled transactions is recognised as an expense in profit or loss with a corresponding increase in share option reserve within equity. If vesting periods or other vesting conditions apply, the expense is allocated using straight-line basis over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is indication that the number of share options expected to vest differs from previous estimates. Any adjustment to the fair value recognised in prior years is charged/credited to profit or loss in the year of the review with a corresponding adjustment to the share option reserve.

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

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

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3. 主要會計政策摘要 (續)

3.17 財務負債

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

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

貿易及其他應付款項初步按其公允值確認，其後則採用實際利率法按攤銷成本計量。

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

融資租賃負債按初始價值減租賃還款之資本部份計算(附註3.8)。

所有利息相關開支均按本集團有關借貸成本之會計政策(附註3.20)確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Financial liabilities

The Group's financial liabilities comprise trade and other payables, borrowings and finance lease liabilities. Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

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

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

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

All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (note 3.20).

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3. 主要會計政策摘要 (續)

3.18 撥備及或然負債

倘本集團因過往事件而須承擔現有法律責任或推定責任，且履行該責任時很可能導致經濟利益流出，並能可靠地估計所須承擔之金額，則須確認撥備。倘折現之影響重大，則撥備須就履行責任預期所需支出之現值列賬。所有撥備均於各呈報日期進行評估並作出調整已反映當時最佳估計。

在不可能會導致經濟利益的流出，或有關金額未能可靠地估量時，則除非該經濟利益流出的可能性極低，否則有關責任須披露為或然負債。可能承擔的責任（其存在與否只能藉一項或多項並非完全受本集團控制的未來不確定事件的發生與否才可確定）亦須披露為或然負債，除非導致經濟利益流出的可能性極低，則作別論。

3.19 作出財務擔保

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the effect of discounting is material, provisions are stated at the present value of the expenditure expected to settle the obligation. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

3.19 Financial guarantee issued

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

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3. 主要會計政策摘要 (續)

3.19 作出財務擔保 (續)

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

初步確認為遞延收入之擔保金額按擔保年期於收益表攤銷為所作出財務擔保之收入。此外，倘擔保持有人可能向本集團提出索償及有關向本集團索償金額預期超出當時賬面值（即初步確認之金額減累計攤銷（倘適用）），則按附註3.18確認撥備。

3.20 借貸成本

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

當就有關資產產生開支、借貸成本已產生及準備有關資產作其擬定用途或出售之活動已經進行時，撥充借貸成本為該合資格資產之成本之一部份。當準備有關合資格資產作其擬定用途或出售所需之大部份活動完成時，終止資本化借貸成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.19 Financial guarantee issued (Continued)

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

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 3.18 if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

3.20 Borrowing costs

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

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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3. 主要會計政策摘要 (續)

3.21 股息

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

3.22 權益工具

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

3.23 關連人士

就本財務報表而言，在下列情況下，有關方被視為與本集團有關連之人士：

- (i) 有關方有能力直接或間接地透過一名或多名中介人控制本集團或對本集團之財務及經營決定有重大影響力，或擁有本集團之共同控制權；
- (ii) 本集團與有關方受共同控制；
- (iii) 有關方為本集團之聯營公司或本集團參與投資之合營公司；

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Dividends

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

3.22 Equity instruments

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

3.23 Related parties

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

- (i) the party has the ability, directly or indirectly through one or more intermediate, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a jointly venture in which the Group is a venturer;

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3. 主要會計政策摘要 (續)

3.23 關連人士 (續)

- (iv) 有關方為本集團或本集團母公司之主要管理人員，或有關人士之近親，或受有關人士控制、共同控制或受重大影響之實體；
- (v) 有關方為第(i)項所述之任何人士之近親或受有關人士控制、共同控制或受重大影響之實體；或
- (vi) 有關方為就本集團或就屬於本集團關連人士之任何實體之僱員福利而設的退休福利計劃。

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

3.24 分部報告

營運分部及財務報表所呈列各分部項目之金額，乃從為向本集團各項業務及地理區域分配資源及評估表現而定期向首席營運決策者(即執行董事)提供之財務資料中識別。

個別重要的營運分部不會會計以供財務報告之用，但如有關營運分部之產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務之方法以至監管環境之本質等經濟特性均屬類似，則作別論。個別不重要的營運分部如果符合以上大部分條件，則可合計為一個報告分部。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 Related parties (Continued)

- (iv) the party is a member of the key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or any entity that is related party of the Group.

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

3.24 Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the chief operating decision-maker i.e. the Executive Directors for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

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4. 重要會計估計及判斷

本集團持續評估用作編製財務報表的估計及判斷，並以過往經驗及其他因素作為依據，包括在當時情況下對未來事件之合理預期。

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

4.1 土木工程合約

土木工程合約之保養及建造工程之收益，乃根據個別合約之完成百分比確認，而計算完成百分比時須估計各合約的合約成本及毛利率。個別合約之合約成本及毛利率乃根據本集團管理層制定之合約預算而釐定。為確保估計合約總成本為準確及最新從而得以可靠估計毛利率，管理層經常審閱迄今所產生之成本及直至完成之成本，尤其是於成本超支及客戶更改指示時，並於有需要時檢討估計合約成本。

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

4.1 Civil engineering contracts

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

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

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4. 重要會計估計及判斷 (續)

4.2 應收款項之減值

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

4.3 物業、廠房及設備之折舊

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

4.4 當期稅項及遞延稅項之估計

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Impairment of receivables

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

4.3 Depreciation of property, plant and equipment

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

4.4 Estimates of current tax and deferred tax

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

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5. 收益、其他收入及收益

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

5. REVENUE, OTHER INCOME AND GAINS

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

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
收益	Revenue		
土木工程合約之保養 及建造工程之合約收益	Contract revenue from maintenance and construction works on civil engineering contracts	675,379	630,749
供水服務收益	Revenue from water supply services	530	19,212
供水相關安裝費	Water supply related installation fee	50	10,909
		675,959	660,870
其他收入及收益	Other income and gains		
銀行利息收入	Bank interest income	96	871
已收補償(附註(a))	Compensation received (note (a))	-	1,077
超出業務合併成本之金額 (附註29)	Excess over the cost of business combination (note 29)	-	945
出售物業、廠房及設備之 收益	Gain on disposal of property, plant and equipment	-	96
出售附屬公司之收益 (附註30)	Gain on disposal of subsidiaries (note 30)	-	3,416
雜項收入	Sundry income	3	907
		99	7,312
總收入	Total income	676,058	668,182

附註:

- (a) 於上一財政年度,本集團自中華人民共和國(「中國」)政府收取1,077,000港元作為因截至二零零八年三月三十一日止財政年度發生之雪災而產生之損失補償。
- (b) 於本財政年度,本集團收益之486,959,000港元或72%(二零零九年:320,252,000港元或48%)乃依賴水務工程承包業務分部之單一客戶。

Notes:

- (a) During last financial year, the Group received an amount of HK\$1,077,000 from the government of the People's Republic of China (the "PRC") as compensation for the loss arising from the snow storm occurred in the financial year ended 31 March 2008.
- (b) During the current financial year, HK\$486,959,000 or 72% (2009: HK\$320,252,000 or 48%) of the Group's revenue depended on a single customer in the waterworks engineering contracting business segment.

財務報表附註

Notes to the Financial Statements

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6. 分部資料

本集團營運分部之呈報方式乃與向本集團執行董事提供用作進行資源分配及分部表現評估的內部報告資料之呈報方式一致。本集團已確認以下營運分部中須呈報的分部：

- (i) 「水務工程承包業務」分部 — 該分部包括向香港公營機構提供有關水務工程、道路、渠務及斜坡加固工程之土木工程合約的保養及建造工程服務；及
- (ii) 「供水業務」分部 — 該分部包括在中國內地提供供水服務及供水相關安裝服務。

收益及開支乃參考可呈報分部所產生之銷售以及該等分部所引致之開支而分配。可呈報分部溢利／虧損不包括來自本集團扣除所得稅前溢利／虧損之企業收入及開支。企業收入及開支指未分配至經營分部之公司總部收入及開支。由於各營運分部之資源需求不同，因此各營運分部乃獨立管理。

分部資產包括所有資產，惟企業資產（包括銀行結餘及現金以及並非營運分部之業務活動直接產生之其他資產）及以組別基準（如稅項資產）管理之資產除外。

分部負債包括貿易及其他應付款項、應計負債及營運分部之業務活動直接產生之其他負債，惟不包括按組別基準管理之稅項負債及銀行借貸等其他負債及企業負債。

6. SEGMENT INFORMATION

The operating segments of the Group are reported in a manner consistent with the way in which information is reported internally to the Group's Executive Directors for the purposes of resource allocation and assessment of segment performance. The Group has identified the following reportable segments for its operating segments:

- (i) Waterworks engineering contracting business segment – This segment involves the provision of maintenance and construction works on civil engineering contracts in respect of waterworks engineering, road works and drainage and slope upgrading for the public sector in Hong Kong; and
- (ii) Water supply business segment – This segment involves the provision of water supply services and water supply related installation services in Mainland China.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. Reportable segment profit/loss excludes corporate income and expenses from the Group's profit/loss before income tax. Corporate income and expenses are income and expenses incurred by corporate headquarters which are not allocated to the operating segments. Each of the operating segments is managed separately as the resources requirement of each of them is different.

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

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

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6. 分部資料 (續)

分部業績、分部資產及分部負債

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

6. SEGMENT INFORMATION (Continued)

Segment results, segment assets and segment liabilities

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

		水務工程承包業務 Waterworks engineering contracting business		供水業務 Water supply business		綜合 Consolidated	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
須呈報分部收益*	Reportable segment revenue*	675,379	630,749	580	30,121	675,959	660,870
須呈報分部(虧損)/溢利	Reportable segment (loss)/profit	(2,642)	18,772	(1,032)	5,841	(3,674)	24,613
企業收入及開支	Corporate income and expenses					(10,068)	(9,850)
融資成本	Finance costs					(1,492)	(6,566)
扣除所得稅前(虧損)/溢利	(Loss)/Profit before income tax					(15,234)	8,197
所得稅開支	Income tax expense					(2,047)	(1,806)
本年度(虧損)/溢利	(Loss)/Profit for the year					(17,281)	6,391
						合計 Total	
						2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
須呈報分部資產	Reportable segment assets	513,455	557,438	17,121	17,519	530,576	574,957
可收回稅項	Tax recoverable					1,746	527
已抵押銀行存款	Pledged bank deposits					35,320	32,297
企業資產	Corporate assets					574	4,834
資產總值	Total assets					568,216	612,615
須呈報分部負債	Reportable segment liabilities	88,226	68,081	226	24	88,452	68,105
銀行貸款及透支	Bank loans and overdraft					106,751	156,771
遞延稅項負債	Deferred tax liabilities					5,684	3,684
企業負債	Corporate liabilities					3,061	873
負債總額	Total liabilities					203,948	229,433

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6. 分部資料 (續)

分部業績、分部資產及分部負債 (續)

	其他資料 Other information	水務工程承包業務 Waterworks engineering contracting business		供水業務 Water supply business		綜合 Consolidated	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
		利息收入 Interest income	67	808	29	63	96
其他應收款項減值 Impairment of other receivable	-	-	806	-	806	-	
添置特定非流動資產 [#] Additions to specified non-current assets [#]	27,526	3,314	-	15,634	27,526	18,948	
折舊及攤銷 Depreciation and amortisation	8,553	6,776	411	3,446	8,964	10,222	
超出業務合併成本之金額 Excess over the cost of business combination	-	-	-	945	-	945	
以權益結算並以股份支付之補償 Equity-settled share-based compensation	2,289	3,127	-	-	2,289	3,127	

* 這指來自外部客戶之銷售，且截至二零一零年及二零零九年三月三十一日止年度，不同業務分部之間並無分部間銷售。

特定非流動資產之定義見下文。

地區資料

本集團之業務位於香港(所在地)及中國內地。本集團按地區呈列之收益乃根據客戶所在地釐定。本集團按地區呈列之物業、廠房及設備、預付土地租賃款項及投資預付款項(即「特定非流動資產」)乃根據資產之地理位置釐定。

6. SEGMENT INFORMATION (Continued)

Segment results, segment assets and segment liabilities (Continued)

	Other information	Waterworks engineering contracting business		Water supply business		Consolidated	
		2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
		Interest income	67	808	29	63	96
Impairment of other receivable	-	-	806	-	806	-	
Additions to specified non-current assets [#]	27,526	3,314	-	15,634	27,526	18,948	
Depreciation and amortisation	8,553	6,776	411	3,446	8,964	10,222	
Excess over the cost of business combination	-	-	-	945	-	945	
Equity-settled share-based compensation	2,289	3,127	-	-	2,289	3,127	

* This represents sales from external customers and there were no inter-segment sales between different business segments for the years ended 31 March 2010 and 2009.

Specified non-current assets are defined below.

Geographical information

The Group's operations are located in Hong Kong (place of domicile) and Mainland China. The Group's revenue by geographical location is determined based on locations of customers. The Group's property, plant and equipment, prepaid land lease payments and prepayments for investments (i.e. "specified non-current assets") by geographical locations are determined based on physical location of the assets.

		香港 Hong Kong		中國內地 Mainland China		綜合 Consolidated	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
		收益 Revenue	675,379	630,749	580	30,121	675,959
特定非流動資產 Specified non-current assets	44,902	27,079	9,330	13,306	54,232	40,385	

本公司為於開曼群島註冊成立之投資控股公司，於開曼群島並無進行業務。由於本公司於香港經營主要業務，因此就根據香港財務報告準則第8號進行之披露而言，香港被視為本集團之所在地。

The Company is an investment holding company incorporated in the Cayman Islands where the Group does not have activities. Since the major operations of the Group is conducted in Hong Kong, Hong Kong is considered as the Group's place of domicile for the disclosure purpose of HKFRS 8.

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7. 經營(虧損)/溢利

7. OPERATING (LOSS)/PROFIT

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
經營(虧損)/溢利乃經扣除/ (計入)下列各項後得出:	Operating (loss)/profit is arrived at after charging/(crediting):		
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	6	358
物業、廠房及設備之折舊	Depreciation of property, plant and equipment		
– 自有資產	– owned assets	8,414	8,123
– 租賃資產	– leased assets	544	1,741
		8,958	9,864
員工成本(包括董事酬金)	Staff costs (including directors' emoluments)		
– 薪金、津貼及實物福利	– salaries, allowances and benefits in kind	87,265	83,600
– 退休福利計劃供款 (界定供款計劃)	– retirement benefits scheme contributions (defined contribution plan)	2,945	1,652
– 以權益結算以股份支付 之補償(附註27)	– equity-settled share-based compensation (note 27)	2,030	886
		92,240	86,138
經營租賃費用	Operating lease charges		
– 土地及樓宇	– land and buildings	1,411	1,382
– 廠房及機器	– plant and machinery	5,057	12,790
		6,468	14,172
核數師酬金	Auditors' remuneration	773	924
出售物業、廠房 及設備之虧損/(收益)	Loss/(Gain) on disposal of property, plant and equipment	957	(96)
投資預付款項之減值撥備 (附註17)	Provision for impairment of prepayments for investments (note 17)	3,657	3,184
其他應收款項之減值	Impairment of other receivable	806	–
匯兌虧損淨額	Net foreign exchange loss	2	147

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

8. 融資成本

8. FINANCE COSTS

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
以下各項之利息費用：	Interest charges on:		
應於五年內悉數償還 之銀行貸款及透支	Bank loans and overdraft wholly repayable within five years	1,397	5,949
融資租賃付款之利息部份	Interest element of finance lease payments	95	178
應於五年內償還之其他借貸	Other borrowings repayable within five years	-	439
		1,492	6,566

9. 所得稅開支

9. INCOME TAX EXPENSE

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
所得稅開支包括：	Income tax expense comprises:		
本年度即期稅項	Current tax for the year		
- 香港利得稅	- Hong Kong profits tax	47	1,791
- 企業所得稅	- Enterprise income tax	-	897
		47	2,688
以往年度之超額撥備	Over provision in prior years		
- 香港利得稅	- Hong Kong profits tax	-	(1,009)
遞延稅項(附註25)	Deferred tax (note 25)		
- 稅率下降之影響	- Attributable to decrease in tax rate	-	(173)
- 其他	- Others	2,000	300
		2,000	127
所得稅開支	Income tax expense	2,047	1,806

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9. 所得稅開支 (續)

香港利得稅乃按本年度估計應課稅溢利之16.5%(二零零九年:16.5%)計算。於中國產生的企業所得稅(「企業所得稅」)乃根據中國的相關法例及規例計算。企業所得稅適用稅率為25%(二零零九年:25%)。

按適用稅率計算之本年度所得稅開支與扣除所得稅前(虧損)/溢利之對賬如下:

9. INCOME TAX EXPENSE (Continued)

Hong Kong profits tax is calculated at 16.5% (2009: 16.5%) on the estimated assessable profits for the year. Enterprise Income Tax ("EIT") arising from the PRC is calculated according to the relevant laws and regulations in the PRC. The applicable tax rate for the EIT is 25% (2009: 25%).

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

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
扣除所得稅前(虧損)/溢利	(Loss)/Profit before income tax	(15,234)	8,197
按適用於有關司法權區溢利之稅率計算之溢利名義稅	Notional tax on profit calculated at the rates applicable to profits in the jurisdiction concerned	(2,978)	894
年內稅率下降對期初遞延稅項結餘之影響	Effect on opening deferred tax balance resulting from a decrease in tax rate during the year	-	(173)
毋須課稅收入之稅務影響	Tax effect of non-taxable income	(1)	(1,545)
不可扣減開支之稅務影響	Tax effect of non-deductible expenses	3,069	3,172
尚未確認之稅項虧損之稅務影響	Tax effect on tax losses not recognised	1,980	-
以往年度之超額撥備	Over provision in prior years	-	(1,009)
其他	Others	(23)	467
所得稅開支	Income tax expense	2,047	1,806

10. 本公司權益持有人應佔(虧損)/溢利

本公司權益持有人應佔綜合虧損為17,241,000港元(二零零九年:溢利6,431,000港元),其中9,198,000港元之虧損(二零零九年:溢利9,702,000港元)已於本公司之財務報表內處理。

10. (LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the consolidated loss attributable to owners of the Company of HK\$17,241,000 (2009: profit of HK\$6,431,000), a loss of HK\$9,198,000 (2009: profit of HK\$9,702,000) has been dealt with in the financial statements of the Company.

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11. 股息

11. DIVIDEND

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
已宣派中期股息每股1.2港仙 (二零零九年：無)	Interim dividend declared of HK1.2 cents (2009: nil) per share 9,775	—

董事不建議派付截至二零一零年三月三十一日止年度之末期股息。

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2010.

於截至二零零九年三月三十一日止財政年度已派付及確認為分派的截至二零零八年三月三十一日止財政年度應佔股息為7,432,000港元。

Dividend attributable to the financial year ended 31 March 2008 but were paid and recognised as distributions during the financial year ended 31 March 2009 amounted to HK\$7,432,000.

12. 每股(虧損)/盈利

12. (LOSS)/EARNINGS PER SHARE

每股基本(虧損)/盈利乃基於本年度本公司權益持有人應佔虧損17,241,000港元(二零零九年：溢利6,431,000港元)及年內已發行普通股的加權平均數808,397,000股(二零零九年：901,701,000股)計算。

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company for the year of HK\$17,241,000 (2009: profit of HK\$6,431,000) and the weighted average number of ordinary shares in issue during the year of 808,397,000 (2009: 901,701,000).

計算本年度之每股攤薄虧損時，並無假設尚未行使之購股權獲行使於附註27披露，原因是該等購股權具反攤薄影響，即兌換該等購股權會導致每股虧損減少。

The calculation of diluted loss per share for the year does not assume the conversion of the outstanding share options as disclosed in note 27 since they are anti-dilutive i.e. the conversion of such would result in a decrease in loss per share.

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12. 每股(虧損)/盈利(續)

上一財政年度之每股攤薄盈利乃基於本公司權益持有人應佔溢利6,431,000港元及上一財政年度已發行普通股加權平均數(已就假設本公司所有尚未行使之購股權視作行使為普通股而按零代價發行之普通股加權平均數作出調整)計算，計算方法如下：

12. (LOSS)/EARNINGS PER SHARE (Continued)

The calculation of diluted earnings per share for the last financial year is based on the profit attributable to owners of the Company of HK\$6,431,000 and the weighted average number of ordinary shares in issue during the last financial year, adjusted for the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all outstanding share options of the Company into ordinary shares, which is calculated as follows:

		二零一零年 2010	二零零九年 2009
用於計算每股基本盈利 之本年度已發行普通股 加權平均數	Weighted average number of ordinary shares in issue during the year used in the calculation of basic earnings per share	不適用 N/A	901,701,000
尚未行使之購股權所涉潛 在攤薄普通股之影響	Effect of dilutive potential ordinary shares in respect of the outstanding share options	不適用 N/A	3,029,000
用於計算每股攤薄盈利 之普通股加權平均數	Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	不適用 N/A	904,730,000

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13. 董事及高級管理人員酬金

13. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS

(a) 董事酬金

(a) Directors' emoluments

		袍金 Fees HK\$'000 千港元	薪金、津貼 及實物福利 Salaries, allowances and benefits in kind HK\$'000 千港元	退休福利 計劃供款 Retirement benefits scheme contributions HK\$'000 千港元	以權益結算 並以股份支付 之補償 Equity-settled share-based compensation HK\$'000 千港元	總額 Total HK\$'000 千港元
二零一零年	2010					
執行董事	Executive Directors					
原秋明先生	Mr. Yuen Chow Ming	-	1,154	-	144	1,298
原偉強先生	Mr. Yuen Wai Keung	-	1,634	12	145	1,791
蘇耀祥先生	Mr. So Yiu Cheung	-	1,154	12	144	1,310
張志文先生	Mr. Cheung Chi Man, Dennis	-	1,080	12	-	1,092
何顯鴻先生 (附註(i))	Mr. Ho Hin Hung, Henry (note (i))	-	82	-	-	82
獨立非執行董事	Independent Non- Executive Directors					
梁以德教授	Professor Leung Yee Tak	120	-	-	86	206
廖長天先生	Mr. Liao Cheung Tin, Stephen	120	-	-	86	206
王立石先生	Mr. Wong Lap Shek, Eddie	90	-	-	86	176
孫伯全先生 (附註(vi))	Mr. Sun Bo Quan (note (vi))	-	-	-	-	-
		330	5,104	36	691	6,161

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

13. 董事及高級管理人員酬金 (續)**13. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS (Continued)****(a) 董事酬金 (續)****(a) Directors' emoluments (Continued)**

		薪金、津貼 及實物福利 Salaries, allowances and benefits	退休福利 計劃供款 Retirement benefits scheme contributions	以權益結算 並以股份支付 之補償 Equity-settled share-based compensation	總額 Total	
	袍金 Fees	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
二零零九年	2009					
執行董事	Executive Directors					
原秋明先生	Mr. Yuen Chow Ming	–	1,034	–	1,034	
原偉強先生	Mr. Yuen Wai Keung	–	1,034	12	1,046	
蘇耀祥先生	Mr. So Yiu Cheung	–	1,034	12	1,046	
張志文先生 (附註(ii))	Mr. Cheung Chi Man, Dennis (note (ii))	–	525	6	366	897
獨立非執行董事	Independent Non- Executive Directors					
梁以德教授	Professor Leung Yee Tak	120	–	–	120	
廖長天先生 (附註(iii))	Mr. Liao Cheung Tin, Stephen (note (iii))	13	–	–	13	
王立石先生 (附註(iv))	Mr. Wong Lap Shek, Eddie (note (iv))	33	–	–	33	
張志文先生 (附註(ii))	Mr. Cheung Chi Man, Dennis (note (ii))	48	–	–	48	
鍾麗嫻女士 (附註(v))	Ms. Chung Lai Kwok, Elaine (note (v))	90	–	–	90	
孫伯全先生 (附註(vi))	Mr. Sun Bo Quan (note (vi))	100	–	–	100	
鄭家銘先生 (附註(vii))	Mr. Cheng Ka Ming, Martin (note (vii))	47	–	–	47	
		451	3,627	30	366	4,474

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

13. 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

附註：

- (i) 於二零一零年三月十五日獲委任
- (ii) 於二零零八年十月十五日由獨立非執行董事調任為執行董事
- (iii) 於二零零九年二月二十日獲委任
- (iv) 於二零零八年十月十五日獲委任
- (v) 於二零零九年一月一日辭任
- (vi) 於二零零九年四月一日辭任
- (vii) 於二零零八年十月一日獲委任及於二零零九年二月二十日辭任

概無董事放棄或同意放棄截至二零一零年及二零零九年三月三十一日止年度之任何酬金。

13. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

Notes:

- (i) appointed on 15 March 2010
- (ii) re-designated from an Independent Non-executive Director to be an Executive Director on 15 October 2008
- (iii) appointed on 20 February 2009
- (iv) appointed on 15 October 2008
- (v) resigned on 1 January 2009
- (vi) resigned on 1 April 2009
- (vii) appointed on 1 October 2008 and resigned on 20 February 2009

No director waived or agreed to waive any emoluments in respect of the years ended 31 March 2010 and 2009.

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Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

13. 董事及高級管理人員酬金 (續)

(b) 五名最高薪人士

本集團五名最高薪人士包括四名(二零零九年：四名)董事，其酬金已於上文披露。已付予餘下一名(二零零九年：一名)最高薪非董事人士之酬金如下：

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
薪金、津貼及實物福利	Salaries, allowances and benefits in kind	1,203	780
退休福利計劃供款	Retirement benefits scheme contributions	12	12
以權益結算並以股份支付之補償	Equity-settled share-based compensation	86	30
		1,301	822

上述一名(二零零九年：一名)最高薪非董事人士之酬金總額介乎下列範圍：

		人數 Number of individuals	
		二零一零年 2010	二零零九年 2009
1至1,000,000港元	HK\$1 - HK\$1,000,000	-	1
1,000,001至1,500,000港元	HK\$1,000,001 - HK\$1,500,000	1	-
		1	1

於截至二零一零年及二零零九年三月三十一日止年度內，本集團並無向董事或任何五名最高薪人士支付任何酬金，作為招攬彼等加入本集團或彼等加入本集團後之獎勵或作為離職補償。

13. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS (Continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group included four (2009: four) Directors whose emoluments have been disclosed above. The emoluments paid to the remaining one (2009: one) highest paid, non-director individual is as follows:

The aggregate emoluments of the above one (2009: one) highest paid, non-director individual fell within the following bands:

During the years ended 31 March 2010 and 2009, no emoluments were paid by the Group to the Directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

14. 物業、廠房及設備

14. PROPERTY, PLANT AND EQUIPMENT

本集團	The Group	樓宇	傢俬、 裝置及設備	租賃 物業裝修	汽車	機器及工具	水管網	在建工程	合計
		Buildings	Furniture, fixtures and equipment	Leasehold improve- ments	Motor vehicles	Machinery and tools	Water pipelines	Construction in progress	
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零八年四月一日	At 1 April 2008								
成本	Cost	46,726	15,195	4,856	24,283	19,304	20,313	1,328	132,005
累計折舊	Accumulated depreciation	(385)	(2,314)	(1,847)	(9,051)	(11,002)	(280)	-	(24,879)
賬面淨額	Net book amount	46,341	12,881	3,009	15,232	8,302	20,033	1,328	107,126
賬面淨額	Net book amount								
於二零零八年四月一日	At 1 April 2008	46,341	12,881	3,009	15,232	8,302	20,033	1,328	107,126
匯兌調整	Translation adjustment	954	166	-	4	-	361	68	1,553
添置	Additions	-	1,672	331	2,147	316	22	4,554	9,042
透過業務合併添置(附註29)	Additions through business combination (note 29)	1,371	597	-	-	-	6,822	968	9,758
轉撥	Transfer	-	-	-	-	-	961	(961)	-
出售附屬公司(附註30)	Disposal of subsidiaries (note 30)	(46,159)	(8,393)	-	(141)	-	(19,594)	(5,957)	(80,244)
出售	Disposals	-	(105)	(368)	(271)	(42)	-	-	(786)
折舊	Depreciation	(1,192)	(1,647)	(773)	(2,931)	(2,234)	(1,087)	-	(9,864)
於二零零九年三月三十一日	At 31 March 2009	1,315	5,171	2,199	14,040	6,342	7,518	-	36,585
於二零零九年三月三十一日	At 31 March 2009								
成本	Cost	1,360	8,139	4,369	25,486	19,569	7,754	-	66,677
累計折舊	Accumulated depreciation	(45)	(2,968)	(2,170)	(11,446)	(13,227)	(236)	-	(30,092)
賬面淨額	Net book amount	1,315	5,171	2,199	14,040	6,342	7,518	-	36,585
賬面淨額	Net book amount								
於二零零九年四月一日	At 1 April 2009	1,315	5,171	2,199	14,040	6,342	7,518	-	36,585
匯兌調整	Translation adjustment	4	2	-	-	-	22	-	28
添置	Additions	-	1,777	1,106	20,470	4,173	-	-	27,526
出售	Disposals	-	(417)	-	(655)	(15)	-	-	(1,087)
折舊	Depreciation	(51)	(1,010)	(759)	(4,534)	(2,271)	(333)	-	(8,958)
於二零一零年三月三十一日	At 31 March 2010	1,268	5,523	2,546	29,321	8,229	7,207	-	54,094
於二零一零年三月三十一日	At 31 March 2010								
成本	Cost	1,576	9,107	5,475	44,214	23,688	7,779	-	91,839
累計折舊	Accumulated depreciation	(308)	(3,584)	(2,929)	(14,893)	(15,459)	(572)	-	(37,745)
賬面淨額	Net book amount	1,268	5,523	2,546	29,321	8,229	7,207	-	54,094

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

14. 物業、廠房及設備 (續)

於本年度，由融資租賃410,000港元(二零零九年：168,000港元)提供資金的汽車添置為428,000港元(二零零九年：168,000港元)。

於二零一零年三月三十一日，以融資租賃方式持有之資產的賬面淨額已計入汽車及機器及工具賬面淨額，為1,565,000港元(二零零九年：7,329,000港元)。

物業的賬面淨額分析如下：

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

During the year, additions to motor vehicles amounting to HK\$428,000 (2009: HK\$168,000) were financed by finance leases amounting to HK\$410,000 (2009: HK\$168,000).

As at 31 March 2010, the net book amount of assets held under finance leases included in the net book amount of motor vehicles and machinery and tools amounted to HK\$1,565,000 (2009: HK\$7,329,000).

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

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
在中國內地以中期租賃持有	In Mainland China, held under medium-term leases	1,408	1,460
下列各項所佔部份：	Representing:		
樓宇	Building	1,268	1,315
預付土地租賃款項 (附註15)	Prepaid land lease payments (note 15)	140	145
		1,408	1,460

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

15. 預付土地租賃款項

15. PREPAID LAND LEASE PAYMENTS

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於二零零九／二零零八年 四月一日的賬面淨值	Net carrying amount at 1 April 2009/2008	145	22,541
匯兌調整	Translation adjustment	1	470
透過業務合併添置 (附註29)	Addition through business combination (note 29)	-	148
出售附屬公司 (附註30)	Disposal of subsidiaries (note 30)	-	(22,656)
扣除攤銷	Amortisation charged	(6)	(358)
於二零一零／二零零九年 三月三十一日的賬面淨值	Net carrying amount at 31 March 2010/2009	140	145
分析如下：	Analysed into:		
計入非流動資產的非流動部份	Non-current portion included in non-current assets	138	143
計入流動資產的流動部份 (附註20)	Current portion included in current assets (note 20)	2	2
		140	145

16. 附屬公司

16. SUBSIDIARIES

		本公司 The Company	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於附屬公司之投資 非上市股份，按成本	Investments in subsidiaries Unlisted shares, at cost	139,228	136,162
應收附屬公司款項	Amounts due from subsidiaries	196,364	213,680
應付附屬公司款項	Amounts due to subsidiaries	6,758	6,661

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

16. 附屬公司 (續)

應收／應付附屬公司款項乃無抵押、免息及須於通知時償還。

於二零一零年三月三十一日之附屬公司詳情如下：

16. SUBSIDIARIES (Continued)

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

Particulars of the subsidiaries as at 31 March 2010 are as follows:

名稱 Name	註冊成立／註冊之地點 Place of incorporation/ registration	已發行及 繳足股本 Issued and paid up capital	所持應佔股權 Attributable equity interests held	主要業務及經營地點 Principal activities and place of operation
直接持有權益 Interests held directly				
裕途控股有限公司 Rich Path Holdings Limited	英屬處女群島 British Virgin Islands	1美元(普通股) US\$1 (ordinary share)	100%	在香港從事投資控股 Investment holding in Hong Kong
間接持有權益 Interests held indirectly				
明興水務渠務工程有限公司 Ming Hing Waterworks Engineering Company Limited	香港 Hong Kong	68,800,000港元(普通股) HK\$68,800,000 (ordinary shares)	100%	在香港從事土木工程承包業務 Civil engineering contracting business in Hong Kong
明興土木工程有限公司 Ming Hing Civil Contractors Limited	香港 Hong Kong	5,015,000港元(普通股) HK\$5,015,000 (ordinary shares)	100%	在香港從事土木工程承包業務 Civil engineering contracting business in Hong Kong

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

16. 附屬公司 (續)

16. SUBSIDIARIES (Continued)

名稱 Name	註冊成立/註冊之地點 Place of incorporation/ registration	已發行及 繳足股本 Issued and paid up capital	所持應佔股權 Attributable equity interests held	主要業務及經營地點 Principal activities and place of operation
間接持有權益 (續) Interests held indirectly <i>(Continued)</i>				
明力科研有限公司 Dominic Science & Technology Limited	香港 Hong Kong	2,100港元(普通股) HK\$2,100 (ordinary shares)	100%	為香港土木工程承包業務 提供技術支援服務 Provision of technical support services on civil engineering contracting business in Hong Kong
DST Engineering Supplies Limited	香港 Hong Kong	100港元(普通股) HK\$100 (ordinary shares)	100%	在香港從事土木工程 物料買賣 Trading of civil engineering materials in Hong Kong
中明管道修復有限公司 DST Pipe Rehab Limited	香港 Hong Kong	100港元(普通股) HK\$100 (ordinary shares)	100%	暫無營業 Inactive
明興永富聯營 Ming Hing – INFO JV	香港 Hong Kong	不適用 N/A	95%	在香港從事土木工程承包業務 Civil engineering contracting business in Hong Kong

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

16. 附屬公司 (續)

16. SUBSIDIARIES (Continued)

名稱 Name	註冊成立／註冊之地點 Place of incorporation/ registration	已發行及 繳足股本 Issued and paid up capital	所持應佔股權 Attributable equity interests held	主要業務及經營地點 Principal activities and place of operation
間接持有權益 (續) Interests held indirectly <i>(Continued)</i>				
明興水務(清遠)有限公司 Ming Hing Waterworks (Qingyuan) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100%	在香港從事投資控股 Investment holding in Hong Kong
明興中國水務處理工程有限公司 Ming Hing Water Treatment Engineering (PRC) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100%	在香港從事投資控股 Investment holding in Hong Kong
明興水務(雷州)有限公司 Ming Hing Waterworks (Leizhou) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100%	暫無營業 Inactive
明興水務(南寧)有限公司 Ming Hing Waterworks (Nanning) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100%	暫無營業 Inactive
明興水務(桂平)有限公司 Ming Hing Waterworks (Guiping) Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100%	暫無營業 Inactive
Brave Lion Investments Limited	英屬處女群島 British Virgin Islands	100美元(普通股) US\$100 (ordinary shares)	100%	在香港從事投資控股 Investment holding in Hong Kong

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

16. 附屬公司 (續)

16. SUBSIDIARIES (Continued)

名稱 Name	註冊成立/註冊之地點 Place of incorporation/ registration	已發行及 繳足股本 Issued and paid up capital	所持應佔股權 Attributable equity interests held	主要業務及經營地點 Principal activities and place of operation
間接持有權益 (續) Interests held indirectly <i>(Continued)</i>				
清遠市新興自來水淨化 有限公司(附註(a)) <i>(note (a))</i>	中國 PRC	1,367,670美元 US\$1,367,670	100%	在中國內地從事投資控股 Investment holding in Mainland China
清新縣飛來峽發興自來水 有限公司	中國 PRC	人民幣9,600,000元 RMB9,600,000	附註(b) <i>note (b)</i>	供水業務 Water supply business
廣州市發興環保設備貿易 有限公司 (附註(a)) <i>(note (a))</i>	中國 PRC	人民幣1,000,000元 RMB1,000,000	100%	在中國內地從事環境保護、水務 處理和建造設備及配件買賣 Trading of equipments of environmental protection, water treatment and construction and accessories in Mainland China
明興自來水(南寧)有限公司 (附註(a)) <i>(note (a))</i>	中國 PRC	1,282,343美元 US\$1,282,343	100%	正在註銷登記 In the process of de-registration

附註：

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

Notes:

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

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

17. 投資預付款項

17. PREPAYMENTS FOR INVESTMENTS

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
就可能投資支付之按金	Deposits paid for potential investments	6,841	6,841
減：減值撥備	Less: Provision for impairment	(6,841)	(3,184)
		-	3,657

截至二零一零年三月三十一日的結餘包括下列各項：

The balance as at 31 March 2010 comprised the followings:

- (a) 本集團於截至二零零八年三月三十一日止財政年度就可能成立一間合營公司支付人民幣2,000,000元(相等於約2,157,000港元)的按金。該合營公司將主要在中國廣東省雷州市提供供水服務。鑒於可能投資及收回上述按金之不確定性不斷增加，董事已於本財政年度就按金作出全數撥備。
- (a) The amount of RMB2,000,000 (equivalent to approximately HK\$2,157,000) represents the deposit paid by the Group during the financial year ended 31 March 2008 for the potential formation of an equity joint venture which will be principally engaged in provision of water supply services in Leizhou City, Guangdong Province, the PRC. In light of the increasing uncertainty as to the potential investment and the recoverability of the aforesaid deposit, the Directors have made full provision for the deposit in the current financial year.
- (b) 本集團於截至二零零八年三月三十一日止財政年度就可能投資於一間中國企業支付人民幣3,000,000元(相等於約3,184,000港元)的按金。該企業將主要在中國廣西省提供供水服務。鑒於完成有關收購及收回上述按金之不確定性不斷增加，董事已於上一財政年度就按金作出全數撥備。
- (b) The amount of RMB3,000,000 (equivalent to approximately HK\$3,184,000) represents the deposit paid by the Group during the financial year ended 31 March 2008 in relation to the potential investment in a PRC entity which will be principally engaged in the provision of water supply services in Guangxi Province, the PRC. In light of the increasing uncertainty as to the completion of the acquisition and the recoverability of the aforesaid deposit, the Directors have made full provision for the deposit in last financial year.

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

17. 投資預付款項 (續)

- (c) 本集團於截至二零零八年三月三十一日止財政年度就可能收購若干中國企業之股本權益支付1,500,000港元的按金。該等企業主要在中國廣東省清遠市提供供水服務。鑒於完成有關收購及收回上述按金之不確定性不斷增加，董事已於本財政年度就按金作出全數撥備。

17. PREPAYMENTS FOR INVESTMENTS

(Continued)

- (c) The amount of HK\$1,500,000 represents deposit paid by the Group during the financial year ended 31 March 2008 in relation to the potential acquisition of equity interests in certain PRC entities. These entities are principally engaged in the provision of water supply services in Qingyuan City, Guangdong Province, the PRC. In light of the increasing uncertainty as to the completion of the acquisition and the recoverability of the aforesaid deposit, the Directors have made full provision for the deposit in the current financial year.

18. 存貨

18. INVENTORIES

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
物料及供應品 – 按成本	Raw materials and supplies – at cost	24,495	–

財務報表附註

Notes to the Financial Statements

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19. 土木工程合約

19. CIVIL ENGINEERING CONTRACTS

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
迄今所產生之成本 加已確認溢利	Costs incurred to date plus recognised profits	2,600,011	1,958,371
減：迄今之進度款項	Less: Progress billings to date	(2,371,300)	(1,539,214)
減：可預見虧損	Less: Foreseeable losses	-	(16,089)
		228,711	403,068
應收客戶合約工程款項	Amounts due from customers of contract works	232,271	405,609
應付客戶合約工程款項	Amounts due to customers of contract works	(3,560)	(2,541)
		228,711	403,068

若干土木工程合約之所得款項已抵押予銀行，進一步詳情載於附註24(a)。

The proceeds on certain civil engineering contracts have been pledged to banks as further detailed in note 24(a).

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

20. 貿易及其他應收款項、預付款項及按金 20. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
貿易應收款項 (附註(a))	Trade receivables (note (a))	53,228	27,068
應收保留款項 (附註(b))	Retention receivables (note (b))	28,281	18,487
預付土地租賃款項 (附註15)	Prepaid land lease payments (note 15)	2	2
預付款項及按金	Prepayments and deposits	14,224	6,319
其他應收款項 (附註(c))	Other receivables (note (c))	35,104	18,164
		130,839	70,040
減：列入非流動資產項下之 應收保留款項	Less: Retention receivables included under non-current assets	(6,680)	(16,285)
		124,159	53,755

附註：

(a) 於各呈報期末基於發票日期的貿易應收款項之賬齡分析如下：

Notes:

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

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
三個月內	Within 3 months	53,225	27,065
四至六個月	4 to 6 months	-	2
七至九個月	7 to 9 months	1	1
十至十二個月	10 to 12 months	-	-
一年以上	Over 1 year	2	-
		53,228	27,068

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

20. 貿易及其他應收款項、預付款項及按金 (續)

附註：(續)

(a) (續)

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

於各呈報期末概無個別或共同被視為有所減值的貿易應收款項之賬齡分析如下：

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

Notes: (Continued)

(a) (Continued)

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

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

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
概無逾期或減值	Neither past due nor impaired	53,225	27,065
逾期但並無視為減值	Past due but not considered impaired		
三個月內	Within 3 months	-	1
四至六個月	4 to 6 months	-	1
七至九個月	7 to 9 months	1	1
十至十二個月	10 to 12 months	-	-
一年以上	Over 1 year	2	-
		53,228	27,068

於各呈報期末的貿易應收款項主要來自提供土木工程合約的保養及建造工程服務。相關客戶主要為政府部門／機構及著名企業。該等客戶與本集團交易的往績良好，並無拖欠付款紀錄。因此，管理層認為毋須就截至二零一零年三月三十一日的貿易應收款項作出減值撥備。本集團並無就該等結餘持有抵押品。

Trade receivables as at the end of each reporting period mainly derived from provision of maintenance and construction works on civil engineering contracts. The related customers are mainly government departments/organisation and reputable corporations. These customers have established good track record with the Group and have no history of default payments. On this basis, management believes that no impairment allowance is necessary in respect of the trade receivables as at 31 March 2010. The Group does not hold any collateral over these balances.

財務報表附註

Notes to the Financial Statements

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20. 貿易及其他應收款項、預付款項及按金 (續)

附註：(續)

(b) 合約工程客戶預扣之保留金於相關合約之保養期結束後支付或根據相關合約規定之條款支付。於呈報日期，586,000港元之保留金逾期少於三個月(二零零九年：265,000港元已逾期四至六個月及96,000港元已逾期一年以上)。保留金主要為應收政府部門／機構及著名企業款項。該等客戶與本集團交易的往績良好，並無拖欠付款紀錄。因此，管理層認為毋須就截至二零一零年三月三十一日的應收保留款項作出減值撥備。本集團並無就該等結餘持有抵押品。

(c) 於二零一零年三月三十一日的其他應收款項主要是支付予主要分包商的預付款。本集團與該等分包商已建立長期業務關係，而彼等持續向本集團提供分包服務，並無拖欠紀錄。因此，毋須就該等結餘作出減值撥備。

於本財政年度，本集團已為一項應收第三方餘款作出全數撥備，該第三方於潛在收購中向本集團提供如附註17(c)所述之協助。該第三方已延期付款，經考慮其財政狀況後，董事已為餘款作出全數撥備。

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

於二零一零年三月三十一日應收保留款項之公允值估計為27,650,000港元(二零零九年：17,716,000港元)。公允值乃根據按可資比較金融工具之市場利率折現後之現金流釐定。

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

Notes: (Continued)

(b) Retention monies withheld by customers of contract works are released after the completion of maintenance period of the relevant contract or in accordance with the terms specified in the relevant contract. As at the reporting date, retention monies amounting to HK\$586,000 was past due for less than 3 months (2009: HK\$265,000 was past due for 4 to 6 months and HK\$96,000 was past due for over one year). Retention monies are mainly due from government departments/organisation and reputable corporations. These customers have established good track record with the Group and have no history of default payments. On this basis, management believes that no impairment allowance is necessary in respect of the retention receivables as at 31 March 2010. The Group does not hold any collateral over these balances.

(c) Other receivables as at 31 March 2010 mainly comprise the advance payments to the principal sub-contractors. The Group has established long business relationship with these sub-contractors which provide on-going sub-contracting services to the Group and have no history of default payments. Accordingly, impairment allowance is not necessary in respect of these balances.

During the current financial year, the Group made full provision for a balance due from a third party who assisted the Group in the potential acquisitions as mentioned in note 17(c). Payment from the third party has been delayed and having considered the financial position of the third party, the Directors have made full provision for the balance.

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

The fair value of the retention receivables as at 31 March 2010 was estimated to be HK\$27,650,000 (2009: HK\$17,716,000). The fair value is determined based on cash flow discounted at market interest rates of comparable financial instruments.

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

21. 已抵押銀行存款

21. PLEDGED BANK DEPOSITS

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
用作若干銀行貸款(附註24)及一份履約保證抵押之銀行存款(附註33)	Bank deposits pledged against certain bank loans (note 24) and performance bonds (note 33)	35,320	32,297
減：計入非流動資產項下之已抵押銀行存款	Less: Pledged bank deposit included under non-current assets	-	(5,000)
計入流動資產項下之已抵押銀行存款	Pledged bank deposits included under current assets	35,320	27,297

已抵押銀行存款均以港元為單位，並按固定年利率0.01厘至0.1厘(二零零九年：0.05厘至2.49厘)賺取利息，平均為一個月(二零零九年：一個月)到期。董事認為，由於該等銀行存款為短期存款，因此彼等之賬面值與公允值相若。

Pledged bank deposits are all denominated in HK\$, earn interest at fixed rate ranged from 0.01% to 0.1% (2009: 0.05% to 2.49%) per annum and have maturity period of one month (2009: one month) on average. The Directors consider that the carrying amounts of these bank deposits approximate their fair values because of their short maturity period on inception.

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

22. 銀行結存及現金

22. CASH AT BANKS AND IN HAND

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
銀行結存及現金	Cash at banks and in hand	83,407	60,757
短期銀行存款	Short-term bank deposits	5,906	3,000
		89,313	63,757

		本公司 The Company	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
銀行結存及現金	Cash at banks and in hand	1,443	568

於二零一零年三月三十一日，以人民幣（「人民幣」）列值的本集團現金結餘為7,278,000港元（二零零九年：3,521,000港元）。人民幣不可自由兌換為其他貨幣。銀行結存按每日銀行存款利率計算之浮動利率賺取利息。

As at 31 March 2010, cash balance of the Group denominated in Renminbi ("RMB") amounted to HK\$7,278,000 (2009: HK\$3,521,000). RMB is not freely convertible into other currencies. Cash at banks earns interest at floating rates based on daily bank deposit rates.

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

23. 貿易及其他應付款項

貿易及其他應付款項(包括於發票日期之貿易應付款項)之賬齡分析如下：

23. TRADE AND OTHER PAYABLES

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

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
貿易應付款項賬齡	Trade payables aged		
三個月內	Within 3 months	58,680	41,243
四至六個月	4 to 6 months	10,977	7,128
七至九個月	7 to 9 months	1,264	508
十至十二個月	10 to 12 months	74	1,418
一年以上	Over 1 year	2,041	897
		73,036	51,194
應付保留款項(附註(a))	Retention payables (note (a))	1,679	1,805
其他應付款項及應計費用	Other payables and accruals	12,260	10,874
		86,975	63,873

附註：

Notes:

- (a) 本集團預扣之保留金於相關合約之保養期結束後支付。於呈報日期，保留金1,679,000港元(二零零九年：1,805,000港元)之賬齡超過一年，其中12,000港元(二零零九年：無)已於三個月內逾期。
- (b) 供應商及分包商給予之信貸期通常為30至60日。
- (c) 由於貿易及其他應付款項乃屬短期，因此董事認為，貿易及其他應付款項之賬面值與彼等之公允值相若。

- (a) Retention monies withheld by the Group are released after the completion of maintenance period of the relevant contract. As at the reporting date, retention monies of HK\$1,679,000 (2009: HK\$1,805,000) were aged over one year, of which HK\$12,000 (2009: nil) was past due for less than 3 months.
- (b) Credit period granted by suppliers and sub-contractors is normally 30 to 60 days.
- (c) Trade and other payables are short term and hence the Directors consider that the carrying amount of trade and other payables approximate their fair values.

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

24. 借貸

24. BORROWINGS

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
流動	Current		
銀行貸款，有抵押 (附註(a))	Bank loans, secured (note (a))	104,990	141,771
銀行透支，有抵押 (附註(a))	Bank overdraft, secured (note (a))	1,761	-
融資租賃負債 (附註(b))	Finance lease liabilities (note (b))	606	2,363
		107,357	144,134
非流動	Non-current		
銀行貸款，有抵押 (附註(a))	Bank loans, secured (note (a))	-	15,000
融資租賃負債 (附註(b))	Finance lease liabilities (note (b))	372	201
		372	15,201
借貸總額	Total borrowings	107,729	159,335
分析如下：	Analysed into:		
於以下年期償還之銀行貸款及透支	Bank loans and overdraft repayable		
於一年內	Within one year	106,751	141,771
於第二年	In the second year	-	15,000
		106,751	156,771
其他應償還之借貸	Other borrowings repayable		
於一年內	Within one year	606	2,363
於第二年	In the second year	372	201
		978	2,564
		107,729	159,335

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

24. 借貸 (續)

附註：

- (a) 銀行貸款及透支106,751,000港元(二零零九年：156,771,000港元)由本公司發出的企業擔保作抵押(附註33)，其中106,751,000港元(二零零九年：123,771,000港元)進一步以銀行存款35,320,000港元(二零零九年：32,297,000港元)(附註21)之押記作抵押。此外，銀行貸款77,478,000港元(二零零九年：81,421,000港元)由若干土木工程合約之收入作抵押。
- (b) 本集團租賃若干汽車及機器，而該等租賃歸類為融資租賃，剩餘租賃期由六至二十五個月不等(二零零九年：五至二十四個月)。於二零一零年三月三十一日，融資租賃項下之未來最低租金總額及其現值如下：

24. BORROWINGS (Continued)

Notes:

- (a) Bank loans and overdraft amounting to HK\$106,751,000 (2009: HK\$156,771,000) are secured by the corporate guarantees issued by the Company (note 33) and of which HK\$106,751,000 (2009: HK\$123,771,000) are further secured by charges over bank deposits amounting to HK\$35,320,000 (2009: HK\$32,297,000) (note 21). In addition, bank loans amounting to HK\$77,478,000 (2009: HK\$81,421,000) is secured by the proceeds on certain civil engineering contracts.
- (b) The Group leases certain of its motor vehicles and machinery and these leases are classified as finance leases having remaining lease terms ranging from six to twenty-five months (2009: five months to twenty-four months). As at 31 March 2010, the total future minimum lease payments under finance leases and their present values were as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
最低租金總額	Total minimum lease payments		
於一年內到期	Due within one year	652	2,399
於第二年期到	Due in the second year	371	207
於第三至第五年期到 (包括首尾兩年)	Due in the third to fifth years, inclusive	13	-
		1,036	2,606
減：融資租賃之 未來財務費用	Less: future finance charges on finance leases	(58)	(42)
融資租賃負債之現值	Present value of finance lease liabilities	978	2,564
融資租賃負債之現值	Present value of finance lease liabilities		
於一年內到期	Due within one year	606	2,363
於第二年期到	Due in the second year	359	201
於第三至第五年期到 (包括首尾兩年)	Due in the third to fifth years, inclusive	13	-
		978	2,564
減：列入流動負債而於 一年內到期之流動部份	Less: Current portion due within one year included under current liabilities	(606)	(2,363)
列入非流動負債之 非流動部份	Non-current portion included under non-current liabilities	372	201

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

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

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

24. 借貸 (續)

附註：(續)

(c) 有關借貸之其他資料：

	原有貨幣 Original currency	於年終的實際年利率 Effective interest rate per annum at year end			
		二零一零年 2010		二零零九年 2009	
		浮動利率 Floating rate	固定利率 Fixed rate	浮動利率 Floating rate	固定利率 Fixed rate
銀行貸款及透支 Bank loans and overdraft	港元 HK\$	1.60% – 2.33%	-	1.40% – 3.20%	-
融資租賃負債 Finance lease liabilities	港元 HK\$	-	2.80% – 4.00%	2.02% – 2.09%	3.25% – 4.00%

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

(d) 於二零一零年三月三十一日，本集團之可動用銀行融資額為237,035,000港元(二零零九年：268,431,000港元)，其中130,284,000港元(二零零九年：111,666,000港元)並無動用。

24. BORROWINGS (Continued)

Notes: (Continued)

(c) Other information about the borrowings:

	Original currency	Effective interest rate per annum at year end			
		2010		2009	
		Floating rate	Fixed rate	Floating rate	Fixed rate
Bank loans and overdraft	HK\$	1.60% – 2.33%	-	1.40% – 3.20%	-
Finance lease liabilities	HK\$	-	2.80% – 4.00%	2.02% – 2.09%	3.25% – 4.00%

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

(d) As at 31 March 2010, the Group had available bank facilities of HK\$237,035,000 (2009: HK\$268,431,000), out of which HK\$130,284,000 (2009: HK\$111,666,000) was not utilised.

25. 遞延稅項

遞延稅項負債變動如下：

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於二零零九年／二零零八年 四月一日	At 1 April 2009/2008	3,684	3,043
因業務合併產生(附註29)	Arising from business combination (note 29)	-	514
於收益表內扣除 (附註9)	Charged to profit or loss (note 9)	2,000	127
於二零一零年／二零零九年 三月三十一日	At 31 March 2010/2009	5,684	3,684

遞延稅項負債主要指因稅務折舊撥備超逾會計折舊而產生之應課稅暫時差額之稅務影響。

The movement of the deferred tax liabilities is as follows:

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

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

25. 遞延稅項 (續)

由於在可見將來，相關集團實體可能不會有未來應課稅溢利可用作抵銷虧損，因此本集團並未就稅項虧損約11,738,000港元(二零零九年：無)確認遞延稅項資產。根據現行稅法，該等稅項虧損不會到期。

26. 股本

25. DEFERRED TAX (Continued)

The Group has not recognised deferred tax assets in respect of tax losses of approximately HK\$11,738,000 (2009: nil) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant group entities in foreseeable future. These tax losses do not expire under current tax legislation.

26. SHARE CAPITAL

		面值 Par value 港元 HK\$	普通股數目 Number of Ordinary shares	總額 Total 千港元 HK\$'000
法定	Authorised			
於二零零九年三月三十一日及 二零一零年三月三十一日	At 31 March 2009 and 31 March 2010	0.05	2,000,000,000	100,000
已發行及繳足	Issued and fully paid			
於二零零八年四月一日	At 1 April 2008	0.05	930,780,000	46,539
購回股份 (附註(a))	Repurchase of shares (note (a))	0.05	(129,800,000)	(6,490)
於二零零九年三月三十一日及 二零零九年四月一日	At 31 March 2009 and 1 April 2009	0.05	800,980,000	40,049
因行使購股權而發行之股份	Shares issued upon exercise of share options	0.05	24,900,000	1,245
於二零一零年三月三十一日	At 31 March 2010	0.05	825,880,000	41,294

附註：

(a) 於上一財政年度，本公司購回之本公司普通股詳情如下：

Notes:

(a) During last financial year, the Company repurchased its own ordinary shares and the details are as follows:

年/月 Month/Year	回購方法 Method of purchase	購回股份數目 Number of shares repurchased	已付每股價格 Price paid per share		已付總價* Aggregate price paid* 千港元 HK\$'000
			最高 Highest 港元 HK\$	最低 Lowest 港元 HK\$	
二零零八年四月 April 2008	聯交所 On the Stock Exchange	1,800,000	0.48	0.44	840
二零零八年十二月 December 2008	場外 (附註(i)) Off-market (note (i))	128,000,000	0.42	0.42	53,868
		129,800,000			54,708

* 包括直接開支

* Including direct expenses

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26. 股本 (續)

附註：(續)

(a) (續)

- (i) 於二零零八年九月十八日，本公司與中國水務集團有限公司(「中國水務」)透過訂立一份協議於場外購回股份，按購回價每股0.42港元向中國水務購回128,000,000股本公司普通股(「128,000,000股股份購回」)，由此產生總代價53,760,000港元。中國水務之全資附屬公司於二零零七年六月認購該等股份。

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

- (ii) 由於股份購回，相等於6,490,000港元購回股份面值之金額由保留溢利轉撥入資本贖回儲備。

- (b) 本公司之股本僅包括於二零一零年三月三十一日面值41,294,000港元(二零零九年：40,049,000港元)之繳足普通股。所有繳足普通股在收取股息及資本還款方面享有同等資格，並於本公司股東大會上代表一票。

26. SHARE CAPITAL (Continued)

Notes: (Continued)

(a) (Continued)

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

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

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

- (b) The share capital of the Company only comprises of fully paid ordinary shares with a par value of HK\$41,294,000 as at 31 March 2010 (2009: HK\$40,049,000). All fully paid ordinary shares are equally eligible to receive dividends and to the repayment of capital and represent one vote to shareholders' meetings of the Company.

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

27. 以股份支付之補償

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

該計劃之主要條款概述如下：

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

27. SHARE-BASED COMPENSATION

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

The principal terms of the Scheme are summarised as follows:

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

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27. 以股份支付之補償 (續)

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

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

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

27. SHARE-BASED COMPENSATION (Continued)

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

Notwithstanding any other provisions of the Scheme, the maximum number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time. Unless approved by the shareholders, the maximum number of shares issued and to be issued upon exercise of the options granted to any eligible participants (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue from time to time.

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

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27. 以股份支付之補償 (續)

已授出購股權之條款及條件

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

27. SHARE-BASED COMPENSATION (Continued)

Terms and conditions of the share options granted

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

購股權授出日期	Options grant date	已授出 購股權數目 Number of options granted	行使期 Exercisable period	行使價 Exercise price 港元 HK\$	緊接授出日期前 之本公司股價 Company's share price immediately before grant 港元 HK\$	於授出日期之 本公司股價 Company's share price on grant 港元 HK\$
二零零七年三月二十六日 (附註(a))	26 March 2007 (note (a))	38,400,000	附註(b) note (b)	0.445	0.415	0.445
二零零七年四月四日 (附註(a))	4 April 2007 (note (a))	22,300,000	附註(b) note (b)	0.600	0.585	0.600
二零零七年四月十七日 (附註(a))	17 April 2007 (note (a))	2,400,000	附註(b) note (b)	0.975	0.920	0.975
二零零七年五月十七日 (附註(a))	17 May 2007 (note (a))	900,000	附註(b) note (b)	1.420	1.425	1.420
二零零七年十月五日	5 October 2007	12,550,000	附註(c) note (c)	0.812	0.780	0.780
二零零九年二月十八日	18 February 2009	64,000,000	附註(d) note (d)	0.148	0.150	0.148
二零零九年八月二十五日	25 August 2009	15,900,000	附註(e) note (e)	0.385	0.350	0.380

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

27. 以股份支付之補償 (續)

已授出購股權之條款及條件 (續)

附註：

- (a) 於二零零七年三月二十六日、二零零七年四月四日、二零零七年四月十七日及二零零七年五月十七日授出之購股權數目分別為19,200,000份、11,150,000份、1,200,000份及450,000份。由於在二零零七年六月十一日進行股份分拆，本公司每股面值0.1港元之已發行及未發行普通股，已分拆為兩股每股面值0.05港元之普通股(「股份分拆」)，已分別調整購股權數目至38,400,000份、22,300,000份、2,400,000份及900,000份。本段所披露的相關行使價及本公司股價已就股份分拆之影響作出調整。
- (b) 該等購股權於授出日期歸屬，可於接納購股權當日起至二零零九年五月三十一日行使。
- (c) 該等購股權於行使期(由董事於授出日期釐定)開始時歸屬。於二零零七年十月五日授出的購股權當中，7,900,000份可於接納購股權當日起至二零零九年十月三十一日行使；2,325,000份於授出日期起六個曆月後可行使，並於二零零九年四月四日屆滿；其餘2,325,000份於授出日期起十二個曆月後可行使，並於二零零九年十月四日屆滿。
- (d) 於二零零九年二月十八日授出之購股權於授出日期歸屬，可於接納購股權當日起至二零一二年二月二十九日行使。
- (e) 該等購股權於授出日期歸屬及可於接納購股權當日起至二零一二年八月三十一日行使。

27. SHARE-BASED COMPENSATION (Continued)

Terms and conditions of the share options granted (Continued)

Notes:

- (a) The numbers of share options granted on 26 March 2007, 4 April 2007, 17 April 2007 and 17 May 2007 were 19,200,000, 11,150,000, 1,200,000 and 450,000 respectively. As a result of the shares subdivision becoming effective on 11 June 2007 under which every issued and unissued ordinary share of the Company of HK\$0.1 each was subdivided into two ordinary shares of HK\$0.05 each (the "Shares Subdivision"), the numbers of share options have been adjusted to become 38,400,000, 22,300,000, 2,400,000 and 900,000 respectively. The respective exercise price and the share price of the Company disclosed herewith have been adjusted for the effect of Shares Subdivision.
- (b) These share options vest on the date of grant and are exercisable from the date of acceptance of the options up to 31 May 2009.
- (c) These share options vest upon commencement of the exercise period which is determined by the Directors on the grant date. Among the share options granted on 5 October 2007, 7,900,000 options are exercisable from the date of acceptance of the options up to 31 October 2009, 2,325,000 options are exercisable after 6 calendar months from the grant date and expired on 4 April 2009, and the remaining 2,325,000 options are exercisable after 12 calendar months from the grant date and expired on 4 October 2009.
- (d) Share options granted on 18 February 2009 vest on the date of grant and are exercisable from the date of acceptance of the options up to 29 February 2012.
- (e) There share options vest on the date of grant and are exercisable from the date of acceptance of the options up to 31 August 2012.

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27. 以股份支付之補償 (續)

購股權之變動及其加權平均行使價

於本財政年度的購股權變動如下：

27. SHARE-BASED COMPENSATION (Continued)

Movements of the share options and their weighted average exercise price

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

承授人 Grantees	購股權授出日期 Options grant date	購股權數目 Number of share options				於二零一零年 三月三十一日 At 31 March 2010 千份 '000
		於二零零九年 四月一日 At 1 April 2009 千份 '000	已授出 Granted 千份 '000	已行使 Exercised 千份 '000	已沒收 Forfeited 千份 '000	
董事 Directors	二零零七年四月十七日 17 April 2007	1,200	-	-	(1,200)	-
	二零零九年二月十八日 18 February 2009	8,000	-	(8,000)	-	-
	二零零九年八月二十五日 25 August 2009	-	4,800	(1,600)	-	3,200
		9,200	4,800	(9,600)	(1,200)	3,200
僱員 Employees	二零零七年四月四日 4 April 2007	1,700	-	-	(1,700)	-
	二零零七年五月十七日 17 May 2007	400	-	-	(400)	-
	二零零七年十月五日 5 October 2007	2,050	-	-	(2,050)	-
	二零零九年二月十八日 18 February 2009	8,000	-	(8,000)	-	-
	二零零九年八月二十五日 25 August 2009	-	9,300	(7,300)	(300)	1,700
	12,150	9,300	(15,300)	(4,450)	1,700	
服務或貨品供應商 Suppliers of services or goods	二零零七年三月二十六日 26 March 2007	9,000	-	-	(9,000)	-
	二零零七年四月四日 4 April 2007	13,400	-	-	(13,400)	-
	二零零七年十月五日 5 October 2007	8,500	-	-	(8,500)	-
	二零零九年二月十八日 18 February 2009	48,000	-	-	-	48,000
	二零零九年八月二十五日 25 August 2009	-	1,800	-	-	1,800
	78,900	1,800	-	(30,900)	49,800	
合計 Total		100,250	15,900	(24,900)	(36,550)	54,700
加權平均行使價 (每股港元) Weighted average exercise price (HK\$ per share)		0.328	0.385	0.233	0.643	0.177

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

27. 以股份支付之補償 (續)

購股權之變動及其加權平均行使價 (續)

於上一財政年度的購股權變動如下：

承授人 Grantees	購股權授出日期 Options grant date	購股權數目 Number of share options				於二零零九年 三月三十一日 At 31 March 2009 千份 '000
		於二零零八年 四月一日 At 1 April 2008 千份 '000	已授出 Granted 千份 '000	已行使 Exercised 千份 '000	已沒收 Forfeited 千份 '000	
董事 Directors	二零零七年四月十七日 17 April 2007	1,200	-	-	-	1,200
	二零零九年二月十八日 18 February 2009	-	8,000	-	-	8,000
		1,200	8,000	-	-	9,200
僱員 Employees	二零零七年四月四日 4 April 2007	1,700	-	-	-	1,700
	二零零七年四月十七日 17 April 2007	300	-	-	(300)	-
	二零零七年五月十七日 17 May 2007	440	-	-	(40)	400
	二零零七年十月五日 5 October 2007	3,800	-	-	(1,750)	2,050
	二零零九年二月十八日 18 February 2009	-	8,000	-	-	8,000
		6,240	8,000	-	(2,090)	12,150
服務或貨品供應商 Suppliers of services or goods	二零零七年三月二十六日 26 March 2007	9,000	-	-	-	9,000
	二零零七年四月四日 4 April 2007	13,400	-	-	-	13,400
	二零零七年十月五日 5 October 2007	8,750	-	-	(250)	8,500
	二零零九年二月十八日 18 February 2009	-	48,000	-	-	48,000
		31,150	48,000	-	(250)	78,900
合計 Total		38,590	64,000	-	(2,340)	100,250
加權平均行使價 (每股港元) Weighed average exercise price (HK\$ per share)		0.657	0.148	-	0.843	0.328

於二零一零年三月三十一日尚未行使之購股權的行使價介乎每股0.148港元至0.385港元(二零零九年：0.148港元至1.420港元)，其於二零一零年三月三十一日的加權平均剩餘合約年期為1.98年(二零零八年：1.97年)。

27. SHARE-BASED COMPENSATION (Continued)

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

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

承授人 Grantees	購股權授出日期 Options grant date	購股權數目 Number of share options				於二零零九年 三月三十一日 At 31 March 2009 千份 '000
		於二零零八年 四月一日 At 1 April 2008 千份 '000	已授出 Granted 千份 '000	已行使 Exercised 千份 '000	已沒收 Forfeited 千份 '000	
Directors	17 April 2007	1,200	-	-	-	1,200
	18 February 2009	-	8,000	-	-	8,000
		1,200	8,000	-	-	9,200
Employees	4 April 2007	1,700	-	-	-	1,700
	17 April 2007	300	-	-	(300)	-
	17 May 2007	440	-	-	(40)	400
	5 October 2007	3,800	-	-	(1,750)	2,050
	18 February 2009	-	8,000	-	-	8,000
		6,240	8,000	-	(2,090)	12,150
Suppliers of services or goods	26 March 2007	9,000	-	-	-	9,000
	4 April 2007	13,400	-	-	-	13,400
	5 October 2007	8,750	-	-	(250)	8,500
	18 February 2009	-	48,000	-	-	48,000
		31,150	48,000	-	(250)	78,900
Total		38,590	64,000	-	(2,340)	100,250
Weighed average exercise price (HK\$ per share)		0.657	0.148	-	0.843	0.328

The exercise prices of the outstanding share options as at 31 March 2010 range from HK\$0.148 to HK\$0.385 (2009: HK\$0.148 to HK\$1.420) per share and their weighted average remaining contractual life as at 31 March 2010 is 1.98 years (2008: 1.97 years).

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

27. 以股份支付之補償 (續)

於本財政年度已授出購股權的公允值

於本年度已授出之購股權的公允值為每股0.144港元(二零零九年: 0.046港元)。授予董事、僱員及分包商之購股權的公允值乃根據於授出日期計量的權益工具公允值而釐定。授出購股權予分包商是獎勵彼等對本集團一直作出如同員工所提供服務相近的貢獻。授予顧問及供應商之購股權的公允值乃根據所提供服務的市價而釐定。

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

每股股價(港元)	0.385
每股行使價(港元)	0.385
預期波幅(%)	87.04% - 102%
無風險利率(%)	0.16% - 0.522%
股息收益率(%)	0%
預期購股權有效期(年)	0.5 - 2.0

預期波幅乃參照本公司二零零八年八月一日至二零零九年八月二十八日期間之每週股價變動而釐定。

無風險利率指於估值日到期之香港外匯基金票據之到期收益率。

預期購股權有效期乃根據管理層經考慮購股權之不可轉讓性、行使限制及行為因素之影響後所作出的最佳估計。預期提早行使乃參考預期購股權有效期，並加入作為代入該模式之數據。

27. SHARE-BASED COMPENSATION (Continued)

Fair value of the share options granted during the financial year

The fair value of the share options granted during the year is HK\$0.144 (2009: HK\$0.046) per share. The fair value of the share options granted to the Directors, employees and sub-contractors was determined based on the fair value of the equity instruments measured on the date of grant. Share options granted to the sub-contractors are an incentive to them for their continuing contribution to the Group for providing services similar to those rendered by its employees. The fair value of the share options granted to the consultants and suppliers was determined based on the market price of the services provided.

The fair value of the share options granted during the financial year is determined by an independent valuer using the Black-Scholes option pricing model (the “Model”). Details of the inputs to the Model are as follows:

Share price (HK\$ per share)	0.385
Exercise price (HK\$ per share)	0.385
Expected volatility (%)	87.04% - 102%
Risk-free interest rate (%)	0.16% - 0.522%
Dividend yield (%)	0%
Expected life of option (years)	0.5 - 2.0

Expected volatility is determined by reference to the weekly share price movement of the Company for the period from 1 August 2008 to 28 August 2009.

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

The expected life of option is determined based on management's best estimates for the effects of non-transferability of the options, exercise restrictions and behavioural considerations. Expected early exercise is taken into account by reference to the expected life of the options and is incorporated as an input into the Model.

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

27. 以股份支付之補償 (續)

購股權的財務影響

於本年度從授出購股權引致之以股份支付之補償為2,289,000港元(二零零九年：2,929,000港元)。授予董事及僱員購股權所產生以股份支付之補償金額2,030,000港元(二零零九年：733,000港元)，以及授予顧問購股權所產生以股份支付之補償金額259,000港元(二零零九年：1,098,000港元)已確認為行政開支。於本財政年度，並無授予分包商及供應商任何購股權(二零零九年：因授予分包商及供應商之購股權所產生以股份支付之補償金額為1,098,000港元，乃確認為收益成本)。2,289,000港元之相應數額(二零零九年：2,929,000港元)乃計入購股權儲備。由於該等事項為以權益結算並以股份支付之交易，故並無確認任何負債。

於上一財政年度，就於二零零七年十月五日授出及於同年歸屬之若干購股權確認以股份支付之補償198,000港元。授予僱員之購股權產生之以股份支付之補償為153,000港元，而授予顧問之購股權產生之以股份支付之補償則為45,000港元。以股份支付之補償之全部金額均確認為行政開支。相關金額198,000港元計入購股權儲備。

於本財政年度，授予董事、僱員及顧問之36,550,000份購股權已被沒收，相應購股權開支4,952,000港元已由購股權儲備轉撥至保留溢利。於上一財政年度，授予顧問及僱員之2,340,000份購股權已被沒收，相應購股權開支343,000港元已由購股權儲備轉撥至保留溢利。

27. SHARE-BASED COMPENSATION (Continued)

Financial effect of the share options

The amount of share-based compensation arising from granting share options during the year was HK\$2,289,000 (2009: HK\$2,929,000). Share-based compensation in respect of share options granted to the Directors and employees amounting to HK\$2,030,000 (2009: HK\$733,000) and to consultants amounting to HK\$259,000 (2009: HK\$1,098,000) was recognised as administrative expenses. No share options are granted to sub-contractors and suppliers during the current financial year (2009: share-based compensation arising from granting of share options to sub-contractors and suppliers amounted to HK\$1,098,000 which was recognised in cost of revenue). The corresponding amount of HK\$2,289,000 (2009: HK\$2,929,000) has been credited to the share option reserve. No liabilities were recognised as those are equity-settled share-based payment transactions.

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

During the current financial year, 36,550,000 share options which were granted to Directors, employees and consultants were forfeited and the corresponding share option expense of HK\$4,952,000 was transferred from share option reserve to retained profits. During last financial year, 2,340,000 share options which were granted to consultants and employees were forfeited and the corresponding share option expense of HK\$343,000 was transferred from share option reserve to retained profits.

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27. 以股份支付之補償 (續)**購股權的財務影響 (續)**

於二零一零年三月三十一日尚未行使及可予行使之購股權數目為54,700,000份(二零零九年: 100,250,000份), 佔當日本公司已發行股份約6.6%(二零零九年: 12.5%)。倘該等購股權全數獲行使, 將導致本公司須額外發行54,700,000股(二零零九年: 100,250,000股)普通股, 並增加2,735,000港元(二零零九年: 5,013,000港元)之股本及6,949,000港元(二零零九年: 27,829,000港元)之股份溢價。

28. 儲備**本集團**

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

27. SHARE-BASED COMPENSATION (Continued)**Financial effect of the share options (Continued)**

The number of outstanding share options which are exercisable as at 31 March 2010 was 54,700,000 (2009: 100,250,000) which represent approximately 6.6% (2009: 12.5%) of the Company's shares in issue on that date. The exercise in full of these share options would result in the issue of 54,700,000 (2009: 100,250,000) additional ordinary shares of the Company including additional share capital of HK\$2,735,000 (2009: HK\$5,013,000) and share premium of HK\$6,949,000 (2009: HK\$27,829,000).

28. RESERVES**The Group**

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
股份溢價 (附註(a))	213,742	207,178
合併儲備 (附註(b))	13,805	13,805
購股權儲備 (附註(d))	3,132	7,809
資本贖回儲備 (附註(e))	6,629	6,629
匯兌儲備 (附註(f))	575	517
保留溢利	84,829	106,893
	322,712	342,831

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截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

28. 儲備 (續)

28. RESERVES (Continued)

本公司

The Company

		股份溢價 Share premium 千港元 HK\$'000	繳入盈餘 Contributed surplus 千港元 HK\$'000	購股權儲備 Share option reserve 千港元 HK\$'000	資本贖回 儲備 Capital redemption reserve 千港元 HK\$'000	保留溢利/ (累計虧損) Retained profits/ (Accumulated losses) 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零八年四月一日	At 1 April 2008	255,396	76,249	5,025	139	1,636	338,445
本年度溢利	Profit for the year	-	-	-	-	9,702	9,702
過往年度授出之購股權 (附註27)	Share options granted in previous years (note 27)	-	-	198	-	-	198
本年度授出之購股權 (附註27)	Share options granted in current year (note 27)	-	-	2,929	-	-	2,929
沒收之購股權 (附註27)	Share options forfeited (note 27)	-	-	(343)	-	31	(312)
購回股份 (附註26(a))	Repurchase of shares (note 26(a))	(48,218)	-	-	6,490	(6,490)	(48,218)
於二零零九年三月三十一日及 二零零九年四月一日	At 31 March 2009 and 1 April 2009	207,178	76,249	7,809	6,629	4,879	302,744
本年度虧損	Loss for the year	-	-	-	-	(9,198)	(9,198)
已宣派中期股息 (附註11)	Interim dividend declared (note 11)	-	-	-	-	(9,775)	(9,775)
本年度授出之購股權 (附註27)	Share options granted in current years (note 27)	-	-	2,289	-	-	2,289
沒收之購股權 (附註27)	Share options forfeited (note 27)	-	-	(4,952)	-	1,678	(3,274)
因行使購股權而發行之股份	Shares issued upon exercise of share options	6,564	-	(2,014)	-	-	4,550
於二零一零年三月三十一日	At 31 March 2010	213,742	76,249	3,132	6,629	(12,416)	287,336

附註：

Notes:

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

- (a) Under the Companies Law Cap. 22, (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

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28. 儲備 (續)

本公司 (續)

附註：(續)

- (b) 本集團之合併儲備指根據本集團於本公司在聯交所上市前進行之重組所收購附屬公司之股本總額面值高於本公司發行以作交換之股本面值之差額。
- (c) 本公司之繳入盈餘指根據本集團於本公司股份在聯交所上市前進行之重組所收購附屬公司之投資成本高於本公司以作交換之股本面值之差額。
- (d) 購股權儲備指已授出購股權之公允價值，有關詳情載於附註3.16所述就以股份支付之補償採納的會計政策。
- (e) 資本贖回儲備指轉撥自保留溢利及相等於購回股份面值之金額。
- (f) 匯兌儲備包括所有根據附註3.12所述之會計政策換算海外業務的財務報表所產生的匯兌差額。

29. 業務合併

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

28. RESERVES (Continued)

The Company (Continued)

Notes: (Continued)

- (b) The merger reserve of the Group represents the difference between the nominal value of the aggregate share capital of subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange pursuant to the reorganisation of the Group taken place before the listing of the Company on the Stock Exchange.
- (c) Contributed surplus of the Company represents the difference between the costs of investment in subsidiaries acquired over the nominal value of the share capital of the Company in exchange pursuant to the reorganisation of the Group taken place before the listing of Company's shares on the Stock Exchange.
- (d) Share option reserve represents the fair value of share options granted as further explained in the accounting policy adopted for share-based compensation in note 3.16.
- (e) Capital redemption reserve represents the transfer from retained profits of the amount equivalent to the par value of the shares repurchased.
- (f) Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations in accordance with the accounting policy adopted in note 3.12.

29. BUSINESS COMBINATION

On 29 April 2008, the Group entered into an equity transfer agreement (the “**Equity Transfer Agreement**”) with an independent third party (the “**Vendor**”) under which the Group agreed to buy and the Vendor agreed to sell 83.33% equity interest in a PRC entity, 清新縣飛來峽發興自來水有限公司 (previously known as 清新縣江口興迅自來水公司) (“**發興自來水**”), at the consideration of RMB500,000 (equivalent to approximately HK\$570,000) which was satisfied by way of cash (the “**Qingxin Acquisition**”). 發興自來水 is principally engaged in provision of water supply services in certain areas of Qingxin County, Qingyuan City, Guangdong Province, the PRC. Further details about the Qingxin Acquisition were set out in the announcement of the Company dated 14 May 2008.

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29. 業務合併 (續)

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

29. BUSINESS COMBINATION (Continued)

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

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

包括清新收購事項之附帶成本

including incidental costs for the Qingxin Acquisition

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29. 業務合併 (續)

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

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

30. 出售附屬公司

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

明興中國擁有明興水務(長沙)有限公司(「明興長沙」)之100%股權。明興長沙主要從事在寧鄉縣提供自來水服務。

29. BUSINESS COMBINATION (Continued)

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

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

30. DISPOSAL OF SUBSIDIARIES

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

MH PRC has 100% equity interests in Ming Hing Waterworks (Changsha) Company Limited ("MH Changsha") which is principally engaged in the provision of water supply services in Ningxiang County.

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30. 出售附屬公司 (續)

30. DISPOSAL OF SUBSIDIARIES (Continued)

明興中國及明興長沙於出售事項日期
之資產淨值如下：

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

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

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30. 出售附屬公司 (續)

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

31. 承擔

本集團

根據土地及樓宇不可撤銷經營租賃而於日後應付之最低租金總額如下：

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
一年內	Within one year	1,450	1,523
第二年至第五年 (包括首尾兩年)	In the second to fifth years, inclusive	-	1,450
		1,450	2,973

本集團根據經營租賃租賃若干物業。該等租賃初步為期兩至三年(二零零九年：兩至三年)，並訂明於到期日有權重續租賃及重新磋商條款。該等租賃不包括任何或然租金。

本公司

於二零一零年及二零零九年三月三十一日，本公司並無任何重大承擔。

30. DISPOSAL OF SUBSIDIARIES (Continued)

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

31. COMMITMENTS

The Group

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

The Group leases certain properties under operating leases. The leases run for an initial period of two to three years (2009: two to three years), with an option to renew the leases and renegotiate the terms at the expiry date. The leases do not include any contingent rentals.

The Company

The Company did not have any significant commitments as at 31 March 2010 and 2009.

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

32. 或然負債及訴訟

於過往財政年度，本集團就兩項已完成工程遭一家原分包商提出兩項索償。於本財政年度，本公司一家附屬公司作為該兩項索償之被告收到傳票，索償金額合共約9,500,000港元。本集團已就約8,600,000港元之多付款額向該原分包商提出反索償。該等索償目前正在進行調停程序。於二零一零年三月三十一日及截至該等財務報表日期，調停程序仍在進行中。於呈報日期後，並無有關該索償之重大發展。根據本集團法律顧問之建議，董事認為本集團理據充份，不僅可作出申辯，更可就多付款額提出反索償。因此，董事認為該原分包商之索償不大可能對本集團產生任何重大財務影響。

除上文所述外，截至二零一零年三月三十一日，本集團於日常業務過程中遭提出數項訴訟及索償，且於該等財務報表日期尚未解決。所申請之訴訟及索償並無訂明索償金額。董事認為已投購足夠之保險以就因該等訴訟及索償而產生之損失(如有)作出保障，因此，該等訴訟及索償項下之最終責任將不會對本集團之財務狀況造成重大不利影響。

32. CONTINGENT LIABILITIES AND LITIGATIONS

In prior financial years, the Group received from an ex-subcontractor two claims in respect of two completed projects. During the current year, a writ of summons was served to a subsidiary of the Company as defendant in respect of those two claims seeking the recovery of a sum of approximately HK\$9.5 million in aggregate. The Group made a counterclaim against the ex-subcontractor for overpayment of approximately HK\$8.6 million. The claims are under mediation proceedings. As at 31 March 2010 and up to the date of these financial statements, the mediation proceedings are still in progress. There is no material progress in respect of the claims subsequent to the reporting period. Based on the advice from the legal advisers of the Group, the Directors believe that the Group has a good case not only to defend but also to counterclaim the overpaid amount. Accordingly, the Directors consider that the claims from the ex-subcontractor will unlikely result in any material financial impact on the Group.

Apart from the above, as at 31 March 2010, a number of lawsuits and claims arising from the normal course of business were lodged against the Group which remain outstanding as at the date of these financial statements. Claim amounts are not specified in the applications of these lawsuits and claims. In the opinion of the Directors, sufficient insurance coverage are maintained to cover the losses, if any, arising from these lawsuits and claims and therefore the ultimate liability under these lawsuits and claims would not have a material adverse impact on the financial position of the Group.

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33. 擔保

於各呈報期末，本公司作出的重大財務擔保如下：

33. GUARANTEES

As at the end of each reporting period, the Company had issued the following significant financial guarantees:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
以下項目之擔保：	Guarantees in respect of:		
銀行授予若干附屬公司之 信貸融資	Credit facilities granted by banks to certain subsidiaries	106,751	156,771
銀行向一家附屬公司之 客戶發出的履約保證	Performance bonds issued by banks to a subsidiary's customer	13,000	13,000
若干附屬公司訂立之 融資租賃安排	Finance lease arrangements entered into by certain subsidiaries	978	2,064
		120,729	171,835

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

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

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

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

財務報表附註 Notes to the Financial Statements

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34. 關連方交易

(i) 與一間關連公司之交易

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
支付予君明有限公司之 辦公室租金 (附註)	Rental expenses for office premises paid to Grand Media Limited (Note)	984	984

附註：

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

34. RELATED PARTY TRANSACTIONS

(i) Transactions with a related company

Note:

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

(ii) 主要管理人員

員工成本包括以下各類之主要管理人員補償：

(ii) Key management personnel

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

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	9,228	6,490
以權益結算以股份支付 之補償	Equity-settled share-based compensation	813	848
僱用後福利	Post-employment benefits	101	93
		10,142	7,431

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35. 資本管理

本集團的資金管理目標是保障本集團能繼續營運，從而為股東提供回報，同時兼顧其他持份者的利益，並維持最佳的資本架構以減低資金成本，以及維持本集團的穩定和增長。

本集團按資本負債比率的基準監控其資本架構，該比率乃按淨債務除以權益計算。淨債務包括借貸減銀行結存及現金與已抵押銀行存款。為維持或調整資本架構，本集團或會調整派付予股東之股息或發行新股份。本集團於二零一零年及二零零九年三月三十一日的資本負債比率如下：

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
債務	Debt	107,729	159,335
減：銀行結存及現金與 已抵押銀行存款	Less: cash at banks and in hand and pledged bank deposits	(124,633)	(96,054)
淨債務	Net debt	(16,904)	63,281
資本：權益總額	Capital represented by total equity	364,268	383,182
資本負債比率	Gearing ratio	不適用 N/A	16.5%

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

35. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth.

The Group monitors its capital structure on the basis of gearing ratio, i.e. net debt to equity. Net debt includes borrowings less cash at banks and in hand and pledged bank deposits. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The gearing ratios of the Group as at 31 March 2010 and 2009 were as follows:

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

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

36. 金融工具

(a) 金融工具類別

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
財務資產	Financial assets		
貸款及應收款項(包括 銀行結存及現金及 已抵押銀行存款)	Loan and receivables (including cash at banks and in hand and pledged bank deposits)	243,652	161,276
財務負債	Financial liabilities		
按攤銷成本列賬的 財務負債	Financial liabilities at amortised cost	194,704	223,208
		本公司 The Company	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
財務資產	Financial assets		
貸款及應收款項(包括 銀行結存及現金及 已抵押銀行存款)	Loan and receivables (including cash at banks and in hand and pledged bank deposits)	198,380	214,856
財務負債	Financial liabilities		
按攤銷成本列賬的 財務負債	Financial liabilities at amortised cost	9,819	7,533

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36. 金融工具 (續)

36. FINANCIAL INSTRUMENTS (Continued)

(b) 按金融工具呈列的財務業績

(b) Financial results by financial instruments

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
金融工具的收入(開支)、 盈利或(虧損)：	Income, (expense), gains or (losses) on financial instruments:		
以下各項之利息收入 或(開支)：	Interest income or (expenses) on:		
貸款及應收款項	Loans and receivables	96	871
按攤銷成本列賬的 財務負債	Financial liabilities at amortised cost	(1,492)	(6,566)
其他應收款項減值	Impairment of other receivable	(806)	—

(c) 財務風險管理目標及政策

(c) Financial risk management objectives and policies

本集團承受不同種類的財務風險，包括市場風險(主要為利率風險)、信貸風險及流動資金風險。本集團的整體風險管理專注處理金融市場無法預測的因素，並盡量減少此等因素對本集團財務表現所帶來的潛在不利影響。風險管理由主要管理層根據董事會批准的政策執行。本集團並無制定書面風險管理政策。然而，本集團之董事及高級管理人員定期舉行會議，以確定及評估風險並制定管理財務風險的政策。

The Group's activities expose it to a variety of financial risks which comprise market risk (mainly interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by key management under the policies approved by the board of directors. The Group does not have written risk management policies. However, the Directors and senior management of the Group meet regularly to identify and evaluate risks and to formulate strategies to manage financial risks.

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36. 金融工具 (續)

(d) 財務風險管理

市場風險 – 利率風險

利率風險與金融工具之公允值或現金流量將隨市場利率變化而波動之風險相關。本集團之收入及營運現金流量基本上獨立於市場利率變化。本集團之利率風險主要來自銀行借貸。大部分銀行借貸按浮動利率計息，使本集團面對現金流量利率風險。利率及於年終時尚未償還之銀行借貸於附註 24 披露。

本集團目前並無利率風險對沖政策，惟管理層將繼續監察利率風險，並在有需要時考慮對沖重大的利率風險。

倘所有其他因素維持不變，管理層對本集團於各呈報期末之浮息銀行借貸利率面臨的合理可能變動的最佳估計（實際交易結果或會有別於下列敏感度分析，並可能出現重大差異）如下：

36. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management

Market risk – interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk mainly arises from bank borrowings. Majority of the bank borrowings are arranged at variable rates which expose the Group to cash flow interest rate risk. The interest rate and repayment terms of the bank borrowings outstanding at year end are disclosed in note 24.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Management's best estimate of the Group's exposure to a reasonably possible change in interest rates on its floating rate bank borrowings, with all other variables held constant, at the end of each reporting period are as follows (in practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material):

		除稅後溢利及保留溢利 增加／(減少) Increase/(Decrease) in profit after tax and retained profits	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
基點(「基點」)增加／減少	Increase/Decrease in basis points ("bp")		
+ 50基點	+ 50 bp	(438)	(663)
- 50基點	- 50 bp	438	663

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

36. 金融工具 (續)

(d) 財務風險管理 (續)

市場風險 – 利率風險 (續)

利率變動並不影響本集團權益之其他組成部份。在編製上述敏感度分析時，乃假設於二零一零年及二零零九年三月三十一日的借貸於整個相關財政年度內一直存在。

信貸風險

信貸風險指金融工具之交易對手可能未能根據金融工具之條款履行其責任，導致本集團承受財務虧損之風險。本集團與本公司所面臨的與各類型已確認財務資產有關之最大信貸風險為綜合賬目及本公司財務狀況表所述該等資產之賬面值 (附註36(a)) 及附註33所披露本公司作出的擔保金額。

本集團嚴格揀選交易對手，藉此控制其信貸風險。現金乃存入具備高信貸評級的銀行，有關現金及現金等價物 (附註22) 的信貸風險因此而得以減低。工程承包業務之客戶主要為政府部門／機構及知名企業，因此信貸風險較低。本集團對其債務人的財務狀況進行持續信貸評估，並嚴密監察應收款項結餘的賬齡，藉此盡量減低有關其他貸款及應收款項的信貸風險。如有拖欠餘款的情況，本集團會採取跟進行動。此外，管理層於各呈報日期個別或共同檢討應收款項的可收回金額，以確保就不可收回金額計提足額減值虧損。本集團自過往年度以來已採納信貸政策，並認為已將本集團面對之信貸風險有效控制至合適水平。本集團之財務資產並無以抵押品或其他信貸提升項目抵押。

36. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management (Continued)

Market risk – interest rate risk (Continued)

The changes in interests rates do not affect the Group's other components of equity. The above sensitivity analysis is prepared based on the assumption that the borrowings as at 31 March 2010 and 2009 existed throughout the whole respective financial year.

Credit risk

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

The Group limits its exposure to credit risk by rigorously selecting the counterparties. Credit risk on cash and cash equivalents (note 22) is mitigated as cash is deposited in banks of high credit rating. Customers of engineering contracting business are mainly government departments/organisation and reputable corporations and thus credit risk is considered low. Credit risk on other loans and receivables is minimised as the Group performs ongoing credit evaluation on the financial condition of its debtors and tightly monitors the ageing of the receivable balances. Follow up action is taken in case of overdue balances. In addition, management reviews the recoverable amount of the receivables individually or collectively at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level. None of the Group's financial assets are secured by collateral or other credit enhancements.

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

36. 金融工具 (續)

(d) 財務風險管理 (續)

信貸風險 (續)

於二零一零年三月三十一日，貿易應收款項總額的85% (二零零九年：58%) 來自本集團水務工程承包業務分部之最大客戶。有關本集團所面對之貿易及其他應收款項之信貸風險的進一步數據資料載於附註20。

流動資金風險

流動資金風險指本集團未能履行與以交付現金或其他財務資產結算財務負債相關之責任之風險。本集團之政策為定期監察其流動資金需求和遵守信貸契約，以確保本集團維持充足現金儲備，以及從主要金融機構獲得足夠貸款以應付其短期和長期流動資金需求。本集團自過往年度以來已採納流動資金政策，並認為已有效管理流動資金風險。

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

36. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management (Continued)

Credit risk (Continued)

At 31 March 2010, 85% (2009: 58%) of the total trade receivables was due from the Group's largest customer within the waterworks engineering contracting business segment. Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables are disclosed in note 20.

Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants in order to maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term. The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risk.

The table below analyses the remaining contractual maturities of the Group's and the Company's financial liabilities at the reporting date which are determined based on contractual undiscounted cash flows and the earliest date the Group and the Company may be required to pay:

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

36. 金融工具 (續)**(d) 財務風險管理 (續)****流動資金風險 (續)**

本集團	The Group	1年內或 應要求償還	1至2年	2至5年
		Within 1 year or on demand	Between 1 and 2 years	Between 2 and 5 years
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零一零年三月三十一日		As at 31 March 2010		
附息借貸 (附註(a))	Interest-bearing borrowings (note (a))	107,527	384	-
貿易應付款項	Trade payables	73,036	-	-
應付保留款項	Retention payables	1,679	-	-
其他應付款項 及應計費用	Other payables and accruals	12,260	-	-
		194,502	384	-
於二零零九年三月三十一日		As at 31 March 2009		
附息借貸 (附註(a))	Interest-bearing borrowings (note (a))	144,711	15,278	-
貿易應付款項	Trade payables	51,194	-	-
應付保留款項	Retention payables	1,805	-	-
其他應付款項 及應計費用	Other payables and accruals	10,874	-	-
		208,584	15,278	-

36. FINANCIAL INSTRUMENTS (Continued)**(d) Financial risk management (Continued)****Liquidity risk (Continued)**

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

36. 金融工具 (續)

36. FINANCIAL INSTRUMENTS (Continued)

(d) 財務風險管理 (續)

(d) Financial risk management (Continued)

流動資金風險 (續)

Liquidity risk (Continued)

		1年內或 應要求償還 Within 1 year or on demand 千港元 HK\$'000	1至2年 Between 1 and 2 years 千港元 HK\$'000	2至5年 Between 2 and 5 years 千港元 HK\$'000
本公司	The Company			
於二零一零年三月三十一日		As at 31 March 2010		
其他應付款項 及應計費用	Other payables and accruals	3,061	-	-
應付附屬公司 款項	Amounts due to subsidiaries	6,758	-	-
		9,819	-	-
已發出的財務擔保	Financial guarantees issued			
擔保的最高金額 (附註(b))	Maximum amount guaranteed (note (b))	120,357	372	-
於二零零九年三月三十一日		As at 31 March 2009		
其他應付款項及應計費用	Other payables and accruals	872	-	-
應付附屬公司款項	Amounts due to subsidiaries	6,661	-	-
		7,533	-	-
已發出的財務擔保	Financial guarantees issued			
擔保的最高金額 (附註(b))	Maximum amount guaranteed (note (b))	156,634	15,201	-

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

36. 金融工具 (續)

(d) 財務風險管理 (續)

流動資金風險 (續)

附註：

- (a) 經計及有關借貸之還款日期，借貸利息乃根據於二零一零年及二零零九年三月三十一日尚未償還之借貸金額按各自之利率計算。
- (b) 本公司提供之合約財務擔保於附註33披露。經董事評估，附屬公司不可能拖欠借貸，且銀行亦不可能就因借貸之現有抵押品(即附註24(a)所述銀行存款及有關附屬公司若干土木工程合約之所得款項)而產生有關擔保合約之虧損向本公司提出申索。因此，本公司並無就該等擔保下之責任計提撥備。

37. 呈報期末後事件

於二零零九年十二月五日，本集團就收購Well Delight Holdings Limited (「Well Delight」)之全部已發行股本(「收購事項」)訂立一份協議(「收購協議」)。於收購事項日期，Well Delight持有若干主要於蒙古國從事採礦及勘探業務之蒙古公司之股本權益。

收購事項於二零一零年六月十七日完成，就收購事項而發生之事項如下：

- (a) Well Delight已成為本集團之全資附屬公司。

36. FINANCIAL INSTRUMENTS (Continued)

(d) Financial risk management (Continued)

Liquidity risk (Continued)

Note:

- (a) The interest on borrowings is calculated based on the amount of borrowings outstanding as at 31 March 2010 and 2009 at the irrespective interest rates, taking into account the repayment dates of the respective borrowings.
- (b) The contractual financial guarantees provided by the Company are disclosed in note 33. As assessed by the Directors, it was not probable that the subsidiaries would default the repayment of the borrowings. In addition, it was not probable that the banks would claim the Company for losses in respect of the guarantee contracts due to security in place (i.e. bank deposits and proceeds on certain civil engineering contracts of the relevant subsidiaries as mentioned in note 24(a)) for the borrowings. Accordingly, no provision for the Company's obligations under the guarantees has been made.

37. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 5 December 2009, the Group entered into an agreement (the “**Acquisition Agreement**”) regarding the acquisition (the “**Acquisition**”) of the entire issued share capital of Well Delight Holdings Limited (“**Well Delight**”). As at the date of the Acquisition, Well Delight has equity interests in certain Mongolian companies which are principally engaged in mining and exploration activities in Mongolia.

The following events have taken place following the completion of the Acquisition on 17 June 2010:

- (a) Well Delight has become a wholly-owned subsidiary of the Group.

財務報表附註 Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

37. 呈報期末後事件 (續)

(b) 作為收購事項之代價，本集團已(i)以現金支付200,000,000港元；(ii)以發行本公司本金額350,000,000港元之承兌票據(「承兌票據」)之方式支付350,000,000港元；(iii)以按發行價每股股份0.22港元配發及發行本公司1,970,000,000股股份(「代價股份」)之方式支付433,400,000港元；及(iv)以發行本公司本金額954,100,000港元之可換股票據(「可換股票據」)之方式支付954,100,000港元。

(c) 作為收購事項其中一項條件，本集團完成按每股股份0.12港元配售本公司3,800,000,000股新股份(「配售事項」)。配售事項之所得款項淨額約為451,000,000港元，其中部份款項用於支付現金代價。為符合條件進行配售事項，本公司透過增設額外48,000,000,000股新股份，將法定股本由100,000,000港元(分為2,000,000,000股每股面值0.05港元之股份)增加至2,500,000,000港元(分為50,000,000,000股每股面值0.05港元之股份)。於二零一零年三月三十一日，本公司之已發行股本約為41,300,000港元，分為825,900,000股每股面值0.05港元之股份。於完成配售事項及發行代價股份後，本公司之已發行股本增至約329,800,000港元，分為6,595,900,000股每股面值0.05港元之股份(未計入呈報日期後因行使購股權而發行之股份)。

37. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

(b) As the consideration for the Acquisition, the Group paid (i) HK\$200 million by way of cash; (ii) HK\$350 million by issuing a promissory note (the “**Promissory Note**”) of the Company with the principal amount of HK\$350 million; (iii) HK\$433.4 million by allotment and issuing of 1,970 million shares (the “**Consideration Shares**”) of the Company at an issue price of HK\$0.22 per share; and (iv) HK\$954.1 million by issuing a convertible note (the “**Convertible Note**”) of the Company with the principal amount of HK\$954.1 million.

(c) As one of the conditions to the Acquisition, the Group completed the placing (the “**Placing**”) of 3,800 million new shares of the Company at HK\$0.12 per share. Net proceeds generated from the Placing amounted to approximately HK\$451 million. Part of the proceeds is used for financing the settlement of the cash consideration. To cater for the Placing, the authorised share capital of the Company has increased from HK\$100 million divided into 2,000 million shares of HK\$0.05 each to HK\$2,500 million divided into 50,000 million shares of HK\$0.05 each by the creation of an additional 48,000 million new shares. The issued share capital of the Company was approximately HK\$41.3 million divided into 825.9 million shares of HK\$0.05 each as at 31 March 2010. Upon completion of the Placing and issue of the Consideration Shares, the issued share capital of the Company has increased to approximately HK\$329.8 million divided into 6,595.9 million shares of HK\$0.05 each (before taking into account the shares issued upon exercise of the share options subsequent to the reporting date).

財務報表附註

Notes to the Financial Statements

截至二零一零年三月三十一日止年度 For the year ended 31 March 2010

37. 呈報期末後事件 (續)

除上文所述外，收購協議包括有關或然代價(「或然代價」)之條款及條件。根據該等條款及條件，倘於收購事項完成日期後八個月內提交之估值報告(「第二份估值報告」)顯示收購事項所涉及之若干實體之公允值或該等實體所持有之勘探牌照之公允值(「公允值」)不少於1,550,000,000港元，本公司須要向賣方發出賠償票據(「賠償票據」)。賠償票據之本金額應為：

- (i) 公允值，倘第二份估值報告所示之公允值等於或多於1,550,000,000港元但低於3,100,000,000港元；或
- (ii) 3,100,000,000港元，倘第二份估值報告所示之公允值等於或多於3,100,000,000港元。

倘第二份估值報告所示之公允值低於1,550,000,000港元，則毋需作出任何付款。截至該等財務報表日期，公允值仍在釐定中。

收購事項將根據經修訂之香港財務報告準則第3號入賬。由於管理層仍在釐定承兌票據、可換股票據之估值及或然代價之公允值，故此收購事項之成本總額在現階段未能釐定。另外，截至收購事項日期，Well Delight及其附屬公司(「Well Delight Group」)之財務資料仍在編製中，故現時未能釐定Well Delight Group之可識別資產及負債之公允值。因此，現階段未能量化收購事項之財務影響和作出有關披露。

37. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

Apart from the above, included in the Acquisition Agreement are some terms and conditions relating to contingent consideration (the “Contingent Consideration”). Under such terms and conditions, the Company is required to issue a compensation note (the “Compensation Note”) to the vendor in case the fair value of certain entities subject to the Acquisition or the fair value of the exploration licences held by the entities (the “Fair Value”) as shown in the valuation report to be submitted in eight months after the completion of the Acquisition (the “Second Valuation Report”) is not less than HK\$1,550 million. The principal amount of the Compensation Note shall be:

- (i) the Fair Value, if such Fair Value as shown in the Second Valuation Report is equal to or more than HK\$1,550 million but less than HK\$3,100 million; or
- (ii) HK\$3,100 million, if the Fair Value as shown in the Second Valuation Report is equal to or more than HK\$3,100 million.

No payment shall be made if the Fair Value as shown in the Second Valuation Report is less than HK\$1,550 million. As at the date of these financial statements, the determination of the Fair Value is still in progress.

The Acquisition will be accounted for in accordance with the revised HKFRS 3. The total cost of the Acquisition cannot be determined at this stage as the valuation of the Promissory Note and the Convertible Note as well as the fair value of the Contingent Consideration are still under determination by the management. In addition, the financial information of Well Delight and its subsidiaries (the “Well Delight Group”) as at the date of the Acquisition is still under preparation and the fair value of the identifiable assets and liabilities of Well Delight Group cannot be determined at this moment. Accordingly, financial impact arising from the Acquisition cannot be quantified and the related disclosures cannot be made at this stage.

財務概要 Financial Summary

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

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

業績

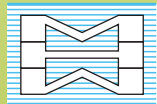
RESULTS

		截至三月三十一日止年度 For the year ended 31 March					
		二零零六年 2006 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	
收益	Revenue	263,768	519,944	648,475	660,870	675,959	
本年度 溢利／(虧損)	Profit/(Loss) for the year	38,619	34,316	24,885	6,391	(17,281)	

資產及負債

ASSETS AND LIABILITIES

		於三月三十一日 As at 31 March					
		二零零六年 2006 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	
總資產	Total assets	210,206	356,948	773,315	612,615	568,216	
總負債	Total liabilities	(75,532)	(196,196)	(335,477)	(229,433)	(203,948)	
總權益	Total equity	134,674	160,752	437,838	383,182	364,268	



明興水務控股有限公司

MING HING WATERWORKS HOLDINGS LIMITED