



比速科技集團國際有限公司

Bisu Technology Group International 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：1372

中期
報告

Interim Report

2018

1372

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收入表

Six months ended 30 June 2018
截至二零一八年六月三十日止六個月

The board (the “Board”) of directors (the “Directors”) of Bisu Technology Group International Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results and financial position of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2018 (the “period”) with comparative figures for the corresponding period in the previous year as follows. This condensed consolidated interim financial information has not been audited, but has been reviewed by the audit committee of the Company (the “Audit Committee”):

比速科技集團國際有限公司(「本公司」)之董事(「董事」)會(「董事會」)欣然公佈本公司及其附屬公司(統稱「本集團」)截至二零一八年六月三十日止六個月(「本期間」)之未經審核簡明綜合中期業績及財務狀況，連同於去年同期之比較數字如下。此簡明綜合中期財務資料未經審核，惟已由本公司之審核委員會(「審核委員會」)審閱：

		Notes 附註	Unaudited 未經審核 Six months ended 30 June 2018 截至二零一八年 六月三十日 止六個月 HK\$'000 千港元	Unaudited 未經審核 Six months ended 30 June 2017 截至二零一七年 六月三十日 止六個月 HK\$'000 千港元
REVENUE	收益	5	498,258	873,876
Cost of sales	銷售成本	7	(489,031)	(793,322)
Gross profit	毛利		9,227	80,554
Other income and gains	其他收入及收益	5	3,171	7,145
Gain on extinguishment of convertible bonds	註銷可換股債券之收益		80,212	—
Administrative and selling expenses	行政及銷售開支		(29,313)	(29,807)
Finance costs	財務費用	6	(33,139)	(34,777)
Impairment of goodwill	商譽減值	12	(174,933)	—
Change in fair value of a financial asset at fair value through profit or loss	按公允價值透過損益列賬之金融資產公允價值變動	14	—	(284)
(Loss)/profit before tax	除稅前(虧損)/溢利	7	(144,775)	22,831
Income tax credit/(expense)	所得稅抵免/(支出)	8	186	(9,702)
(Loss)/profit for the period attributable to owners of the parent	母公司擁有人應佔期間(虧損)/溢利		(144,589)	13,129

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收入表

Six months ended 30 June 2018

截至二零一八年六月三十日止六個月

			Unaudited 未經審核 Six months ended 30 June 2018 截至二零一八年 六月三十日 止六個月 HK\$'000 千港元	Unaudited 未經審核 Six months ended 30 June 2017 截至二零一七年 六月三十日 止六個月 HK\$'000 千港元
OTHER COMPREHENSIVE (LOSS)/ INCOME	其他全面(虧損)/收入			
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:	於後續期間重新分類至 損益的其他全面 (虧損)/收入:			
Exchange differences on translation of foreign operations	換算海外業務的匯兌 差額		(19,308)	42,653
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD	期內其他全面(虧損)/ 收入		(19,308)	42,653
Total comprehensive (loss)/income attributable to owners of the parent	母公司擁有人應佔全面 (虧損)/收入總額		(163,897)	55,782
(Loss)/earnings per share attributable to owners of the parent	母公司擁有人應佔每股 (虧損)/盈利			
Basic (HK cents)	基本(港仙)	10	(72.3)	6.6
Diluted (HK cents)	攤薄(港仙)	10	(72.3)	6.6

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

30 June 2018
二零一八年六月三十日

		Notes 附註	Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、機器及設備	11	46,152	44,816
Goodwill	商譽	12	316,960	498,343
Intangible assets	無形資產	13	522,349	556,230
Deposits	按金		—	566
Total non-current assets	非流動資產總值		885,461	1,099,955
CURRENT ASSETS	流動資產			
Inventories	存貨		129,268	62,776
Gross amount due from customers for contract work	應收客戶的合約工程款總額		—	66,530
Contract assets	合約資產		34,626	—
Accounts and bills receivables	應收賬款及應收票據	15	976,665	1,193,132
Tax recoverable	可收回稅項		4,997	—
Prepayments, deposits and other receivables	預付款項、按金及其他應收款		23,380	18,536
Cash and cash equivalents	現金及現金等價物		28,930	68,623
Total current assets	流動資產總值		1,197,866	1,409,597
CURRENT LIABILITIES	流動負債			
Accounts payable	應付賬款	16	487,787	669,677
Accruals of costs for contract work	預提合約工程成本		64,650	63,867
Tax payable	應付稅項		97	13,210
Other payables and accruals	其他應付款及預提費用		29,959	57,475
Interest-bearing bank and other borrowings	計息銀行及其他借款	17	59,940	46,433
Convertible bonds	可換股債券	18	—	387,665
Total current liabilities	流動負債總額		642,433	1,238,327

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

30 June 2018

二零一八年六月三十日

		Notes 附註	Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
NET CURRENT ASSETS	流動資產淨值		555,433	171,270
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		1,440,894	1,271,225
NON-CURRENT LIABILITIES	非流動負債			
Convertible bonds	可換股債券	18	334,003	—
Promissory notes	承兌票據	19	492,776	473,918
Deferred tax liabilities	遞延稅項負債		90,538	94,693
Total non-current liabilities	非流動負債總額		917,317	568,611
Net assets	資產淨值		523,577	702,614
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	20	2,000	2,000
Equity component of convertible bonds	可換股債券之權益部分	18	375,576	390,716
Reserves	儲備		146,001	309,898
Total equity	總權益		523,577	702,614

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

Six months ended 30 June 2018
截至二零一八年六月三十日止六個月

Attributable to owners of the parent
母公司擁有人應佔

		Share capital	Share premium	Statutory surplus reserve	Exchange fluctuation reserve	Equity component of convertible bonds	Share option reserve	Retained profits	Total equity
		股本	股份溢價	法定盈餘儲備	外匯波動儲備	可換股債券之權益部分	購股權儲備	保留溢利	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018 (Audited)	於二零一八年一月一日 (經審核)	2,000	45,486	34,863	34,634	390,716	—	194,915	702,614
Loss for the period	期間虧損	—	—	—	—	—	—	(144,589)	(144,589)
Other comprehensive loss for the period:	期間其他全面虧損:								
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	—	—	—	(19,308)	—	—	—	(19,308)
Extinguishment of convertible bonds	註銷可換股債券	—	—	—	—	(15,140)	—	—	(15,140)
At 30 June 2018 (Unaudited)	於二零一八年六月三十日 (未經審核)	2,000	45,486	34,863	15,326	375,576	—	50,326	523,577
At 1 January 2017 (Audited)	於二零一七年一月一日 (經審核)	2,000	45,486	22,924	(78,895)	390,716	6,395	162,746	551,372
Profit for the period	期間溢利	—	—	—	—	—	—	13,129	13,129
Other comprehensive income for the period:	期間其他全面收入:								
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	—	—	—	42,653	—	—	—	42,653
At 30 June 2017 (Unaudited)	於二零一七年六月三十日 (未經審核)	2,000	45,486	22,924	(36,242)	390,716	6,395	175,875	607,154

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

Six months ended 30 June 2018

截至二零一八年六月三十日止六個月

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元
Net cash flows (used in) operating activities	經營業務(使用的)現金 流量淨額	(48,621)	(25,638)
Investing activities	投資業務		
Additions of items of property, plant and equipment	添置物業、機器及 設備項目	(6,014)	(990)
Proceeds from disposal of items of property, plant and equipment	出售物業、機器及 設備項目所得款項	1,069	—
Net cash flows used in investing activities	投資業務使用的現金 流量淨額	(4,945)	(990)
Financing activities	融資業務		
New interest-bearing other borrowings	新增計息其他借款	13,507	11,500
Net cash flows generated from in financing activities	融資業務產生的現金 流量淨額	13,507	11,500
Net decrease in cash and cash equivalents	現金及現金等價物減少 淨額	(40,059)	(15,128)
Cash and cash equivalents at beginning of period/year	期初/年初的現金及 現金等價物	68,623	24,899
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額	366	13,161
Cash and cash equivalents at end of period/year	期末/年末的現金及現金 等價物	28,930	22,932
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘 分析		
Cash and bank balances	現金及銀行結餘	28,930	22,932

Notes to the Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

Six months ended 30 June 2018
截至二零一八年六月三十日止六個月

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Room 1001, 10/F, Wing On Centre, 111 Connaught Road Central, Hong Kong.

During the six months ended 30 June 2018, the Group was principally engaged in the following principal activities:

- Development, production and sales of automotive engines (the “Automotive Engines Business”)
- Civil engineering works and building construction and maintenance works (the “Civil Engineering and Construction Business”)

In the opinion of the directors, the immediate holding company and the ultimate holding company is Youth Force Asia Ltd., a company incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2018 has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Except as disclosed below, the accounting policies and the basis of preparation adopted in the preparation of this condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2017.

1. 公司資料

本公司為一間在開曼群島註冊成立的獲豁免有限公司。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司的主要營業地點位於香港干諾道中111號永安中心10樓1001室。

於截至二零一八年六月三十日止六個月，本集團主要從事下列主要活動：

- 開發、生產及銷售汽車發動機（「汽車發動機業務」）
- 土木工程項目以及樓宇建造及保養業務（「土木工程及建造業務」）

董事認為，直接控股公司及最終控股公司為Youth Force Asia Ltd.（一間於英屬處女群島註冊成立之公司）。

2. 編製基準及會計政策

此截至二零一八年六月三十日止六個月之未經審核簡明綜合中期財務資料乃根據香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號「中期財務報告」及香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄16載列之適用披露規定而編製。

除下文披露者外，編製此簡明綜合中期財務資料時所採納之會計政策及編製基準，與編製本集團截至二零一七年十二月三十一日止年度的年度財務報表所採用者一致。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

Six months ended 30 June 2018

截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

During the period, there have been a number of new amendments to standards that have come into effect, which the Group has adopted at their respective effective dates.

Except for HKFRS 15 *Revenue from Contracts with Customers* and HKFRS 9 *Financial Instruments*, which nature and effect of the adoption are disclosed as below, the adoption of the above revised HKFRSs has had no significant financial effect on this unaudited condensed interim financial information.

HKFRS 15 Revenue from *Contracts with Customers*

HKFRS 15 supersedes HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted HKFRS 15 using the modified retrospective method which allows the Group to recognise the cumulative effects of initially applying HKFRS15 as an adjustment to the opening balance of retained earnings as at 1 January 2018. The Group elected to apply the practical expedient for completed contracts and did not restate the contracts completed before 1 January 2018, thus the comparative figures have not been restated.

2. 編製基準及會計政策(續)

期內，若干新訂準則修訂本開始生效，而本集團已於其各自生效日期採納此等準則修訂本。

除採納香港財務報告準則第15號「客戶合約收益」及香港財務報告準則第9號「金融工具」(採納之性質及影響已於下文披露)外，採納上述經修訂之香港財務報告準則對本未經審核簡明中期財務資料並無重大財務影響。

香港財務報告準則第15號「客戶合約收益」

香港財務報告準則第15號取代香港會計準則第11號「建築合約」、香港會計準則第18號「收益」及相關詮釋，且其應用於客戶合約產生之所有收益，除非該等合約屬於其他準則範圍。新準則確立一個五步模式，以將客戶合約產生之收益入賬。根據國際財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取之代價金額進行確認。

該準則要求實體作出判斷，於與其客戶訂約時應用模式中各步驟考慮所有相關事實及情況。該準則亦訂明與取得合約之成本增加及履約直接產生之成本有關之會計處理。

本集團以修訂式追溯應用法採納香港財務報告準則第15號，該方法允許本集團將首次應用香港財務報告準則第15號的累計影響確認為對二零一八年一月一日期初保留盈利結餘的調整。本集團就完成合約選擇採取實際權宜的方法，並無重申二零一八年一月一日前完成的合約，因此並無重列比較數字。

Notes to the Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

Six months ended 30 June 2018
截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

HKFRS 15 *Revenue from Contracts with Customers* (Continued)

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

- A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- B. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- C. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

Performance obligation satisfied at "the point in time" or "over time"

(a) *The Automotive Engines Business*

The Group's contracts with customers for the sale of automotive engines generally include one performance obligation. The Group has concluded that revenue from sale of automotive engines should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. Therefore, the adoption of HKFRS 15 did not have an impact on the timing of revenue recognition.

2. 編製基準及會計政策(續)

香港財務報告準則第15號「客戶合約收益」(續)

根據香港財務報告準則第15號，收益於客戶獲得合約中承諾貨品或服務之控制權時確認。此可能在某一時間點或一段時間內。香港財務報告準則第15號已確定以下三種情況為承諾貨品或服務的控制權被視為隨時間轉移之情況：

- A. 當客戶於實體履約時同時取得及消耗實體履約所提供之利益時；
- B. 當實體之履約行為創造或增強客戶在資產被創造或增強時控制之資產(如在建工程)時；
- C. 當實體之履約行為並未創造一項可被實體用於替代用途之資產，並且實體具有就迄今為止已完成之履約部分獲得客戶付款之可執行權利時。

倘合約條款及實體履約行為並不屬於任何該等三種情況，則根據香港財務報告準則第15號，實體於某一時間點(即控制權轉移時)就銷售商品或服務確認收益。所有權之風險及回報之轉移僅為於釐定控制權轉移發生時考慮之其中一項指標。

於「某一時間點」或「一段時間內」達成履約責任

(a) *汽車發動機業務*

本集團與客戶之銷售汽車發動機合約通常包括一項履約責任。本集團認為銷售汽車發動機之收益應於資產控制權轉移至客戶時(一般為交付設備時)獲確認。因此，採納香港財務報告準則第15號對確認收益的時間並無影響。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

Six months ended 30 June 2018

截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Performance obligation satisfied at “the point in time” or “over time” (Continued)

(b) *The Civil Engineering and Construction Business*

The Group has assessed that its contracts with customers fulfil the criteria for recognising revenue over time under HKFRS 15. The Group has adopted the output method (i.e. recognise revenue on the basis of direct measurement of the value to the customer of the entity's performance to date) as the Group considers that an output method with reference to progress certificates issued by customers and any adjustment, where it is necessary and can be objectively determined, on the work progress would appropriately depict the transfer of control of goods or services to customers for individual projects under the new standard.

Costs to fulfil a contract

Under HKFRS 15, if the costs incurred in fulfilling a contract with a customer are not within the scope of another standard, an entity shall recognise an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (i) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify; (ii) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) The costs are expected to be recovered. Costs that relate to satisfied performance obligations (or partially satisfied performance obligations) in the contracts and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations shall be expensed as incurred under HKFRS 15.

2. 編製基準及會計政策(續)

於「某一時間點」或「一段時間內」達成履約責任(續)

(b) *土木工程及建造業務*

本集團已評估其與客戶的合約達致根據香港財務報告準則第15號隨著時間確認收益的標準。本集團已採納產出法(即按直接計量迄今為止實體履約客戶之價值的基準確認收益)，原因為本集團認為產出法(經參考客戶發出的進度證書及對工程進度的任何調整(倘其必要及可客觀地釐定)可根據新標準就個別項目適當描述客戶的貨品或服務的轉移。

履約成本

根據香港財務報告準則第15號，倘履行客戶合約涉及之成本並不包括在另一項準則之範圍內，只有當該等成本符合以下所有標準時，實體方須自履行合約所涉及之成本確認資產：(i)有關成本與實體可明確識別之合約或預期合約有直接關係；(ii)有關成本令實體將用於履行(或持續履行)日後履約責任之資源得以產生或有所增加；及(iii)有關成本預期可收回。與合約中已履行的履約義務(或已部分履行的履約義務)相關的成本及本集團無法識別該成本與未履行的履約義務相關或與已履行的履約義務相關的成本將根據香港財務報告準則第15號列作為開支。

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Six months ended 30 June 2018
截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Performance obligation satisfied at “the point in time” or “over time” (Continued)

(b) *The Civil Engineering and Construction Business*
(Continued)

Costs to fulfil a contract (Continued)

Accordingly, reclassifications were made as at 1 January 2018 to be consistent with the terminology used under HKFRS 15:

- “Contract assets” recognised in relation to contracting activities were previously presented as “Gross amount due from customers for contract work”.

HKFRS 9 *Financial Instruments*

HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Group has applied HKFRS 9 retrospectively in accordance with the transition requirements, with the initial application date of 1 January 2018. The Group has elected not to adjust the comparative information for the period beginning 1 January 2017, which the comparative information was prepared under classification and measurement requirements of HKAS 39.

Classification and measurement

Under HKFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

2. 編製基準及會計政策(續)

於「某一時間點」或「一段時間內」達成履約責任(續)

(b) 土木工程及建造業務(續)

履約成本(續)

因此，已於二零一八年一月一日進行重新分類，以與香港財務報告準則第15號所用術語一致：

- 就合約活動確認之「合約資產」此前乃呈列為「應收客戶的合約工程款總額」。

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號「金融工具」於二零一八年一月一日或以後開始的年度期間取代香港會計準則第39號「金融工具：確認及計量」，集金融工具會計的所有三個方面：分類及計量、減值及對沖會計。

本集團已根據過渡規定追溯應用香港財務報告準則第9號，首次應用日期為二零一八年一月一日。本集團已選擇不就二零一七年一月一日開始的期間調整比較資料，而比較資料乃根據香港會計準則第39號的分類與計量規定編製。

分類及計量

根據香港財務報告準則第9號，本集團初步按公允價值計量金融資產，倘並非按公允價值計入損益的金融資產，則另加交易成本。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

Six months ended 30 June 2018

截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

HKFRS 9 *Financial Instruments* (Continued)

Classification and measurement (Continued)

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI criterion").

The new classification and measurement of the Group's debt financial assets are, as follows:

- *Debt instruments at amortised cost for financial assets* that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's accounts and other receivables.

Other financial assets are classified and subsequently measured, as follows:

- *Equity instruments at FVOCI*, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. Equity instruments at FVOCI are not subject to an impairment assessment under HKFRS 9.

2. 編製基準及會計政策(續)

香港財務報告準則第9號「金融工具」(續)

分類及計量(續)

根據香港財務報告準則第9號，債務金融工具隨後按公允價值計入損益、按攤銷成本或按公允價值計入其他全面收入計量。該分類乃根據兩個準則：本集團管理資產的業務模式；及該等工具的合約現金流量是否就尚未償還本金「僅為支付本金及利息」(「SPPI標準」)。

本集團債務金融資產的新分類及計量如下：

- *金融資產按攤銷成本列賬的債務工具* — 指在業務模式內以持有金融資產以收取符合SPPI標準的合約現金流量為目的的金融資產。此類別包括本集團的應收賬款及其他應收款項。

其他金融資產分類並其後計量如下：

- *按公允價值計入其他全面收入的股權工具* — 於終止確認時概無收益或虧損結轉至損益。此類別僅包括本集團擬就可預見未來持有及於初步確認或過渡後本集團不可撤回地選擇如此分類的股權工具。按公允價值計入其他全面收入的股權工具毋須遵守香港財務報告準則第9號項下的減值評估規定。

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Six months ended 30 June 2018
截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

HKFRS 9 *Financial Instruments* (Continued)

Classification and measurement (Continued)

- *Financial assets at FVPL* comprise derivative instruments and unquoted equity instruments which the Group had not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The adoption of HKFRS 9 has had no significant impact on the classification and measurement of the financial assets of the Group.

The accounting for the Group's financial liabilities remains largely the same as it was under HKAS 39. Similar to the requirements of HKAS 39, HKFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

2. 編製基準及會計政策(續)

香港財務報告準則第9號「金融工具」(續)

分類及計量(續)

- 按公允價值透過損益列賬的金融資產 — 包括衍生工具及本集團於初步確認或過渡中並沒有不可撤回地選擇將其分類為按公允價值計入其他全面收入的未報價的股權工具。此類別包括現金流特徵未符SPPI標準的債務工具或並無按目標是收取合約現金流或收取合約現金流並予出售的業務模式持有的債務工具。

本集團的業務模式評估乃於初步應用日期(即二零一八年一月一日)進行，且其後追溯應用於並未於二零一八年一月一日前終止確認的金融資產。債務工具的合約現金流量是否僅包括本金及利息乃根據於初步確認資產時的事實及情況進行評估。

採用香港財務報告準則第9號對於本集團的金融資產的分類及計量並無重大影響。

本集團金融負債的會計處理很大程度上與香港會計準則第39號規定一致。與香港會計準則第39號的規定相近，香港財務報告準則第9號規定將或然代價負債視作按公允價值計量的金融工具，而公允價值變動於損益表內確認。

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簡明綜合中期財務資料附註

Six months ended 30 June 2018

截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

HKFRS 9 *Financial Instruments* (Continued)

Classification and measurement (Continued)

Under HKFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by HKAS 39.

Impairment

HKFRS 9 requires an impairment on trades and bills receivables, contract assets and deposits and other receivables that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group applied the simplified approach and recorded lifetime expected losses that were estimated based on the present value of all cash shortfalls over the remaining life of all of its deposits and other receivables, trades receivables and contract assets, respectively. The Group performed a detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on its trade and other receivables and contract assets. The adoption of HKFRS 9 has had no significant impact on the impairment of the financial assets of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2. 編製基準及會計政策(續)

香港財務報告準則第9號「金融工具」(續)

分類及計量(續)

根據香港財務報告準則第9號，嵌入式衍生工具將不再與主體金融資產分開列示。反之，金融資產根據其合約條款及本集團業務模式分類。嵌入金融負債及非金融主體合約的衍生工具的會計處理與香港會計準則第39號規定者保持不變。

減值

香港財務報告準則第9號規定，並非根據香港財務報告準則第9號按公允價值透過損益列賬的貿易應收款項及應收票據、合約資產及按金及其他應收款項的減值，須按十二個月基準或可使用年期基準以預期信貸虧損模型入賬。本集團應用簡化方法，並根據所有按金及其他應收款項、貿易應收款項及合約資產餘下年期內各自的所有現金差額現值而估計的可使用年期預期虧損入賬。本集團已詳細分析，考慮所有合理及有證據支持的資料，包括前瞻性陳述，以估計其貿易及其他應收款項以及合約資產的預期信貸虧損。採用香港財務報告準則第9號對本集團的金融資產的減值並無重大影響。

本集團並無提早採用任何已頒佈但尚未生效的準則、詮釋或修訂。

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Six months ended 30 June 2018
截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

HKFRS 9 *Financial Instruments* (Continued)

Impairment (Continued)

This condensed consolidated interim financial information has been prepared under the historical cost convention, except for financial asset at fair value through profit or loss, which have been measured at fair value. This condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand unless otherwise indicated. Other than those subsidiaries established in the People’s Republic of China (the “PRC”) whose functional currency is Renminbi (“RMB”), the functional currency of the Group is HK\$.

This condensed consolidated interim financial information has not been audited or reviewed by the Company’s external auditors, but has been reviewed by the Audit Committee.

3. ESTIMATES

The preparation of this condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group as at and for the year ended 31 December 2017.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and service and has two reportable operating segments as follows:

- Automotive engines segment — development, production and sales of automotive engines.

2. 編製基準及會計政策(續)

香港財務報告準則第9號「金融工具」 (續)

減值(續)

除按公允價值透過損益列賬之金融資產以公允價值計量外，此簡明綜合中期財務資料乃根據歷史成本記賬法編製。此簡明綜合中期財務資料以港元(「港元」)呈列，而除另有指明外，所有數值已約整至最接近的千位數。除於中華人民共和國(「中國」)成立的附屬公司，其功能貨幣為人民幣(「人民幣」)外，本集團功能貨幣為港元。

此簡明綜合中期財務資料並未經本公司之外聘核數師審核或審閱，但已由審核委員會審閱。

3. 估計

編製此簡明綜合中期財務資料要求管理層作出影響會計政策應用及所報告資產及負債、收入及開支數額的判斷、估計及假設。實際結果或有別於有關估計。

於編製此簡明綜合中期財務資料時，管理層就應用本集團之會計政策而作出之重大判斷以及估計不穩定因素的主要來源，與截至二零一七年十二月三十一日止年度的本集團綜合財務報表內所採用的一致。

4. 分部資料

就管理而言，本集團按照其產品及服務被歸為業務單位，並有下列兩個可報告經營分部：

- 汽車發動機分部 — 開發、生產及銷售汽車發動機。

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Six months ended 30 June 2018

截至二零一八年六月三十日止六個月

4. SEGMENT INFORMATION (Continued)

- Civil engineering and construction segment — civil engineering works and building construction and maintenance works.

Management monitors the results of the Group's operating segments separately for the purpose of making decision about resources allocations and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that finance costs, gain on extinguishment of convertible bonds as well as head office and corporate expenses are excluded from such measurement.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

2018

		Unaudited 未經審核		
		For the six months ended 30 June 截至六月三十日止六個月		
		Automotive engines 汽車發動機 HK\$'000 千港元	Civil engineering and construction 土木工程及建造 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue	分部收益	272,357	225,901	498,258
Segment results	分部業績	(174,940)	(7,049)	(181,989)
Gain on extinguishment of convertible bonds	註銷可換股債券之收益			80,212
Corporate and unallocated expenses	企業及未分配開支			(9,859)
Finance costs	財務費用			(33,139)
Loss before tax	除稅前虧損			(144,775)

4. 分部資料(續)

- 土木工程及建造分部 — 土木工程項目以及樓宇建造及保養業務。

就作出有關資源分配及表現評估的決策而言，管理層獨立監控本集團經營分部的業績。分部表現按可報告分部損益(即經調整除稅前損益)評核。經調整除稅前損益之計量與本集團之除稅前損益一致，惟有關計量不包括財務費用、註銷可換股債券之收益以及總辦事處及企業費用。

分部收益及業績

下列為按可報告經營分部劃分之本集團收益及業績分析：

二零一八年

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簡明綜合中期財務資料附註

Six months ended 30 June 2018
截至二零一八年六月三十日止六個月

4. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

2017

4. 分部資料(續)

分部收益及業績(續)

二零一七年

Unaudited
未經審核

For the six months ended 30 June
截至六月三十日止六個月

		Automotive engines 汽車發動機 HK\$'000 千港元	Civil engineering and construction 土木工程及建造 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue	分部收益	601,631	272,245	873,876
Segment results	分部業績	70,293	(102)	70,191
Corporate and unallocated expenses	企業及未分配開支			(12,583)
Finance costs	財務費用			(34,777)
Profit before tax	除稅前溢利			22,831

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簡明綜合中期財務資料附註

Six months ended 30 June 2018

截至二零一八年六月三十日止六個月

5. REVENUE, OTHER INCOME AND GAINS

5. 收益、其他收入及收益

		Unaudited 未經審核 Six months ended 30 June 2018 截至二零一八年 六月三十日 止六個月 HK\$'000 千港元	Unaudited 未經審核 Six months ended 30 June 2017 截至二零一七年 六月三十日 止六個月 HK\$'000 千港元
Revenue	收益		
Sales of goods	銷售貨物	272,357	601,631
Contract revenue	合約收益	225,901	272,245
		498,258	873,876
Other income and gains	其他收入及收益		
Rental income	租金收入	—	4,214
Interest income	利息收入	5	3
Consultancy fee income	顧問費收入	740	742
Management fee income	管理費收入	1,231	1,130
Government subsidies*	政府補助*	702	111
Sundry income	雜項收入	493	945
		3,171	7,145

* Subsidies have been received from the Hong Kong Vocational Training Council, an institution established by the Government of the Hong Kong Special Administrative Region (the "Government"), for providing on-the-job training to graduate engineers. In addition, various government grants have been received for the business development in Chongqing Province, PRC. There are no unfulfilled conditions or contingencies relating to these subsidies.

* 向已畢業的工程師提供在職培訓取得香港職業訓練局(香港特別行政區政府(「政府」)設立的機構)的補助。另外，於中國重慶省之業務發展獲多項政府補助。並無有關該等補助的未履行條件或或然事件。

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簡明綜合中期財務資料附註

Six months ended 30 June 2018
截至二零一八年六月三十日止六個月

6. FINANCE COSTS

6. 財務費用

		Unaudited 未經審核 Six months ended 30 June 2018 截至二零一八年 六月三十日 止六個月 HK\$'000 千港元	Unaudited 未經審核 Six months ended 30 June 2017 截至二零一七年 六月三十日 止六個月 HK\$'000 千港元
Interest on bank and other borrowings	銀行及其他借款利息	2,871	1,617
Interest on promissory notes	承兌票據利息	18,858	19,320
Imputed interest on convertible bonds	可換股債券之推算利息	11,410	13,840
		33,139	34,777

7. (LOSS)/PROFIT BEFORE TAX

7. 除稅前(虧損)/溢利

		Unaudited 未經審核 Six months ended 30 June 2018 截至二零一八年 六月三十日 止六個月 HK\$'000 千港元	Unaudited 未經審核 Six months ended 30 June 2017 截至二零一七年 六月三十日 止六個月 HK\$'000 千港元
The Group's (loss)/profit before tax is arrived at after charging:	本集團之除稅前(虧損)/溢利已扣除下列各項:		
Cost of sales	銷售成本		
Cost of inventories sold	已售存貨成本	239,026	500,120
Amortisation of intangible assets	無形資產攤銷	27,715	29,546
Cost of services provided	已提供服務成本	222,290	263,656
		489,031	793,322
Depreciation	折舊	2,973	2,802
Employee benefits expenses (exclusive of directors' remuneration)	僱員福利開支 (不包括董事酬金)	13,822	21,199
Directors' remuneration	董事酬金	4,981	5,796

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簡明綜合中期財務資料附註

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8. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI. No provision for Hong Kong profits tax has been made for the six months ended 30 June 2018 as there was no assessable profits generated (2017: 16.5%) on the estimated assessable profits arising in Hong Kong for the period.

Chongqing Bisu Yunbo Motor Technology Limited, a wholly-owned subsidiary of the Group in the PRC, is subject to a preferential corporate income tax ("CIT") rate of 15% (2017: 15%).

8. 所得稅開支

根據開曼群島及英屬處女群島(「英屬處女群島」)的法例及規例，本集團毋須繳付開曼群島及英屬處女群島的任何所得稅。截至二零一八年六月三十日止六個月，由於概無應課稅溢利產生，因此概無就期內自香港產生之估計應課稅溢利計提香港利得稅撥備(二零一七年：16.5%)。

本集團之中國全資附屬公司重慶比速雲博動力科技有限公司按優惠企業所得稅(「企業所得稅」)稅率15%(二零一七年：15%)繳稅。

		Unaudited 未經審核 Six months ended 30 June 2018 截至二零一八年 六月三十日 止六個月 HK\$'000 千港元	Unaudited 未經審核 Six months ended 30 June 2017 截至二零一七年 六月三十日 止六個月 HK\$'000 千港元
Current charge for the period	期間即期費用		
— Hong Kong profits tax	— 香港利得稅	—	3
— PRC CIT	— 中國企業所得稅	3,972	14,131
— Deferred	— 遞延	(4,158)	(4,432)
Total tax (credit)/charge for the period	期間稅項(抵免)/支出 總額	(186)	9,702

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9. DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: nil).

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amounts for the six months ended 30 June 2018 and 2017 are based on the consolidated loss for the period attributable to owners of the Company of HK\$144,589,000 (2017: profit of HK\$13,129,000) and the weighted average number of 200,000,000 (2017: 200,000,000) ordinary shares in issue during the period.

No adjustment has been made to the basic (loss)/earnings per share amount presented for the six months ended 30 June 2018 and 2017 in respect of a dilution as the impact of the convertible bonds outstanding during the period had an anti-dilutive effect on the basic (loss)/earnings per share amount presented.

9. 股息

董事會不建議派付截至二零一八年六月三十日止六個月之任何中期股息(二零一七年六月三十日止六個月：無)。

10. 母公司擁有人應佔每股(虧損)/盈利

於計算截至二零一八年及二零一七年六月三十日止六個月的每股基本(虧損)/盈利金額時，乃根據本公司擁有人應佔期內綜合虧損144,589,000港元(二零一七年：溢利13,129,000港元)及期內已發行普通股的加權平均數200,000,000股(二零一七年：200,000,000股)計算。

由於期間內尚未行使可換股債券之影響對呈列之每股基本(虧損)/盈利金額具有反攤薄作用，故並無就截至二零一八年及二零一七年六月三十日止六個月呈列之每股基本(虧損)/盈利金額作出攤薄調整。

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11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、機器及設備

		HK\$'000 千港元
Six months ended 30 June 2018		
截至二零一八年六月三十日止六個月		
Net carrying amount at 1 January 2018 (Audited)	於二零一八年一月一日之賬面淨值 (經審核)	44,816
Additions	添置	5,163
Disposal	出售	(218)
Depreciation	折舊	(2,973)
Exchange realignment	匯兌調整	(636)
Net carrying amount at 30 June 2018 (Unaudited)	於二零一八年六月三十日之 賬面淨值(未經審核)	46,152
Six months ended 30 June 2017		
截至二零一七年六月三十日止六個月		
Net carrying amount at 1 January 2017 (Audited)	於二零一七年一月一日之賬面淨值 (經審核)	45,263
Additions	添置	990
Depreciation	折舊	(2,802)
Exchange realignment	匯兌調整	(979)
Net carrying amount at 30 June 2017 (Unaudited)	於二零一七年六月三十日之 賬面淨值(未經審核)	42,472

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12. GOODWILL

12. 商譽

		HK\$'000 千港元
Six months ended 30 June 2018		
截至二零一八年六月三十日止六個月		
Net carrying amount:	賬面淨值：	
At 1 January 2018 (Audited)	於二零一八年一月一日(經審核)	498,343
Impairment charged for the period	期內減值	(174,933)
Exchange realignment	匯兌調整	(6,450)
At 30 June 2018 (Unaudited)		316,960
於二零一八年六月三十日(未經審核)		
At 30 June 2018:	於二零一八年六月三十日：	
Cost	成本	491,893
Accumulated impairment	累計減值	(174,933)
Net carrying amount		316,960
賬面淨值		
		HK\$'000 千港元
Six months ended 30 June 2017		
截至二零一七年六月三十日止六個月		
Cost and net carrying amount:	成本及賬面淨值：	
At 1 January 2017 (Audited)	於二零一七年一月一日(經審核)	463,257
Exchange realignment	匯兌調整	14,540
At 30 June 2017 (Unaudited)		477,797
於二零一七年六月三十日(未經審核)		

Goodwill acquired through a business combination is allocated to the cash-generating unit of the Automotive Engines Business (the "Automotive Engines CGU") for impairment testing.

透過業務合併所收購的商譽被分配至汽車發動機業務之現金產生單位(「汽車發動機現金產生單位」)以作減值測試。

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12. GOODWILL (Continued)

Impairment test of goodwill

The recoverable amount of the Automotive Engines CGU was determined based on a value in use calculation using cash flow projections of financial budgets covering a five-year period approved by management. The discount rate applied to the cash flow projections was 15.31%. Management has determined the sales growth rate based on the sales volume stipulated in the automotive engine sales framework agreements entered into by the Group and the Automotive Engines Group (the “Automotive Engine Sales Framework Agreements”). The cash flow projections of the Automotive Engines Business beyond the five-year period of financial budgets are extrapolated using a growth rate of 3%, which did not exceed the long term average growth rate of the industry. The discount rate used is before tax and reflects specific risks relating to the units.

Assumptions were used in the value in use calculation of the Automotive Engines CGU for 30 June 2018. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Sales growth rate — The sales growth rates on product types of the Group are based on the sales volume stipulated in the Automotive Engine Sales Framework Agreements.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the Automotive Engines CGU.

During the period ended 30 June 2018, the Group recognised impairment losses of HK\$174,933,000 in connection with goodwill allocated to Automotive Engines CGU. The impairment losses are made based on the results of impairment tests for the goodwill using their values in use in accordance with HKAS 36 with reference to a valuation performed by Moores Stephens. The impairment loss was mainly attributable to the Group’s customers suffered the intensifying competition in the PRC’s passenger vehicle industry which resulted in adjusting the market strategies and slowed down the agreed number of sale contracts.

12. 商譽(續)

商譽之減值測試

汽車發動機現金產生單位之可收回金額乃使用經管理層批准涵蓋五年期的財政預算內現金流量預測計算的使用價值為基礎而釐定。現金流量預測所使用的貼現率為15.31%。管理層已根據本集團與汽車發動機集團訂立的汽車發動機銷售框架協議(「汽車發動機銷售框架協議」)所訂明的銷量釐定銷售增長率。五年期後財政預算中汽車發動機業務的現金流量預測使用3%增長率推斷，該比率並無超過行業長期平均增長率。所使用的貼現率為除稅前及反映有關該等單位的特定風險。

計算二零一八年六月三十日汽車發動機現金產生單位的使用價值時使用了假設。下文描述管理層作出現金流量預測以進行商譽減值測試時所根據的各項主要假設：

銷售增長率 — 本集團各產品種類的銷售增長率乃以汽車發動機銷售框架協議所訂明的銷量為基礎。

貼現率 — 所使用的貼現率為除稅前及反映有關汽車發動機現金產生單位的特定風險。

截至二零一八年六月三十日止期間，本集團就發動機現金產生單位之商譽確認減值虧損174,933,000港元。減值虧損乃基於根據香港會計準則第36號採用使用價值計算之商譽減值測試結果並參考Moores Stephens進行的估值而作出。產生該減值虧損乃主要由於集團客戶承受中國乘用車行業激烈的競爭，集團客戶調整市場策略，放緩了銷售合約之約定數量。

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13. INTANGIBLE ASSETS

13. 無形資產

		Customer contracts 客戶合約 HK\$'000 千港元
Six months ended 30 June 2018	截至二零一八年六月三十日止六個月	
Net carrying amount:	賬面淨值：	
At 1 January 2018 (Audited)	於二零一八年一月一日(經審核)	556,230
Amortisation provided during the period	期內已撥備的攤銷	(27,715)
Exchange realignment	匯兌調整	(6,166)
At 30 June 2018 (Unaudited)	於二零一八年六月三十日(未經審核)	522,349
At 30 June 2018:	於二零一八年六月三十日：	
Cost	成本	697,251
Accumulated amortisation	累計攤銷	(174,902)
Net carrying amount	賬面淨值	522,349

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13. INTANGIBLE ASSETS (Continued)

13. 無形資產(續)

		Customer contracts 客戶合約 HK\$'000 千港元
Six months ended 30 June 2017	截至二零一七年六月三十日止六個月	
Net carrying amount:	賬面淨值：	
At 1 January 2017 (Audited)	於二零一七年一月一日(經審核)	569,171
Amortisation provided during the period	期內已撥備的攤銷	(29,546)
Exchange realignment	匯兌調整	17,326
At 30 June 2017 (Unaudited)	於二零一七年六月三十日(未經審核)	556,951
At 30 June 2017:	於二零一七年六月三十日：	
Cost	成本	677,271
Accumulated amortisation	累計攤銷	(120,320)
Net carrying amount	賬面淨值	556,951

Customer contracts represent certain automotive engine sales framework agreements (the “Automotive Engine Sales Framework Agreements”) entered into by the Automotive Engines Group (as defined in note 14) in 2015 and pursuant to which the related customers agreed to procure pre-agreed quantities of engines from the Automotive Engines Group from 2016 to 2020. In February 2018, the Automotive Engines Group entered into certain supplemental Automotive Engine Sales Framework Agreements (the “Supplemental Agreements”) with the related customers, pursuant to which the customer contract period was extended to 2022, and the pre-agreed quantities of engines were adjusted based on the customers’ latest production needs. The customer contracts are amortised to profit or loss under the unit of production method over the relevant contract periods.

客戶合約指由汽車發動機集團(定義見附註14)於二零一五年簽訂的若干汽車發動機銷售框架協議(「汽車發動機銷售框架協議」)，據此，相關客戶同意自二零一六年至二零二零年從汽車發動機集團採購先前約定數量的發動機。於二零一八年二月，汽車發動機集團已與相關客戶訂立若干汽車發動機銷售框架協議補充文件(「補充協議」)，據此客戶合約期間已延長至二零二二年，及先前約定的發動機數量已根據客戶最近生產需要作出調整。客戶合約於相關合約期間根據生產單位法攤銷至損益。

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14. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

14. 按公允價值透過損益列賬之金融資產

		Contingent consideration — profit guarantee 或然代價 — 溢利保證 HK\$'000 千港元
At 1 January 2017 (Audited)	於二零一七年一月一日(經審核)	2,911
Change in fair value	公允價值變動	(284)
As 30 June 2017 (Unaudited)	於二零一七年六月三十日(未經審核)	2,627
At 1 January 2018 (Audited)	於二零一八年一月一日(經審核)	—
Change in fair value	公允價值變動	—
At 30 June 2018 (Unaudited)	於二零一八年六月三十日(未經審核)	—

Pursuant to the sale and purchase agreement (the “Engines SPA”) entered into by the Group and Power Expert Global Limited (“Power Expert”) for the acquisition of Well Surplus Enterprises Limited and its subsidiaries (the “Automotive Engines Group”) in October 2015 (the “Engines Acquisition”) and the third supplemental sale and purchase agreement (the “3rd Engines SPA”) in December 2017, Power Expert has warranted and guaranteed to the Group that the audited consolidated profit after tax of the Automotive Engines Group (excluding any fair value adjustments arising from purchase price allocation upon the completion of the Engines Acquisition by the Group) as prepared in accordance with HKFRSs, for the two years ending 28 February 2017 and 2018 shall not be less than the aggregate sum of HK\$170,000,000 (the “1st Guaranteed Profit”) and HK\$230,000,000 (the “2nd Guaranteed Profit”) (i.e. in aggregate HK\$400,000,000) (the “Total Guaranteed Profit”).

根據本集團與巧能環球有限公司(「巧能環球」)就收購 Well Surplus Enterprises Limited及其附屬公司(「汽車發動機集團」)於二零一五年十月訂立的買賣協議(「發動機買賣協議」)(「發動機收購」)以及於二零一七年十二月訂立的第三份補充買賣協議(「第三份補充買賣協議」, 巧能環球向本集團承諾及保證, 汽車發動機集團根據香港財務報告準則編製的截至二零一七年及二零一八年二月二十八日止兩個年度經審核綜合除稅後溢利(不包括本集團於發動機收購完成後因購買價分配而產生的任何公允價值調整)將分別不少於合共170,000,000港元(「第一期保證溢利」)及230,000,000港元(「第二期保證溢利」)(即總共400,000,000港元)(統稱「總保證溢利」)。

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14. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

In the event that the Total Guaranteed Profit has not been achieved, Power Expert shall compensate the Group. Details of the calculation of the compensation are set out in the Group's announcement date 31 December 2017 and the Company's circular dated 20 March 2018.

As at 30 June 2018, the directors of the Company determined that the fair value of the profit guarantee was HK\$Nil as the Total Guaranteed Profit has already been met during the six months ended 30 June 2018.

The fair value of the profit guarantee was HK\$2,627,000 as at 30 June 2017, which was determined by an independent professional valuer, based on the probabilistic flow method in which the cash flows for each year represent the difference between the guaranteed profit and the projected net profit. The directors of the Company estimated the projected net profits of the Automotive Engines Group under two different scenarios with respective scenario probabilities. The fair value of the profit guarantee was the probability-weighted average of the present values of the shortfalls between the guaranteed profits and the projected net profits under the four scenarios. A discount rate of 6.02% had been used to calculate the present value of cash flows of the profit guarantee.

14. 按公允價值透過損益列賬之金融資產(續)

倘未能達到總保證溢利，巧能環球須向本集團作出賠償。有關計算賠償金額的詳情載列於本集團日期為二零一七年十二月三十一日的公告及本公司日期為二零一八年三月二十日的通函。

於二零一八年六月三十日，本公司董事釐定溢利保證之公允價值為零港元，此乃由於總保證溢利已於截至二零一八年六月三十日止六個月內實現。

溢利保證於二零一七年六月三十日的公允價值為2,627,000港元，此乃由獨立專業估值師根據概率統計法釐定，其中每年的現金流量代表保證溢利與預測純利之間的差額。本公司董事估計汽車發動機集團在兩個不同情況下按相關情況的概率之預測純利。溢利保證的公允價值是保證溢利與四個情況下的預測純利之間的不足額之現值的概率加權平均值。貼現率6.02%已用作計算溢利保證現金流量之現值。

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14. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Below is a summary of a significant unobservable input to the valuation of the contingent consideration together with a quantitative sensitivity analysis as at 30 June 2017:

Valuation technique	Significant unobservable input	Sensitivity of fair value to the input
估值方法	重要不可觀察輸入值	公允價值對輸入值之敏感度
Discounted financial instrument in respect of the profit guarantee	Probabilistic flow method	Discount rate 6.02%
溢利保證的已貼現金融工具	概率統計法	貼現率6.02%
		1% increase/(decrease) in discount rate would result in (decrease)/increase in fair value by HK\$16,000
		貼現率上升/(下跌)1%將導致公允價值(減少)/增加16,000港元

15. ACCOUNTS AND BILLS RECEIVABLES

Accounts and bills receivables represented receivables for contract work and sale of automotive engines. The payment terms of contract work receivables are stipulated in the relevant contracts and the credit period is generally one month. The payment terms for receivables arising from sales of automotive engines are mainly on credit and the credit period is generally three months. The payment terms of bills receivable are stipulated in the relevant bills receivable from bank and its maturity period is ranging from 90 to 180 days. The carrying amounts of accounts and bills receivables approximate to their fair values.

14. 按公允價值透過損益列賬之金融資產(續)

下文為於二零一七年六月三十日計算或然代價估值時的重要不可觀察輸入值連同定量敏感度分析之概要：

15. 應收賬款及應收票據

應收賬款及應收票據指合約工程及銷售汽車發動機應收款。合約工程應收款的付款期於有關合約中訂明，而信貸期一般為一個月。來自銷售汽車發動機的應收款項的付款期以信貸為主，而信貸期一般為三個月。應收票據的付款期於銀行相關應收票據內訂明，其到期時間介乎90至180日。應收賬款及應收票據的賬面值與其公允價值相若。

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簡明綜合中期財務資料附註

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截至二零一八年六月三十日止六個月

15. ACCOUNTS AND BILLS RECEIVABLES (Continued)

15. 應收賬款及應收票據(續)

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Accounts receivable	應收賬款	402,032	1,191,019
Bills receivable	應收票據	574,633	2,113
		976,665	1,193,132

As at 30 June 2018, retentions receivable included in accounts receivable amounted to HK\$177,320,000 (31 December 2017: HK\$175,761,000) and are repayable on terms ranging from two to three years.

於二零一八年六月三十日，應收賬款中包含的應收保留款項為177,320,000港元(二零一七年十二月三十一日：175,761,000港元)，還款期介乎兩至三年。

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Six months ended 30 June 2018
截至二零一八年六月三十日止六個月

15. ACCOUNTS AND BILLS RECEIVABLES (Continued)

The ageing analysis of the accounts receivable that are not individually nor collectively considered to be impaired is as follows:

15. 應收賬款及應收票據(續)

並無個別或整體上認為減值的應收賬款賬齡分析如下：

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Past due but not impaired:	逾期但並無減值：		
One to three months past due	逾期一至三個月	8,774	154,384
Four to six months past due	逾期四至六個月	269	236
Over six months past due	逾期超過六個月	362	199
		9,405	154,819
Neither past due nor impaired	既無逾期亦無減值	392,627	1,036,200
		402,032	1,191,019

As at 30 June 2018 and 31 December 2017, the bills receivable, based on the issue date, aged from one to two months.

於二零一八年六月三十日及二零一七年十二月三十一日，應收票據按發票日期之賬齡介乎一至兩個月。

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

逾期但並無減值的應收賬款乃與少數幾名主要客戶相關，彼等與本集團交易的記錄良好。根據以往經驗，董事認為，該等結餘無須計提減值準備，因有關信用質素並無重大改變，且仍然認為可全數收回有關結餘。本集團並無就該等結餘持有任何抵押品或其他信用增級。

Accounts receivable that are neither past due nor impaired relate to a number of independent customers for whom there was no recent history of default.

既無逾期亦無減值的應收賬款與多名獨立客戶相關，彼等近期並無拖欠記錄。

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簡明綜合中期財務資料附註

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16. ACCOUNTS PAYABLE

An ageing analysis of accounts payable at the end of each reporting period, based on the invoice date, is as follows:

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Current to three months	即期至三個月	482,205	663,081
Four to six months	四至六個月	3,121	4,217
Over six months	超過六個月	2,461	2,379
		487,787	669,677

As at 30 June 2018, retentions payable included in accounts payable amounted to HK\$13,521,000 (31 December 2017: HK\$13,103,000), which are normally settled on terms ranging from two to three years. The carrying amounts of accounts payable approximate to their fair values.

Accounts payable are non-interest bearing and are normally settled on terms ranging from 7 to 120 days. The payment terms are stipulated in the relevant contracts.

16. 應付賬款

下列為按發票日期於各報告期末應付賬款之賬齡分析：

於二零一八年六月三十日，應付賬款中包含的應付保留款項為13,521,000港元(二零一七年十二月三十一日：13,103,000港元)，一般於兩至三年內結算。應付賬款的賬面值與其公允價值相若。

應付賬款為免計利息，一般於7至120日內結算。支付條款於有關合約中訂明。

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Six months ended 30 June 2018
截至二零一八年六月三十日止六個月

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

17. 銀行及其他計息借款

		Unaudited 未經審核 30 June 2018 二零一八年六月三十日			Audited 經審核 31 December 2017 二零一七年十二月三十一日		
		Contractual interest rate (%) per annum 合約年利率 (%)	Maturity 到期日	HK\$'000 千港元	Contractual interest rate (%) per annum 合約年利率 (%)	Maturity 到期日	HK\$'000 千港元
Current	流動						
Bank loans — unsecured	銀行貸款—無抵押	HIBOR +2.5% 香港銀行 同業拆息+2.5%	2018 二零一八年	2,440	HIBOR +2.5% 香港銀行 同業拆息+2.5%	2018 二零一八年	3,933
Other loans — unsecured	其他貸款—無抵押	5 - 12%	2018-2019 二零一八年至 二零一九年	57,500	5% - 12%	2018 二零一八年	42,500

Notes:

- The Group's interest-bearing other borrowings are repayable on demand or within one year.
- A corporate guarantee was given by the Company for the outstanding balance of bank loans of HK\$2,440,000 as at 30 June 2018.

附註：

- 本集團的其他計息借款須按要求或於一年內償還。
- 本公司就於二零一八年六月三十日尚未償還銀行貸款結餘2,440,000港元提供企業擔保。

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簡明綜合中期財務資料附註

Six months ended 30 June 2018

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18. CONVERTIBLE BONDS

The convertible bonds recognised in the consolidated statement of financial position are bifurcated into two components for accounting purpose, namely the liability component and the equity component, and the movements of these components during the reporting period are as follows:

18. 可換股債券

於綜合財務狀況表確認的可換股債券就會計用途而分為兩個部分，分別為負債部分及權益部分，而該等部分於報告期內的變動如下：

		Liability component 負債部分 HK\$'000 千港元	Equity component 權益部分 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2016 and 1 January 2017 (Audited)	於二零一六年 十二月三十一日及 二零一七年一月一日 (經審核)	359,818	390,716	750,534
Interest expense	利息開支	27,847	—	27,847
At 31 December 2017 and 1 January 2018 (Audited)	於二零一七年 十二月三十一日及 二零一八年一月一日 (經審核)	387,665	390,716	778,381
Interest expense	利息開支	11,410	—	11,410
Gain on extinguishment of convertible bonds	註銷可換股債券之收益	(65,072)	(15,140)	(80,212)
At 30 June 2018 (Unaudited)	於二零一八年六月三十日 (未經審核)	334,003	375,576	709,579

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簡明綜合中期財務資料附註

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18. CONVERTIBLE BONDS (Continued)

On 4 February 2016, the Company issued zero coupon convertible bonds with an aggregate principal amount of HK\$390,000,000 to Power Expert as part of the consideration for the Engines Acquisition. The maturity date of the convertible bonds is on the second anniversary of the date of issuance (i.e. 4 February 2018). The convertible bonds bear no interest on the principal amount. No security or guarantee is granted in respect of the convertible bonds. The convertible bonds can be converted into 195,000,000 ordinary shares in the Company at the initial conversion price of HK\$2.00 per conversion share (subject to adjustment pursuant to the terms of the convertible bonds). The Company may at any time before the maturity date by written notice redeem the convertible bonds at 100% of the principal amount. Any amount of the convertible bonds which is redeemed by the Company will forthwith be cancelled.

On 13 March 2018, the Company has executed the extension of the maturity date of the convertible bonds for 2 years from 4 February 2018 to 4 February 2020 (the “**CB Extension**”). Further details of the CB Extension are set out in the Company’s announcement dated 31 December 2017 and the Company’s circular dated 20 March 2018. As a result the liability and equity component was extinguished by approximately HK\$65,072,000 and HK\$15,140,000 respectively based on revaluation upon the date of execution, i.e. 13 March 2018. The revaluation was carried out by Moores Stephens Advisory Services Limited (“**Moores Stephens**”), an independent qualified professional valuer, not connected with the Group. On the other hand, the carrying amount has been charged with imputed interest, the outstanding principal amount of the convertible bonds remained approximately HK\$334,003,000 for years with the maturity date due on 4 February 2020. At 30 June 2018 and 31 December 2017, no convertible bonds were converted and the outstanding principal amount of the convertible bonds was HK\$390,000,000.

18. 可換股債券(續)

於二零一六年二月四日，本公司向巧能環球發行本金總額為390,000,000港元的零息可換股債券，以作為發動機收購事項的部分代價。可換股債券的到期日為發行日期的第二個週年(即二零一八年二月四日)。可換股債券的本金額並不計息。概無就可換股債券授出抵押或擔保。可換股債券可按初步換股價每股換股股份2.00港元(可根據可換股債券的條款調整)兌換為本公司的195,000,000股普通股。本公司可於到期日前隨時透過書面通知按本金額的100%贖回可換股債券。本公司所贖回的任何金額可換股債券將立即被註銷。

於二零一八年三月十三日，本公司將可換股債券之到期日由二零一八年二月四日延長兩年至二零二零年二月四日(「**可換股債券延長**」)。有關可換股債券延長的進一步詳情載於本公司日期為二零一七年十二月三十一日的公告及本公司日期為二零一八年三月二十日的通函。因此，負債及權益部分已於簽立日期(即二零一八年三月十三日)後根據重新估值分別註銷約65,072,000港元及15,140,000港元。該重估乃由Moores Stephens Advisory Services Limited (「**Moores Stephens**」，一名獨立合資格專業估值師且與本集團並無關連)進行。另一方面，賬面值已扣除應計利息，可換股債券未償還本金額仍為約334,003,000港元，到期日為二零二零年二月四日。於二零一八年六月三十日及二零一七年十二月三十一日，概無可換股債券獲轉換，而可換股債券的未償還本金額為390,000,000港元。

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18. CONVERTIBLE BONDS (Continued)

The convertible bonds with an aggregate principal amount of HK\$390,000,000 were deposited with an escrow agent in favour of the Company as security for the 1st Guaranteed Profit and the 2nd Guaranteed Profit. The convertible bonds in the principal amounts of HK\$165,750,000 and HK\$224,250,000 shall be released to Power Expert if the audited consolidated profits after tax of the Automotive Engines Group for the two years ended 28 February 2017 and 2018 are equal to or more than the 1st Guaranteed Profit and the 2nd Guaranteed Profit, respectively, after the issue of the auditors' certificate for each period. As at 6 August 2018, the convertible bonds have been released to Power Expert.

19. PROMISSORY NOTES

18. 可換股債券(續)

本金總額為390,000,000港元的可換股債券獲以本公司為受益人存入託管代理，以作為第一項保證溢利及第二項保證溢利之抵押。倘汽車發動機集團於截至二零一七年及二零一八年二月二十八日止兩個年度之經審核綜合稅後溢利分別相等於或超過第一項保證溢利及第二項保證溢利，則於就各期間發出核數師證明後，本金總額為165,750,000港元及224,250,000港元之可換股債券將會發放予巧能環球。於二零一八年八月六日，並無可換股債券已發放予巧能環球。

19. 承兌票據

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
First Note	第一票據	208,227	199,893
Second Note	第二票據	284,549	274,025
		492,776	473,918

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19. PROMISSORY NOTES (Continued)

Notes:

On 4 February 2016, the Company issued two promissory notes with face values of HK\$174,250,000 (the “**First Note**”) and HK\$235,750,000 (the “**Second Note**”) in favour of Power Expert as part of the consideration for the Engines Acquisition. Both the First Note and Second Note carry interest at a rate of 10% per annum. The outstanding principal amounts plus any accrued interest will be repayable on the maturity date falling on the second anniversary of the date of the First Note and Second Note, i.e. 3 February 2018. The carrying amounts of the First Note and Second Note at period end were computed by discounting the face values of the notes by the effective interest rate.

On 31 December 2017, the Company had extended the maturity date of the First Note and Second Note for 2 years from 4 February 2018 to 4 February 2020 and the interest rate was adjusted downwards from 10% to 8% per annum, all accrued and outstanding interest shall be repaid on the extended maturity date of 4 February 2020. Further details are set out in the Company’s announcement dated 31 December 2017 and the Company’s circular dated 20 March 2018.

The carrying amounts of the First Note and Second Note at year end were computed by discounting the face values of the notes by the effective interest rate and the outstanding interest payable.

The promissory notes with an aggregate face value of HK\$410,000,000 were deposited with an escrow agent in favour of the Company as security for the 1st Guaranteed Profit and the 2nd Guaranteed Profit. The promissory notes in the face values of HK\$174,250,000 and HK\$235,750,000 shall be released to Power Expert if the audited consolidated profits after tax of the Automotive Engines Group for the two years ending 28 February 2017 and 2018 are equal to or more than the 1st Guaranteed Profit and the 2nd Guaranteed Profit, respectively, after the issue of the auditors’ certificate for each period. As at 6 August 2018, the two promissory notes have been released to Power Expert.

19. 承兌票據(續)

附註：

於二零一六年二月四日，本公司向巧能環球發行兩批承兌票據，面值分別為174,250,000港元(「**第一票據**」)及235,750,000港元(「**第二票據**」)，以作為發動機收購事項的部分代價。第一票據及第二票據均按年利率10%計息。未償還本金額連同任何累計利息將須於第一票據及第二票據的第二週年當日(即二零一八年二月三日)的到期日償還。第一票據及第二票據於期末的賬面值已按實際利率將票據的面值貼現計算。

於二零一七年十二月三十一日，本公司已將第一票據及第二票據之到期日由二零一八年二月四日延長兩年為二零二零年二月四日，而年利率已由10%調整降至8%，所有應計款項及尚未償還利息須於二零二零年二月四日經延長到期日償還。進一步詳情載於本公司日期為二零一七年十二月三十一日的公告及本公司日期為二零一八年三月二十日的通函。

第一票據及第二票據於年末的賬面值已按實際利率及尚未償還應付利息將票據的面值貼現計算。

總面值為410,000,000港元之承兌票據已存置於以本公司為受益人之託管代理，以作為第一項保證溢利及第二項保證溢利之抵押。倘汽車發動機集團於截至二零一七年及二零一八年二月二十八日止兩個年度之經審核綜合稅後溢利分別相等於或超過第一項保證溢利及第二項保證溢利，則於就各期間發出核數師證明後，面值為174,250,000港元及235,750,000港元之承兌票據將會發放予巧能環球。於二零一八年八月六日，兩項承兌票據中概無票據已發放予巧能環球。

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20. SHARE CAPITAL

20. 股本

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	Audited 經審核 30 December 2017 二零一七年 十二月三十日 HK\$'000 千港元
Authorised:	法定股本：		
500,000,000 (31 December 2017: 500,000,000) ordinary shares of HK\$0.01 each	500,000,000股(二零一 七年十二月三十一 日：500,000,000股) 每股面值0.01港元的 普通股	5,000	5,000
Issued and fully paid:	已發行及繳足：		
200,000,000 (31 December 2017: 200,000,000) ordinary shares of HK\$0.01 each	200,000,000股(二零一 七年十二月三十一 日：200,000,000股) 每股面值0.01港元的 普通股	2,000	2,000

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21. RELATED PARTY TRANSACTIONS

(a) Related party transactions

During the period and in the ordinary course of its business, the Group had transactions with related parties as follows:

	Unaudited 未經審核 Six months ended 30 June 2018 截至 二零一八年 六月三十日 止六個月 HK\$'000 千港元	Unaudited 未經審核 Six months ended 30 June 2017 截至 二零一七年 六月三十日 止六個月 HK\$'000 千港元
Corporate service fee paid to a related party which is controlled by a director of the Company	366	504

The above transactions were conducted on terms and conditions mutually agreed between the relevant parties. The Directors are of the opinion that these related party transactions were conducted in the ordinary course of business of the Group.

(b) Compensation of key management personnel of the Group

Further details of the compensation of key management personnel of the Group representing the Directors are included in note 7 to the financial statements.

21. 關連方交易

(a) 關連方交易

本集團於本期間在其日常業務運作過程中與關連方進行下列交易：

	Unaudited 未經審核 Six months ended 30 June 2018 截至 二零一八年 六月三十日 止六個月 HK\$'000 千港元	Unaudited 未經審核 Six months ended 30 June 2017 截至 二零一七年 六月三十日 止六個月 HK\$'000 千港元
Corporate service fee paid to a related party which is controlled by a director of the Company	366	504

上述交易乃按有關各方相互協定的條款及條件進行。董事認為，該等關連方交易乃於本集團的日常業務過程中進行。

(b) 本集團主要管理人員的報酬

有關本集團主要管理人員(即本公司董事)報酬的進一步詳情載於財務報表附註7。

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22. CONTINGENT LIABILITIES

As of 30 June 2018, the Group had the following contingent liabilities:

- (a) The guarantees given by the Group to certain banks in respect of performance bonds in favour of certain contract customers amounted to HK\$20,456,000 (31 December 2017: HK\$23,105,000).
- (b) In the ordinary course of the Group's construction business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's sub-contractors in accidents arising out of and in the course of their employment. The directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

23. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

This unaudited condensed consolidated interim financial information was approved and authorised for issue by the Board on 28 August 2018.

22. 或然負債

截至二零一八年六月三十日，本集團有以下或然負債：

- (a) 本集團就給予若干合約客戶之履約保證金而向若干銀行提供的擔保為20,456,000港元（二零一七年十二月三十一日：23,105,000港元）。
- (b) 在本集團建造業務的日常過程中，本集團或本集團分包商的僱員因為在受僱期間發生意外導致人身傷害而向本集團提出若干索賠。董事認為，有關索賠屬於保險的承保範圍，不會對本集團的財務狀況或業績及經營構成任何重大不利影響。

23. 批准未經審核簡明綜合中期財務資料

此未經審核簡明綜合中期財務資料已獲董事會於二零一八年八月二十八日批准及授權刊發。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND FINANCIAL REVIEW

During the period under review, the Group has engaged in two business segments, which are (i) the Automotive Engines Business; and (ii) the Civil Engineering and Construction Business.

For the six months ended 30 June 2018, the Group recorded a consolidated revenue of approximately HK\$498.3 million (six months ended 30 June 2017: approximately HK\$873.9 million). The Group recorded a loss of HK\$144.6 million for the six months ended 30 June 2018 as compared to a profit of HK\$13.1 million for the six months ended 30 June 2017. Such result was primarily attributable to the following factors:

- 1) the gross profit was recorded a significant decline to approximately HK\$9.2 million for the six months ended 30 June 2018 as compared to the six months ended 30 June 2017 amounted approximately HK\$80.6 million, which was due to a decline of approximately 43.0% in revenue primarily due to the reduction of sales to our segmental customers who operated under keen market competition in the Automotive Engines Business. In addition, in the first half of 2018, the China's sport utility vehicle ("SUV") market experienced an obvious slowdown. Demand for SUV in China shifted from very rapid growth over the past few years to negative growth towards the middle of 2018. The intense market competition in China, the high base in terms of sales volume in corresponding period last year and the elimination of purchase tax subsidies at the beginning of 2018 are believed to be the key reasons behind the slowdown of demand;
- 2) the impairment on goodwill in relation to the acquisition of the Automotive Engines Business in February 2016 was provided. Such impairment loss is primarily attributable to the fact that the financial performance of Automotive Engines Business is less than expected for the six months ended 30 June 2018 as abovementioned. Therefore, impairment of goodwill of HK\$174.9 million was recorded for the six months ended 30 June 2018.

業務回顧及財務回顧

於回顧期間內，本集團從事兩個業務分部，即(i)汽車發動機業務；及(ii)土木工程及建造業務。

截至二零一八年六月三十日止六個月，本集團錄得綜合收益約為498,300,000港元（截至二零一七年六月三十日止六個月：約873,900,000港元）。本集團於截至二零一八年六月三十日止六個月錄得虧損144,600,000港元，而於截至二零一七年六月三十日止六個月則為錄得溢利13,100,000港元。該業績結果乃主要由於下列因素：

- 1) 截至二零一八年六月三十日止六個月的毛利大幅減少至約9,200,000港元，而截至二零一七年六月三十日止六個月則為約80,600,000港元，主要由於收入減少約43.0%所致，而收入減少乃主要由於汽車發動機業務市場競爭激烈，向該分部客戶作出的銷售減少；另外，二零一八年上半年，中國SUV乘用車市場明顯放緩。SUV於中國的需求由過去數年的超高速增长轉至二零一八年中的負增長。中國市場競爭激烈、去年相應期間的高銷量基數及二零一八年初取消汽車購置稅補貼相信為需求放緩的主因。
- 2) 已就二零一六年二月收購汽車發動機業務相關的商譽減值計提撥備。該減值虧損乃主要由於汽車發動機業務截至二零一八年六月三十日止六個月的財務表現不如預期（如上文所述）。因此，已就截至二零一八年六月三十日止六個月錄得商譽減值174,900,000港元。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND FINANCIAL REVIEW (Continued)

業務回顧及財務回顧(續)

		2018 二零一八年 Civil engineering Automotive and engines construction 汽車發 土木工程 動機 及建造 HK\$'000 HK\$'000 千港元 千港元			2017 二零一七年 Civil engineering Automotive and engines construction 汽車發 土木工程 動機 及建造 HK\$'000 HK\$'000 千港元 千港元		
		Total 總計 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Total 總計 HK\$'000 千港元	
Revenue	收入	272,357	225,901	498,258	601,631	272,245	873,876
Cost of sales (Excluded amortisation)	銷售成本 (扣除攤銷)	(239,026)	(222,290)	(461,316)	(500,120)	(263,656)	(763,776)
Gross profit	毛利	33,331	3,611	36,942	101,511	8,589	110,100
Gross profit %	毛利%	12.2%	1.6%	7.4%	16.9%	3.2%	12.6%
Revenue	收入	272,357	225,901	498,258	601,631	272,245	873,876
Cost of sales (Included amortisation)	銷售成本 (計入攤銷)	(266,741)	(222,290)	(489,031)	(529,666)	(263,656)	(793,322)
Gross profit	毛利	5,616	3,611	9,227	71,965	8,589	80,554
Gross profit %	毛利%	2.1%	1.6%	1.9%	12.0%	3.2%	9.2%

Gross profit decreased by 88.6% to approximately HK\$9.2 million (six months ended 30 June 2017: approximately HK\$80.6 million) with the gross profit ratio at approximately 1.9% (six months ended 30 June 2017: approximately 9.2%).

毛利減少88.6%至約9,200,000港元(截至二零一七年六月三十日止六個月:約80,600,000港元), 毛利率為約1.9%(截至二零一七年六月三十日止六個月:約9.2%)。

The decline in gross profit margin was primarily attributable to (i) the significant drop of sales volume in automotive engines which adversely affected the economies of scale; and (ii) the accelerated intangible assets' amortisation for automotive engines with poor sales performance during the current period.

毛利率下降乃主要由於(i)汽車發動機銷量大幅下滑, 其對經濟規模構成不利影響; 及(ii)期內汽車發動機的銷售表現不佳加速無形資產攤銷。

Basic and diluted loss per share for the six months ended 30 June 2018 were approximately HK\$72.3 cents (six months ended 30 June 2017: basic and diluted profit per share of approximately HK\$6.6 cents).

截至二零一八年六月三十日止六個月, 每股基本及攤薄虧損為約72.3港仙(截至二零一七年六月三十日止六個月: 每股基本及攤薄溢利約6.6港仙)。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND FINANCIAL REVIEW (Continued)

Automotive Engines Business

During the period ended 30 June 2018, revenue generated from the Automotive Engines Business decreased 54.7% to approximately HK\$272.4 million (six months ended 30 June 2017: approximately HK\$601.6 million), represented approximately 54.7% (six months ended 30 June 2017: approximately 68.8%) of the total revenue of the Group.

In the first half of 2018, sales orders from our top segmental customers decreased significantly. Accordingly, average monthly production of automotive engines decreased approximately 75.8% from 8,418 units per month for the six months ended 30 June 2017 to 2,039 units per month for the year ended 30 June 2018. Notwithstanding the sale quantities was significantly decreased by approximately 75.8%, the revenue decreased by approximately 54.7%, which were mainly attributable to the change in product mix (i.e. higher proportion of higher-priced models and thus higher average selling price).

Excluding the amortisation of intangible assets amounting to approximately HK\$27.7 million (six months ended 30 June 2017: approximately HK\$29.5 million), the gross profit margin of the Automotive Engines Business decreased from approximately 16.9% for the six months ended 30 June 2017 to approximately 12.2% for the six months ended 30 June 2018. The decline in gross profit margin was a result of the significant drop of sales volume in automotive engines which adversely affected the economies of scale.

The segment results of the Automotive Engines Business for the six months ended 30 June 2018 was approximately HK\$23.5 million (six months ended 30 June 2017: approximately HK\$95.4 million) excluding the impairment of goodwill of approximately HK\$174.9 million (six months ended 30 June 2017: Nil) the amortisation of intangible assets and deferred tax credit amounting to approximately HK\$27.7 million (six months ended 30 June 2017: approximately HK\$29.5 million) and approximately HK\$4.2 million (six months ended 30 June 2017: approximately HK\$4.4 million) respectively, which merely represented an accounting treatment on the acquisition but no cash flow effect to the Group.

業務回顧及財務回顧(續)

汽車發動機業務

截至二零一八年六月三十日止期間，汽車發動機業務產生之收入減少54.7%至約272,400,000港元(截至二零一七年六月三十日止六個月：約601,600,000港元)，佔本集團總收入約54.7%(截至二零一七年六月三十日止六個月：約68.8%)。

於二零一八年上半年，來自最大分部客戶的銷售訂單大幅減少。因此，汽車發動機之平均月產量已由截至二零一七年六月三十日止六個月的每月8,418台減產約75.8%至截至二零一八年六月三十日止年度的每月2,039台。儘管銷售大幅減少約75.8%，收入減幅為約54.7%，主要由於產品組合變動(即增加高價產品佔比使得平均售價升高)。

倘扣除無形資產攤銷約27,700,000港元(截至二零一七年六月三十日止六個月：約29,500,000港元)，汽車發動機業務的毛利率由截至二零一七年六月三十日止六個月的約16.9%減少至截至二零一八年六月三十日止六個月的約12.2%。毛利率降低乃由於汽車發動機銷量大幅下滑，其對經濟規模構成不利影響。

倘扣除商譽減值約174,900,000港元(截至二零一七年六月三十日止六個月：無)、無形資產攤銷及遞延稅項抵免約27,700,000港元(截至二零一七年六月三十日止六個月：約29,500,000港元)及約4,200,000港元(截至二零一七年六月三十日止六個月：約4,400,000港元)(該等項目為就收購所作會計處理，對本集團並無現金流量影響)，汽車發動機業務截至二零一八年六月三十日止六個月的分部業績為約23,500,000港元(截至二零一七年六月三十日止六個月：約95,400,000港元)。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND FINANCIAL REVIEW (Continued)

Civil Engineering and Construction Business

All of the Group's contracts undertaken for both civil engineering construction business and building construction and maintenance business were for customers which are independent third parties including certain departments of the Government of Hong Kong, public utilities companies and private organisations in Hong Kong.

During the six months ended 30 June 2018, the revenue of Group's civil engineering works and building construction and maintenance works were approximately HK\$225.9 million (six months ended 30 June 2017: approximately HK\$272.2 million). For the period under review, included in the turnover was: (i) revenue from civil engineering works of approximately HK\$218.1 million (six months ended 30 June 2017: approximately HK\$242.2 million); and (ii) revenue from building construction and maintenance works of approximately HK\$7.8 million (six months ended 30 June 2017: approximately HK\$30.0 million).

The overall gross profit margin of this segment for the six months ended 30 June 2018 was 1.6% (six months ended 30 June 2017: 3.2%). As of 30 June 2018, the Group had 15 significant projects in progress. Two of them were building construction and maintenance projects while the remaining were civil engineering construction projects.

As of 30 June 2018, the total contract sum and the total outstanding values of the Group's substantial projects in progress were approximately HK\$1,662.0 million and HK\$392.0 million respectively.

During the six months ended 30 June 2018, the Group was awarded with the following new substantial contract:

- Provision of Works for Integrated Blockwiring Infrastructure

業務回顧及財務回顧(續)

土木工程及建造業務

本集團承辦的所有土木工程建造業務及樓宇建造及保養業務合約均來自獨立第三方客戶，包括香港政府的若干部門、香港公用事業公司以及私營組織。

於截至二零一八年六月三十日止六個月，本集團土木工程及樓宇建造及保養工程之收益約為225,900,000港元(截至二零一七年六月三十日止六個月：約272,200,000港元)。於回顧期內，收益包括：(i)來自土木工程的收益約為218,100,000港元(截至二零一七年六月三十日止六個月：約242,200,000港元)；及(ii)來自樓宇建造及保養工程的收益約為7,800,000港元(截至二零一七年六月三十日止六個月：約30,000,000港元)。

截至二零一八年六月三十日止六個月，此分部之總毛利率為1.6%(截至二零一七年六月三十日止六個月：3.2%)。截至二零一八年六月三十日，本集團有15個重大在建項目。其中兩個是樓宇建造及保養項目，其餘則是土木工程建造項目。

截至二零一八年六月三十日，本集團的重大在建項目的合約總金額及未完成工程合約總金額分別約為1,662,000,000港元及392,000,000港元。

於截至二零一八年六月三十日止六個月，本集團獲授以下新重大合約：

- 提供綜合樓宇電訊網絡基建工程服務

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管理層討論及分析

PROSPECTS

The SUV market recorded its slowest growth of 13.3% in 2017, compared to 40–50% annual expansion from 2013–2016. At end-December 2017, SUV accounted for about 41% of the total passenger vehicle market. Given the high-base effect, the SUV market to continue grow at low teens during the first half of 2018, relatively similar with 2017.

The Group's Automotive Engines Business has continued to suffered during the six months ended 30 June 2018, as market competition intensifies, while it lacks a strong product pipeline to compete with rivals. The Group will actively seek for opportunities to develop new product pipeline. Meanwhile, the Group will also continuously focus on research and development to develop automotive engines with high quality and advanced features to enhance market penetration and brand recognition. Also, expanding distribution channels and sourcing other suppliers to provide materials with stable quality and with lower cost are the future goals to enhance competitiveness from the automotive engines market.

On the other hand, although the operating environment of the construction business is expected to remain tough in the coming years such as continuously rising wages and cost of construction materials and shortage of skilled labour, the Board is confident that the Group would be capable of securing promising business opportunities given its vast experience in handling a wide variety of construction works. The Group will continue to adopt a prudent approach when submitting new tenders. In addition, the Group will make use of its competitive strengths by continuing to improve its quality of service and competitiveness to capitalise on the trend of increasing civil engineering construction works projects in Hong Kong in the coming years to further strengthen the Group's business growth.

Looking forward, the Directors are cautious about the prospect of the Group's operation and business approach, and we expect that the adverse operation environment will continue to affect the business of the Group in 2018. In order to strengthen the Group's competitive edge in a dynamic market, the Group pursue to reinforce the cost control initiatives to continually rationalise its operations to enhance efficiency and optimise costs.

We would continue to try our best to develop business with growth potential to the Group, with an aim to improve our performance and maximise the interests of our shareholders.

前景

與二零一三年至二零一六年期間40–50%的年度增長相比，SUV市場於二零一七年錄得13.3%的增長低谷。截至二零一七年十二月底，運動型多用途車於整個乘用車市場所佔比例為約41%。受高基數效應影響，運動型多用途車於二零一八年上半年情況與二零一七年類似，仍是按低雙位數增速增長。

由於市場競爭加劇及缺乏強大產品線與對手競爭，本集團汽車發動機業務於截至二零一八年六月三十日止六個月仍舊承壓。本集團將繼續積極尋求機會發展新產品線。同時，本集團亦將繼續專注研發以發展具有高品質及先進性能的汽車發動機，加強市場滲透及品牌認可。此外，未來亦計劃透過拓寬分銷渠道及發展其他可按較低成本提供穩定品質物料的供應商，提升本集團發動機的市場競爭力。

另一方面，儘管建造業務未來幾年的營商環境預期仍舊嚴峻，面臨薪資及建築材料成本持續上漲以及熟練工人短缺等諸多問題，董事會仍自信本集團能夠憑藉其處理各類建造工程的豐富經驗，把握未來潛在商機。本集團未來投標新項目時仍會沿用審慎的方針。同時，本集團將透過繼續提高服務品質及競爭力，充分發揮自身競爭優勢，把握將香港土木工程建造工程未來幾年的增長趨勢，進一步鞏固本集團的業務增長。

展望未來，董事對本集團的營運前景及業務方針持審慎態度，且我們預期嚴峻營商環境將持續影響本集團於二零一八年的業務表現。為增強在瞬息萬變的市場中之競爭力，本集團堅持加強成本控制措施，不斷改善業務營運，以提升效率及優化成本。

本集團將竭誠發展具潛力的業務，以提升業績表現，為股東創造最大利益。

Management Discussion and Analysis

管理層討論及分析

CAPITAL STRUCTURE, FINANCIAL RESOURCES, LIQUIDITY AND GEARING RATIO

As at 30 June 2018, the Group had cash and cash equivalents of approximately HK\$28.9 million, representing a decrease of approximately 57.9% from approximately HK\$68.6 million as at 31 December 2017. The decrease was mainly attributable to the increase of net cash flows used in operating activities.

The Group's cash and cash equivalents were denominated in HK\$ and RMB.

As at 30 June 2018, the total assets were approximately HK\$2,083.3 million, representing a decrease of approximately 17.0% from approximately HK\$2,509.6 million as at 31 December 2017. The decrease was mainly due to (i) the decrease in accounts and bill receivable which decrease represented at HK\$216.5 million; and (ii) the impairment of goodwill of approximately HK\$174.9 million as abovementioned.

As at 30 June 2018, the total liabilities were approximately HK\$1,560.0 million, representing a decrease of approximately 13.7% from approximately HK\$1,806.9 million as at 31 December 2017. The decrease was mainly due to the decrease in accounts payable and the revaluation of convertible bonds.

As at 30 June 2018, the net current assets were approximately HK\$555.4 (31 December 2017: approximately HK\$171.3 million). The significant decrease was attributable to the reclassification of the convertible bonds which extended to 4 February 2020. Current ratio is calculated by dividing current assets by current liabilities. Current ratio of the Group was approximately 1.9 as at 30 June 2018 (31 December 2017: approximately 1.1). Gearing ratio is calculated based on the amount of net cash and bank balances (interest-bearing borrowings, liability component of the convertible bonds and promissory notes less cash and cash equivalent) divided by the total equity. As at 30 June 2018, the Group's gearing ratio was therefore approximately 163.8% (31 December 2017: approximately 119.5%).

As at 30 June 2018, the Group had banking facilities of HK\$34.0 million (31 December 2017: HK\$34.0 million) which HK\$11.1 million (2017: HK\$7.1 million) was not utilised and was secured by corporate guarantees.

資本結構、財務資源、流動資金及資產負債比率

於二零一八年六月三十日，本集團的現金及現金等價物約為28,900,000港元，較於二零一七年十二月三十一日的約68,600,000港元減少約57.9%。該減少主要由於經營活動使用的現金流量淨額增加。

本集團之現金及現金等價物以港元及人民幣計值。

於二零一八年六月三十日，總資產約為2,083,300,000港元，較於二零一七年十二月三十一日的約2,509,600,000港元減少約17.0%。該減少主要由於(i)應收賬款及票據減少至216,500,000港元；及(ii)商譽減值約174,900,000港元(如上文所述)。

於二零一八年六月三十日，總負債約為1,560,000,000港元，較於二零一七年十二月三十一日的約1,806,900,000港元減少約13.7%。該減少主要由於應付賬款及可換股債券重估減少。

於二零一八年六月三十日，流動資產淨額約555,400,000港元(二零一七年十二月三十一日：約171,300,000港元)。該大幅減少乃由於重新分類到日期延長至二零二零年二月四日的可換股債券。流動比率按流動資產除以流動負債計算。本集團的流動比率於二零一八年六月三十日約為1.9(二零一七年十二月三十一日：約1.1)。資產負債比率乃基於現金及銀行結餘淨額(計息借款、可換股債券負債部分及承兌票據減現金及現金等價物)除以權益總額計算。於二零一八年六月三十日，本集團的資產負債比率約為163.8%(二零一七年十二月三十一日：約119.5%)。

於二零一八年六月三十日，本集團有銀行融資34,000,000港元(二零一七年十二月三十一日：34,000,000港元)，其中11,100,000港元(二零一七年：7,100,000港元)尚未動用。該等融資由企業擔保作出抵押。

Management Discussion and Analysis

管理層討論及分析

CONVERTIBLE BONDS

On 4 February 2016, the Company issued zero coupon convertible bonds with an aggregate principal amount of HK\$390.0 million to Power Expert as part of the consideration for the acquisition of 100% equity interest in Well Surplus Enterprises Limited and its subsidiaries in October 2015. The maturity date of the convertible bonds is on the second anniversary of the date of issuance (i.e. 3 February 2018). Pursuant to the 3rd Engines SPA dated 31 December 2017, the maturity date of the convertible bond was extended for 2 years from 4 February 2018 to 4 February 2020. The convertible bonds bear no interest on the principal amount. No security or guarantee is granted in respect of the convertible bonds. The convertible bonds can be converted into 195,000,000 ordinary shares in the Company at the initial conversion price of HK\$2.00 per conversion share (subject to adjustment pursuant to the terms of the convertible bonds). The Company may at any time before the maturity date by written notice redeem the convertible bonds at 100% of the principal amount. Any amount of the convertible bonds which is redeemed by the Company will forthwith be cancelled. At 30 June 2018 and 30 June 2017, no convertible bonds were converted and the outstanding principal amount of the convertible bonds was HK\$390.0 million.

As at 31 December 2017, the convertible bonds with an aggregate principal amount of HK\$390.0 million were deposited with an escrow agent in favour of the Company as security for the 1st Guaranteed Profit (i.e. HK\$170.0 million for the year ended 28 February 2017) and the 2nd Guaranteed Profit (i.e. HK\$230.0 million for the year ended 28 February 2018). The convertible bonds in the principal amounts of approximately HK\$165.8 million and HK\$224.3 million shall be released to Power Expert if the audited consolidated profits after tax of the Automotive Engines Group for the two years ended 28 February 2017 and 2018 are equal to or more than the 1st Guaranteed Profit and the 2nd Guaranteed Profit, respectively, after the issue of the auditors' certificate for each period. On 13 March 2018, the Company has executed the extension of the maturity date of the convertible bonds for 2 years from 4 February 2018 to 4 February 2020. Further details of the CB Extension are set out in the Company's announcement dated 31 December 2017 and the Company's circular dated 20 March 2018. As a result the liability and equity component was extinguished by approximately HK\$65.1 million and HK\$15.1 million respectively based on revaluation upon maturity. On the other hand, the carrying amount has been charged with imputed interest, the outstanding principal amount of the convertible bonds remained approximately HK\$334.0 million for years with the maturity date due on 4 February 2020.

可換股債券

於二零一六年二月四日，本公司向巧能環球發行本金總額為390,000,000港元的零息可換股債券，以作為於二零一五年十月收購盛盈企業有限公司及其附屬公司的100%股權的部分代價。可換股債券的到期日為發行日期的第二個週年（即二零一八年二月三日）。根據日期為二零一七年十二月三十一日的第三份發動機買賣協議，可換股債券的到期日已由二零一八年二月四日延長兩年為二零二零年二月四日。可換股債券的本金額並不計息。概無就可換股債券授出抵押或擔保。可換股債券可按初步換股價每股換股股份2.00港元（有待根據可換股債券的條款調整）兌換為本公司的195,000,000股普通股。本公司可於到期日前隨時透過書面通知按本金額的100%贖回可換股債券。本公司所贖回的任何金額可換股債券將立即被註銷。於二零一八年六月三十日及二零一七年六月三十日，概無可換股債券被兌換，而可換股債券的未償還本金額為390,000,000港元。

於二零一七年十二月三十一日，本金總額達390,000,000港元之可換股債券獲以本公司為受益人存入託管代理，以作為第一項保證溢利（即截至二零一七年二月二十八日止年度為170,000,000港元）及第二項保證溢利（即截至二零一八年二月二十八日止年度為230,000,000港元）之抵押。倘汽車發動機集團於截至二零一七年及二零一八年二月二十八日止兩個年度之經審核綜合除稅後溢利分別相等於或超過第一項保證溢利及第二項保證溢利，則於就各期間發出核數師證明後，本金額約165,800,000港元及224,300,000港元之可換股債券將會發放予巧能環球。於二零一八年三月十三日，本公司將可換股債券之到期日由二零一八年二月四日延長兩年為二零二零年二月四日。有關可換股債券延長的進一步詳情載於本公司日期為二零一七年十二月三十一日的公告及本公司日期為二零一八年三月二十日的通函。因此負債及權益部分已於到期後根據重新估值分別註銷約65,100,000港元及15,100,000港元。另一方面，賬面值已扣除應計利息，可換股債券未償還本金額仍為約334,000,000港元，到期日為二零二零年二月四日。

Management Discussion and Analysis

管理層討論及分析

CONVERTIBLE BONDS (Continued)

With reference to the auditors' certificates, the total actual profit was approximately HK\$449.1 million, which is more than the Total Guaranteed Profit. As such, the Power Expert and the Company have procured the escrow agent to release the promissory notes to the Power Expert in the principal amount of HK\$235,750,000 and the convertible bonds in the principal amount of HK\$224,250,000 on 6 August 2018. As at 6 August 2018, all the promissory notes and the convertible bonds deposited with the escrow agent have been released to the vendor.

CONTINGENT LIABILITIES

Details of the Group's and the Company's contingent liabilities are set out in note 22 to the condensed consolidated interim financial information.

CHANGE OF DIRECTORS AND COMMITTEE MEMBER

With effect from the conclusion of the annual general meeting of the Company (the "AGM") held on 12 June 2018, Mr. Lo Kin Ching Joseph ("Mr. Lo") has decided not stand for re-election at the AGM and will retire as an executive Director, the chairman of the Board and the chairman of the nomination committee of the Company (the "Nomination Committee") as he intends to devote more time to other business and pursuits of personal and community interests.

After the retirement of Mr. Lo, Mr. Chan Kai Wing, an independent non-executive director of the Company, has been appointed as the chairman of the Nomination Committee with effect from 12 June 2018 after the AGM.

FOREIGN CURRENCY RISK

Most of the Group's assets and liabilities are denominated in Hong Kong dollars and Renminbi, which are the functional currencies of respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

可換股債券(續)

經參考核數師證明，總實際溢利為約449,100,000港元，高於總保證溢利。因此，巧能環球及本公司已促使託管代理於二零一八年八月六日向巧能環球發放本金額235,750,000港元之承兌票據及本金額224,250,000港元之可換股債券。於二零一八年八月六日，存放於託管代理之所有承兌票據及可換股債券已悉數發給予賣方。

或然負債

本集團及本公司之或然負債之詳情載於簡明綜合中期財務資料附註22。

董事及委員會成員變更

由於勞建青先生(「勞先生」)希望投放更多時間於其他業務以及追求個人及社區利益上，勞先生已決定不會於二零一八年六月十二日舉行之本公司股東週年大會(「股東週年大會」)上膺選連任，並將退任本公司執行董事、董事會主席及提名委員會(「提名委員會」)主席，自股東週年大會結束後生效。

於勞先生退任後，本公司獨立非執行董事陳繼榮先生已獲委任為提名委員會主席，自二零一八年六月十二日股東週年大會後生效。

外幣風險

本集團大部份的資產及負債以港元及人民幣計值，該等貨幣為相關集團公司的功能貨幣。本集團並無就外匯風險訂立任何工具。本集團將密切監察匯率變化，並將採取適當行動降低匯率風險。

Management Discussion and Analysis

管理層討論及分析

EVENT AFTER THE REPORTING PERIOD

Save as disclosed above, there was no other significant event after the reporting period and up to the date of this report.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2018, the Group had approximately 729 employees (31 December 2017: 896) in Hong Kong and the PRC. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Other staff benefits include bonuses awarded on a discretionary basis, mandatory provident fund scheme for Hong Kong employees, state-sponsored retirement plans for PRC employees.

NO MATERIAL CHANGE

Save as disclosed above, during the six months ended 30 June 2018, there has been no material change in the Group's financial position or business since the publication of the latest annual report of the Company for the year ended 31 December 2017.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

報告期後事項

除上述所披露者外，報告期後直至本報告日期概無其他重大報告期後事項。

僱員及薪酬政策

於二零一八年六月三十日，本集團於香港及中國擁有約729名(二零一七年十二月三十一日：896名)僱員。本集團會定期檢討薪酬政策，並參考市場條款、公司表現、個人資歷及表現而釐定。其他員工福利包括按酌情基準發放的花紅、強制性公積金計劃(對香港僱員而言)及國家資助退休計劃(對中國僱員而言)。

並無重大變動

除上述所披露者外，於截至二零一八年六月三十日止六個月，自刊發本公司截至二零一七年十二月三十一日止年度最新年度報告以來，本集團的財務狀況或業務並無重大變動。

中期股息

董事會並不建議就截至二零一八年六月三十日止六個月派付任何中期股息(截至二零一七年六月三十日止六個月：無)。

Other Information 其他資料

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2018, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities & Futures Ordinance (the “SFO”) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2018, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉

於二零一八年六月三十日，董事或本公司最高行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益及淡倉），或根據證券及期貨條例第352條須載入該條文所述登記冊的權益或淡倉，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉。

主要股東於股份及相關股份中的權益

於二零一八年六月三十日，本公司根據證券及期貨條例第336條存置的權益登記冊所記錄佔本公司已發行股本5%或以上的權益如下：

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

Long position in the issued shares/underlying shares of
the Company

主要股東於股份及相關股份中的權益(續)

於本公司已發行股份/相關股份的好倉

Name of shareholders	Notes	Nature of interest	Number of ordinary shares/ underlying shares held	Approximate percentage of issued share capital of the Company
股東姓名/名稱	附註	權益性質	所持有普通股/ 相關股份數目	已發行股本 概約百分比
Mr. Jiang Jianhui ("Mr. Jiang") 姜建輝先生(「姜先生」)	(a)	Interest in a controlled corporation 受控法團權益	150,000,000	75.0%
Ms. Wu Pei-Tzu ("Ms. Wu") 吳佩慈女士(「吳女士」)	(a)	Interest in a controlled corporation 受控法團權益	150,000,000	75.0%
Youth Force Asia Ltd. ("Youth Force")	(a)	Beneficial owner 實益擁有人	150,000,000	75.0%
Ms. Weng Guangmin ("Ms. Weng") 翁光敏女士(「翁女士」)	(b)	Interest in a controlled corporation 受控法團權益	195,000,000	97.5%
Power Expert Global Limited ("Power Expert") 巧能環球有限公司(「巧能環球」)	(b)	Beneficial owner 實益擁有人	195,000,000	97.5%

Notes:

- (a) Youth Force was legally and beneficially owned as to 71% by Mr. Jiang and 28% by Ms. Wu. As such, Mr. Jiang and Ms. Wu are deemed to be interested in the 150,000,000 shares owned by Youth Force by virtue of the SFO.
- (b) Power Expert is wholly-owned by Ms. Weng. As such, Ms. Weng is deemed to be interested in the 195,000,000 underlying shares through its interests in the convertible bonds, in the principal amount of HK\$390,000,000 issued by the Company, owned by Power Expert by virtue of the SFO.

附註:

- (a) Youth Force由姜先生及吳女士分別法定及實益擁有71%及28%的權益。因此，姜先生及吳女士根據證券及期貨條例被視為於Youth Force擁有的150,000,000股股份中擁有權益。
- (b) 巧能環球由翁女士全資擁有。因此，根據證券及期貨條例，翁女士被視為透過其於本公司已發行本金額為390,000,000港元之可換股債券之權益於巧能環球擁有之195,000,000股相關股份中擁有權益。

Other Information 其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

Long position in the issued shares/underlying shares of the Company (Continued)

Save as disclosed above, as at 30 June 2018, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

主要股東於股份及相關股份中的權益(續)

於本公司已發行股份／相關股份的好倉(續)

除上文所披露者外，於二零一八年六月三十日，除本公司董事及最高行政人員(有關權益詳情已載於上文「董事及最高行政人員於股份、相關股份及債權證之權益及淡倉」一節)外，概無人士已知會本公司其於本公司股份或相關股份中擁有須登記於本公司根據證券及期貨條例第336條須存置的登記冊的權益或淡倉。

CHANGES IN INFORMATION OF THE DIRECTORS

董事資料變動

Name of Director 董事姓名

Details of change 變動詳情

Mr. Yip Tai Him
(Independent Non-executive Director)

With effect from 28 March 2018, he has resigned as an independent non-executive director of New Wisdom Holding Company Limited (stock code: 8213), the shares of which are listed on GEM of the Stock Exchange.

葉棣謙先生
(獨立非執行董事)

彼已辭任新智控股有限公司(股份於聯交所GEM上市，股份代號：8213)之獨立非執行董事，自二零一八年三月二十八日起生效。

SHARE OPTION SCHEME

At the extraordinary general meeting of the Company held on 24 March 2016, the shareholders of the Company approved the adoption of the share option scheme of the Company (the "Scheme"). The relevant listing approval was granted by the Stock Exchange on 29 March 2016. A summary of the principal terms of the Scheme are as follows:

Purpose

The purpose of the Scheme is to enable the Company to grant options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Company.

購股權計劃

於二零一六年三月二十四日舉行的本公司股東特別大會上，本公司股東批准採納本公司之購股權計劃(「計劃」)。聯交所已於二零一六年三月二十九日授予相關上市批准。計劃的主要條款概要如下：

目的

計劃之目的為讓本公司向獲選合資格參與者授出購股權，以作為就彼等對本公司所作出之貢獻或潛在貢獻之激勵或獎勵。

SHARE OPTION SCHEME (Continued)

Participants

The eligible participant(s) of the Scheme is/are full time or part time employees of the Group (including any Directors, whether executive or non-executive and whether independent or not, of the Group); and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group.

Maximum number of shares

The maximum number of shares which may be issued upon exercise of all options which may be granted at any time under the Scheme together with options which may be granted under any other share option schemes for the time being of the Company shall not exceed such number of shares as equals 10 per cent. of the issued share capital of the Company as at the date of approval of the Scheme.

Maximum entitlement of each participant

Unless approved by the shareholders of the Company, the total number of shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1 per cent. of the shares in issue.

Option period

The option period of the Scheme, in respect of any particular option, the period to be determined and notified by the Directors to the grantee thereof at the time of making an offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular option but subject to the provisions for early termination thereof contained herein.

Acceptance of offer

Any offer of the option of the Company may be accepted by an eligible participant in the duplicate letter of option grant letter comprising acceptance of the offer duly signed by such eligible participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within twenty-one (21) days from the offer date.

購股權計劃(續)

參與者

計劃的合資格參與者為本集團全職或兼職員工(包括本集團任何董事,不論是執行或非執行董事及是否獨立董事);及本集團任何業務或合營夥伴、承包商、代理或代表、專家顧問、顧問、供應商、生產商或特許發出人、客戶、特許持有人(包括任何再授特許持有人)或分銷商、業主或租戶(包括任何分租戶)或董事會全權酌情認為對本集團作出貢獻或可能對本集團作出貢獻之任何人士。

股份最高數目

於行使根據計劃可能於任何時間授出的所有購股權以及根據本公司當時的任何其他購股權計劃可能授出的購股權而可予發行之股份最高數目不應超過相等於本公司於計劃批准當日的已發行股本之10%的股份數目。

每名參與者之最高權益

除非得到本公司股東批准,否則於任何12個月期間於行使授予各合資格參與者的購股權(包括已行使及尚未行使的購股權)而已發行及將予發行的股份總數不得超過已發行股份的1%。

購股權期間

有關任何特定購股權的計劃購股權期間將由董事於作出要約時釐定及通知其承授人,前提是有關期間不得超過自授出特定購股權當日起計十(10)年,惟須符合計劃所載有關其提早終止的條文。

接受要約

合資格參與者可於要約日期起計二十一(21)日內透過一式兩份購股權授予函件(包括有關合資格參與者正式簽署接受要約及由本公司收妥),連同向本公司支付獲授購股權之代價1.00港元接受本公司有關購股權之任何要約。

Other Information 其他資料

SHARE OPTION SCHEME (Continued)

Exercise price

The exercise price shall be determined at the discretion of the Board at its absolute discretion, provided that it shall be not less than the highest of: (a) the closing price of the shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a Business Day; (b) the average of the closing prices of the shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) Business Days immediately preceding the offer date; (c) the nominal value of the share on the offer date.

Remaining life of the Scheme

The Directors shall be entitled at any time within 10 years commencing on 29 March 2016 to offer the grant of an option to any eligible participant. The Scheme will expire on 28 March 2026.

For the six months ended 30 June 2018, no share option has been granted by the Company and there are no outstanding share option of the Company.

RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as "Related Parties" under applicable accounting principles. These mainly relate to contracts entered into by the Group in the ordinary course of business, contracts of which were negotiated on normal commercial terms and on an arm's length basis. Further details are set out in note 21 to the condensed consolidated interim financial information.

REVIEWED BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, Mr. Chan Kai Wing (Chairman), Ms. Chu Yin Yin Georgiana and Mr. Yip Tai Him, with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The Audit Committee has reviewed with management the principal accounting policies adopted by the Group and discussed internal controls and financial reporting matters including a review of the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2018.

購股權計劃(續)

行使價

行使價將由董事會全權酌情釐定，惟不得低於以下各項之最高者：(a)股份於要約日期(必須為營業日)在聯交所每日報價表所示在聯交所的收市價；(b)股份於緊接要約日期前五(5)個營業日在聯交所每日報價表所示的平均收市價；(c)股份於要約當日的面值。

計劃之剩餘年期

董事將有權於二零一六年三月二十九日起計10年內隨時向任何合資格參與者授出購股權。計劃將於二零二六年三月二十八日屆滿。

於截至二零一八年六月三十日止六個月，本公司概無授出購股權及本公司概無尚未行使之購股權。

關連方交易

本集團與根據適用會計原則被視為「關連方」之人士訂立若干交易。此等交易主要涉及本集團於日常業務過程中按一般商業條款經公平原則磋商而訂立之合約。其他有關詳情載於簡明綜合中期財務資料附註21。

由審核委員會審閱

審核委員會由三名獨立非執行董事：陳繼榮先生(主席)、朱燕燕女士及葉棣謙先生所組成，向董事會匯報，而其書面職權範圍符合上市規則的規定。審核委員會與管理層已檢討本集團採納的主要會計政策，並討論內部監控及財務申報事宜，包括審閱本集團截至二零一八年六月三十日止六個月之未經審核簡明綜合中期財務資料。

PURCHASE, SALE OR REDEMPTION OF SHARES

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules since 11 December 2013, the date on which dealings in its shares first commence on the Stock Exchange. For the six months ended 30 June 2018, the Company has complied with the code provisions set out in the CG Code with the following exception:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. After the resignation of Mr. Lo Kin Ching Joseph, the Company does not have the title of chairman of the Board. However, all directors are ensured properly to be briefed on issues arising at board meetings and are ensured to be received, in a timely manner, adequate information which must be accurate, clear, complete and reliable. Therefore, it can collectively achieve effective functioning of the Board.

Code provision A.4.1 of the CG Code requires that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive Directors have not been appointed for any specific terms as they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's articles of association.

Code provision E.1.2 of the CG Code requires the chairman of the Board should attend the annual general meeting of the Company. The chairman of the Board did not attend the annual general meeting of the Company held on 12 June 2018 (the "2018 AGM") due to his other commitment. Mr. Wong Hin Shek, the executive Director, who took the chair of the 2018 AGM, and other members of the Board (including the chairman of each of the Audit Committee and the remuneration committee of the Company and the members of the Nomination Committee) attended the 2018 AGM to ensure effective communication with the shareholders of the Company.

購買、出售或贖回股份

在回顧期內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

遵守企業管治守則

本集團致力維持高水平的企業管治，以保障本公司股東權益及提升企業價值及問責性。本公司自二零一三年十二月十一日（其股份首次開始於聯交所買賣日期）起已採納上市規則附錄14所載企業管治守則（「企業管治守則」）所載的原則。於截至二零一八年六月三十日止六個月，本公司已遵守企業管治守則所載守則條文，惟以下除外：

企業管治守則守則條文第A.2.1訂明，主席及行政總裁的職位應有所區分，且不應由同一人擔任。自勞建青先生辭任後，本公司並無董事會主席職銜。然而，已確保全體董事就於董事會會議上提出之問題獲適當簡報、及已確保全體董事適時收到必須為準確清晰及完備可靠的充分資訊。因此，全體董事可共同確保董事會有效運作。

企業管治守則守則條文第A.4.1規定非執行董事應須有特定任期並應接受重選。獨立非執行董事均並無特定任期，由於彼等須根據本公司組織章程細則在本公司股東週年大會上輪值告退及膺選連任。

企業管治守則守則條文第E.1.2訂明，董事會主席應出席本公司股東週年大會。董事會主席因有其他承擔而並無出席本公司於二零一八年六月十二日舉行的股東週年大會（「二零一八年股東週年大會」）。執行董事王顯碩先生主持二零一八年股東週年大會，且其他董事會成員（包括審核委員會及本公司薪酬委員會各自的主席以及提名委員會成員）均有出席二零一八年股東週年大會，確保與本公司股東的有效溝通。

Other Information 其他資料

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (Continued)

The Company regularly reviews its corporate governance practices to ensure they comply with the CG Code and align with the latest developments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' dealings in the Company's securities. Following specific enquiry made to the Directors, each of them has confirmed their compliance with the required standard set out in the Model Code throughout the period from 1 January 2018 to 30 June 2018.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed minimum public float under the Listing Rules.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to all of our staff for their hard work and dedication. I would also like to thank our business partners and associates, bankers and auditors for their continued trust, as well as you, our shareholders, for your constant support.

By order of the Board
Bisu Technology Group International Limited
Wong Hin Shek
Executive Director

Hong Kong, 28 August 2018

遵守企業管治守則(續)

本公司定期審議其企業管治常規，以確保已遵守企業管治守則及緊貼企業管治最新發展。

本公司董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載標準守則，作為其本身就董事買賣本公司證券的行為守則。經向董事作出特定查詢後，彼等各自確認彼等於二零一八年一月一日至二零一八年六月三十日整個期間內一直遵守標準守則所載的規定標準。

足夠公眾持股量

根據可供本公司公眾查閱的資料及據本公司董事於本公告日期所知，本公司已維持上市規則規定的最低公眾持股量。

鳴謝

本人謹代表董事會，對全體員工的努力及貢獻致以衷心謝意，並對業務夥伴及合作夥伴、往來銀行及核數師的長期信賴以及股東的支持深表感謝。

承董事會命
比速科技集團國際有限公司
執行董事
王顯碩

香港，二零一八年八月二十八日

