



**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

**2018**

Annual Report 年報



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# Corporate Information

## 公司資料

### REGISTERED OFFICE

Cricket Square, Hutchins  
Drive PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 1001, 10/F., Wing On Centre,  
111 Connaught Road Central, Hong Kong

### EXECUTIVE DIRECTORS

Mr. Xing Bin  
Mr. Lam Wah (*appointed on 12 November 2018*)  
  
Mr. Lo Kin Ching Joseph (*retired on 12 June 2018*)  
  
Mr. Wong Hin Shek (*re-designated from executive Director to non-executive Director on 28 November 2018*)

### NON-EXECUTIVE DIRECTOR

Mr. Wong Hin Shek (*re-designated from executive Director to non-executive Director on 28 November 2018*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yip Tai Him  
Mr. Leung Tsz Wing (*appointed on 28 November 2018*)  
  
Mr. Zhang Guozhi (*appointed on 28 February 2019*)  
  
Ms. Chu Yin Yin Georgiana (*resigned on 28 November 2018*)  
  
Mr. Chan Kai Wing (*resigned on 28 February 2019*)

### 註冊辦事處

Cricket Square, Hutchins  
Drive PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 總辦事處兼主要營業地點

香港干諾道中111號  
永安中心10樓1001室

### 執行董事

邢濱先生  
林華先生(於二零一八年十一月十二日  
獲委任)  
勞建青先生(於二零一八年六月十二日  
退任)  
王顯碩先生(於二零一八年十一月二十八日  
由執行董事調任為非執行董事)

### 非執行董事

王顯碩先生(於二零一八年十一月二十八日  
由執行董事調任為非執行董事)

### 獨立非執行董事

葉棣謙先生  
梁子榮先生(於二零一八年十一月二十八日  
獲委任)  
張國智先生(於二零一九年二月二十八日  
獲委任)  
朱燕燕女士(於二零一八年十一月二十八日  
辭任)  
陳繼榮先生(於二零一九年二月二十八日  
辭任)

### AUDIT COMMITTEE

Mr. Leung Tsz Wing (*appointed as a member on 28 November 2018 and appointed as a chairman on 28 February 2019*) (Chairman)

Mr. Yip Tai Him

Mr. Zhang Guozhi (*appointed on 28 February 2019*)

Ms. Chu Yin Yin Georgiana (*resigned on 28 November 2018*)

Mr. Chan Kai Wing (*resigned on 28 February 2019*)

### REMUNERATION COMMITTEE

Mr. Yip Tai Him (Chairman)

Mr. Leung Tsz Wing (*appointed on 28 November 2018*)

Mr. Zhang Guozhi (*appointed on 28 February 2019*)

Ms. Chu Yin Yin Georgiana (*resigned on 28 November 2018*)

Mr. Chan Kai Wing (*resigned on 28 February 2019*)

### NOMINATION COMMITTEE

Mr. Zhang Guozhi (*appointed on 28 February 2019*) (Chairman)

Mr. Yip Tai Him

Mr. Leung Tsz Wing (*appointed on 28 November 2018*)

Ms. Chu Yin Yin Georgiana (*resigned on 28 November 2018*)

Mr. Chan Kai Wing (*resigned on 28 February 2019*)

### COMPANY SECRETARY

Mr. Lam Wah

### 審核委員會

梁子榮先生(於二零一八年十一月二十八日獲委任為成員及於二零一九年二月二十八日獲委任為主席)(主席)

葉棣謙先生

張國智先生(於二零一九年二月二十八日獲委任)

朱燕燕女士(於二零一八年十一月二十八日辭任)

陳繼榮先生(於二零一九年二月二十八日辭任)

### 薪酬委員會

葉棣謙先生(主席)

梁子榮先生(於二零一八年十一月二十八日獲委任)

張國智先生(於二零一九年二月二十八日獲委任)

朱燕燕女士(於二零一八年十一月二十八日辭任)

陳繼榮先生(於二零一九年二月二十八日辭任)

### 提名委員會

張國智先生(於二零一九年二月二十八日獲委任)(主席)

葉棣謙先生

梁子榮先生(於二零一八年十一月二十八日獲委任)

朱燕燕女士(於二零一八年十一月二十八日辭任)

陳繼榮先生(於二零一九年二月二十八日辭任)

### 公司秘書

林華先生



# Corporate Information

## 公司資料

### CAYMAN ISLANDS SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 開曼群島股份過戶登記處

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

### AUDITOR

Zenith CPA Limited  
*Certified Public Accountants*  
Rooms 2103-05, 21/F Dominion Centre  
43-59 Queen's Road East  
Wanchai  
Hong Kong

### 核數師

誠豐會計師事務所有限公司  
*執業會計師*  
香港  
灣仔  
皇后大道東43-59號  
東美中心21樓2103-05室

### SHARE INFORMATION

#### *Ordinary share listing*

|                  |   |
|------------------|---|
| Place of listing | Main Board of The Stock Exchange of Hong Kong Limited |
| Stock code       | 1372  |
| Board lot size   | 2,000 shares  |

### 股份資料

#### *普通股上市*

|        |               |
|--------|---------------|
| 上市地點   | 香港聯合交易所有限公司主板 |
| 股份代號   | 1372          |
| 每手買賣單位 | 2,000股        |

### WEBSITE OF THE COMPANY

[www.bisu-tech.com](http://www.bisu-tech.com)

### 公司網址

[www.bisu-tech.com](http://www.bisu-tech.com)

# Director's Statement

## 董事報告

### FINANCIAL HIGHLIGHTS

### 財務摘要

|  |                     | Year ended<br>31 December<br>2018<br>截至<br>二零一八年<br>十二月三十一日<br>止年度 | Year ended<br>31 December<br>2017<br>截至<br>二零一七年<br>十二月三十一日<br>止年度 |
|--|---------------------|--|--|
| <b>Financial Performance (HK\$'000)</b>            | <b>財務表現(千港元)</b>    |  |  |
| Revenue  | 收入                  | 743,414  | 2,026,599  |
| Gross profit                                       | 毛利                  | 11,782   | 188,950  |
| Gross profit margin                                | 毛利率                 | 1.6%   | 9.3%   |
| (Loss)/profit attributable to owners of the parent | 母公司擁有人應佔<br>(虧損)/溢利 | (703,767)  | 37,713   |
|  |                     | 31 December<br>2018<br>二零一八年<br>十二月三十一日                            | 31 December<br>2017<br>二零一七年<br>十二月三十一日                            |
| <b>Financial Position (HK\$'000)</b>               | <b>財務狀況(千港元)</b>    |  |  |
| Cash and cash equivalents                          | 現金及現金等值物            | 26,971   | 68,623   |
| Goodwill (Note 1)                                  | 商譽(附註1)             | 297,552  | 498,343  |
| Intangible assets (Note 1)                         | 無形資產(附註1)           | 88,618   | 556,230  |
| Total assets                                       | 總資產                 | 1,307,390  | 2,509,552  |
| Liability component of convertible bonds (Note 1)  | 可換股債券之<br>負債部分(附註1) | 352,411  | 387,665  |
| Promissory notes (Note 1)                          | 承兌票據(附註1)           | 512,387  | 473,918  |
| Total liabilities                                  | 總負債                 | 1,400,349  | 1,806,938  |
| Net (liabilities)/assets                           | (負債)/資產淨值           | (92,959)   | 702,614  |
| Current ratio (Note 2)                             | 流動比率(附註2)           | 1.3  | 1.1  |
| Gearing ratio (Note 3)                             | 槓桿比率(附註3)           | N/A  | 119.5%   |
| Return on equity (Note 4)                          | 股本回報率(附註4)          | N/A  | 5.4%   |



# Director's Statement

## 董事報告

### Notes:

1. Goodwill and intangible assets were derived from the automotive engines business while the liability portion of convertible bonds and promissory notes were issued in prior years.
2. Current ratio is calculated by dividing current assets by current liabilities as at the end of the reporting period.
3. Gearing ratio is calculated by dividing the total of interest-bearing borrowings, liability component of convertible bonds and promissory notes less cash and cash equivalent by the total equity as at the end of the reporting period and multiplied by 100%. The gearing ratio as at 31 December 2018 is not available because the Group reported a negative equity attributable to owners of the parent as at 31 December 2018.
4. The calculation of return on equity is based on the profit attributable to owners of the parent during the period divided by the ending equity attributable to owners of the parent as at the end of the reporting period and multiplied by 100%. The return on equity for the year ended 31 December is not available because the Group reported a negative equity attributable to owners of the parent as at 31 December 2018.

### 附註：

1. 商譽及無形資產乃來自汽車發動機業務，而可換股債券及承兌票據之負債部分乃於以前年度發行。
2. 流動比率乃按報告期末的流動資產除以流動負債計算得出。
3. 槓桿比率乃按報告期末的計息借款總額、可換股債券及承兌票據之負債部分減現金及現金等值物除以總權益再乘以100%計算得出。由於本集團於二零一八年十二月三十一日錄得母公司擁有人應佔權益為負數，故無法提供二零一八年十二月三十一日的槓桿比率。
4. 股本回報率乃按期內母公司擁有人應佔溢利除以報告期末的母公司擁有人應佔權益再乘以100%計算得出。由於本集團於二零一八年十二月三十一日錄得母公司擁有人應佔權益為負數，故無法提供截至十二月三十一日止年度的股本回報率。

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Bisu Technology Group International Limited (the "Company"), I present the annual results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2018.

### BUSINESS OVERVIEW

For the year ended 31 December 2018, the Group recorded a consolidated revenue of approximately HK\$743.4 million (31 December 2017: approximately HK\$2,026.6 million). Loss for the year attributable to owners was approximately HK\$703.8 million (31 December 2017: profit of approximately HK\$37.7 million). The loss was mainly attributable to: 1) a significant decline in gross profit to approximately HK\$11.8 million for the year ended 31 December 2018 as compared to that of 2017 of approximately HK\$189.0 million, primarily due to the decline in revenue of the development, production and sale of automotive engines (the "Automotive Engines Business"); 2) the impairment loss of approximately HK\$174.9 million and approximately HK\$430.9 million were provided on goodwill and intangible assets in relation to the acquisition of the Automotive Engines Business in February 2016; and 3) the allowance for expected credit loss of approximately HK\$125.3 million were recognized during the year ended 31 December 2018 for the accounts and bills receivables due from the customers of the Automotive Engines Business.

### AUTOMOTIVE ENGINES BUSINESS

In 2018, our customers of the Automotive Engines Business were encountering unsatisfactory performance and financial difficulties, which were caused by the reduction of excessive production capacity policy and the de-leveraging policy in China. These caused the banks to reduce or withdraw credit facilities which significantly influenced the capital chain of them. This significantly reduced their sales orders to us and caused the decrease of sales volume in the year.

各位股東：

本人謹代表比速科技集團國際有限公司（「本公司」）董事（「董事」）會（「董事會」），欣然提呈本公司及其附屬公司（統稱「本集團」）截至二零一八年十二月三十一日止年度的全年業績。

### 業務回顧

截至二零一八年十二月三十一日止年度，本集團錄得綜合收入約743,400,000港元（二零一七年十二月三十一日：約2,026,600,000港元）。擁有人應佔年度虧損約為703,800,000港元（二零一七年十二月三十一日：溢利約37,700,000港元）。虧損乃主要由於：1) 毛利由二零一七年的約189.0百萬港元大幅減少至截至二零一八年十二月三十一日止年度的約11.8百萬港元，主要因為汽車發動機發展、生產及銷售（「汽車發動機業務」）收益減少；2) 就二零一六年二月收購汽車發動機業務的商譽及無形資產計提減值虧損撥備約174.9百萬港元及約430.9百萬港元；及3) 於截至二零一八年十二月三十一日止年度就應收汽車發動機業務客戶賬款及應收票據確認預期信貸虧損撥備約125.3百萬港元。

### 汽車發動機業務

二零一八年，汽車發動機業務客戶的表現未如理想及遭遇財困，乃由於中國推出刪減過剩產能政策及去槓桿化政策此舉導致銀行減少或撤回信貸融資，嚴重影響其資金鏈，這大幅減少彼等於年內向我們下達的銷售訂單並導致銷量下跌。



# Director's Statement

## 董事報告

During the year ended 31 December 2018, the revenue of the Automotive Engines Business was approximately HK\$276.5 million (31 December 2017: approximately HK\$1,478.3 million), represented approximately 37.2% of the total revenue of the Group. Average monthly production decreased approximately 85.5% from 7,636 units per month for the year ended 31 December 2017 to 1,108 units per month for the year ended 31 December 2018.

Excluding the amortisation of intangible assets amounting to approximately HK\$26.4 million (31 December 2017: approximately HK\$61.8 million), the gross profit margin of the Automotive Engines Business decreased from approximately 15.8% for the year ended 31 December 2017 to approximately 9.4% for the year ended 31 December 2018.

### CIVIL ENGINEERING AND CONSTRUCTION BUSINESS

As of 31 December 2018, the Group had 13 significant projects in progress. Three of them were building construction and maintenance projects while the remaining were civil engineering construction projects. During the year ended 31 December 2018, the revenue of Group's civil engineering works and building construction and maintenance works were approximately HK\$466.9 million, representing a decrease of 14.8% as compared to the year ended 31 December 2017. The overall gross profit margin of this segment was 2.6% for the year ended 31 December 2018, representing a decrease of approximately 0.5%.

### OUTLOOK

The customers of the Automotive Engines Business reached agreement with banks, local government and their shareholders for funding for resuming normal production. It is expected that the demand from the customers of the Automotive Engines Business for low-emission gasoline automobile engines which are the principal products of the Automotive Engines Business will be improved in 2019 if there is no further disruption in the production of the customers of the Automotive Engines Business. However, due to the market outlook for passenger vehicles and the adjustment of scale and product mix of the customers of the Automotive Engines Business, the expected demand from the customers of the Automotive Engines Business for low-emission gasoline automobile engines in 2019 will be lower than that in 2017 to a substantial extent.

截至二零一八年十二月三十一日止年度，汽車發動機業務的收入約為276,500,000港元(二零一七年十二月三十一日：約1,478,300,000港元)，佔本集團總收入的約37.2%。月平均產量乃由截至二零一七年十二月三十一日止年度的每月7,636台減少約85.5%至截至二零一八年十二月三十一日止年度的每月1,108台。

除無形資產攤銷約26,400,000港元(二零一七年十二月三十一日：約61,800,000港元)外，汽車發動機業務的毛利率乃由截至二零一七年十二月三十一日止年度的約15.8%減至截至二零一八年十二月三十一日止年度的約9.4%。

### 土木工程及建造業務

截至二零一八年十二月三十一日，本集團有13個重大在建項目，其中三個為樓宇建造和保養項目，其餘為土木工程建造項目。截至二零一八年十二月三十一日止年度，本集團來自土木工程及樓宇建造和保養工程的收入約為466,900,000港元，較截至二零一七年十二月三十一日止年度減少14.8%。該分部於截至二零一八年十二月三十一日止年度的整體毛利率為2.6%，減幅約0.5%。

### 展望

汽車發動機業務客戶與銀行、本地政府及其股東就恢復正常生產提供資金達成協議。倘汽車發動機業務的生產無進一步阻礙，預期汽車發動機業務客戶對低排放汽油汽車發動機(為汽車發動機業務的主要產品)的需求將於二零一九年增加。然而，基於乘用車的市場前景及汽車發動機業務客戶調整規模及產品組合，二零一九年汽車發動機業務客戶對低排放汽油汽車發動機的需求預期會大幅低於二零一七年。

Despite the above, the Automotive Engines Business will remain a principal activity of the Group in the future. While the Group expect the adverse operation environment will continue to affect the Automotive Engines Business in 2019, with the gradual recovery of the customers of the Automotive Engines Business from the impact of the deleveraging policy and the strong support from the Chinese government to the industry, the Group is cautiously optimistic that the demand of automotive engines will recover and stabilize in medium term.

In order to strengthen the Group's competitive edge in a dynamic environment, the Group will continue to pursue to reinforce the costs control initiatives to rationalize its operations to enhance efficiency and optimize costs. In the meantime, the Group will actively seek for opportunities to develop new product pipelines and continuously focus on research and development to develop automotive engines with high quality and advanced features to enhance market penetration and brand recognition.

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.

儘管如上文所述，汽車發動機業務將仍然為本集團於未來的主要業務。儘管本集團預期不利經營環境將繼續於二零一九年影響汽車發動機業務，惟汽車發動機業務客戶逐漸從去槓桿政策的影響恢復及中國政府大力支持該行業，本集團對汽車發動機需求於中期內恢復及靠穩感到審慎樂觀。

為加強本集團於變化不斷的環境中的競爭優勢，本集團將繼續尋求加強成本控制措施，理順其營運以提高效率及降低成本。同時本集團會積極尋求機遇開發新產品項目及持續專注研發，以開發優質及具備先進功能的汽車發動機，務求提高市場滲透及品牌知名度。儘管如上文所述，汽車發動機業務仍為本集團的主要活動。

另一方面，雖然建造業務不利的經營環境預期將會持續數年，如工資和建造物料成本不斷上升及技術勞工短缺，但鑒於本集團於處理各類建造工程方面擁有豐富經驗，董事會深信本集團能把握蓬勃的商機。本集團於提交新的招標書時會繼續採取審慎策略。此外，本集團會繼續改善其服務質素及競爭力，利用其競爭優勢，以把握於未來數年香港土木工程建造項目上升之趨勢，從而進一步鞏固本集團的業務增長。



# Director's Statement

## 董事報告

### APPRECIATION

Finally, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude and appreciation to our management team and staff for their dedication commitment, as well as all of our customers, suppliers, shareholders, business partners and associates for their support and encouragement to the Group.

Lam Wah  
*Executive Director*  
Hong Kong, 28 March 2019

### 鳴謝

最後，本人謹藉此機會代表董事會向管理層團隊及全體員工表達由衷感激及衷心謝意，感激彼等的熱誠投入，亦感謝我們所有客戶、供應商、股東、業務夥伴及合作夥伴對本集團的鼎力支持及鼓勵。

執行董事  
林華  
香港，二零一九年三月二十八日





# Summary of Significant Contracts on Hand

## 重大手頭合約概要

| Particulars of the contract<br>合約詳情   |   | Contract sum<br>合約金額<br>HK\$ million<br>百萬港元 |
|---|---|--|
| Construction and Maintenance of Trenching/<br>Cable Laying and Contractual Works in the<br>Areas of Hong Kong, Ap Lei Chau, Lamma<br>Island and any Outlying Island                       | 香港、鴨脷洲、南丫島及任何離島的<br>線坑／電纜鋪設的建造及保養及<br>合約工程                          | —<br>(Note 1)<br>(附註1)                       |
| <u>Utilities Civil Engineering Works</u><br>Provision of Works for Integrated Blockwiring<br>Infrastructure   | <u>公用設施土木工程</u><br>為綜合樓宇佈線基礎設施提供工程                                  | —<br>(Note 1)<br>(附註1)                       |
| Improvement Works for Elevated Cable Trough<br>at Mills and Chung Path, Deep Water Bay  | 深水灣苗鍾徑高架電纜坑改善工程   | 6  |
| <u>Building construction and maintenance<br/>works</u>  | <u>樓宇建造和保養工程</u>  |  |
| New Entrances and Associated Modification<br>Works in Tsuen Wan West  | 荃灣西站翻新及新建入口工程   | 80   |
| District Term Contract for Maintenance,<br>Improvement and Vacant Flat Refurbishment for<br>Tai Po, North, Shatin and Sai Kung Region (4)<br>2017/2019                                    | 大埔區、北區、沙田區及西貢區保養、改善<br>及空置單位翻新工程的分區定期合約(4)<br>二零一七／二零一九年度           | —<br>(Note 1)<br>(附註1)                       |
| Advance Civil Engineering Works for Public<br>Housing Development Projects Batch 9<br>(2018–2019)   | 二零一八年至二零一九年第9批公營房屋發<br>展項目前期土木工程                                    | 18   |
| Note 1: No contract sum provided in the contracts due to the nature of<br>the relevant contracts.   | 附註1: 鑑於相關合約性質，有關的合約並無<br>規定合約金額。                                    |  |
| Note 2: Project with a contract sum of HK\$340 million being undertaken<br>by EXCEL-LANON Joint Venture, an unincorporated company in<br>which 51% interest is attributable to the Group. | 附註2: 合約金額為340,000,000港元之項目由<br>並非法團的公司怡益—亮雅合營企<br>業承包，其51%權益由本集團擁有。 |  |

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW AND FINANCIAL REVIEW

During the year under review, the Group has engaged in two business segments, which are (i) Automotive Engines Business; and (ii) Civil engineering works and building construction and maintenance works (the "Civil Engineering and Construction Business").

For the year ended 31 December 2018, the Group recorded a consolidated revenue amounted to approximately HK\$743.4 million as compared to that of 2017 of approximately HK\$2,026.6 million, representing approximately HK\$1,283.2 million or 63.3% decrease in revenue; the loss for the year attributable to owners amounted to approximately HK\$703.8 million whereas the profit for the year attributable to owners of the Company of 2017 amounted to approximately HK\$37.7 million. The loss was mainly attributable to the following factors:

- 1) the gross profit was recorded a significant decline to approximately HK\$11.8 million for the year ended 31 December 2018 as compared to that of 2017 of approximately HK\$189.0 million, which was due to a decline in revenue primarily due to the reduction of sales in the Automotive Engines Business from approximately HK\$1,478.3 million for the year ended 31 December 2017 to approximately HK\$276.5 million for the same period in 2018. Such decline was primarily attributable to a decline of China's overall automobiles and sport utility vehicle ("SUV") markets, as well as the financial difficulties encountered by the vehicle and vehicle parts manufacturing customers of the Group (the "Automotive Engines Business Customers") in 2018, which caused the sales orders from them decrease significantly;
- 2) the impairment losses of approximately HK\$174.9 million and approximately HK\$430.9 million were provided on goodwill and intangible assets in relation to the acquisition of the Automotive Engines Business in February 2016. Such impairment losses were primarily attributable to the fact that the financial performance of Automotive Engines Business was less than expected for the year ended 31 December 2018 as abovementioned; and

### 業務回顧及財務回顧於回顧

年度內，本集團從事兩個業務分部，即(i) 汽車發動機業務；及(ii) 土木工程及樓宇建造和保養工程（「土木工程及建造業務」）。

截至二零一八年十二月三十一日止年度，本集團錄得綜合收入約743,400,000港元，對比二零一七年的約2,026,600,000港元，收入減少約1,283,200,000港元或63.3%；擁有人應佔年度虧損為約703,800,000港元，而本公司擁有人應佔年度溢利約為37,700,000港元。虧損主要由於以下因素：

- 1) 比起二零一七年的約189,000,000港元，截至二零一八年十二月三十一日止年度的毛利大幅下降至約11,800,000港元，此乃由於收入減少，主要原因是汽車發動機業務的銷售由截至二零一七年十二月三十一日止年度的約1,478,300,000港元減至二零一八年同期的約276,500,000港元。該減幅主要由於中國整體汽車及運動型多用途車（「運動型多用途車」）市場縮減，而且本集團的汽車及汽車部件製造客戶（「汽車發動機業務客戶」）於二零一八年遇到財務困難，致使其銷售訂單大幅減少。
- 2) 已就於二零一六年二月收購汽車發動機業務計提商譽及無形資產減值虧損約174,900,000港元及約430,900,000港元。該減值虧損主要由於如上文所述，截至二零一八年十二月三十一日止年度汽車發動機業務的財務表現不及預期；及



# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW AND FINANCIAL REVIEW (Continued)

3) the allowance for expected credit loss of approximately HK\$125.3 million were recognized during the year ended 31 December 2018 for the accounts and bills receivables due from the Automotive Engines Business Customers as there has been a significant increase in credit risk of these receivables due to the financial difficulties encountered by the Automotive Engines Business Customers and therefore a loss allowance was provided for credit losses expected over the remaining life of the exposure.

Gross profit decreased to approximately HK\$11.8 million (31 December 2017: approximately HK\$189.0 million) with the gross profit ratio at approximately 1.6%. The decrease in gross profit ratio was the result of decline in sales orders of the Automotive Engines Business which affected the economy of scale.

Basic and diluted loss per share for the year ended 31 December 2018 were approximately HK\$351.9 cents (31 December 2017: basic and diluted profit per share of approximately HK\$18.9 cents and HK\$16.6 cents).

#### Automotive Engines Business

Looking back at the year of 2018, following the slowing growth trend in 2017, the domestic automobile sales market further worsened and showed a negative growth which is the first time since 1990. According to the annual production and sales figures released by the China Association of Automobile Manufacturers (CAAM), the production and sales of passenger vehicles reached 2,352.9 million units and 2,371.0 million units in 2018, respectively, representing a year-on-year decrease of 5.2% and 4.1% respectively. In the meantime, the growth rate of sports utility vehicles (SUV), the major car type utilizing our automotive engines, which was the main driver for passenger vehicle sales growth in the past, also turned negative. In 2018, the sales of SUV decreased by 2.5% year-in-year compared with a positive growth of 13.3% in 2017. Despite that, SUV accounted for 42.2% of all passenger car sales in 2018 compared with 41% in the previous year, representing SUV was still outperforming other car types such as sedans.

### 業務回顧及財務回顧於回顧(續)

3) 於截至二零一八年十二月三十一日止年度就應收汽車發動機業務客戶的應收賬款及應收票據確認預期信貸虧損撥備約125,300,000港元，因為汽車發動機業務客戶遇到財政困難，使該等應收款項的信貸風險大幅增加，因此為敞口餘下期間內的預期信貸虧損計提虧損撥備。

毛利減少至約11,800,000港元(二零一七年十二月三十一日：約189,000,000港元)，毛利率約為1.6%。毛利率減少乃受汽車發動機業務的銷售訂單減少而影響銷售經濟所致。

截至二零一八年十二月三十一日止年度，每股基本及攤薄虧損約為351.9港仙(二零一七年十二月三十一日：每股基本及攤薄盈利約為18.9港仙及16.6港仙)。

#### 汽車發動機業務

回顧二零一八年，隨著二零一七年的增長趨勢放緩，國內汽車銷售市場表現下滑，並自一九九零年以來增加首次出現負增長。根據中國汽車工業協會頒佈的年度生產及銷售數據顯示，二零一八年乘用車的生產及銷售分別達2,352.9百萬輛及2,371.0百萬輛，分別按年減少5.2%及4.1%。同時，應用我們汽車發動機的主要汽車類型運動型多用途車，過往為乘用車銷售增長的主要動力，惟增長率亦調頭向下。在二零一八年，運動型多用途車的銷售由二零一七年的增長13.3%，扭轉為按年下跌2.5%。儘管如此，運動型多用途車在二零一八年所有乘用車的銷售佔42.2%，去年為41%，反映運動型多用途車的表現較其他車款如轎車優勝。

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW AND FINANCIAL REVIEW (Continued)

#### Automotive Engines Business (Continued)

In 2018, our Automotive Engines Business Customers were encountering unsatisfactory performance and financial difficulties, which were caused by the reduction of excessive production capacity policy and the de-leveraging policy in China. These caused the banks to reduce or withdraw credit facilities which significantly influenced the capital chain of them. This significantly reduced their sales orders to us and caused the decrease of sales volume in the year.

During the year ended 31 December 2018, the revenue of the Automotive Engines Business was approximately HK\$276.5 million (31 December 2017: approximately HK\$1,478.3 million), represented approximately 37.2% of the total revenue of the Group. Average monthly production decreased approximately 85.5% from 7,636 units per month for the year ended 31 December 2017 to 1,108 units per month for the year ended 31 December 2018.

Excluding the amortisation of intangible assets amounting to approximately HK\$26.4 million (31 December 2017: approximately HK\$61.8 million), the gross profit margin of the Automotive Engines Business decreased from approximately 15.8% for the year ended 31 December 2017 to approximately 9.4% for the year ended 31 December 2018.

#### Civil Engineering and Construction Business

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

During the year ended 31 December 2018, the revenue of Group's civil engineering works and building construction and maintenance works were approximately HK\$466.9 million (31 December 2017: approximately HK\$548.3 million). For the year under review, included in the turnover was: (i) revenue from civil engineering works of approximately HK\$389.8 million (31 December 2017: approximately HK\$455.8 million); and (ii) revenue from building construction and maintenance works of approximately HK\$77.1 million (31 December 2017: approximately HK\$92.5 million).

### 業務回顧及財務回顧於回顧(續)

#### 汽車發動機業務(續)

二零一八年，汽車發動機業務客戶的表現未如理想及遭遇財困，乃由於中國推出刪減過剩產能政策及去槓桿化政策此舉導致銀行減少或撤回信貸融資，嚴重影響其資金鏈，這大幅減少彼等於年內向我們下達的銷售訂單並導致銷量下跌。

截至二零一八年十二月三十一日止年度，汽車發動機業務的收入約為276,500,000港元(二零一七年十二月三十一日：約1,478,300,000港元)，佔本集團總收入的約37.2%。月平均產量乃由截至二零一七年十二月三十一日止年度的每月7,636台減少約85.5%至截至二零一八年十二月三十一日止年度的每月1,108台。

除無形資產攤銷約26,400,000港元(二零一七年十二月三十一日：約61,800,000港元)外，汽車發動機業務的毛利率乃由截至二零一七年十二月三十一日止年度的約15.8%減至截至二零一八年十二月三十一日止年度的約9.4%。

#### 土木工程及建造業務

本集團承辦的所有土木工程及樓宇建造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。

截至二零一八年十二月三十一日止年度，本集團來自土木工程及樓宇建造和保養工程的收入約為466,900,000港元(二零一七年十二月三十一日：約548,300,000港元)。於回顧年度內，計入營業額包括：(i)來自土木工程收入約為389,800,000港元(二零一七年十二月三十一日：約455,800,000港元)；及(ii)來自樓宇建造和保養工程的收入約為77,100,000港元(二零一七年十二月三十一日：約92,500,000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 (Continued)

The overall gross profit margin of this segment was 2.6% for the year ended 31 December 2018 (31 December 2017: 3.1%). As of 31 December 2018, the Group had 13 significant projects in progress. Three of them were building construction and maintenance projects while the remaining were civil engineering construction projects.

As of 31 December 2018, the total contract sum and the total outstanding values of the Group's substantial projects in progress were approximately HK\$494 million and HK\$311 million respectively.

During the year ended 31 December 2018, the Group was awarded with the following new substantial contracts:

- Water Mains Diversion Works for Subsidised Sale Flats Development at Ma On Shan Road
- Provision of Works for Integrated Blockwiring Infrastructure
- Improvement Works for Elevated Cable Trough at Mills and Chung Path, Deep Water Bay
- Advance Civil Engineering Works for Public Housing Development Projects Batch 9 (2018-2019)

### PROSPECT

The China Association of Automobile Manufacturers (CAAM) believes that the current slow growth of automobiles is a result of the overdraft of consumption in the past, and it could take about three years for the market to recover. The prospects for the development of the automobile industry in the medium and long term are still conservatively optimistic. The market in general estimate that the annual sales volume of passenger vehicles in 2019 will be close to that in 2018.

### 業務回顧及財務回顧於回顧(續)

#### 土木工程及建造業務(續)

該分部於截至二零一八年十二月三十一日止年度的整體毛利率為2.6% (二零一七年十二月三十一日: 3.1%)。截至二零一八年十二月三十一日, 本集團有13個重大在建項目, 其中三個為樓宇建造和保養項目, 其餘為土木工程建造項目。

截至二零一八年十二月三十一日, 本集團重大在建項目的合約總金額及未完成工程總價值分別約為494,000,000港元及311,000,000港元。

於截至二零一八年十二月三十一日止年度, 本集團獲授以下新的重大合約:

- 馬鞍山路資助出售房屋發展計劃的總水管改道工程
- 為綜合樓宇佈線基礎設施提供工程
- 深水灣苗鍾徑高架電纜坑改善工程
- 二零一八年至二零一九年第9批公營房屋發展項目前期土木工程

### 前景

中國汽車工業協會認為, 現時汽車增長放緩, 因過往消費出現透支所致, 市場需時約三年時間才可復原。中長遠而言, 汽車業的發展前景仍保守地樂觀。預期整體市場在二零一九年乘用車的年度銷量與二零一八年相若。

# Management Discussion and Analysis

## 管理層討論及分析

### PROSPECT (Continued)

On the other hand, after suffering from the first negative growth in automobile sales market in 2018, the Government of People's Republic of China (the "PRC") introduces a series of policy to promote car consumption in 2019. According to the joint issuance of the "Implementation Plan for Further Optimizing Supply and Promoting Stable Growth of Consumption to Promote a Strong Domestic Market (2019)" (《進一步優化供給推動消費平穩增長促進形成強大國內市場的實施方案(2019年)》) by ten PRC authorities including National Development and Reform Commission, the Ministry of Industry and Information Technology, and the Ministry of Commerce on January 28, 2019, six initiatives are formulated to promote automobile consumption. Among these six initiatives, the Group expects the initiatives of orderly promotion of replacement of old vehicles, promotion of vehicle renewal in rural areas, and optimization of vehicle restriction measures in local government would have positive impact on our Automotive Engines Business.

Meanwhile, in order to solve their financial difficulties, the Automotive Engines Business Customers had been in negotiations with the banks, the local government and their shareholders to request for funding for resuming normal production. A five-party agreement was signed by our largest car manufacturing customer with, among others, the local government and their shareholders pursuant to which a new company shall be established as a platform for procurement and new funding shall be provided to the new procurement platform to support the resumption of normal production for both Automotive Engines Business Customers. With the arrival of funding, the production of the Automotive Engines Business Customers was resumed on 20 December 2018. Full resumption of production is expected when the Automotive Engines Business Customers complete the negotiation of the resumption arrangement with all suppliers along the supply chain, which is expected to take place in the first half of 2019.

It is expected that the demand from the Automotive Engines Business Customers for low-emission gasoline automobile engines which are the principal products of the Automotive Engines Business will be improved in 2019 if there is no further disruption in the production of the Automotive Engines Business Customers. However, due to the market outlook for passenger vehicles and the adjustment of scale and product mix of the Automotive Engines Business Customers, the expected demand from the Automotive Engines Business Customers for low-emission gasoline automobile engines in 2019 will be lower than that in 2017 to a substantial extent.

### 前景(續)

另一方面，汽車市場於二零一八年首次承受負增長以後，中華人民共和國(「中國」)政府引入多項政策，推動二零一九年的汽車消費。根據十個中國政府部門(包括國家發展和改革委員會、工業和信息化部及商務部)在二零一九年一月二十八日共同頒佈的《進一步優化供給推動消費平穩增長促進形成強大國內市場的實施方案(2019年)》，已經制訂六項措施推動汽車消費。在六項措施中，有序推進老舊汽車報廢更新、促進農村汽車更新換代和優化地方政府機動車管理措施會對汽車發動機業務帶來正面影響。

與此同時，為了解決彼等的財政困難，汽車發動機業務客戶一直與銀行、當地政府及其股東磋商，要求資金以恢復一般生產。最大的汽車製造客戶已與(其中包括)當地政府及其股東簽署五方協議，據此新公司將告成立作為採購平台及應提供新資金予新採購平台，支持兩名汽車發動機業務客戶恢復一般生產。獲得資金後，汽車發動機業務客戶的生產於二零一八年十二月二十日恢復。預期當汽車發動機業務客戶完成與供應鏈上所有供應商磋商恢復安排，生產將全面恢復(預期為二零一九年上半年)。

倘汽車發動機業務的生產無進一步阻礙，預期汽車發動機業務客戶對低排放汽油汽車發動機(為汽車發動機業務的主要產品)的需求將於二零一九年增加。然而，基於乘用車的市場前景及汽車發動機業務客戶調整規模及產品組合，二零一九年汽車發動機業務客戶對低排放汽油汽車發動機的需求預期會大幅低於二零一七年。



# Management Discussion and Analysis

## 管理層討論及分析

### PROSPECT (Continued)

Despite the above, the Automotive Engines Business will remain a principal activity of the Group in the future. While the Group expect the adverse operation environment will continue to affect the Automotive Engines Business in 2019, with the gradual recovery of the Automotive Engines Business Customers from the impact of the deleveraging policy and the strong support from the Chinese government to the industry, the Group is cautiously optimistic that the demand of automotive engines will recover and stabilize in medium term.

In order to strengthen the Group's competitive edge in a dynamic environment, the Group will continue to pursue to reinforce the costs control initiatives to rationalize its operations to enhance efficiency and optimize costs. In the meantime, the Group will actively seek for opportunities to develop new product pipelines and continuously focus on research and development to develop automotive engines with high quality and advanced features to enhance market penetration and brand recognition.

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 ahead, the Directors are cautious about the prospect of the Group's operation and business in 2019 and will continue to pursue costs control initiatives in both business segments. Meanwhile, the Group shall also look for opportunities which can reinforce the current business segments in the Group or provide sound diversification prospects, with an aim to improve our performance and maximize the interest of our shareholders.

### 前景(續)

儘管如上文所述，汽車發動機業務將仍然為本集團於未來的主要業務。儘管本集團預期不利經營環境將繼續於二零一九年影響汽車發動機業務，惟汽車發動機業務客戶逐漸從去槓桿政策的影響恢復及中國政府大力支持該行業，本集團對汽車發動機需求於中期內恢復及靠穩感到審慎樂觀。

為加強本集團於變化不斷的環境中的競爭優勢，本集團將繼續尋求加強成本控制措施，理順其營運以提高效率及降低成本。同時本集團會積極尋求機遇開發新產品項目及持續專注研發，以開發優質及具備先進功能的汽車發動機，務求提高市場滲透及品牌知名度。儘管如上文所述，汽車發動機業務仍為本集團的主要活動。

另一方面，雖然建造業務不利的經營環境預期將會持續數年，如工資和建造物料成本不斷上升及技術勞工短缺，但鑒於本集團於處理各類建造工程方面擁有豐富經驗，董事會深信本集團能把握蓬勃的商機。本集團於提交新的招標書時會繼續採取審慎策略。此外，本集團會繼續改善其服務質素及競爭力，利用其競爭優勢，以把握於未來數年香港土木工程建造項目上升之趨勢，從而進一步鞏固本集團的業務增長。

展望未來，董事對本集團營運及業務於二零一九年的前景感到審慎，並會繼續於兩個業務分部實踐成本控制措施。同時，本集團亦將尋求機會加強本集團的現有業務分部，或帶來穩健的多元化發展前景，以期改善表現及爭取最大股東利益。

# Management Discussion and Analysis

## 管理層討論及分析

### DIVIDEND

The Board does not recommend payment of any final dividend for the year ended 31 December 2018 (31 December 2017: Nil).

### CAPITAL STRUCTURE, FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 31 December 2018, the Group had cash and cash equivalents of approximately HK\$27.0 million, representing a decrease of approximately 60.7% from approximately HK\$68.6 million as at 31 December 2017. The decrease was mainly attributable to the combined effect of (i) net cash flows generated from financing activities in respect of the Group's interest-bearing bank and other borrowings; and (ii) net cash outflow from operating activities in respect of the Group's business. The Group had not pledged any bank deposits for the bank loans.

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

As at 31 December 2018, the total assets were approximately HK\$1,307.4 million, representing a decrease of approximately 47.9% from approximately HK\$2,509.6 million as at 31 December 2017. The significant decrease was mainly due to i) the decrease in accounts and bills receivables, gross amount due from customers for contract work and contract assets in aggregate of approximately HK\$544.9 million as a result of the decrease of the revenue of the Automotive Engines Business and the expected credit loss of approximately HK\$125.3 million made on the account and bills receivables of the Automotive Engines Business; and ii) the impairment of goodwill and intangible assets of approximately HK\$174.9 million and approximately HK\$430.9 million made in 2018.

As at 31 December 2018, the total liabilities were approximately HK\$1,400.3 million, representing an decrease of approximately 22.5% from approximately HK\$1,806.9 million as at 31 December 2017. The decrease was mainly due to the decrease in accounts payable by approximately HK\$328.9 million because of the decrease in purchase of raw materials of Automotive Engines Business.

### 股息

董事會並不建議支付截至二零一八年十二月三十一日止年度之任何末期股息(二零一七年十二月三十一日:無)。

### 資金結構、財務資源、流動資金及槓桿比率

於二零一八年十二月三十一日,本集團的現金及現金等值物約為27,000,000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60.7%。減少主要由於(i)有關本集團計息銀行及其他借貸之融資業務產生之現金流量淨額;及(ii)本集團業務的經營活動產生現金流出淨額。本集團並未就銀行貸款抵押任何銀行存款。

本集團之現金及現金等值物以港元及人民幣計值。

於二零一八年十二月三十一日,總資產約為1,307,400,000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47.9%。大幅減少主要由於i)汽車發動機業務收入減少導致應收賬款及應收票據、應收客戶的合約工程款總額及合約資產合共減少約544,900,000港元及就汽車發動機業務應收賬款及應收票據作出預期信貸虧損約125,300,000港元;及ii)二零一八年作出商譽及無形資產減值約174,900,000港元及約430,900,000港元。

於二零一八年十二月三十一日,總負債約為1,400,300,000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22.5%。減少主要由於汽車發動機業務的原材料採購減少,令應付賬款減少約328,900,000港元。



# Management Discussion and Analysis

## 管理層討論及分析

### CAPITAL STRUCTURE, FINANCIAL RESOURCES, LIQUIDITY AND GEARING (Continued)

The maturity date of the convertible bonds was extended for 2 years from 4 February 2018 to 4 February 2020 with non-interest bearing and its carrying amount as at 31 December 2018 was approximately HK\$728.0 million (31 December 2017: approximately HK\$778.4 million) in which approximately HK\$375.6 million was recognised as equity and approximately HK\$352.4 million was recognised as non-current liabilities as at 31 December 2018. The promissory notes are interest-bearing of 10.0% per annum the interest rate of the promissory notes shall be 8.0% per annum for the extension period from 5 February 2018 to 4 February 2020 and all accrued and outstanding interest under the promissory notes shall be repaid on the extended maturity date of 4 February 2020; and its carrying amount as at 31 December 2018 was approximately HK\$512.4 million (31 December 2017: approximately HK\$473.9 million). Interest-bearing bank and other borrowings of the Group comprised (1) other loans from independent third parties of HK\$57.5 million (31 December 2017: HK\$42.5 million) with the contractual interest of 5.0% to 12.0% per annum; and (2) bank loans of HK\$12.8 million (31 December 2017: HK\$3.9 million) with an interest rate of the Hong Kong Inter-Bank Offered Rate (“HIBOR”) plus 2.5% per annum; of which a corporate guarantee was given by the Company on the bank loans. They are repayable within 1 to 3 year.

As at 31 December 2018, the Group had banking facilities of HK\$52.8 million (31 December 2017: HK\$34.0 million) which HK\$25.0 million was not utilised and was secured by corporate guarantees.

### 資金結構、財務資源、流動資金及槓桿比率(續)

可換股債券之到期日由二零一八年二月四日延展兩年至二零二零年二月四日，以及不計息，其於二零一八年十二月三十一日之賬面值約為728,000,000港元(二零一七年十二月三十一日：約778,400,000港元)，其中約375,600,000港元確認為非權益及於二零一八年十二月三十一日約352,400,000港元確認為流動負債。承兌票據於延期前按年利率10.0%計息，於延期期間(即二零一八年二月五日至二零二零年二月四日)則按利率8.0%計息，及承兌票據之所有累計的未還利息將於經延期後的到期日(即二零二零年二月四日)償還；而其於二零一八年十二月三十一日之賬面值約為512,400,000港元(二零一七年十二月三十一日：約473,900,000港元)。本集團計息銀行及其他借款包括(1)來自獨立第三方之其他貸款57,500,000港元(二零一七年十二月三十一日：42,500,000港元)，合約年利率介乎5.0%至12.0%；及(2)銀行貸款12,800,000港元(二零一七年十二月三十一日：3,900,000港元)，每年按香港銀行同業拆息(「HIBOR」)加2.5%計算利息，本公司就該銀行貸款提供企業擔保；該等借款須於一至三年內償還。

於二零一八年十二月三十一日，本集團有銀行融資52,800,000港元(二零一七年十二月三十一日：34,000,000港元)，該筆款項中25,000,000港元尚未動用並由企業擔保作出抵押。

# Management Discussion and Analysis

## 管理層討論及分析

### CAPITAL STRUCTURE, FINANCIAL RESOURCES, LIQUIDITY AND GEARING (Continued)

As at 31 December 2018, the net current assets were approximately HK\$130.7 million, representing a decrease of approximately 23.7% from approximately HK\$171.3 million as at 31 December 2017. The decrease in net current assets was primarily attributable to i) the decrease in revenue of Automotive Engines Business reduced the amount of accounts and bills receivables; ii) an expected credit loss of approximately HK\$125.3 million was recognized on the accounts and bills receivables of the Automotive Engines Business in 2018; and iii) the Group negotiated with the Automotive Engines Business Customers on the repayment of the outstanding accounts and bills receivables amounted to approximately HK\$592.6 million and the Automotive Engines Business Customers have undertaken to repay such outstanding accounts and bills receivables by 12 monthly instalments commencing from July 2019. As a consequence, accounts and bills receivables amounted to approximately HK\$256.4 million was reclassified to non-current assets as they are expected to be repaid more than one year from 31 December 2018.

Current ratio of the Group was maintained at a healthy level at approximately 1.3 as at 31 December 2018 (31 December 2017: approximately 1.1). Current ratio is calculated by dividing current assets by current liabilities.

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. The gearing ratio as at 31 December 2018 is not available because the Group reported a negative equity attributable to owners of the parent as at 31 December 2018 (31 December 2017: approximately 119.5%).

### 資金結構、財務資源、流動資金及槓桿比率(續)

於二零一八年十二月三十一日，流動資產淨值約為130,700,000港元，較二零一七年十二月三十一日的約171,300,000港元下降約23.7%。流動資產淨值大幅減少乃主要由於：i)汽車發動機業務收入減少導致應收賬款及應收票據減少；ii)二零一八年就汽車發動機業務之應收賬款及應收票據確認預期信貸虧損約125,300,000港元；及iii)本集團就償還結欠的應收賬款及應收票據約592,600,000港元與汽車發動機業務客戶磋商，且汽車發動機業務客戶已承諾由二零一九年七月開始分12期每月償還有關結欠的應收賬款及應收票據。因此，應收賬款及應收票據約256,400,000港元重新分類為非流動資產，因為其預計將於二零一八年十二月三十一日起計一年後償還。

本集團的流動比率於二零一八年十二月三十一日保持健康水平約為1.3(二零一七年十二月三十一日：約1.1)。流動比率按流動資產除以流動負債計算。

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值物)除以權益總額計算。於二零一八年十二月三十一日，資產負債比率並不適用，原因為本集團於二零一八年十二月三十一日錄得母公司擁有人應佔權益為負數(二零一七年十二月三十一日：約119.5%)。



# 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 Global Limited (“Power Expert”, or the “Vendor”) 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. 4 February 2018). Pursuant to the third supplemental sale and purchase agreement (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 31 December 2018 and 31 December 2017, no convertible bonds were converted and the outstanding principal amount of the convertible bonds was HK\$390 million.

### 可換股債券

於二零一六年二月四日，本公司向巧能環球有限公司（「巧能環球」或「賣方」）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（即二零一八年二月四日）。根據日期為二零一七年十二月三十一日之第三份補充買賣協議（「第三份發動機買賣協議」），該可換股債券已修訂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。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。於二零一八年十二月三十一日及二零一七年十二月三十一日，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。

### CONVERTIBLE BONDS (Continued)

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\$65.6 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\$390 million for years with the maturity date due on 4 February 2020.

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, all the convertible bonds deposited with the escrow agent have been released to the Vendor on 6 August 2018.

### CONTINGENT LIABILITIES

Detail of the Group's contingent liabilities are set out in note 35 to the financial results.

### 可換股債券(續)

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至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65,600,000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390,000,000港元，到期日為二零二零年二月四日。

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，於二零一八年八月六日，存放於託管代理之所有可換股債券已悉數發放予賣方。

### 或然負債

本集團之或然負債之詳情載於財務業績附註35。



# Management Discussion and Analysis

## 管理層討論及分析

### FOREIGN CURRENCY RISK

Most of the Group's assets and liabilities are denominated in HK\$ and RMB, 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.

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had approximately 611 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 the PRC employees.

### CHANGE OF DIRECTORS AND COMMITTEE MEMBERS

With effect from the conclusion of annual general meeting held on 12 June 2018, Mr. Lo Kin Ching Joseph has retired 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. Mr. Chan Kai Wing has been appointed as the chairman of the Nomination Committee with effect from 12 June 2018.

With effect from 12 November 2018, Mr. Lam Wah has been appointed as an executive Director.

### 外幣風險

本集團大部分的資產及負債以港元及人民幣計算，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，並將採取適當行動減低匯率風險。

### 僱員及薪酬政策

於二零一八年十二月三十一日，本集團於香港及中國擁有約611名(二零一七年十二月三十一日：896名)員工。本集團定期檢討薪酬政策及參考市場條款、公司表現及個人資歷及表現釐定。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)。

### 董事及委員會成員變動

勞建青先生因希望投放更多時間於其他業務以及追求個人及社區利益，自二零一八年六月十二日舉行的股東週年大會結束起退任執行董事、董事會主席兼本公司提名委員會(「提名委員會」)主席。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起生效。

自二零一八年十一月十二日起，林華先生已獲委任為執行董事。

# Management Discussion and Analysis

## 管理層討論及分析

### CHANGE OF DIRECTORS AND COMMITTEE MEMBERS (Continued)

With effect from 28 November 2018, Ms. Chu Yin Yin Georgiana has resigned as an independent non-executive Director and a member of each of the audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee") of the Company and Nomination Committee. Mr. Leung Tsz Wing has been appointed as an independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee. Mr. Wong Hin Shek has re-designated from an executive Director to a non-executive Director and has resigned as the chief executive officer of the Company and a member of the Nomination Committee.

With effect from 28 February 2019, Mr. Chan Kai Wing has resigned as an independent non-executive Director and the chairman of each of the Audit Committee and the Nomination Committee and a member of the Remuneration Committee. Mr. Zhang Guozhi has been appointed as an independent non-executive Director and the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee. Mr. Leung Tsz Wing has been appointed as the chairman of the Audit Committee.

### CHANGE OF AUDITOR

Ernst & Young ("EY") resigned as auditor of the Company with effect from 14 December 2018, as the Company could not reach a consensus with EY on the audit fee for the year ended 31 December 2018.

With the recommendation of the audit committee of the Company, Zenith CPA Limited has been appointed as the auditor of the Company with effect from 14 December 2018 to fill the casual vacancy following the resignation of EY as the auditor of the Company, and to hold office until the conclusion of the next annual general meeting of the Company.

### NO MATERIAL CHANGE

Save as disclosed above, 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.

### 董事及委員會成員變動(續)

自二零一八年十一月二十八日起，朱燕燕女士已辭任獨立非執行董事及本公司審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)及提名委員會各自之成員。梁子榮先生已獲委任為獨立非執行董事及審核委員會、薪酬委員會及提名委員會各自之成員。王顯碩先生已由執行董事調任為非執行董事，並辭任本公司行政總裁及提名委員會成員。

自二零一九年二月二十八日起，陳繼榮先生已辭任獨立非執行董事、審核委員會及提名委員會各自之主席及薪酬委員會之成員。張國智先生已獲委任為獨立非執行董事、提名委員會主席及審核委員會及薪酬委員會各自之成員。梁子榮先生已獲委任為審核委員會主席。

### 更換核數師

安永會計師事務所(「安永」)辭任本公司核數師一職，自二零一八年十二月十四日起生效，因本公司未能就截至二零一八年十二月三十一日止年度的審核費用達成共識。

在本公司審核委員會的提議下，誠豐會計師事務所有限公司已獲委任為本公司核數師，自二零一八年十二月十四日開始生效，任填補安永辭任本公司核數師一職而遺留的空缺，並會任職至本公司下屆股東週年大會為止。

### 無重大變化

除上文披露者外，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，本集團財務狀況或業務概無重大變動。



# Biographical Details of Directors and Senior Management

## 董事及高級管理層履歷

### DIRECTORS

#### Executive Directors

**Mr. Lam Wah**, aged 42, was appointed as an executive Director on 12 November 2018. Mr. Lam graduated from The Chinese University of Hong Kong with Bachelor of Business Administration – Professional Accountancy in 1999. He is also a member of the Hong Kong Institute of Certified Public Accountants and the fellow member of The Association of Chartered Certified Accountants.

Mr. Lam was the senior vice president of Strategic Investment of Imperial Pacific International Holdings Limited (stock code: 1076), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) from 2015 to 2019. He was the vice president of Simsen International Corporation Limited (now known as Huarong International Financial Holdings Limited) (stock code: 993) from 2013 to 2015, a company listed on the Main Board of the Stock Exchange. He was the vice president of the Strategic Planning of Management Office of DBS Bank Ltd. from 2012 to 2013 and the vice president of Private Equity of DBS Bank Ltd. from 2007 to 2012. He was employed as the financial controller of Dickson Industrial Co., Ltd. from 2006 to 2007. He served as the finance manager of South China Printing Co. Ltd. from 2003 to 2006. He was an audit senior of PriceWaterhouseCoopers and Arthur Andersen from 1999 to 2003.

**Mr. Xing Bin**, aged 30, was appointed as an executive Director on 11 September 2015. Mr. Xing holds a Bachelor’s Degree of Business Administration in Accounting from Peking University. Mr. Xing has over 7 years of solid experiences in the field of finance from his past work experiences.

### 董事

#### 執行董事

**林華先生**，42歲，於二零一八年十一月十二日獲任命為執行董事。林先生於一九九九年取得香港中文大學工商管理 — 專業會計學士學位。彼亦為香港會計師公會會員及英國特許公認會計師公會之資深會員。

林先生於二零一五年至二零一九年為於香港聯合交易所有限公司(「聯交所」)主板上市之博華太平洋國際控股有限公司(股份代號：1076)之戰略投資高級副總裁。林先生自二零一三年至二零一五年為於聯交所主板上市之天行國際(控股)有限公司(現為華融國際金融控股有限公司)(股份代號：993)之副總裁。彼自二零一二年至二零一三年擔任星展銀行管理處之戰略規劃副總裁及自二零零七年至二零一二年擔任星展銀行之私募股權副總裁。彼自二零零六年至二零零七年獲聘為熾達實業有限公司之財務總監。彼自二零零三年至二零零六年出任南華印刷有限公司之財務經理。彼自一九九九年至二零零三年曾出任羅兵咸永道會計師事務所及安達信之高級審計師。

**邢濱先生**，30歲，於二零一五年九月十一日獲任命為執行董事。邢先生持有北京大學會計學工商管理學士學位。邢先生過去於金融領域累積逾七年的扎實經驗。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層履歷

### DIRECTORS (Continued)

#### Non-executive Director

Mr. Wong Hin Shek, aged 49, was re-designated from an executive Director to a non-executive Director on 28 November 2018. Besides having over 24 years of experience in the investment banking industry, Mr. Wong has been involved in the management, business development and strategic investment of listed companies in Hong Kong, having operations in environmental protection, hotel, and manufacturing industries. Mr. Wong holds a Master of Science (Financial Management) degree from University of London in the United Kingdom and a Bachelor of Commerce degree from the University of Toronto in Canada. Mr. Wong is also a responsible officer of Veda Capital Limited, a licensed corporation which carries out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (the "SFO"). He is currently the chairman and an executive director of DeTai New Energy Group Limited (stock code: 559) and a non-executive director of Sino Golf Holdings Limited (stock code: 361). The shares of these companies are listed on the Main Board of the Stock Exchange. Mr. Wong was an executive director of GET Holdings Limited (stock code: 8100) from September 2017 to April 2019, whose shares are listed on the GEM of the Stock Exchange. Mr. Wong was an executive Director, the chief executive officer and the nomination committee of the Company from July 2015 to November 2018, March 2017 to November 2018 and August 2015 to November 2018 respectively. He was an executive director of Dongwu Cement International Limited (stock code: 695) from November 2016 to August 2017. The shares of these companies are listed on the Main Board of the Stock Exchange.

### 董事(續)

#### 非執行董事

王顯碩先生，49歲，於二零一八年十一月二十八日由執行董事調任為非執行董事。除了於投資銀行業擁有逾24年經驗外，王先生一直參與從事環保、酒店及製造業的香港上市公司的管理、業務發展及戰略投資。王先生持有英國倫敦大學財務管理理學碩士學位及加拿大多倫多大學商學學士學位。王先生亦為智略資本有限公司的負責人員，該公司為根據《證券及期貨條例》（「證券及期貨條例」）從事第6類（就機構融資提供意見）受規管活動之持牌法團。彼現時為德泰新能源集團有限公司（股份代號：559）之主席兼執行董事及順龍控股有限公司（股份代號：361）之非執行董事。該等公司之股份均於聯交所主板上市。由二零一七年九月至二零一九年四月，王先生亦為智易控股有限公司（股份代號：8100）之執行董事，該公司之股份於聯交所GEM上市。於二零一五年七月至二零一八年十一月、二零一七年三月至二零一八年十一月及二零一五年八月至二零一八年十一月，王先生分別為本公司執行董事、行政總裁及提名委員會成員。彼曾於二零一六年十一月至二零一七年八月擔任東吳水泥國際有限公司（股份代號：695）之執行董事。該等公司之股份於聯交所主板上市。



# Biographical Details of Directors and Senior Management

## 董事及高級管理層履歷

### DIRECTORS (Continued)

#### Independent Non-executive Directors

Mr. Yip Tai Him, aged 48, was appointed as an independent non-executive Director on 20 July 2015. Mr. Yip is also the chairman of the remuneration committee of the Company, a member of each of the audit committee and the nomination committee of the Company. He has been a practising accountant in Hong Kong since 1999. Mr. Yip is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and the Institute of Chartered Accountants in England and Wales. He has over 20 years of experience in accounting, auditing and financial management. Mr. Yip is currently an independent non-executive director of each of Shentong Robot Education Group Company Limited (stock code: 8206), GCL-Poly Energy Holdings Limited (stock code: 3800) and Redco Properties Group Limited (stock code: 1622). The shares of these companies are listed on the Main Board or the GEM of the Stock Exchange. Mr. Yip was an independent non-executive director of each of Vinco Financial Group Limited (stock code: 8340) from May 2008 to August 2016, New Wisdom Holding Company Limited (previously known as Epicurean and Company, Limited) (stock code: 8213) from November 2016 to March 2018 and Sino Golf Holdings Limited (stock code: 361) from August 2015 to November 2018. The shares of these companies are listed on the Main Board or the GEM of the Stock Exchange.

### 董事(續)

#### 獨立非執行董事

葉棣謙先生，48歲，於二零一五年七月二十日獲任命為獨立非執行董事。葉先生亦為本公司薪酬委員會主席、以及本公司審核委員會及提名委員會各自之成員。自一九九九年彼為香港執業會計師。葉先生為英國特許會計師公會以及英格蘭及威爾士特許會計師公會資深會員。彼在會計、核數及財務管理方面擁有逾20年經驗。葉先生現為神通機器人教育集團有限公司(股份代號：8206)、保利協鑫能源控股有限公司(股份代號：3800)及力高地產集團有限公司(股份代號：1622)各自的獨立非執行董事。該等公司的股份均在聯交所主板或GEM上市。葉先生自二零零八年五月至二零一六年八月擔任域高金融集團有限公司(股份代號：8340)、自二零一六年十一月至二零一八年三月擔任新智控股有限公司(前稱惟膳有限公司)(股份代號：8213)及自二零一五年八月至二零一八年十一月擔任順龍控股有限公司(股份代號：361)各自的獨立非執行董事。該等公司的股份均在聯交所主板或GEM上市。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層履歷

### DIRECTORS (Continued)

#### Independent Non-executive Directors (Continued)

**Mr. Leung Tsz Wing**, aged 35, was appointed as an independent non-executive Director on 28 November 2018. Mr. Leung is also a chairman of the audit committee of the Company, a member of each of the remuneration committee and the nomination committee of the Company. Mr. Leung is currently the Managing Partner of Avantfaire Investment Management Limited, a licensed corporation authorised by the Securities and Futures Commission (the “SFC”) conducting regulated activities of advising on securities and asset management in Hong Kong. Mr. Leung started his career at Deloitte Touche Tohmatsu and he has also been taking up the senior positions in various SFC licensed corporations, listed companies, family office and private equity fund. He has over 13 years of experience in direct investment, private equity, fund raising and financial reporting.

Mr. Leung obtained a Bachelor of Business Administration (Accounting & Finance) from the Hong Kong University of Science and Technology. He is a member of the Hong Kong Institute of Certified Public Accountants since 2009 and a fellow member since 2016. He also holds Chartered Financial Analyst (CFA) designation.

**Mr. Zhang Guozhi**, aged 53, was appointed as an independent non-executive Director on 28 February 2019. Mr. Zhang is also a chairman of the nomination committee of the Company, a member of each of the audit committee and the remuneration committee of the Company. Mr. Zhang graduated from Renmin University of China and obtained a bachelor’s degree in law in 1991. Mr. Zhang served as a legal consultant in Ping An Insurance (Group) Company of China, Ltd. He also served as a manager in Deloitte & Touche Corporate Finance Limited. He was also a partner of Guangdong Jiangshanhong Law Firm\* (廣東江山宏律師事務所). He is currently a senior partner of Dentons Law Offices, LLP\* (大成律師事務所). Mr. Zhang specializes in overseas listing of enterprises, foreign investment, mergers and acquisitions.

\* For identification purpose only

### 董事(續)

#### 獨立非執行董事(續)

**梁子榮先生**，35歲，於二零一八年十一月二十八日獲任命為獨立非執行董事。梁先生亦為本公司審核委員會主席、本公司薪酬委員會及提名委員會各自的成員。梁先生現為先行投資管理有限公司(一間獲證券及期貨事務監察委員會(「證監會」)授權於香港進行就證券提供意見及提供資產管理受規管活動的持牌法團)的管理合夥人。梁先生於德勤•關黃陳方會計師行開始其職業生涯，亦一直於多間證監會持牌法團、上市公司、家族辦公室及私募股權基金擔任高級職位。彼於直接投資、私募股權、集資及財務報告方面擁有逾13年經驗。

梁先生持有香港科技大學工商管理(會計及金融)學士學位。彼自二零零九年起為香港會計師公會會員及自二零一六年起為資深會員。彼亦持有特許財務分析師(CFA)稱號。

**張國智先生**，53歲，於二零一九年二月二十八日獲任命為獨立非執行董事。張先生亦為本公司提名委員會主席、本公司審核委員會及薪酬委員會各自的成員。張先生於一九九一年畢業於中國人民大學並取得法學學士學位。張先生曾任職中國平安保險集團股份有限公司之法律顧問。彼亦曾於德勤企業財務顧問有限公司任職經理。彼亦曾任職廣東江山宏律師事務所合夥人。彼現為大成律師事務所高級合夥人。張先生之主要專業方向為企業境外上市、外商投資、收購合併。



# Biographical Details of Directors and Senior Management

## 董事及高級管理層履歷

### SENIOR MANAGEMENT

**Mr. Lai Kon Ting**, aged 39, is the Contracts Manager of our Group, responsible for implementation of works and the overall management of contracts. Mr. Lai obtained a Bachelor Degree in Civil and Structural Engineering in November 2001 from the Hong Kong University of Science and Technology and Degree of Master of Science in Engineering (Infrastructure Project Management) from The University of Hong Kong in November 2014. He is a Chartered Engineer of Engineering Council, United Kingdom and a corporate member of the Institution of Civil Engineers and the HKIE as well as a Registered Professional Engineer (Civil). He has over 10 years of experience in the construction of roads and utilities works, landslip prevention, waterworks and building works. He is also a Tutor for Excel in the HKIE Engineering Graduate Training (Scheme A) for graduate engineers.

**Mr. Wong Kin Sang**, aged 39, is the Project Manager of our Group, responsible for all activities on site to ensure the efficient running of a project and effective use of resources. Mr. Wong obtained a Bachelor Degree in Civil and Structural Engineering in November 2002 from the Hong Kong University of Science and Technology. He is a corporate member of the HKIE. He has over 10 years of experience in the construction of waterworks, roads and utilities works, landslip prevention and building works. He is also a Tutor for Excel in the HKIE Engineering Graduate Training (Scheme A) for graduate engineers.

**Mr. Wong Kin Yan**, aged 49, is the Environmental and Quality Manager of our Group, responsible for the implementation and maintenance of our Group's environmental and quality management systems. Mr. Wong obtained a Bachelor Degree in Applied Science in December 1994 from Hong Kong Baptist University. He is a Chartered Environmentalist and a corporate member of the Society of Environmental Engineers. He has over 15 years of experience in the environmental and quality management in the construction field. He is the Management Representative of Excel's ISO 9001 Quality Management System and ISO 14001 Environmental Management System.

### 高級管理層

**黎幹廷先生**，39歲，為本集團的合約經理，負責工程實施及合約的整體管理。黎先生於二零零一年十一月取得香港科技大學土木及結構工程學士學位，並於二零一四年十一月取得香港大學工學碩士(基建項目管理)學位。彼為英國工程理事會特許工程師、土木工程師學會及香港工程師學會正式會員，亦為註冊專業工程師(土木)。彼於建造業，包括道路及公用設施工程、滑坡防治、水務工程及樓宇建造工程等領域積累逾10年經驗。彼亦為怡益的香港工程師學會為栽培見習工程師而推出的工程畢業生訓練計劃(A類)的導師。

**黃健生先生**，39歲，為本集團的項目經理，負責工地的所有活動，以確保項目的有效運行及資源的有效利用。黃先生於二零零二年十一月取得香港科技大學土木及結構工程學士學位。彼為香港工程師學會正式會員。彼於建造業，包括水務工程、道路及公用設施工程、滑坡防治及樓宇建造工程等領域積累逾10年經驗。彼亦為怡益的香港工程師學會為栽培見習工程師而推出的工程畢業生訓練計劃(A類)的導師。

**王建殷先生**，49歲，為本集團的環境和質量經理，負責實施及維繫本集團的環境及品質管理體系。王先生於一九九四年十二月取得香港浸會大學應用科學系學士學位。彼為英國特許環境師及英國環境工程師學會正式會員。彼於建築業的環境及品質管理領域擁有逾15年經驗。彼為怡益的ISO 9001品質管理系統及ISO 14001環境管理系統的管理層代表。

### CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company (the “Shareholders”) and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange since 11 December 2013, the date on which dealings in its shares (the “Shares”) first commence on the Stock Exchange.

For the year ended 31 December 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 requires that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Following the retirement of Mr. Lo Kin Ching Joseph as the chairman of the Company after the conclusion of the annual general meeting of the Company held on 12 June 2018 and Mr. Wong Hin Shek as the chief executive officer of the Company on 28 November 2018, the Company has not appointed the chairman and chief executive officer since then, and the roles and functions of the chairman and chief executive officer have been performed by all the executive Directors collectively. The Company is looking for suitable candidates to fill the vacancies of the chairman and the chief executive officer of the Company, and will issue a further announcement as and when appropriate.

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 non-executive Directors and 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.

### 企業管治常規

本集團致力維持高水平的企業管治，以保障本公司股東（「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（「股份」）首次開始於聯交所買賣日期）起已採納聯交所證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）。

於截至二零一八年十二月三十一日止年度，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條規定，主席及行政總裁的職位應有所區分，且不應由同一人擔任。勞建青先生在本公司於二零一八年六月十二日舉行的股東週年大會結束後退任本公司主席及王顯碩先生於二零一八年十一月二十八日辭任本公司行政總裁，本公司其後並無委任主席及行政總裁，而主席及行政總裁的職責及職能由全體執行董事共同履行。本公司正在尋覓合適人選填補本公司主席及行政總裁的職務空缺，並將於適當時候另行刊發公告。

企業管治守則守則條文第A.4.1條規定非執行董事應有特定任期並應接受重選。非執行董事及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。



# Corporate Governance Report

## 企業管治報告

Code provision E.1.2 of the CG Code requires the chairman of the Board should attend the annual general meeting of the Company. Mr. Lo Kin Ching Joseph, the then 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 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 and the members of the Nomination Committee) attended the 2018 AGM to ensure effective communication with the Shareholders.

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

## THE BOARD

### Responsibilities of the Board

The Board is responsible for the overall leadership of the Group, oversees the strategic decisions and monitors business and performance of the Group. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. Approval has to be obtained from the Board prior to any significant transactions entered into by the management. To oversee particular aspects of the Company’s affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee (together, the “Board Committees”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

### Board Composition

As at the date of this report, the Board is composed of six Directors, including two executive Directors, one non-executive Director and three independent non-executive Directors. The biographical details of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 26 to 30 of this annual report.

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。時任董事會主席勞建青先生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」）。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，確保與股東的有效溝通。

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。

## 董事會

### 董事會的責任

董事會負責本集團的整體領導，並監察本集團的策略性決定以及監察業務及表現。董事會已向本集團的高級管理層授出本集團日常管理及營運的權力及責任。管理層訂立任何重大交易前須取得董事會批准。為監察本公司事務的特定範疇，董事會已成立三個董事委員會，包括審核委員會、薪酬委員會及提名委員會（統稱「董事委員會」）。董事會已向該等董事委員會授出各職權範圍所載的責任。

全體董事須確保彼等本著真誠、遵守適用法律及法規，及於所有時間符合本公司及股東利益的方式履行職責。

### 董事會組成

於本報告日期，董事會由六名董事組成，包括兩名執行董事、一名非執行董事及三名獨立非執行董事。董事之履歷詳情載列於本年報第26至30頁「董事及高級管理層履歷」一節。

For the year ended 31 December 2018, the Board at all times met the requirements of the Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Board has assessed the independence of all the independent non-executive Directors. Having considered the guidelines as set out in Rule 3.13 of the Listing Rules, the Board considers all of them to be independent having regard to (i) their annual confirmation on independence as required under the Listing Rules; (ii) the absence of involvement in the daily management of the Company; (iii) the absence of any relationships or circumstances which would interfere with the exercise of their independent judgment; and (iv) the absence of remuneration from the Company other than the directors' fee.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have separate and independent access to the advices and services of the senior management and the company secretary with a view to ensuring that board procedures, and all applicable rules and regulations, are followed. When needed and upon making request to the Board, the independent non-executive Directors may obtain independent professional advice at the Company's expense in carrying out their duties.

Saved as disclosed in the "Biographical Details of Directors and Senior Management" section of this annual report, there are no relationships (including financial, business, family or other material or relevant relationships) among members of the Board.

### Chairman and Chief Executive Officer

Following the retirement of Mr. Lo Kin Ching Joseph retired as the chairman of the Company after the conclusion of the annual general meeting of the Company held on 12 June 2018 and Mr. Wong Hin Shek resigned as the chief executive officer of the Company on 28 November 2018, the Company has not appointed the chairman and chief executive officer since then, and the roles and functions of the chairman and chief executive officer have been performed by all the executive Directors collectively. The Company is looking for suitable candidates to fill the vacancies of the chairman and the chief executive officer of the Company, and will issue a further announcement as and when appropriate.

截至二零一八年十二月三十一日止年度，董事會在任何時間均遵守上市規則第3.10(1)及3.10(2)條有關委任至少三名獨立非執行董事（其中至少一名獨立非執行董事須擁有適當的專業資格或會計或相關財務管理專業知識）的規定。

本公司亦已遵守上市規則第3.10A條有關委任相當於至少董事會成員三分之一的獨立非執行董事的規定。

董事會已評估所有獨立非執行董事之獨立性。經考慮上市規則第3.13條所載的指引，鑒於彼等(i)根據上市規則要求遞交的獨立性的年度確認書；(ii)並無參與本公司日常管理；(iii)無任何關係或情況對其行使獨立判斷構成干預；及(iv)除董事袍金外本公司並無支付其他酬金，董事會認為本公司所有獨立非執行董事均屬獨立。

全體董事(包括獨立非執行董事)均為董事會帶來各種不同的寶貴營商經驗、知識及專業，使其可具效率及有效履行董事會的職能。為確保董事會程序及所有適用規則及規例均獲得遵守，所有董事皆有自行及獨立接觸高級管理層及公司秘書的途徑，以獲得彼等的意見和服務。在履行職責時，獨立非執行董事可按需要向董事會提出要求，以取得獨立專業意見，相關費用由本公司承擔。

除本年報「董事及高級管理層履歷」一節所披露者外，董事會成員之間並無關係(包括財務、業務、家族或其他重要或相關關係)。

### 主席及行政總裁

勞建青先生在本公司於二零一八年六月十二日舉行的股東週年大會結束後退任本公司主席及王顯碩先生於二零一八年十一月二十八日辭任本公司行政總裁，本公司其後並無委任主席及行政總裁，而主席及行政總裁的職責及職能由全體執行董事共同履行。本公司正在尋覓合適人選填補本公司主席及行政總裁的職務空缺，並將於適當時候另行刊發公告。

# Corporate Governance Report

## 企業管治報告

### Directors' Training and Continuous Professional Development

Every Director keeps abreast of responsibilities as a director of the Company and of the conduct, business activities and development of the Company. The Company continuously updates the Directors on the Group's businesses and the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

According to the Code Provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

The Company has requested from each director and maintained their records of training received during the year ended 31 December 2018.

During the year ended 31 December 2018, all Directors pursued continuous professional development and relevant details are set out below:

### 董事培訓及持續專業發展

每位董事均會時常更新有關本公司董事責任，以及本公司的經營、業務活動及動向的資料。本公司持續向董事提供有關本集團業務及就上市規則及其他適用監管規定之最新發展之資料，以確保董事遵守妥善之企業管治常規及提升彼等對該方面之意識。

企業管治守則之守則條文第A.6.5條，規定全體董事須參與持續專業發展，以拓展及更新其知識和技能，從而確保其知情並對董事會作出相應的貢獻。

本公司已要求各董事提供並已保存彼等於截至二零一八年十二月三十一日止年度進行培訓之記錄。

於截至二零一八年十二月三十一日止年度，所有董事皆有參與持續專業發展，茲將相關資料列述如下：

| Name of Director<br>董事姓名                   |                | Types of training<br>培訓類別 |
|--|----------------|---------------------------|
| <b>Executive Directors</b>                 | <b>執行董事</b>    |                           |
| Mr. Xing Bin                               | 邢濱先生           | B                         |
| Mr. Lam Wah                                | 林華先生           | A, B                      |
| <b>Non-executive Director</b>              | <b>非執行董事</b>   |                           |
| Mr. Wong Hin Shek                          | 王顯碩先生          | A                         |
| <b>Independent Non-executive Directors</b> | <b>獨立非執行董事</b> |                           |
| Mr. Yip Tai Him                            | 葉棣謙先生          | A, B                      |
| Mr. Chan Kai Wing                          | 陳繼榮先生          | A, B                      |
| Mr. Leung Tsz Wing                         | 梁子榮先生          | A, B                      |

Remarks:

A — Attending seminars/conferences/forums

B — Reading journals/updates/articles/materials

註解：

A — 出席研討會／會議／論壇

B — 閱讀期刊／最新資訊／文章／資料

### Appointment and Re-election of Directors

Each of the Directors has signed a letter of appointment with the Company, which does not specify any fixed term of service and may be terminated by either party giving to the other not less than one-month prior notice in writing. They are also subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles of Association of the Company (the "Articles").

According to the Articles, the Board has the power at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Besides, at every annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

### 董事的委任及重選連任

各董事均已與本公司訂立委任函，其並無訂明任何固定服務年期且可由任何一方向另一方發出不少於一個月之事先書面通知予以終止。彼等亦須根據本公司組織章程細則（「細則」）於本公司股東週年大會上退任及重選連任。

根據細則，董事會有權於任何時候委任任何人士為董事，以填補臨時空缺或作為新增董事。獲董事會委任以填補臨時空缺的任何董事，其任期將直至其獲委任後本公司的首次股東大會為止，並須於該大會上重選連任。獲董事會委任作為現有董事會新增董事的任何董事，其任期將直至本公司的下一屆股東週年大會為止，而屆時將合資格重選連任。此外，於每屆股東週年大會上，當時董事人數的三分之一（或當人數並非三的倍數時，則最接近但不少於三分之一的人數）須輪值退任，前提為每名董事須最少每三年輪值退任一次。

董事的委任、重選連任及罷免程序及過程載於細則。提名委員會負責檢討董事會的組成方式、監察董事的委任、重選連任及接任計劃。



# Corporate Governance Report

## 企業管治報告

### Meetings

Code Provision A.1.1 prescribes that at least four regular board meetings should be held in each year at approximately quarterly intervals with active participation of majority of Directors, either in person or through electronic means of communication.

The Company convened and held twelve Board meetings during the year ended 31 December 2018.

Additional Board meetings will be convened, as and when required, to deal with ad hoc issues. Any Director who is not able to present physically may participate at any Board meeting through electronic means of communication, such as conference telephone or other similar communication equipment, in accordance with the Articles.

Notice convening each regular Board meeting is sent at least 14 days in advance, and reasonable notice is given for other Board meetings and committee meetings. The Company Secretary assists the Chairman to prepare the meeting notice and agenda. Each Director may include any item in the agenda. The agenda, accompanied by meeting papers with sufficient and reliable information, are sent to each Director at least 3 days before each Board meeting or committee meeting to enable the Directors to make informed decisions on the matters to be discussed, except where a Board meeting or committee meeting is convened on a very urgent basis to consider any urgent ad hoc matter.

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes will normally be circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection.

### 會議

守則條文第A.1.1條規定，每年至少召開四次定期董事會會議，大約每季一次，且大多數董事須積極參與會議（無論親身或通過電子通訊方式）。

本公司於截至二零一八年十二月三十一日止年度已召開及舉行十二次董事會會議。

董事會於有需要時會另行召開會議，以處理突發事項。根據細則，任何無法親身出席之董事均可透過電子通訊設備，例如會議電話或其他類似通訊設備，參與任何董事會會議。

召開每次董事會定期會議之通告會於最少14天前發出，而就其他董事會會議及委員會會議之通告則會於合理時間內發出。公司秘書協助主席擬定會議通告及議程。每位董事均可於議程內加入任何議題。除非董事會會議及委員會會議於緊急情況下召開以考慮任何緊急突發事項，議程連同載有充足且可靠資料之會議文件將不少於董事會會議及委員會會議舉行日期前3天發送給每位董事，使董事能就須討論之事項作出知情決定。

公司秘書負責所有董事會會議及委員會會議記錄，並保存有關記錄。每次會議後一般於合理時間內交予董事傳閱記錄草稿並發表意見，其定稿可供董事隨時查閱。

# Corporate Governance Report

## 企業管治報告

During the year ended 31 December 2018, twelve Board meetings, four Audit Committee meetings, four Remuneration Committee meetings, three Nomination Committee meetings and one general meeting were held. Details of individual Directors' attendance at these meetings are set out in the following table:

於截至二零一八年十二月三十一日止年度，共舉行十二次董事會會議、四次審核委員會會議、四次薪酬委員會會議、三次提名委員會會議及一次股東大會。有關個別董事出席該等會議的詳情載列於下表：

| Directors  |                                       | Attended/Eligible to attend<br>已出席次數／可出席次數 |                                    |   |   |                         |
|--|---------------------------------------|--|------------------------------------|---|---|-------------------------|
|  |                                       | Board Meeting<br>董事會會議                     | Audit Committee Meeting<br>審核委員會會議 | Remuneration Committee Meeting<br>薪酬委員會會議 | Nomination Committee Meeting<br>提名委員會會議 | General Meeting<br>股東大會 |
| <b>Executive Directors 執行董事</b>  |                                       |  |                                    |   |   |                         |
| Mr. Lo Kin Ching Joseph<br>(retired on 12 June 2018)   | 勞建青先生<br>(於二零一八年六月十二日退任)              | 1/12                                       | N/A<br>不適用                         | N/A<br>不適用                                | 1/3                                     | 0/1                     |
| Mr. Xing Bin   | 邢濱先生                                  | 12/12                                      | N/A<br>不適用                         | N/A<br>不適用                                | N/A<br>不適用                              | 1/1                     |
| Mr. Lam Wah (appointed on 12 November 2018)  | 林華先生(於二零一八年十一月十二日獲委任)                 | 4/12                                       | N/A<br>不適用                         | N/A<br>不適用                                | N/A<br>不適用                              | 0/1                     |
| <b>Non-executive Director 非執行董事</b>  |                                       |  |                                    |   |   |                         |
| Mr. Wong Hin Shek<br>(re-designated from executive Director to non-executive Director on 28 November 2018) | 王顯碩先生<br>(於二零一八年十一月二十八日由執行董事調任為非執行董事) | 9/12                                       | N/A<br>不適用                         | N/A<br>不適用                                | 2/3                                     | 1/1                     |
| <b>Independent Non-executive Directors 獨立非執行董事</b>   |                                       |  |                                    |   |   |                         |
| Ms. Chu Yin Yin<br>Georgiana (resigned on 28 November 2018)  | 朱燕燕女士(於二零一八年十一月二十八日辭任)                | 8/12                                       | 3/4                                | 3/4                                       | 3/3                                     | 1/1                     |
| Mr. Yip Tai Him  | 葉棣謙先生                                 | 11/12                                      | 4/4                                | 3/4                                       | 2/3                                     | 1/1                     |
| Mr. Chan Kai Wing  | 陳繼榮先生                                 | 11/12                                      | 4/4                                | 3/4                                       | 2/3                                     | 1/1                     |
| Mr. Leung Tsz Wing<br>(appointed on 28 November 2018)  | 梁子榮先生(於二零一八年十一月二十八日獲委任)               | 3/12                                       | 1/4                                | 1/4                                       | 0/3                                     | 0/1                     |

N/A: Not applicable

N/A: 不適用



# Corporate Governance Report

## 企業管治報告

### Model Code for Securities Transactions by Directors of the Company

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code for the year ended 31 December 2018.

### Remuneration of Directors and Senior Management

The Company has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2018 are set out in note 9 to the financial statements.

The biographies of the senior management are disclosed in the section headed “Biographical Details of Directors and Senior Management” in this annual report. Remuneration paid to the senior management (excluding the Directors) for the year ended 31 December 2018 are included in note 10 to the financial statements.

### Directors’ Liability Insurance

The Company purchases annually the Directors’ and officers’ liability insurance for members of the Board. The insurance cover is reviewed annually to ensure that the Directors and officers are adequately protected against potential liabilities.

### 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上市發行人董事進行證券交易的標準守則(「標準守則」)。本公司已向所有董事作出特別查詢，而董事已確認彼等於截至二零一八年十二月三十一日止年度一直遵守標準守則。

### 董事及高級管理層的薪酬

本公司已就制定本集團董事及高級管理層薪酬的政策設立正式及具透明度的程序。截至二零一八年十二月三十一日止年度，各董事的薪酬詳情載於財務報表附註9。

高級管理層的履歷披露於本年報「董事及高級管理層履歷」一節。截至二零一八年十二月三十一日止年度，已付予高級管理層(不包括董事)的薪酬載於財務報表附註10。

### 董事責任保險

本公司每年為董事會成員購買董事及高級職員責任保險。每年會檢討保額，以確保董事及高級職員受充份保障，以防承受潛在負債。

### BOARD COMMITTEES

The Board has set up three Board Committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Company's affairs.

#### Audit Committee

The Audit Committee was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and Code Provision C.3.3 of the CG Code.

The full terms of reference of the Audit Committee are available on the Stock Exchange's website and the Company's website.

As at 31 December 2018, the Audit Committee was made up of three independent non-executive Directors, namely Mr. Chan Kai Wing, Mr. Yip Tai Him and Mr. Leung Tsz Wing. Mr. Chan Kai Wing was the Chairman of the Audit Committee. Mr. Chan Kai Wing is a certified public accountant and possesses the appropriate accounting qualifications and experiences in financial matters.

The Audit Committee meets at least twice annually and also meets with the Company's external auditor at least twice annually to discuss the audit plan and to review the Company's annual report and accounts. During the year ended 31 December 2018, the Audit Committee held four meetings.

The primary duties of the Audit Committee include, but not limited to:

- make recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of the resignation or the dismissal of that auditor;
- review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process and reporting obligations in accordance with applicable standards;

#### 董事委員會

董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司特定方面的事務。

#### 審核委員會

審核委員會根據上市規則第3.21及3.22條以及企業管治守則的守則條文第C.3.3條成立。

有關審核委員會的職權範圍全文可於聯交所網站及本公司網站查閱。

於二零一八年十二月三十一日，審核委員會由三名獨立非執行董事組成，即陳繼榮先生、葉棣謙先生及梁子榮先生。陳繼榮先生現為審核委員會主席。陳繼榮先生為執業會計師，並具有合適的會計資格及財務事宜的經驗。

審核委員會每年舉行最少兩次會議，亦會與本公司外聘核數師每年舉行最少兩次會議，以商討有關審計計劃及審閱本公司的年報及賬目。於截至二零一八年十二月三十一日止年度，審核委員會舉行了四次會議。

審核委員會之主要職責包括但不限於：

- 就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；
- 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序及申報責任是否有效；



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- discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- develop and implement policy on engaging an external auditor to supply non-audit services;
- act as the key representative body for overseeing the Company's relations with the external auditor;
- monitor the integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;
- review arrangements employees of the Company can use, in confidence to raise concerns about possible improprieties in financial reporting, internal control or other matters;
- review the Company's financial controls, internal control and risk management systems;
- discuss the internal control system with management to ensure that management has performed its duties to have an effective internal control system;
- review the Group's financial and accounting policies and practices; and
- review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response.
- 於核數工作開始前與核數師討論核數性質及範疇及有關申報責任；
- 就外聘核數師提供非核數服務制定政策，並予以執行；
- 擔任主要代表，負責監督本公司與外聘核數師的關係；
- 監察本公司的財務報表及本公司年報及賬目、半年度報告及季度報告(若擬刊發)的完整性，並審閱報表及報告所載有關財務申報的重大意見；
- 檢討本公司設定的以下安排：本公司僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注；
- 檢討本公司的財務監控、內部監控及風險管理系統；
- 與管理層討論內部監控系統，確保管理層已履行職責建立有效的內部監控系統；
- 檢討本集團的財務及會計政策及實務；及
- 檢查外聘核數師給予管理層的《審核情況說明函件》、核數師就會計記錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應。

Audit Committee also reviewed final results of the Company and its subsidiaries for the year ended 31 December 2018 as well as the audit report prepared by the external auditor relating to accounting issues and major findings in course of audit.

審核委員會亦審閱本公司及其附屬公司截至二零一八年十二月三十一日止年度的末期業績，以及由外聘核數師就會計事宜及核數過程中的重大發現所編製的核數報告。

### Remuneration Committee

The Remuneration Committee was established in compliance with Rules 3.25 and 3.26 of the Listing Rules and Code Provision B.1.2 of the CG Code.

The full terms of reference of the Remuneration Committee are available on the Stock Exchange's website and the Company's website.

As at 31 December 2018, the Remuneration Committee was made up of three independent non-executive Directors, namely Mr. Yip Tai Him, Mr. Chan Kai Wing and Mr. Leung Tsz Wing. Mr. Yip Tai Him was the Chairman of the Remuneration Committee.

The Remuneration Committee meets at least once a year to review the remuneration of Directors and make recommendations to the Board. During the year ended 31 December 2018, four meetings of the Remuneration Committee were held.

The primary duties of the Remuneration Committee include, but not limited to:

- make recommendations to the Board on the Company's policy and structure for the remuneration packages of Directors and senior management;
- determine with delegated responsibility the remuneration packages of individual Directors and senior management;
- review and approve compensation payable to executive Directors and senior management for any loss or termination of office; and
- review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct.

### 薪酬委員會

薪酬委員會根據上市規則第3.25及3.26條及企業管治守則的守則條文第B.1.2條成立。

有關薪酬委員會的職權範圍全文可於聯交所網站及本公司網站查閱。

於二零一八年十二月三十一日，薪酬委員會由三名獨立非執行董事，即葉棣謙先生、陳繼榮先生及梁子榮先生組成。葉棣謙先生現為薪酬委員會主席。

薪酬委員會每年舉行最少一次會議，以審閱董事的酬金，並向董事會提出建議。於截至二零一八年十二月三十一日止年度，薪酬委員會舉行了四次會議。

薪酬委員會之主要職責包括但不限於：

- 就本公司董事及高級管理層的薪酬待遇及架構向董事會提出建議；
- 獲董事會授權釐訂個別董事及高級管理層的薪酬待遇；
- 檢討及批准向執行董事及高級管理層支付任何喪失或終止職務有關的賠償；及
- 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排。



# Corporate Governance Report

## 企業管治報告

### Nomination Committee

The Nomination Committee was established in compliance with Code Provision A.5.1 and A.5.2 of the CG Code.

The full terms of reference of the Nomination Committee are available on the Stock Exchange's website and the Company's website.

As at 31 December 2018, the Nomination Committee was made up of three independent non-executive Directors, namely, Mr. Yip Tai Him, Mr. Chan Kai Wing and Mr. Leung Tsz Wing. Mr. Chan Kai Wing was the Chairman of the Nomination Committee.

The Nomination Committee meets at least once a year. During the year ended 31 December 2018, three meetings of the Nomination Committee were held.

The primary duties of the Nomination Committee include, but not limited to:

- review the structure, size, composition and diversity (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board in order to maintain an appropriate range and balance of skills, knowledge and experience of the Board;
- identify individuals suitably qualified to become Directors and select or make recommendations to the Board on the selection of, individuals nominated for directorships. In identifying suitable candidates, a range of diversity perspectives with reference to the Company's business model and specific needs will be considered, including but not limited to gender, age, culture, race, educational background, professional experience, knowledge and skills;
- assess the independence of independent non-executive Directors;

### 提名委員會

提名委員會根據企業管治守則的守則條文第A.5.1及A.5.2條成立。

有關提名委員會的職權範圍全文可於聯交所網站及本公司網站查閱。

於二零一八年十二月三十一日，提名委員會由三名獨立非執行董事，即葉棣謙先生、陳繼榮先生及梁子榮先生所組成。陳繼榮先生為提名委員會主席。

提名委員會將每年最少一次會面。於截至二零一八年十二月三十一日止年度，提名委員會舉行了三次會議。

提名委員會之主要職責包括但不限於：

- 為使董事會的技能、知識和經驗達致一定水平及平衡，至少每年檢討董事會的架構、人數、組成及多樣性（包括技能、知識及經驗方面），並向董事會提出建議；
- 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見。在物色合適人選時，會考慮一系列多元化範疇，並參考本公司的業務模式和特定需求，包括但不限於性別、年齡、文化、種族、教育背景、專業經驗、知識及技能；
- 評核獨立非執行董事的獨立性；

- make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and
- conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or applicable law.
- 就董事委任或重新委任以及董事繼任計劃的有關事宜向董事會提出建議；及
- 遵守董事會不時發出的要求，指引及規則或本公司章程或上市規則或任何適用的法律。

### NOMINATION POLICY

The Board has adopted a nomination policy. A summary of this policy is disclosed as below.

#### 1. Criteria

The Nomination Committee and/or the Board shall consider the following criteria in evaluating and selecting candidates for directorships:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy.
- Willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments.
- Requirement for the Board to have independent directors in accordance with the Listing Rules (as amended from time to time) and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Board Diversity Policy and any measurable objectives adopted by the Company for achieving diversity on the Board.
- Such other perspectives appropriate to the Company's business.

### 提名政策

董事會已採納提名政策。該政策的概要披露於下文。

#### 1. 標準

提名委員會及／或董事會於評估及甄選董事候選人時，應考慮以下標準：

- 人品及正直。
- 專業資質、技能、知識及經驗等於本公司業務及企業策略相關的資格。
- 是否願意投入足夠時間履行董事會成員及其他董事職務的職責及重要承擔。
- 上市規則(經不時修訂)規定董事會須包含獨立董事及參考上市規則所載獨立性指引候選人是否應視作獨立。
- 董事會多元化政策及本公司為達致董事會多元化而採納的任何可衡量目標。
- 對本公司業務而言屬於適當的有關其他角度。



# Corporate Governance Report

## 企業管治報告

### 2. Nomination Process

#### 2.1 Appointment of New Director

2.1.1 The Nomination Committee and/or the Board shall, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out in section 1 to determine whether such candidate is qualified for directorship.

2.1.2 If the process yields one or more desirable candidates, the Nomination Committee and/or the Board shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

2.1.3 The Nomination Committee shall make recommendation to the Board in respect of the appointment of appropriate candidate for directorship.

2.1.4 For any person that is nominated by a Shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board shall evaluate such candidate based on the criteria as set out in section 1 to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to Shareholders in respect of the proposed election of director at the general meeting.

### 2. 提名程序

#### 2.1 委任新董事

2.1.1 提名委員會及／或董事會在接收委任新董事提議及候選人的履歷資料(或相關詳情)後應根據第1節所載標準評估有關候選人，釐定該候選人是否符合資格擔任董事一職。

2.1.2 倘有關過程包含一名或多名適宜候選人，提名委員會及／或董事會將根據本公司需求及各候選人的查核(如適用)對該等候選人進行優先度排名。

2.1.3 提名委員會應就委任合適候選人擔任董事向董事會提出推薦建議。

2.1.4 對於任何由股東在本公司股東大會上提名擔任董事的人士，提名委員會及／或董事會應根據第1節所載標準評估有關候選人，以釐定該候選人是否合資格擔任董事一職及(倘適用)提名委員會及／或董事會將於股東大會上就提選董事向股東作出推薦建議。

### 2.2 Re-election of Director at General Meeting

2.2.1 The Nomination Committee and/or the Board shall review the overall contribution and service to the Company of the retiring director including his/her attendance of Board meetings and, where applicable, general meetings, and the level of participation and performance on the Board.

2.2.2 The Nomination Committee and/or the Board shall also review and determine whether the retiring director continues to meet the criteria as set out in section 1.

2.2.3 The Nomination Committee and/or the Board shall then make recommendation to Shareholders in respect of the proposed re-election of director at the general meeting.

### 2.2 於股東大會重選董事

2.2.1 提名委員會及／或董事會應審閱退任董事對本公司作出的整體貢獻及服務，包括其董事會會議及(倘適用)股東大會的出席情況，以及於董事會的參與及表現水平。

2.2.2 提名委員會及／或董事會亦應審閱及釐定退任董事是否仍然符合第1節所載的標準。

2.2.3 提名委員會及／或董事會其後應於股東大會上就建議重選董事向股東作出推薦建議。

## CORPORATE GOVERNANCE FUNCTION

The Board is responsible for, amongst other things, the development and review of the policies and practices on corporate governance of the Group and monitoring the compliance with legal and regulatory requirements, reviewing and monitoring the training and continuous professional development of Directors and senior management, and reviewing the corporate governance compliance with the Code Provisions and disclosure in the annual report.

## 企業管治職能

董事會負責(其中包括)制訂及檢討本集團之企業管治政策及常規，以及監察遵守法律及監管規定之情況、檢討及監察董事及高級管理層之培訓及持續專業發展，以及檢討企業管治是否符合守則條文及於年報作出披露。



# Corporate Governance Report

## 企業管治報告

### DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company and of the Group for the year ended 31 December 2018, which give a true and fair view of the state of affairs of the Company and of the Group on a going concern basis. The Board is provided with explanations and information by the senior management of the Company, so that the Directors have an informed assessment of the financial and other information of the Group putting forward to the Board for discussion and approval.

The external auditor of the Company acknowledge his reporting responsibilities in the Independent Auditor's Report on the financial statements for the year ended 31 December 2018 as set out in the Independent Auditor's Report on pages 93 to 104 of the annual report.

### AUDITOR'S REMUNERATION

In respect of the year ended 31 December 2018, the remuneration paid and payable to the Company's external auditor, Zenith CPA Limited, is set out below:

### 董事有關財務報表的財務申報責任

董事明白彼等有責任以持續營運之基準編製本公司及本集團截至二零一八年十二月三十一日止年度之財務報表，以真實且公平地反映本公司及本集團之財務狀況。董事會將獲本公司高級管理層提供說明及資料，以便董事就提呈董事會討論及批准的本集團財務及其他資料作出知情的評估。

本公司之外聘核數師在本年報第93至104頁的獨立核數師報告中，載有彼等有關截至二零一八年十二月三十一日止年度財務報表的獨立核數師報告的申報責任。

### 核數師酬金

截至二零一八年十二月三十一日止年度，本公司已付及應付外聘核數師誠豐會計師事務所有限公司的酬金如下：

|               |      | HK\$'000<br>千港元 |
|---------------|------|-----------------|
| Audit service | 審核服務 | 1,700           |

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining a sound risk management and internal control systems to ensure that a review of the effectiveness of the risk management and internal control systems of the Group has been conducted at least annually, covering all material controls, including financial, operational and compliance controls, and ensuring adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions.

The Board has also considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs.

The Company conducted review of the risk management and internal control systems of the Group for the year ended 31 December 2018, in order to ensure and enhance (i) proper process used to identify, evaluate and manage significant risks; (ii) main features of the risk management and internal control systems were identified; (iii) the systems were designed to manage the risks to achieve business objectives and provide reasonable assurance against material misstatement or loss; (iv) appropriate process to resolve material internal control defects; and (v) effective procedures and internal controls for inside information management.

The Company has conducted a review of the internal audit function of the Group. The Board has reviewed the effectiveness of the risk management and internal control systems of the Group annually and considered that the systems were effective and adequate.

### 風險管理及內部監控

董事會負責維持健全之風險管理及內部監控制度，以確保最少每年就本集團之風險管理及內部監控系統之有效性進行一次審查，涉及所有重大監控事項，包括財務、營運及合規監控，並確保會計、內部審核及財務報告職能方面之資源、員工資歷及經驗、培訓計劃及預算是否足夠。

董事會亦已考慮本公司會計及財務匯報職能之資源、員工專業資格及經驗，以及培訓課程是否足夠。

本公司對本集團截至二零一八年十二月三十一日止年度之風險管理及內部監控制度開展審查，以確保及改善(i)識別、評估及管理重大風險所用之正確程序；(ii)已識別風險管理及內部監控制度之主要特徵；(iii)制度旨在管理風險，以達到業務目的，並合理保證並無重大失實陳述或損失；(iv)設有適當程序解決重大內部監控缺陷；及(v)內幕資料管理之有效程序及內部監控。

本公司已就本集團內部審核職能進行檢討。董事會每年就本集團之風險管理及內部監控系統之有效性進行審查，並認為該等制度屬有效及足夠。



# Corporate Governance Report

## 企業管治報告

### COMPANY SECRETARY

On 7 December 2018, Mr. Lam Wah, the executive Director, was appointed as the company secretary of the Company.

During the year ended 31 December 2018, Mr. Lam has complied with Rule 3.29 of the Listing Rules by taking relevant professional training.

### COMMUNICATIONS WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely disclosure of information, which will enable Shareholders and investors to make the informed investment decisions. The various channels via which the Company communicates with its Shareholders include interim and annual reports, information on the websites of the Stock Exchange and the Company, annual general meeting and other general meeting that may be convened.

The annual general meeting of the Company provides opportunity for Shareholders to communicate directly with the Directors. The Chairman of the Board and the Chairman of the Board Committees will attend the annual general meeting to answer Shareholders' questions. The external auditor of the Company will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and contents of the auditor's report, the accounting policies and auditor independence.

### 公司秘書

於二零一八年十二月七日，執行董事林華先生獲委任為本公司之公司秘書。

於截至二零一八年十二月三十一日止年度，林先生已遵守上市規則第3.29條之規定進行相關專業培訓。

### 與股東溝通及投資者關係

本公司認為，與股東的有效溝通對加強投資者關係及使投資者了解本集團的業務、表現及策略非常重要。本公司亦深信及時地披露本公司資料以供股東及投資者作出知情投資決策的重要性。本公司與其股東溝通的渠道包括中期及年度報告、載於聯交所及本公司網站的資料、股東週年大會以及其他可能召開的股東大會。

本公司股東週年大會提供股東與董事直接溝通的機會。董事會主席及各董事委員會主席將出席股東週年大會解答股東提問。本公司的外聘核數師亦將出席股東週年大會，以解答有關審計行事、核數師報告的編製及內容、會計政策及核數師獨立性的提問。

### SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each substantial issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Stock Exchange and the Company after each general meeting.

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong branch share registrar and transfer office, namely, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Shareholders who wish to put enquiries to the Board can send their enquiries to the Company Secretary of the Company who will ensure these enquiries to be properly directed to the Board. Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

### Convening of Extraordinary General Meetings and Putting Forward Proposals

In accordance with the Articles, an extraordinary general meeting shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company.

Such requisition shall be made in writing to the Board or the Company Secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition.

If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

### 股東權利

為保障股東的利益及權利，本公司會於股東大會上就各實際事項(包括選舉個別董事)提呈獨立決議案。

於股東大會上提呈的所有決議案將根據上市規則以投票方式進行表決，投票結果將於各股東大會舉行後於聯交所及本公司網站刊登。

股東應就其股權作出之查詢送交本公司之香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。股東如欲向董事會提交查詢，可將有關查詢送交本公司之公司秘書，其將確保將有關查詢妥善送達董事會。股東可隨時要求提供本公司可供公眾查閱之資料。

### 召開股東特別大會及提呈建議

根據細則，一位或以上於提呈要求當日持有不少於本公司繳足股本(賦有於本公司股東大會上投票權)十分之一的股東，可要求召開股東特別大會。

有關要求可向董事會或本公司之公司秘書書面提出，要求董事會召開股東特別大會，以處理有關要求所指明的任何事項。有關大會須於提出該要求後兩個月內舉行。

若遞呈後二十一日內，董事會未有開展召開該大會之程序，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會之缺失而合理產生的所有開支將由本公司向遞呈要求人士作出償付。

關於建議某人參選董事的事宜，可於本公司網站參閱有關程序。



# Corporate Governance Report

## 企業管治報告

### DIVIDEND POLICY

The Board has adopted a dividend policy (the “Dividend Policy”). A summary of this policy is disclosed as below.

The Company may declare and pay dividends to the Shareholders by way of cash or by other means that the Board considers appropriate. It is the policy of the Board, in recommending dividends, to allow the Shareholders to participate in the Company's profits, and at the same time, to ensure the Company to retain adequate reserves for future growth. The Company's decision to declare or to pay any dividends in the future, and the amount of such dividends will depend upon, among other things, the current and future operations, financial condition, liquidity position and capital requirements of the Group, as well as dividends received from the Company's subsidiaries and associates, which in turn will depend on the ability of those subsidiaries and associates to pay a dividend. In addition, any final dividends for a financial year will be subject to the approval of the Shareholders. The declaration and payment of dividends by the Company is also subject to any restrictions under the laws of Cayman Islands, the laws of Hong Kong, the Company's article of association and any applicable laws, rules and regulations.

Whilst this Dividend Policy reflects the Board's current views on the financial and cash-flow position of the Group, the Board will continue to review this Dividend Policy from time to time and the Board may exercise its sole and absolute discretion to update, amend and/or modify this Dividend Policy at any time as it deems fit and necessary. There is no assurance that dividends will be declared or paid in any particular amount for any given period. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that any dividend will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

### CONSTITUTIONAL DOCUMENTS

There was no amendment made to the memorandum and articles of association of the Company during the year ended 31 December 2018. The latest version of the constitutional documents of the Company is available on the websites of the Stock Exchange and the Company.

### 股息政策

董事會已採納股息政策（「股息政策」）。該政策的概要披露於下文。

本公司可通過現金或以董事會認為合適的其他方式向股東宣派及支付股息。董事會政策乃藉推薦股息讓股東參與本公司的盈利，同時確保本公司保留足夠儲備進行未來發展。本公司未來宣派或支付股息的決定及有關股息的金額將取決於（其中包括）本集團目前及未來營運、財務狀況、流動資金狀況及資本需求以及收自本公司附屬公司及聯營公司的股息，而後者將取決於該等附屬公司及聯營公司能否支付股息。此外，於任一財政年度派發任何末期股息須經股東批准。本公司宣派及支付股息亦受限於開曼群島、香港法例、本公司組織章程細則及任何適用法律、規則及法規下的限制。

這一股息政策反映了董事會目前對本集團財務及現金流狀況的看法，然而，董事會將繼續不時檢討該股息政策及可能全權酌情決定於其認為合適及必要時隨時更新、修訂及／或修改該股息政策。概不保證會於任何指定期間宣派或支付任何具體金額的股息。股息政策不構成本公司按任何具體金額支付股息的具有法律約束力的承諾及／或概不意味著本公司有責任於任何時間或不時宣派股息。

### 章程文件

於截至二零一八年十二月三十一日止年度，概無對本公司組織章程大綱及細則進行任何修訂。本公司的章程文件的最新版本可於聯交所網站及本公司網站查閱。

# Report of the Directors

## 董事會報告

The Directors are pleased to present their report together with the audited financial statements of the Group for the year ended 31 December 2018.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding. During the year ended 31 December 2018, the Company's principal subsidiaries were engaged in the business of (i) development, production and sale of automotive engines; and (ii) civil engineering works and building construction and maintenance.

### RESULTS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 105 to 106 of the annual report.

### BUSINESS REVIEW

A fair review of the Group's business, particulars of important events affecting the Group that have occurred during the year ended 31 December 2018, and an indication of likely future development in the Group's business, are set out in the "Director's Statement" and "Management Discussion and Analysis" of this annual report. A description of principal risks and uncertainties facing the Group is set out in the note 41 to the financial statements.

### ENVIRONMENTAL POLICY

Our commitment to protecting the environment is well reflected by our continuous efforts in promoting green measures and awareness in our daily business operations. Our Group encourages environmental protection and promote awareness towards environmental protection to the employees. Our Group also implements green office practices such as promoting the use of recycled papers and reducing energy consumption by switching off idle lighting and electrical appliances.

Our Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the operation of our Group's businesses and enhance environmental sustainability.

董事欣然提呈其報告連同截至二零一八年十二月三十一日止年度本集團的經審核財務報表。

### 主要業務

本公司之主要業務為投資控股。於截至二零一八年十二月三十一日止年度，本公司的主要附屬公司從事(i)開發、生產及銷售汽車發動機之業務；及(ii)土木工程項目以及樓宇建造及保養業務。

### 業績

本集團截至二零一八年十二月三十一日止年度的業績載於本年報第105至106頁的綜合損益及其他全面收入表。

### 業務回顧

對本集團業務的中肯審視、截至二零一八年十二月三十一日止年度發生之影響本集團之重大事件詳情及本集團業務之可能未來發展的揭示，載於本年報「董事報告」及「管理層討論及分析」。本集團面臨的主要風險及不確定性之說明載於財務報表附註41。

### 環境政策

本集團在日常業務營運中不斷推廣環保措施和意識，以履行其保護環境的承諾。本集團鼓勵環保並推動僱員提升環保意識。本集團亦實施各項綠色辦公措施，例如提倡使用環保紙並透過關閉閒置的電燈及電器以減少能源消耗。

本集團將不時審閱其環保常規，並將考慮於本集團之業務營運中實施更多環保措施及常規，加強環境可持續性。



# Report of the Directors

## 董事會報告

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the current financial year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of our Group.

### RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that employees are our valuable assets. Thus our Group provides competitive remuneration package to attract and motivate the employees. Our Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

Our Group also understands that it is important to maintain good relationship with business partners to achieve its long-term goals. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business update with them when appropriate. During the current financial year, there was no material and significant dispute between our Group and its business partners.

### FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 December 2018 (31 December 2017: Nil).

### SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five period/years, as extracted from the audited financial statements, is set out on page 232 in this report. This summary does not form part of the audited financial statements.

### PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. There is appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

### 遵守相關法律及法規

本財政年度內，就本公司所知，本集團並無嚴重違反或不遵守對本集團之業務及營運有重大影響之適用法律及法規。

### 與利益相關者之關係

本公司認同，僱員乃其寶貴資產。因此，本集團提供具競爭力之薪酬待遇，以吸引並激勵僱員。本集團定期檢討僱員之薪酬待遇，並會因應市場標準而作出必要調整。

本集團亦明白，與商業夥伴保持良好關係對達成其長遠目標而言屬至關重要。因此，高級管理層會在適當情況下與彼等進行良好溝通、適時交流想法及共享最新業務資料。於本財政年度內，本集團與其商業夥伴並無重大及嚴重的糾紛。

### 末期股息

董事會並不建議就截至二零一八年十二月三十一日止年度派付末期股息(二零一七年十二月三十一日：無)。

### 財務資料概要

本集團過往五個期間／年度的已刊發業績及資產及負債的概要(摘取自經審核財務報表)載於本報告第232頁。該概要並不構成經審核財務報表之一部分。

### 獲准許之彌償條文

根據細則，各董事有權就履行其職務或在履行其職務方面或與此有關的可能蒙受或招致之所有損失或責任從本公司之資產中獲取彌償。本集團董事及高級職員已獲妥當之董事及高級職員責任保險保障。

### SHARE CAPITAL, SHARE OPTION, CONVERTIBLE BONDS AND PROMISSORY NOTES

Details of movements in the Company's share capital, share options, convertible bonds and the promissory notes during the year are set out in notes 27, 28, 30 and 31 to the financial statements.

### EQUITY-LINKED AGREEMENTS

Save for the share option scheme as disclosed in the below section headed "Share Option Scheme" and the section headed "Convertible Bonds" of "Management Discussion and Analysis", no equity-linked agreements were entered into by the Group, or existed during the current financial year.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the current financial year.

### MAJOR CUSTOMERS AND SUPPLIERS

#### Major Customers

During the year ended 31 December 2018, the largest customer accounted for approximately 22.3% (31 December 2017: approximately 36.2%) of the Group's total revenues. The five largest customers accounted for approximately 74.4% (31 December 2017: approximately 84.8%) of the Group's total revenues for the year ended 31 December 2018.

For the Automotive Engines Business, the customer base is relatively concentrated to certain private companies in China. The largest customer was engaged in this segment.

For the Civil Engineering and Construction Business, the customer base is relatively concentrated to certain departments of the Government, public utilities companies and private organisations in Hong Kong.

None of our Directors or their respective associates or any Shareholder (to the knowledge of our Directors) holding more than 5% of the Company's issued share capital had any interest in the five largest customers.

### 股本、購股權、可換股債券及承兌票據

本公司之股本、購股權、可換股債券及承兌票據於年內之變動詳情載於財務報表附註27、28、30及31。

### 股票掛鈎協議

除下文「購股權計劃」一節所披露之購股權計劃及「管理層討論及分析」之「可換股債券」一節外，本集團於本財政年度內概無訂立或存在股票掛鈎協議。

### 管理合約

本財政年度內，並無訂立或存在與本集團整體或任何重要部分業務有關之管理及行政合約。

### 主要客戶及供應商

#### 主要客戶

於截至二零一八年十二月三十一日止年度，最大客戶佔本集團的總收入約為22.3%（二零一七年十二月三十一日：約為36.2%）。截至二零一八年十二月三十一日止年度，五大客戶佔本集團的總收入約為74.4%（二零一七年十二月三十一日：約為84.8%）。

於汽車發動機業務方面，客戶基礎相對集中於中國的若干私營公司。最大客戶亦屬於此分部。

於土木工程及建造業務方面，客戶基礎相對集中於香港若干政府部門、公用事業公司及私人機構。

概無董事或彼等各自的聯繫人或據董事所知擁有本公司已發行股本5%以上的任何股東於任何五大客戶中擁有任何權益。



# Report of the Directors

## 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS (Continued)

#### Major Suppliers

The Group five largest suppliers being its suppliers for Automotive Engines Business and sub-contractors for Civil Engineering and Construction segment together accounted for approximately 46.6% (31 December 2017: approximately 9.5%) of the Group's total cost of sales charged to the Group for the year ended 31 December 2018. The largest supplier accounted for approximately 20.7% (31 December 2017: approximately 2.8%) of the total cost of sales charged to the Group for the year ended 31 December 2018.

Other than as set out in the paragraph above, none of our Directors or their associates or any Shareholders (to the knowledge of our Directors) holding more than 5% of the Company's issued share capital had any interests in the five largest sub-contractors.

### PROPERTY, PLANT AND EQUIPMENT

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

### RESERVES

Details of movements in the reserves of the Group during the current financial year are set out in the consolidated statement of changes in equity.

### DISTRIBUTABLE RESERVES

The Company had no reserve available for distribution to Shareholders as at 31 December 2018 (31 December 2017: Nil).

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of Cayman Islands where the Company is incorporated, which would oblige the Company to offer new shares to existing Shareholders on a pro-rata basis.

### 主要客戶及供應商(續)

#### 主要供應商

截至二零一八年十二月三十一日止年度，本集團五大供應商(即汽車發動機業務供應商及土木工程及建造分部分包商)合共佔本集團支付的銷售成本總額約為46.6% (二零一七年十二月三十一日：約為9.5%)。截至二零一八年十二月三十一日止年度，最大供應商佔本集團支付的銷售成本總額約為20.7% (二零一七年十二月三十一日：約為2.8%)。

除上段所載列者外，概無董事或彼等各自的聯繫人或據董事所知擁有本公司已發行股本5%以上的任何股東於任何五大分包商中擁有任何權益。

### 物業、機器及設備

本集團於本財政年度內的物業、機器及設備變動詳情載於財務報表附註14。

### 儲備

本集團於本財政年度內的儲備變動詳情載於綜合權益變動表。

### 可供分派儲備

於二零一八年十二月三十一日，本公司並無任何可供分派予股東的儲備(二零一七年十二月三十一日：無)。

### 優先購買權

細則或本公司註冊成立所在的開曼群島法例均不設優先購買權條文規定本公司有責任按比例向現有股東提呈發售新股份。

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2018.

### SUFFICIENCY OF PUBLIC FLOAT

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

### DIRECTORS

The Directors who held office during the current financial year and up to the date of this annual report were:

#### Executive Directors

Mr. Xing Bin  
Mr. Lam Wah (*appointed on 12 November 2018*)

Mr. Lo Kin Ching Joseph (*retired on 12 June 2018*)

Mr. Wong Hin Shek (*re-designated from executive Director to non-executive Director on 28 November 2018*)

#### Non-executive Director

Mr. Wong Hin Shek (*re-designated from executive Director to non-executive Director on 28 November 2018*)

#### Independent Non-executive Directors

Mr. Yip Tai Him  
Mr. Leung Tsz Wing (*appointed on 28 November 2018*)

Mr. Zhang Guozhi (*appointed on 28 February 2019*)

Ms. Chu Yin Yin Georgiana (*resigned on 28 November 2018*)

Mr. Chan Kai Wing (*resigned on 28 February 2019*)

Mr. Lo Kin Ching Joseph has retired as an executive Director and the chairman of the Board with effect from the conclusion of annual general meeting held on 12 June 2018. Ms. Chu Yin Yin Georgiana has resigned as an independent non-executive Director with effect from 28 November 2018 and Mr. Wong Hin Shek has re-designated from an executive Director to a non-executive Director and has resigned as the chief executive officer of the Company with effect from 28 November 2018. Mr. Chan Kai Wing has resigned as an independent non-executive Director with effect from 28 February 2019. They have confirmed that they have no disagreement with the Board and that there is no matter in respect of their resignation which needs to be brought to the attention of the Shareholders and the Stock Exchange.

### 買賣或贖回本公司上市證券

本公司或其任何附屬公司概無於截至二零一八年十二月三十一日止年度買賣或贖回本公司任何上市證券。

### 足夠公眾持股量

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

### 董事

於本財政年度及直至本年報日期，在任董事為：

#### 執行董事

邢濱先生  
林華先生(於二零一八年十一月十二日獲委任)  
勞建青先生(於二零一八年六月十二日退任)  
王顯碩先生(於二零一八年十一月二十八日由執行董事調任為非執行董事)

#### 非執行董事

王顯碩先生(於二零一八年十一月二十八日由執行董事調任為非執行董事)

#### 獨立非執行董事

葉棣謙先生  
梁子榮先生(於二零一八年十一月二十八日獲委任)  
張國智先生(於二零一九年二月二十八日獲委任)  
朱燕燕女士(於二零一八年十一月二十八日辭任)  
陳繼榮先生(於二零一九年二月二十八日辭任)

勞建青先生已退任執行董事及董事會主席，由二零一八年六月十二日舉行之股東週年大會結束起生效。朱燕燕女士已辭任獨立非執行董事，由二零一八年十一月二十八日起生效，以及王顯碩先生已由執行董事調任為非執行董事，並已辭任本公司行政總裁，由二零一八年十一月二十八日起生效。陳繼榮先生已辭任獨立非執行董事，由二零一九年二月二十八日起辭任。彼等確認，其與董事會並無意見分歧，亦無有關其辭任之事宜須敦請股東及聯交所垂注。



# Report of the Directors

## 董事會報告

### DIRECTORS (Continued)

In accordance with the Articles, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) will retire from office by rotation and will be eligible for re-election and re-appointment at every annual general meeting, provided that every Director shall be subject to retirement by rotation at an annual general meeting at least once every three years.

Circular containing details of the Directors to be re-elected at the forthcoming annual general meeting of the Company will be despatched to the Shareholders in due course.

### BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 26 to 30 of this annual report.

### CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has confirmed their independence pursuant to Rule 3.13 of the Listing Rules. The Board considered all of the independent non-executive Directors to be independent in accordance with Rule 3.13 of the Listing Rules.

### DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No director nor a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the year.

### 董事(續)

根據細則，現時三分之一董事(倘若其數目並非為三的倍數，則取最接近而不少於三分之一之數目)將輪值告退，並有資格在每次股東週年大會膺選連任及重新委任，惟各董事須最少每三年於股東週年大會上輪值告退一次。

載有本公司應屆股東週年大會上膺選連任的董事詳情的通函將適時向股東寄發。

### 董事會及高級管理層

本集團董事及高級管理層的履歷詳情載於本年報第26至30頁。

### 獨立非執行董事的獨立性確認

根據上市規則第3.13條，各獨立非執行董事均已確認彼等的獨立性。根據上市規則第3.13條，董事會認為全體獨立非執行董事均為獨立人士。

### 董事服務合約

概無董事訂立本集團不可於一年內毋須支付賠償(法定賠償除外)而終止的服務合約。

### 董事於交易、安排或合約之權益

年內，概無董事或董事之關連實體於本公司、本公司任何附屬公司或同系附屬公司為訂約一方的對本集團業務而言屬重要之交易、安排或合約中直接或間接擁有重大權益。

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the current financial year, no Director was interested in any business apart from the Company's business, which competes or is likely to compete, either directly or indirectly, with the Company's business which is required to be disclosed pursuant to the Listing Rules.

### REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and the five highest paid individuals are set out in notes 9 and 10 to the financial statements in this annual report.

### CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Upon specific enquiry by the Company and following confirmations from the Directors, save as disclosed in the section headed "Biographical Details of Directors and Senior Management" in this annual report, there was no change in the information of the Directors required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules for the year ended 31 December 2018.

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

As at 31 December 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 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 they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### 董事於競爭業務的權益

於本財政年度內，除本公司業務外，概無董事於須根據上市規則披露並與本公司業務直接或間接構成競爭或可能構成競爭的業務中擁有任何權益。

### 董事及五位最高薪酬人士的薪酬

董事及五位最高薪酬人士的薪酬詳情載於本年報財務報表附註9及10。

### 董事資料的變動

經本公司具體查詢及董事確認後，除本年報「董事及高級管理層履歷」一節所披露者外，截至二零一八年十二月三十一日止年度，任何須根據上市規則第13.51(2)條第(a)至(e)段及第(g)段予以披露的董事資料概無任何變動。

### 董事及最高行政人員之股份、相關股份及債權證之權益及淡倉

於二零一八年十二月三十一日，本公司董事或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，或根據標準守則須知會本公司及聯交所的權益或淡倉。



# Report of the Directors

## 董事會報告

### 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.

#### 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 this 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 participants (including both exercised and outstanding options) in any 12-month period must not exceed 1 per cent of the Shares in issue.

### 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。

#### 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

於悉數行使根據本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%。

### SHARE OPTION SCHEME (Continued)

#### 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.

#### 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 year ended 31 December 2018, no share option has been granted by the Company and there are no outstanding share option of the Company.

### 購股權計劃(續)

#### 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。

#### 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。

截至二零一八年十二月三十一日止年度，本公司概無授出購股權，且本公司概無未行使購股權。

# Report of the Directors

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, to the best of the Directors' knowledge, the interests and short positions of the person (other than the Directors or chief executive of the Company) in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register of substantial shareholders required to be kept under section 336 of the SFO were as follows:

#### Long positions 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及淡倉

於二零一八年十二月三十一日，就董事所深知，除本公司董事及最高行政人員外，依照本公司根據證券及期貨條例第336條規定備存的主要股東登記冊所載，以下人士於本公司的股份及相關股份中擁有以下根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益及淡倉：

#### 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                                    | 佔本公司已發行股本概約百分比  |
| Mr. Jiang Jianhui ("Mr. Jiang")<br>姜建輝先生(「姜先生」) | (a)   | Interest in a controlled corporation<br>受控法團權益 | 150,000,000                                      | 75.0%   |
| Ms. Wu Pei-Tzu ("Ms. Wu")<br>吳佩慈女士(「吳女士」)       | (a)   | Interest in a controlled corporation<br>受控法團權益 | 150,000,000                                      | 75.0%   |
| Youth Force                                     | (a)   | Beneficial owner<br>實益擁有人                      | 150,000,000                                      | 75.0%   |
| Ms. Weng Guangmin ("Ms. Weng")<br>翁光敏女士(「翁女士」)  | (b)   | Interest in a controlled corporation<br>受控法團權益 | 195,000,000                                      | 97.5%   |
| Power Expert<br>巧能環球                            | (b)   | Beneficial owner<br>實益擁有人                      | 195,000,000                                      | 97.5%   |

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

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

Notes:

- (a) Youth Force was legally and beneficially owned as to 72% 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 Global Limited 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.

Save as disclosed above, as at 31 December 2018, no person, other than the Directors and chief executive of the Company whose interests are set out in the section headed "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.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the year ended 31 December 2018 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or his/her spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### 主要股東於股份及相關股份中的權益及淡倉(續)

於本公司已發行股份／相關股份的好倉(續)

附註：

- (a) Youth Force由姜先生及吳女士分別法定及實益擁有72%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) 巧能環球有限公司由翁女士全資擁有。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。

除上文所披露者外，於二零一八年十二月三十一日，除本公司董事及最高行政人員(有關權益已載於上文「董事及最高行政人員之股份、相關股份及債權證之權益及淡倉」一節)外，概無任何人士知會本公司其擁有根據證券及期貨條例第336條規定須記錄於本公司須存置的登記冊中的本公司股份或相關股份中的權益或淡倉。

### 董事購入股份或債權證之權利

除上文「董事及最高行政人員之股份、相關股份及債權證之權益及淡倉」一節所披露者外，於截至二零一八年十二月三十一日止年度之任何時間並無授出權利予任何董事或其各自之配偶或未滿十八歲之子女，以購入本公司股份或債權證而獲取利益，而彼等亦無行使該等權利；本公司或其任何附屬公司、控股公司或同系附屬公司亦無參與任何安排，以令董事能於任何其他法人團體獲得該等權利。



# Report of the Directors

## 董事會報告

### RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken in the usual course of business are set out in note 38 to the financial statements.

### CONNECTED TRANSACTION

For the year ended 31 December 2018, the Company did not have any connected transactions which were subject to the reporting requirements under Chapter 14A of the Listing Rules.

### CORPORATE GOVERNANCE

The Company has applied the principles and Code Provisions as set out in the CG Code contained in Appendix 14 of the Listing Rules. During the year ended 31 December 2018, save as disclosed in the section headed "Corporate Governance Report", the Company has complied with the Code Provisions in the CG Code.

### EVENTS AFTER THE REPORTING PERIOD

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

### AUDIT COMMITTEE

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group, discussed risk management, internal controls and financial reporting matters and the consolidated results of the Group for the year ended 31 December 2018. As at the date of this report, the Audit Committee comprises three members including Mr. Leung Tsz Wing (Chairman), Mr. Yip Tai Him and Mr. Zhang Guozhi all being independent non-executive Directors.

### 關聯方交易

有關於日常業務過程中所進行的重大關聯方交易詳情載於財務報表附註38。

### 關連交易

截至二零一八年十二月三十一日止年度，本公司並無進行任何須遵守上市規則第14A章項下申報規定之關連交易。

### 企業管治

本公司已應用上市規則附錄14所載企業管治守則中載列的原則及守則條文。於截至二零一八年十二月三十一日止年度，除「企業管治報告」一節披露者外，本公司一直遵守企業管治守則的守則條文。

### 報告期後事項

除本報告所披露外，報告期後直至本報告日期概無其他重大報告期後事項。

### 審核委員會

審核委員會已與管理層審閱本集團採納的會計原則及政策，並討論有關風險管理、內部監控及財務匯報事宜以及本集團截至二零一八年十二月三十一日止年度的綜合業績。於本報告日期，審核委員會由三名成員組成，包括梁子榮先生(主席)、葉棣謙先生及張國智先生，彼等均為獨立非執行董事。

### AUDITOR

Ernst & Young has resigned as the auditor of the Company with effect from 14 December 2018. Zenith CPA Limited has been appointed as the auditor of the Company with effect from 14 December 2018 to fill the casual vacancy following the resignation of Ernst & Young.

The consolidated financial statements for the year ended 31 December 2018 have been audited by Zenith CPA Limited.

Zenith CPA Limited shall retire in the forthcoming annual general meeting and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of Zenith CPA Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board  
Bisu Technology Group International Limited

Lam Wah  
*Executive Director*

Hong Kong, 28 March 2019

### 核數師

安永會計師事務所已辭任本公司核數師，由二零一八年十二月十四日起生效。誠豐會計師事務所有限公司已獲委任為本公司核數師，由二零一八年十二月十四日起生效，以填補安永會計師事務所辭任後的臨時空缺。

誠豐會計師事務所有限公司已審核截至二零一八年十二月三十一日止年度的綜合財務報表。

誠豐會計師事務所有限公司須於即將舉行的股東週年大會上退任，並符合資格及願意膺選連任。有關續聘誠豐會計師事務所有限公司為本公司核數師的決議案將於即將舉行的股東週年大會上獲提呈。

代表董事會  
比速科技集團國際有限公司

執行董事  
林華

香港，二零一九年三月二十八日



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### INTRODUCTION

Bisu Technology Group International Limited (“Bisu” or the “Company”) was incorporated in the Cayman Islands as a limited liability company. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Stock Code: 1372). The Company with its subsidiaries (collectively referred to as the “Group” or “we”) were engaged in the business of (i) development, production and sale of automotive engines (the “Automotive Engines Business”); and (ii) Civil engineering works and building construction and maintenance works (the “Civil Engineering and Construction Business”).

### PURPOSE OF THIS REPORT

This is the fourth “Environmental, Social and Governance Report” prepared by the Group. This report mainly outlines the commitments and strategies and report the Company’s performance regarding environmental protection, social responsibility and governance issues.

### SCOPE OF COVERAGE

This report outlines the environmental and social performance of the Group’s core business segment operations. Our fourth report with particular focus on impacts arising from the following operation locations of the Group:

- Group’s headquarter office in Hong Kong;
- Civil Engineering and Construction Business in Hong Kong; and
- Chongqing Automotive Engines production base.

### 緒言

比速科技集團國際有限公司(「比速」或「本公司」)為一間於開曼群島註冊成立的有限責任公司。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市(股份代號：1372)。本公司及其附屬公司(統稱「本集團」或「我們」)從事(i)開發、生產及銷售汽車發動機之業務(「汽車發動機業務」);及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」)。

### 本報告目的

本報告為本集團編製的第四份「環境、社會及管治報告」。本報告主要概述及呈報本公司在環境保護、社會責任及管治議題方面的承諾與策略以及表現。

### 涵蓋範圍

本報告概述本集團主要業務分部營運的環境及社會表現。我們的第四份報告特別關注本集團下列營運地點產生的影響：

- 本集團在香港的總辦事處；
- 在香港的土木工程及建造業務；及
- 重慶汽車發動機生產基地。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### BASIS OF PREPARATION

Relevant disclosures of this report are prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") under Appendix 27 of the Rules Governing the Listing of Securities issued by the Stock Exchange. The content of this report includes two main subject areas, being Area A — Environmental and Area B — Social as required by the Guide.

### TIME RANGE

This report is an annual report for the year from 1 January 2018 to 31 December 2018.

### STAKEHOLDER ENGAGEMENT

The Group places high value on communication with stakeholders. Through several channels, the Group maintains active and open attitudes towards expectations and demands of stakeholders. The preparation of this report, which was supported by stakeholders of the Company, enabled the Company to have a clear understanding on the Company's current environmental and social development. The information we gathered and analyzed was not only the summary of the environmental and social works carried out by the Group during 2018, but also the basis for the Group to make strategies for sustainable development. The following table summaries stakeholders' participation channels and their expectations and demands.

### 編製基準

本報告的相關披露乃根據聯交所頒佈的證券上市規則附錄二十七「環境、社會及管治報告指引」(「指引」)編製。本報告的內容包括兩個主要範疇，即指引所規定的範疇A — 環境及範疇B — 社會。

### 時間範圍

本報告為二零一八年一月一日至二零一八年十二月三十一日的年度報告。

### 權益人參與

本集團重視與權益人的溝通。本集團通過不同渠道與權益人溝通，對權益人的期望及要求保持積極及開放的態度。本報告編製過程中得到本公司權益人的支持，使本公司對公司當前的環境與社會發展有清晰的認識。我們收集和分析的資料不僅是對本集團於二零一八年開展的環境及社會工作的總結，亦為本集團制定可持續發展策略提供了基礎。下表概述權益人的參與渠道及其期望和要求。





# Environmental, Social and Governance Report

## 環境·社會及管治報告

### STAKEHOLDER ENGAGEMENT (Continued)

### 權益人參與(續)

| Stakeholders<br>權益人              | Participation Channels<br>參與渠道  | Topics concerned<br>關注話題   |
|----------------------------------|---|--|
| Shareholders/Investors<br>股東／投資者 | <ul style="list-style-type: none"> <li>• General meetings</li> <li>• Interim reports/Annual reports</li> <li>• Direct communications</li> <li>• Group website</li> <li>• 股東大會</li> <li>• 中期報告／年度報告</li> <li>• 直接溝通</li> <li>• 集團網站</li> </ul> | <ul style="list-style-type: none"> <li>• Financial results</li> <li>• Sustainability business development</li> <li>• Environmental responsibility</li> <li>• Company transparency</li> <li>• 財務業績</li> <li>• 業務可持續發展</li> <li>• 環境責任</li> <li>• 公司透明度</li> </ul>                             |
| Clients<br>客戶                    | <ul style="list-style-type: none"> <li>• Customer service</li> <li>• Daily communication</li> <li>• 客戶服務</li> <li>• 日常交流</li> </ul>   | <ul style="list-style-type: none"> <li>• Product quality</li> <li>• Protection and management on customer information</li> <li>• Environmental responsibility</li> <li>• Integrity and business behaviors</li> <li>• 產品質量</li> <li>• 客戶資料保護及管理</li> <li>• 環境責任</li> <li>• 誠信及商業行為</li> </ul> |
| Employees<br>僱員                  | <ul style="list-style-type: none"> <li>• Regular performance appraisals</li> <li>• Frequent meetings</li> <li>• Training programs</li> <li>• 定期表現評核</li> <li>• 密切會議溝通</li> <li>• 培訓課程</li> </ul>  | <ul style="list-style-type: none"> <li>• Career development</li> <li>• Health and safety</li> <li>• Remuneration and benefits</li> <li>• Sustainability development</li> <li>• 職業發展</li> <li>• 健康與安全</li> <li>• 薪酬與福利</li> <li>• 可持續發展</li> </ul>  |
| Suppliers<br>供應商                 | <ul style="list-style-type: none"> <li>• Close communication</li> <li>• Order/contract execution</li> <li>• 密切溝通</li> <li>• 訂單／合約執行</li> </ul>  | <ul style="list-style-type: none"> <li>• Corporate contribution</li> <li>• Product quality</li> <li>• Environmental responsibility</li> <li>• 對企業的貢獻</li> <li>• 產品質量</li> <li>• 環境責任</li> </ul>  |

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ENVIRONMENTAL RESPONSIBILITY

We believe that the Group has a large part to play in protecting the environment. We are committed to protecting the environment and supporting sustainable development by conducting our business in an environmentally responsible manner. We believe that a successful environment management is important for us to meet customers' demand in environment protection and to ensure healthy growth and sustainable development of our business. Thus, we set and review environmental objectives from time to time with a target to minimise our environmental footprints, and seek for continuous improvement. All of our environmental management policies were developed based on local requirements and environmental standards.

### EMISSIONS

During the current reporting year, the Group had not discovered any cases of violation of the environmental laws and regulations. The Group has adopted a series of environmental protection policies and measures, which are regularly monitored and evaluated, to lay a solid foundation for green management, including:

#### Chongqing Automotive Engines Production Base

##### *Exhaust Gas Reduction Policy*

The environmental impact on the Chongqing production plant is always our first concern. All necessary pollution emission permits for our production facilities have been obtained from the People's Republic of China Government department. During the current financial year ended, all air emissions are required to operate within the prescribed limits set by the local government.

During the current reporting year, no reliable measurement of the air emission and wastewater for the Chongqing production plant can be generated due to the limited scale of production level in the plant as a result of the significantly reduced sales orders from customers. Meanwhile, there is an exhaust emission of Sulphur oxides of 0.95kg during the current report year for the emission by the fuel consumed by the vehicles used in the production of engine processes.

### 環境責任

我們相信，本集團在保護環境中起著重要作用。我們致力於以對環境負責的方式開展業務，保護環境及推動可持續發展。我們認為，成功的環境管理對我們滿足客戶的環保要求及確保業務穩健增長及可持續發展而言至關重要。因此，我們不時制定及檢討環保目標，旨在盡量減少我們的環保足跡及尋求不斷改善。所有環境管理政策乃根據當地規定及環境標準制定。

### 排放

於本報告年度，本集團並未發現任何違反環境法規的個案。本集團並推行一系列的環保政策及措施，定期監管及評估，為綠色管理奠定良好基礎，其中包括：

#### 重慶汽車發動機生產基地

##### *減少廢氣排放政策*

重慶生產廠房的環境影響一直為我們的首要關注點。我們的生產設施已取得中華人民共和國政府部門的所有必要的污染排放許可。截至本財政年度內，所有氣體排放均須按當地政府設定的規定限額內進行。

於本報告年度，無法就重慶生產廠房的廢氣排放及污水編製可靠的計量，原因是客戶的銷售訂單大幅減少，導致該廠房的生產水平規模有限。與此同時，於本報告年度，發動機生產過程所用的汽車消耗燃料，導致排放0.95公斤的硫氧化物。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ENVIRONMENTAL RESPONSIBILITY (Continued)

#### Chongqing Automotive Engines Production Base (Continued)

##### *Exhaust Gas Reduction Policy (Continued)*

Among the key emissions produced by our Chongqing production site, Nitrogen Oxides (NOx), Non-methane Hydrocarbons (NMHC) and Carbon monoxide (CO) were hazardous wastes. The Group has implemented policies to mitigate the negative effect that hazardous waste bring to the environment. Most of our facilities have initiated hazardous waste recycling program. Our production facilities enclosed hazardous waste collection system whenever possible and during the current financial period, most of the hazardous wastes were effectively sorted and stored and recycles by designated professional recyclers. We ensure all employees are aware of what hazardous materials are on-site and the handling and disposal methods.

##### *Waste management*

With respect to the Group's automotive engine production business, the Group strives to avoid overstocking of materials through proper inventory and production planning management. General industrial wastes produced from our Chongqing production site are mainly scrap steel, waste solder and waste packaging materials. Generally, if waste and used materials can be recycled, such as scrap steel and waste packaging materials, then they are sorted and recycled. At all time, the Group is committed to improving the recycling and reusing initiatives.

#### Civil Engineering And Construction Business In Hong Kong

##### *In-house Green Management*

In addition to applicable laws and regulations, the Group is committed to green our own operation in respect of construction business through proactive environment management and staff engagement. We have set up an environmental management system to promote environmental awareness and to prevent pollution of the environment. Our environmental management system was accredited ISO 14001 certification.

### 環境責任(續)

#### 重慶汽車發動機生產基地(續)

##### *減少廢氣排放政策(續)*

重慶生產地製造的主要排放物中，氮氧化物(NOx)、非甲烷碳化合物(NMHC)及一氧化碳(CO)為有害廢料。本集團已實施政策以減輕有害廢料對環境帶來的負面影響。我們的大部分設施已啟用有害廢料回收計劃。我們的生產設施已盡可能安裝有害廢料收集系統，於本財政期間，大部分有害廢料已有效分類及儲藏及由指定專業回收人員回收。我們確保所有僱員了解工作場所的有害材料及處理處置方法。

##### *廢料管理*

就本集團之汽車發動機生產業務而言，本集團致力於通過妥善的存貨及生產規劃管理，避免積壓物料。我們的重慶生產地產生的一般工業廢料主要為廢鋼、廢棄焊料及廢棄包裝材料。我們通常會將可回收的廢料及廢舊物料(如廢鋼及廢棄包裝材料)進行分類並回收利用。本集團始終如一地致力於改善回收及重複使用措施。

#### 香港土木工程及建造業務

##### *室內綠色管理*

除適用法律及法規外，本集團致力通過積極環境管理及員工參與，綠化建造業務的自有經營。我們已設立一套環境管理系統，以宣傳環保意識及防止環境污染。我們的環境管理系統已獲ISO 14001認證。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ENVIRONMENTAL RESPONSIBILITY (Continued)

#### Civil Engineering And Construction Business In Hong Kong (Continued)

##### *In-house Green Management (Continued)*

In managing our emissions in respect of construction works in Hong Kong, we comply with relevant local laws and regulations to ensure the environmental impacts arising from our business are managed in a proper and responsible manner. Relevant laws and regulations include:

- Air Pollution Control Ordinance (Cap. 311)
- Waste Disposal Ordinance (Cap. 354)
- Water Pollution Control Ordinance (Cap. 358)
- Noise Control Ordinance (Cap.400)
- Dumping at Sea Ordinance (Cap. 466)
- Environmental Impact Assessment Ordinance (Cap.499)

We purposely develop specific Environmental Management Plan (EMP) for our projects, which ensures mitigation measures are effectively implemented, with proper monitoring and remedial measures that satisfies relevant requirements. On top of regulator requirements, we also adhere to BEAM Plus requirements to further our effort in controlling our emissions and resources use.

##### *Noise Control*

As identified in the materiality assessment, noise is one of the material environmental aspects in the Group's construction work operation. In managing the impact of construction noise on the surrounding environment, we strictly adhere to relevant laws and regulations.

For our construction projects, necessary construction noise permits (CNP) are obtained before commencement of the works, especially for projects involving night-time works or percussive piling. To lower noise level within an acceptable range, the number and type of plant used are minimized and as required by law we apply for Noise Emission Labels for air compressors and handheld percussive breakers where appropriate. While observing the permit specifications, we also install noise barriers to reduce the construction noise impact to nearby noise sensitive receivers when necessary.

### 環境責任(續)

#### 香港土木工程及建造業務(續)

##### *室內綠色管理(續)*

在香港的建築業務管理排放時，我們遵守本地相關法律及法規，以確保我們能以妥善及負責任的方式管理我們業務造成的環境影響。相關法律及法規包括：

- 《空氣污染管制條例》(第311章)
- 《廢物處置條例》(第354章)
- 《水污染管制條例》(第358章)
- 《噪音管制條例》(第400章)
- 《海上傾倒物料條例》(第466章)
- 《環境影響評估條例》(第499章)

我們特意就我們的項目製定明確的環境管理計劃，確保有效實施緩解措施，同時以監督及補救措施滿足相關規定。除監管規定外，我們亦嚴守「綠建環評」規定，以加強管制排放及資源使用。

##### *噪音管制*

誠如重要性評估中所識別，噪音是本集團建築工程業務營運中的重要環境層面之一。在管理建築噪音對周圍環境的影響時，我們嚴格遵守相關法律及法規。

就我們的建築項目而言，我們在工程開始前會先取得必須的建築噪音許可證，尤其是對於涉及夜間施工或撞擊式打樁的項目。為將噪音水平降至可接受的範圍，我們盡量減少所使用設備的數量及類型，在適用的情況下，我們按照法律規定為空氣壓縮機及手提撞擊式破碎機申請噪音標籤。在遵守許可證規範的同時，必要時我們亦會安裝隔音屏障，以降低建築噪音對附近對噪音感應強的地方的影響。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ENVIRONMENTAL RESPONSIBILITY (Continued)

#### Civil Engineering And Construction Business In Hong Kong (Continued)

##### Noise Control (Continued)

We regularly monitor the noise level at our construction sites against the requirements and specifications of their respective CNPs. In the reporting year, monitoring results of each site had not exceeded the noise level limit set by the CNPs.

##### Management of Construction Waste

We are committed to preventing pollution and mitigating potential environmental impacts arising from our projects and operation. Throughout the current financial year, the Group did not produce any hazardous waste. In managing construction waste, our objective is to promote the 3R policy, i.e. reduce, reuse and recycle, and devote to prevent construction waste from being disposed of in landfills. Specific measures include:

- Avoiding and minimizing construction waste generation at sources through better planning, designing and construction management;
- Reuse/recycle construction waste whenever possible;
- All construction wastes that could not be reuse/recycle are minimised, transported and disposed of in environmental friendly manners and in full compliance with statutory requirements; and
- Monitoring the performance of our subcontractors to ensure their compliance with our environmental requirements.

### 環境責任(續)

#### 香港土木工程及建造業務

##### 噪音管制(續)

##### 噪音管制(續)

我們定期監測我們建築工地的噪音水平，看其是否符合相關建築噪音許可證的要求及規定。於本報告年度，各個工地的監測結果全部未超出建築噪音許可證設定的噪音限度水平。

##### 管理建築廢料

我們致力防止由我們的項目及營運所引致的污染並減輕潛在環境影響。於本財政年度整個年度，本集團並無產生任何有害廢料。在管理建築廢料時，我們旨在宣傳3R政策(即減少使用(reduce)、物盡其用(reuse)及循環再用(recycle))，並極力防止將建築廢料丟棄於垃圾堆填區。具體措施包括：

- 透過更佳的規劃、設計及工程管理，避免及盡量減少在源頭產生建築廢料；
- 盡可能將建築廢料物盡其用／循環再用；
- 透過環保及完全遵守法定要求的方式，盡量減少、運輸及丟棄無法物盡其用／循環再用的一切建築廢料；及
- 監控分包商的表現，確保其遵守環境要求。



REDUCE 減少使用  
REUSE 物盡其用  
RECYCLE 循環再用

### ENVIRONMENTAL RESPONSIBILITY (Continued)

#### Hong Kong Headquarter Office

##### *Business Travel Reduction Policy*

The Group thoroughly understands that business travel will increase energy consumption, leading to increase in emission of greenhouse gas. Therefore, the Group actively reduces the number of business trips of employees to reduce the resulted greenhouse gas emissions. The Group also encourages employees to communicate in a green manner, e.g. replacing long-distance travel for face-to-face meetings by video and phone conferences so as to reduce greenhouse gas emissions caused by extra transportation. In addition, employees make use of public transportation during business trips whenever possible. The Group also encourages employees to plan travel and manpower arrangements earlier in advance in order to share vehicles and reduce energy consumption and pollution during travel.

During the current reporting year, the Greenhouse gas emissions (“GHG Emissions”) of Scope 3 GHG Emissions<sup>1</sup> (kg of CO<sub>2</sub>)<sup>2</sup> of Hong Kong headquarter office was decreased by 56% as compared with previous reporting period.

##### Notes:

1. According to the Carbon Audit Guidelines, Scope 3 Emissions refer to other indirect emissions (optional for reporting purposes). The disclosed figures are resulted from business air travel by employees.
2. The power company-specific emission factor of Hong Kong Electric Company is adopted for the calculation.

### 環境責任(續)

#### 香港總辦事處

##### *商業差旅節約政策*

本集團深切理解商務出差會增加能源消耗，導致溫室氣體排放的增加，故積極減少員工出差次數以降低因出差而導致的溫室氣體排放，並鼓勵員工採用綠色溝通方法，例如以視像及電話會議取代長途親身見面會議，致力減少由額外交通造成的溫室氣體排放。此外，員工出勤時均盡量使用公共交通工具，而且亦鼓勵員工及早規劃出行行程及人手調配，以便安排與會人員共乘同一車輛，降低出行過程中的能源消耗和污染。

香港總辦事處於溫室氣體排放中範圍3的溫室排放<sup>1</sup> (千克二氧化碳)<sup>2</sup>於本報告年度較上一個報告年度減少56%。

##### 附註：

1. 根據碳審計指引，範圍3溫室氣體排放指其他間接排放(可選擇申報)。披露數字源於僱員商務航空旅遊。
2. 此計算採用香港電燈有限公司之特定排放系數。



Scope 3 GHG Emissions' (Kg of CO<sub>2</sub>)<sup>2</sup>  
was decreased in the current reporting year

範圍3溫氣體排放(千克二氧化碳)<sup>2</sup>  
於本報告年度減少



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ENVIRONMENTAL RESPONSIBILITY (Continued)

#### Use of resources

The Group is committed to reducing negative impact to our environment by conducting our operation in an environmentally responsible manner. In order to reduce our environmental footprints in the workplace, we always look for opportunities to reduce unnecessary energy consumption and waste generation.

Electricity is the main source of energy used by our offices in our daily operations. Other resources such as fresh water and paper and printing ink are also consumed. As part of our environmental policy, we enact 3R practices – Reduce, Reuse and Recycle – to minimise the consumption of valuable resources and tackle waste. The various implemented measures to achieve low-carbon and green office, including:

#### Electricity consumption optimization

- Electric appliances are required to turn-off when unattended, reduce the standby energy consumption of office equipment such as computer;
- Strictly control the air condition temperature maintain temperature of air conditioners to the standard of 25.5 degrees in general conditions;
- Replace regular incandescent light bulbs with LED bulbs;
- Encourage the use of natural light whenever possible;
- Arrange lighting zoning to ensure that only required lighting is switched on; and
- Post the reminder slogan “Turn lights off when not in use”.

### 環境責任(續)

#### 資源利用

本集團致力於以對環境負責的方式開展業務，減少對環境帶來的不利影響。為降低我們於工作場地的環境足跡，我們一直尋求機會減少非必要的能源消耗及廢物排放。

電力乃我們日常運營中辦公室所用的主要能源。其他資源如飲用水及紙張及刷印油墨亦被消耗。作為環境政策的一部分，我們制定3R守則 — 減少使用、物盡其用及循環再用 — 以盡量減少耗用珍貴資源及解決浪費。集團為實現低碳綠色辦公室已推行各項措施，包括：

#### 減少電力消耗

- 無人時須關閉電器，減少電腦等辦公設備的待機耗能；
- 嚴格控制空調開啟溫度，一般條件下，保持空調溫度為標準25.5度；
- 用LED燈代替普通白熾燈泡；
- 鼓勵盡可能使用自然光；
- 安排照明區，確保只有需要照明的地方開燈；及
- 張貼「人走關燈」的提醒標語。

### ENVIRONMENTAL RESPONSIBILITY (Continued)

#### Electricity consumption optimization (Continued)

During the current reporting year, the Greenhouse gas emissions (“GHG Emissions”) of Scope 2 GHG Emissions<sup>1</sup> (kg of CO<sub>2</sub>)<sup>2</sup> of Hong Kong headquarter office and Construction business headquarter office were decreased by 8% and 5% respectively as compared with previous reporting period.

### 環境責任(續)

#### 減少電力消耗(續)

香港總辦公室及工程業務總辦公室於溫室氣體排放中範圍2的溫室排放<sup>1</sup>(千克二氧化碳)<sup>2</sup>於本報告年度較上一個報告年度分別減少8%及5%。



| Hong Kong headquarter office<br>香港總辦公室           | Construction business headquarter office<br>工程業務總辦公室 |
|--|--|
| 5,904 kg CO <sub>2</sub> /kWh<br>每千瓦時5,904公斤二氧化碳 | 126,032 kg CO <sub>2</sub> /kWh<br>每千瓦時126,032公斤二氧化碳 |
|  |  |
| 5,419 kg CO <sub>2</sub> /kWh<br>每千瓦時5,419公斤二氧化碳 | 119,870 kg CO <sub>2</sub> /kWh<br>每千瓦時119,870公斤二氧化碳 |

#### Notes:

1. According to the Carbon Audit Guidelines, Scope 2 Emissions refer to energy indirect emissions. The disclosed figures are resulted from electricity purchased from power companies.
2. The power company-specific emission factor of Hong Kong Electric Company is adopted for the calculation.

#### 附註：

1. 根據碳審計指引，範圍2溫室氣體排放指能源間接排放。披露數字源於從電力公司購買之電力。
2. 此計算採用香港電燈有限公司之特定排放系數。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ENVIRONMENTAL RESPONSIBILITY (Continued)

#### Reducing use of water

- Install automatic faucet to avoid waste of water;
- Constantly reminds employees to conserve water by putting up water conservation labels in washrooms, employee canteens and rest areas, such as “Please turn off the tap after washing hands” and “It is everybody’s responsibility to save water”;
- Carry out regular leakage tests on piping and check for overflowing tanks, worn tap washers and other defects of the system;
- Use manufacturing equipment which ensure economy in water whenever possible.

In respect of construction works, to conserve resources, the Group continuously implement various measures including:

- Conversion & retrofitting of construction machine to fit into different construction site;
- Compliance with the Code of Practice for Energy Efficiency of Building Services Installation 2012 and the subsequent amendment for Lighting, Air Conditioning, Electrical and Lift Installations;
- Reuse of used timber in construction sites and recycling of materials like metal parts, plastics and paper packaging; and
- Reuse treated construction wastewater for water spraying and wheel washing when possible.

### 環境責任(續)

#### 減少用水

- 安裝自動水龍頭，避免浪費水；
- 提醒員工節約用水，例如在洗手間、員工飯堂及員工休息間貼上節約用水標籤，包括「洗手後，請關上水龍頭」及「節約用水，人人有責」；
- 定期進行管道洩漏測試，檢查滿溢的水箱，破舊的水龍頭墊圈及系統的其他缺陷；
- 盡可能使用經濟用水的生產設備。

在建築業務方面，為保護資源，本集團持續實施多項措施，包括：

- 改造及改裝建築機械，以配合不同的建築工地；
- 遵守「屋宇裝備裝置能源效益實務守則(2012年)」及之後其有關照明、空調、電力及升降機裝置的修訂；
- 重複使用建築工地已使用過的木材及循環利用金屬零件、塑膠及紙質包裝等材料；及
- 盡可能重複使用處理過的建築廢水，如用於灑水及清洗車輪。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ENVIRONMENTAL RESPONSIBILITY (Continued)

#### Environment and natural resources

The Group is well aware that the earth's natural resources are limited. Thus, apart from implementing measures for managing resources consumption and reducing waste generated, various other policies have been implemented to manage the impact of our operations on the environment and natural resources. Natural resources that the Group consumed in normal course of operations involve paper. To reduce environmental impacts and raise the efficiency on printing and minimize paper consumption, the Group focuses on developing recycling measures and requires all employees to:

- Default office printing as duplex in offices;
- Use of recycle paper whenever possible;
- Set wider page margins so that more text would be filled in each page;
- Use e-mails as much as possible and reduce paper usage on fax;
- Reuse paper printed on one side for manuscript paper or printing paper;
- Promotes a green office, encouraging the use of electronic files in its daily operation by replacing printed filing with computer archiving and implementing paperless office and resources sharing to reduce the use of printed files;
- Encourages to minimise the use of office resources such as water, paper and printing machines, and to store drawings and product information electronically so as to facilitate information search, management and sharing; and
- Printer toner cartridges used by the Hong Kong Headquarter are regularly recycled by the suppliers.

### 環境責任(續)

#### 環境及自然資源

本集團深知地球的自然資源有限。因此，我們不僅推行各種措施管理資源消耗及減少廢物排放，亦已實施其他不同政策以管理我們的業務營運對環境及自然資源產生的影響。本集團於日常業務過程中消耗的自然資源包括紙張。為減輕環境影響並提高印刷效率及盡量減少紙張消耗，本集團專注於制定回收措施並要求全體員工：

- 辦公室的打印默認為雙面打印；
- 盡可能使用回收紙張；
- 設置更寬的頁邊距，令每個頁面可容納更多內容；
- 盡可能使用電郵，減少傳真用紙；
- 重複使用單面打印的紙張作草稿紙或打印紙；
- 推廣綠色辦公室，在日常營運中提倡加強文檔電子化要求，使用電腦存檔代替印刷檔，盡量實行無紙化辦公及資源共用，以減少印刷檔的使用；
- 提倡減少辦公室的資源運用，如水、紙、列印機等，並將圖檔、產品資料電子化及無紙化，以解決查找困難及管理問題，實現資源分享；及
- 使用之打印機碳粉盒均會定期交予供應商進行回收。



# Environmental, Social and Governance Report

## 環境·社會及管治報告

### ENVIRONMENTAL RESPONSIBILITY (Continued)

#### Environment and natural resources (Continued)

During the current reporting year, the paper consumption of Hong Kong headquarter office and Construction business headquarter office are 337 kg and 1,307 kg respectively which decreased by 2% in total as compared with previous reporting period.

### 環境責任(續)

#### 環境及自然資源(續)

香港總辦公室及工程業務總辦公室用紙量分別於本報告年度分別為337千克及1,307千克，較上一個報告期間減少2%。

2%

Paper  
Consumption  
用紙量

was decreased in total in the  
current reporting year

於本報告年度總用量減少

Besides, considering the negative impact that our Chongqing operation site brings to the environment during normal courses of production was unavoidable, the Group will alternatively find ways to mitigate its effect brings to the environment, such as planting trees in its Chongqing production site in order to reduce CO<sub>2</sub>.

Throughout the current financial year ended, the Group is not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the Group.

除此之外，鑒於我們的重慶營運基地在正常生產過程中無可避免對環境帶來不利影響，本集團將另覓途徑減輕其對環境產生的影響，例如在其重慶生產地植樹以減少二氧化碳。

截至本財政年度止，本集團並無獲悉任何嚴重違反有關氣體及溫室氣體排放、向水及土地的排污以及產生有害或無害的廢棄物之法律法規，而對本集團造成重大影響。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SOCIAL RESPONSIBILITY

#### Employment and labour practices

Our team of 611 employees (31 December 2017: 896) are the most important asset of the Group. The Group is devoted to shape a non-discriminating, diverse, fair and harmonious workplace disregard of the number of employees. The Group comply straightly with all applicable rules and regulations of the “Labour Law of the People’s Republic of China” and “Employment Ordinances of Hong Kong Administrative Region”.

The Group seeks and welcomes people with talent and passion. We are committed to establishing an inclusive, diverse and discrimination-free culture in our Group.

The Group complies with national laws and regulations, and treats all job applicants equally without any unequal restrictions and unequal preferential policies and provides equal opportunities for all job applicants. Moreover, the recruitment process is open and transparent and is monitored with no backroom deals allowed. The Group also complies with the labour law and will not employ any child labour.

On employment of employees, all job positions are open to all with equal opportunities, decided with no discrimination on sex, race, religion, gender, age and disability basis, and selected on skill and competency basis. We identify potential new hires using appropriate assessment tools and regularly review our recruitment mechanism to ensure criteria for recruitment aligns with our up-to-date requirements. The Group also consider internal promotion and job rotation to ensure equal opportunities are given to existing employees. The Group treats all employees equally and consideration for issues such as employment, salary, benefit package, bonus, promotion and dismissal is solely based on their education background, professional qualifications and competency, and male and female employees are treated equally. At all time, we comply stringently with all applicable local rules and regulations in anti-discrimination.

### 社會責任

#### 僱傭及勞工常規

我們的團隊有611名(二零一七年十二月三十一日:896名)僱員,是本集團最重要的資產。無論僱員人數多寡,本集團致力營造一個無歧視、多元化、公平及和諧的工作環境。本集團嚴格遵守《中華人民共和國勞動法》及香港特別行政區《僱傭條例》的所有適用規則及規例。

本集團尋求及歡迎富有才能及熱誠的人才。我們致力在本集團建立包容、多元及無歧視的文化。

本集團遵守國家法律法規,對所有求職者一視同仁,不設不平等的限制條件和不平等的優先優惠政策,為求職者提供平等的競爭機會;而且招聘是公開透明,接受任何監督,不會容許黑箱作業發生;亦恪守勞動法,不聘用童工。

在僱員聘用方面,所有工作崗位均對所有人提供開放及一視同仁的平等機會,根據技能及能力甄選人才,而不會基於性別、種族、宗教、性別、年齡及殘疾等因素而有區別對待。我們使用適當的評核手段甄選潛在新員工,並定期檢討我們的招聘機制,以確保招聘標準切合我們的最新要求。本集團亦會考慮內部晉升及輪崗,以確保為現有僱員提供平等的機會。本集團完全依據員工的教育水平、專業資格和工作能力以考慮聘用、工資、福利、獎勵、晉升、解聘等事宜,對男性和女性提供同等待遇。我們一直嚴格遵守所有適用的當地反歧視規則及規例。



# Environmental, Social and Governance Report

## 環境·社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Employment and labour practices (Continued)

Employees' remunerations are determined with reference to the market level as well as their competency, qualifications and experience. The Group has established a comprehensive performance review mechanism in order to evaluate performance of employees openly and fairly. The Group offers competitive remuneration and benefit package to employees to express our great gratitude towards their effort.

The Group treasury employees as the most important core asset. In addition to operating its business diligently and attending to the needs of employees, the Group pays close attention to employees' work and life balance. Employees' balanced life style can improve the overall efficiency of the Group. Therefore, the Group shall comply with local regulations and policies to ensure proper employees' working hours and rest days. For example, Beijing vehicle design centre arranges rest days for employees in accordance with its Attendance and Vacation System. Furthermore, to strengthen employees' sense of belonging to the Group and create a harmonious working atmosphere, the Group adopts a series of policies to ensure the work and life balance as follows: Ensure employees have proper breaks and leaves according to the relevant laws and regulations in mainland China and Hong Kong; Target to create a harmonious working atmosphere and a comfortable workplace; Concern about employees' health and care for their families.

### 社會責任(續)

#### 僱傭及勞工常規(續)

員工薪酬是參照市場水平以及員工的能力、資歷及經驗而釐定。本集團已建立全面的績效評審機制，以公開公平地評核員工的績效。本集團向僱員提供具競爭力的薪酬福利待遇，以回報員工的努力付出。

本集團視員工為最重要的核心資產，本集團除用心經營及照顧同仁的需要，更重視員工工作與生活的平衡；員工的生活得以放鬆，亦能有助提升企業的整體效率。故本集團務必遵照當地國家法規政策，保障員工工作時數及休假日，例如按照內部之《考勤休假制度》安排各員工休息日。此外，為加強員工對本集團的歸屬感，營造團結和諧之工作氣氛，本集團採納以下一系列的工作生活平衡政策：遵守中國內地和香港的相關法規政策，保障員工休息、休假；以營造團結和諧的工作氣氛、溫馨舒適的工作環境為宗旨；關心員工身體健康，關懷員工家庭。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Employment and labour practices (Continued)

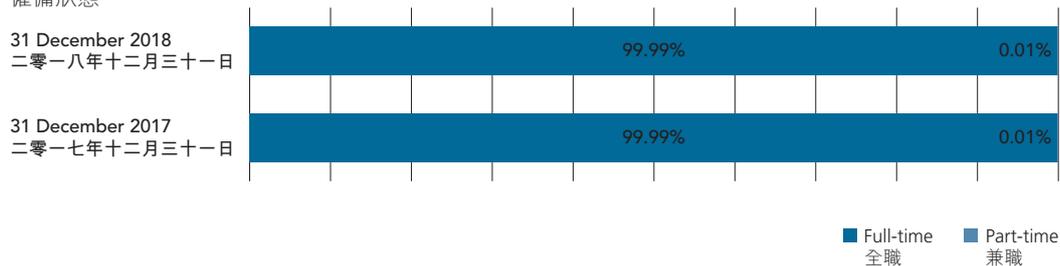
As at 31 December 2018, the Group had 611 employees (31 December 2017: 896), with details as follows:

### 社會責任(續)

#### 僱傭及勞工常規(續)

於二零一八年十二月三十一日，本集團有611名(二零一七年十二月三十一日：896名)僱員，詳情如下：

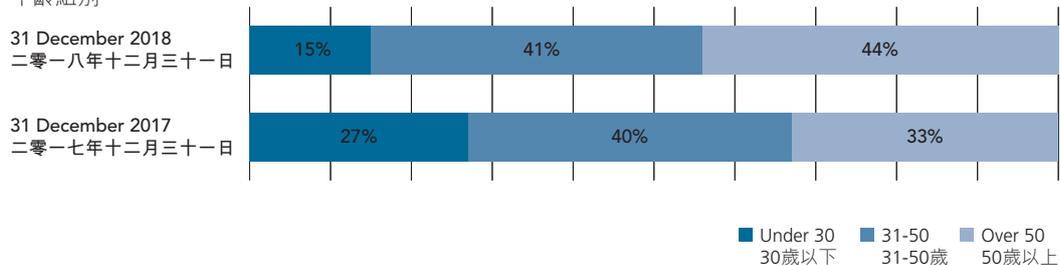
#### Employment status 僱傭狀態



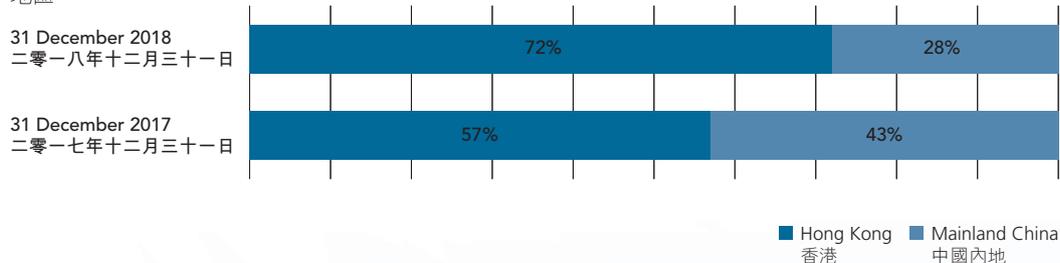
#### Gender 性別



#### Age Group 年齡組別



#### Region 地區





# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Employment and labour practices (Continued)

In addition to our employees, we also believe board diversity plays an important role in enhancing the Group's sustainable development. Nomination Committee was established not only to recognise the terms of relevant Code Provisions of the Stock Exchange Code, but also to review the structure, size, composition and diversity of the Board from time to time. In designing the Board's optimal composition, a range of diversity perspectives with reference to the Group's business model and specific needs will be considered, including but not limited to gender, age, culture, race, educational background, professional experience, knowledge and skills.

As at 31 December 2018 and 2017, details of our Board as follows:

### 社會責任(續)

#### 僱傭及勞工常規(續)

除僱員層面外，我們亦相信董事會成員多元化對加強本集團的可持續發展起著重要作用。成立提名委員會不僅是為遵守聯交所相關守則條文的條款，亦是為不時檢討董事會的架構、人數、組成及多元化。在設定董事會成員的最佳組合時，會參考本集團業務模式和特定需求，從一系列多元化範疇進行考慮，包括但不限於性別、年齡、文化、種族、教育背景、專業經驗、知識及技能。

於二零一八年及二零一七年十二月三十一日，董事會的詳情如下：

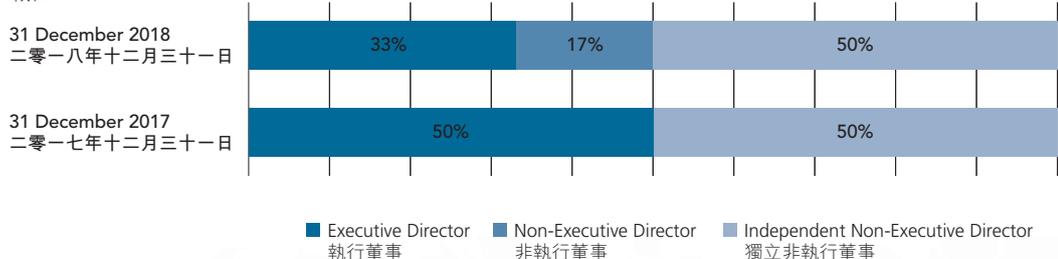
#### Gender 性別



#### Age 年齡



#### Designation 職位



### SOCIAL RESPONSIBILITY (Continued)

#### Health and safety

Safety is the top priority in everything we do. In order to achieve our goal of zero injuries, we pay special attention to providing a healthy and safe working environment for all of our employees. To meet our goal of zero injuries, we strive to integrating health and safety considerations into all aspects of our business activities. Relevant policies in Chongqing production base as follows, including but not limited to:

- Complying fully with all applicable laws and regulations;
- Providing trainings, such as safety use of equipment, emergency management and rescue, etc., regularly to enhance staffs' awareness of relevant health and safety issues;
- For high-temperature maintenance and holiday maintenance, risk control measures and the site monitoring program of key project were determined at special seminars, and safety production conditions were reported, achieving zero safety accidents during holidays and high temperature maintenance holiday;
- Posting occupational safety signs in every operation sites to alert workers the importance of occupational safety;
- Reviewing and revising safety guidelines from time to time;
- Performing regular check on machines and equipments to ensure they are properly functioning; and
- Carrying out emergency drills periodically to enhance the ability of emergency preparedness and response of workers.

### 社會責任(續)

#### 健康與安全

安全是我們一切工作的重中之重。我們特別重視為全體僱員提供健康與安全的工作環境，致力實現零受傷目標。為達致零受傷目標，我們致力將健康與安全考慮融入我們業務活動的各個方面。重慶生產基地採取的相關政策包括但不限於：

- 全面遵守所有適用法律及法規；
- 定期提供安全使用設備、突發事件管理及急救等培訓，加強員工有關健康與安全問題的意識；
- 針對高溫檢修、節日檢修，專題研討確定風險控制措施和重點項目現場監管方案，並報送安全生產情況，實現了各類節假日、高溫檢修假期安全零事故；
- 在每個營運點張貼職業安全標誌，提醒工人重視職業安全；
- 不時檢討及修訂安全指引；
- 定期檢查機器及設備，確保其正常運作；及
- 定期開展應急演練，提高工人應急準備能力及應對能力。



# Environmental, Social and Governance Report

## 環境·社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Health and safety (Continued)

In respect of construction business operation, it is vital for our employees and subcontracted workers to be on the alert for potential hazards, and follow strict safety protocol when working onsite. Our occupational health and safety management system has been certified compliance with OHSAS 18001, which is aligned with international standards of best practice. We work closely with our subcontractors to ensure that all subcontracted workers we engage are given comprehensive safety training during different project stages:

- Risk assessment is conducted on each project at the outset to identify the risks associated to determine and implement relevant precautionary measures
- Induction trainings are provided before commencement of work
- Site-specific training is organised when technical and complicated work procedures are to be executed

As well as attending today-to-day health and safety considerations, we must be prepared for the unexpected. To augment the ability of emergency preparedness and response of our employees, all of our operating companies are required to carry out emergency drills and safety exercises periodically according to applicable national laws and regulations as well as emergency preparedness plans.

We also believe that regular education and training play a vital role in raising and maintaining the occupational health and safety awareness among our people at all times. We covered topics such as safety use of equipment, prevention and handling of accident, emergency management and rescue, production safety and corresponding laws and regulations, fire protection knowledge, etc.

### 社會責任(續)

#### 健康與安全(續)

我們的職業健康及安全管理系統已獲認證符合與國際標準最佳常規一致的OHSAS 18001。在建築業務方面，對我們的僱員及分包工人而言，在工地施工時對潛在危害提高警覺並遵循嚴格安全守則乃至關重要。我們與分包商緊密合作，確保我們委聘的所有分包工人於不同項目階段均獲提供全面的安全培訓：

- 我們於各項目開始時進行風險評估，以識別相關風險，從而釐定並實施相關預防措施
- 於展開工程前，我們提供入職培訓
- 於執行技術型及複雜工程程序時，我們組織工地特定培訓

除關注日常健康及安全外，我們必須為意外做好準備。為加強僱員的緊急應變及反應的能力，我們所有的營運公司均須根據適用國家法律及法規以及緊急應變計劃，定期進行突發事故演練及安全演習。

我們亦相信，在任何時候，定期教育及培訓在提高及維持我們員工的職業健康及安全警覺方面均具有重要作用。我們涵蓋安全使用設備、預防及處理意外、緊急管理及救援、生產安全及相應法律及法規、消防知識等主題。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Health and safety (Continued)

In the event of any safety incident at work, our employees have to report and investigate the incident in accordance with the Group's policy. All employees must report to their supervisors in respect of any accident at work for immediate implementation of appropriate protective measures.

In both the current and prior reporting year, our Chongqing production plant and achieved the Group's goal of zero fatalities.

#### Safety performance

### 社會責任(續)

#### 健康與安全(續)

倘工作期間發生任何安全事故，我們的僱員須根據本集團政策報告及調查事故。全體僱員必須就工作期間的任何意外向其監事報告，以便即時實施適當保護措施。

於本報告年度及上一報告年度，我們於重慶生產廠房均達成本集團零死亡目標。

#### 安全表現

|   |                         | Year ended<br>31 December<br>2018<br>截至<br>二零一八年<br>十二月三十一日<br>止年度 | Year ended<br>31 December<br>2017<br>截至<br>二零一七年<br>十二月三十一日<br>止年度 |
|---|-------------------------|--|--|
| <b>Chongqing production base</b>                                    | <b>重慶生產基地</b>           |  |  |
| Fatalities  | 死亡宗數                    | —  | —  |
| Number of lost time injuries  | 損失工時工傷宗數                | —  | 1  |
| Number of days lost   | 損失天數                    | —  | 43   |
| Number of occupational disease                                      | 職業病宗數                   | —  | —  |
| <b>Civil Engineering and Construction<br/>Business in Hong Kong</b> | <b>香港土木工程及<br/>建造業務</b> |  |  |
| Fatalities  | 死亡宗數                    | —  | 1  |
| Number of lost time injuries  | 損失工時工傷宗數                | 7  | 10   |
| Number of days lost   | 損失天數                    | 24   | 44   |
| Number of occupational disease                                      | 職業病宗數                   | —  | —  |



# Environmental, Social and Governance Report

## 環境·社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Development and training

The Group considers that the capabilities of our employees are the key requirements to maintain the Group's sustainability and to increase the revenue for the Group. The Group offers different types of training programs regularly and on needed basis for employees to improve their skills and satisfy position needs. Meanwhile, the Group encourages employees to actively participate in position-related trainings organized by external institutions in order to enhance individual professional quality and efficiency, the costs of which would be paid by the Group on application and by discretion of the senior management.

#### Labor standards

The Group has a comprehensive human resources policy in place regarding recruitment, dismissal, leaves, holidays and benefits to support our works on manpower resources. The Group stringently complies with the People's Republic of China and the Hong Kong Special Administrative Region labor laws and employment regulations, and has totally forbidden recruitment of child labor and forced labor.

### 社會責任(續)

#### 發展及培訓

本集團認為，我們僱員的能力是維持本集團可持續發展及擴增收益的關鍵。本集團定期及按需求為僱員提供不同類型培訓項目，以提升其技能及滿足崗位需求。同時，本集團鼓勵僱員積極參與對外部機構舉辦的崗位相關培訓，以提升個人專業質素及效率，有關費用可在申請後根據高級管理層酌情決定由本集團支付。

#### 勞工準則

本集團在招聘、解僱、離職、休假及福利方面制定了全面的人力資源政策，以支持人力資源工作。本集團嚴格遵守中華人民共和國及香港特別行政區的勞動法及僱傭規例，並全面禁止僱用童工及強制勞工。

### SOCIAL RESPONSIBILITY (Continued)

#### Labor standards (Continued)

##### *Child Labour Prevention Policy*

The Group strictly abides by national laws and regulations and prohibits the use of child labour. To effectively avoid the use of child labour, applicants are required to be at least 18 years old as set out in the recruitment advertisement. Applicants' identification documents and resumes are also carefully checked during recruitment to verify their age. Accordingly, a job applicant will only be interviewed after verification of his or her identification document in order to avoid employing child labour using the others' identification document. Through annual review on child labour and daily management, the Group will immediately terminate any employment which is identified as use of child labour.

##### *Forced Labour Prevention Policy*

The Group strictly abides by national laws and regulations and prohibits all forms of forced labour. The following measures are implemented strictly: A labour contract or internship agreement shall be signed by every employee on fair and voluntary basis; Detention of an employee's identity card, temporary residence permit or other identification documents is strictly prohibited; No department or person is allowed to physically abuse, assault, body search or insult an employee or to restrict an employee's personal freedom by locking up workplace or employee quarters; and No department or person is allowed to force an employee to work by any means of violence, threat or unlawful restriction of personal freedom. The overtime work is required to be arranged under such principle by the Group to prevent all involuntary overtime work. Any identified deviation from this principle shall be investigated immediately.

In both 2018 and 2017, there were zero reported cases of discrimination and unethical labor practices.

### 社會責任(續)

#### 勞工準則(續)

##### *防止童工政策*

本集團嚴格遵守國家法律法規，禁止僱用任何童工。為了有效防止童工，在招聘廣告內會規定應徵者最少須年滿十八歲，在招聘時也會仔細查看應徵者的身份證明文件及其履歷表，以核實其年齡。有鑒於此，本集團在面試求職者之前，會首先查驗證件，以核實身份，並防止童工借用他人證件求職。本集團透過每年的童工審查及日常管理，如發現童工時會即時終止僱用。

##### *防止強制勞工政策*

本集團嚴格遵守國家法律法規，禁止一切形式的強制勞工，並嚴格執行以下措施：與所有員工在平等自願的基礎上簽訂勞動合同或實習協定；絕不扣留員工的居民身份證、暫住證和其他證明個人身份的證件；嚴禁任何部門、任何人對員工進行體罰、毆打、搜身和侮辱，以及鎖閉工作場所和員工宿舍限制員工人身自由；及嚴禁任何部門、任何人以暴力、威脅或者非法限制人身自由的手段強迫員工勞動。本集團要求按此原則安排加班工作，以防止所有非自願的超時工作。當發現有不符合該程序的情況，定必立即展開調查。

於二零一八年及二零一七年兩個年度，並無接獲有關歧視及不道德勞工行為的報告。

# 0

Reported case  
宗申報個案

of discrimination, child labour and forced labour in the current reporting year

本報告年度歧視、童工及強制勞工



# Environmental, Social and Governance Report

## 環境·社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Operation practices

As the Group regards supply chain competitiveness as one of the core corporate competitiveness, we have maintained supply chain management strategy of balancing between quality and efficiency. At all time, the Group adheres to the principle of integrity first and conducts business according to the operation practices which are compliance with the local rules and regulations.

#### Supply chain management

Our supply chains mainly cover three general categories: (i) office supply chains; (ii) raw materials of automotive engine supply chains; and (iii) construction work with subcontractors and suppliers.

The Group recognises the supply chains play in an important role in the overall sustainability performance. Stringent guidelines were adopted to guide the assessment of suppliers. Suppliers are assessed for their capability to fulfil our business needs based on a price and non-price factors such as labor practices, environment and quality.

#### *Automotive engine supply chains*

The Group applies a systematic method to choose its suppliers in respect of automotive engine supply chains based on the following capabilities:

- Quality Management — Taking into consideration the quality of raw materials sourced from the supplier.
- On-Time Delivery — Determining if the products we ordered are delivered on time, and whether all of the ordered products were actually delivered.
- Logistics Process Management — Assessing the accuracy of the delivery, that is, whether the delivery was made according to our delivery time, delivery date and delivery location.
- Others — Following other supply chain management considerations stipulated by the Group.

### 社會責任(續)

#### 營運慣例

本集團將供應鏈競爭力視為企業的核心競爭力之一，我們堅持品質與效益並重的供應鏈管理方針。本集團始終秉持誠信第一的原則，並根據符合當地法律及法規的營運慣例開展業務。

#### 供應鏈管理

我們的供應鏈主要涵蓋三大類別：(i)辦公供應鏈；(ii)汽車發動機原材料供應鏈；及(iii)建築工程合作分包商及供應商。

本集團深信供應鏈對整體可持續發展表現而言至關重要。我們已採納嚴格的供應商評核指引。我們依據價格和非價格因素(例如勞工慣例、環境及質量等)，評估供應商滿足我們業務需求的能力。

#### *汽車發動機供應鏈*

就汽車發動機供應鏈為主，本集團採用系統化方法挑選供貨商，當中參考供貨商以下各項能力：

- 質量管理 — 考慮從供貨商採購的原材料的質量。
- 準時交付 — 考慮我們訂購的產品有否準時交付及是否所有訂購產品均實際交付。
- 物流過程管理 — 評估遞送的準確性，即釐定是否根據我們的交付時間、交付日期及交付地點遞送。
- 其他 — 按照本集團所規定的其他供應鏈管理考慮因素。

### SOCIAL RESPONSIBILITY (Continued)

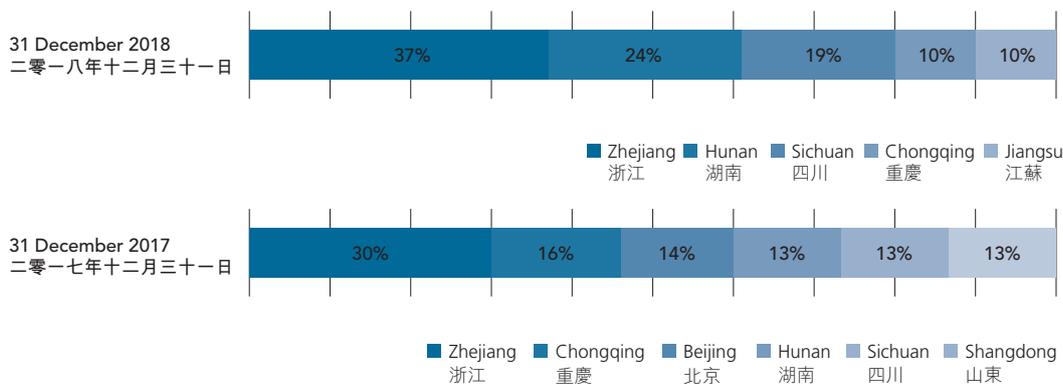
#### Supply chain management (Continued)

##### Automotive engine supply chains (Continued)

We have placed strict controls over our suppliers. We have put in place a set of criteria that must be met by our suppliers. If a certain supplier does not meet our criteria, we will then not use that supplier. For example, if a supplier loses the safety license, we will stop using that supplier. During the period of business association with the supplier, the Group would conduct regular evaluation of the supplier, in which a comprehensive evaluation of performance would be carried out annually to ensure our products will not be affected by the quality issues of the suppliers' products.

Procurement department of the Group will continuously seek potential new suppliers in an attempt to find more reliable and price competitive products for operation. To further enhance the sustainability of the supply chains, the Group tried to source goods locally whenever possible. In both 2018 and 2017, all suppliers of our Chongqing manufacturing plants were located in the Mainland China. During the current financial year ended 31 December 2018, we procured from 7 (2017: 6) key suppliers<sup>1</sup> for a total of RMB74,270,000 (equivalent to approximately HK\$88,124,000) (2017: RMB419,549,801 (equivalent to approximately HK\$483,908,740)), which constitutes to approximately 35% (2017: 40%) of the total purchase amount of our Chongqing manufacturing plants.

Key Suppliers Purchase Amount by City  
按城市劃分的主要供應商採購金額



<sup>1</sup> Suppliers who supplied goods to the Group over RMB5,000,000

### 社會責任(續)

#### 供應鏈管理(續)

##### 汽車發動機供應鏈(續)

為了嚴格規範供貨商，我們已制訂一套標準予供貨商遵守。若某一供貨商不符合相關標準，則我們不會再使用該供貨商。例如，任何供貨商一旦失去安全許可證，我們將停止使用該供貨商。本集團與供貨商合作期間會定期對供貨商進行評價，而每年亦會進行一次綜合表現評估，以確保我們的產品不受供貨商的产品質量影響。

本集團的採購部門將不斷物色潛在新供應商，為我們的營運尋找更可靠及更具價格競爭力的產品。為進一步提升供應鏈可持續性，本集團盡可能於本地採購貨品。於二零一八年及二零一七年兩個年度，重慶製造廠的所有供應商均位於中國內地。於截至二零一八年十二月三十一日止的本財政年度，我們從7名(二零一七年：6名)主要供應商<sup>1</sup>採購貨品，合計人民幣74,270,000元(相當於約88,124,000港元)(二零一七年：人民幣419,549,801元(相當於約483,908,740港元))，佔重慶製造廠總採購額約35%(二零一七年：40%)。

<sup>1</sup> 向本集團供應超過人民幣5,000,000元貨品的供應商



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Supply chain management (Continued)

##### *Civil Engineering and Construction supply chains*

During construction projects, we have to work with different subcontractors and suppliers. Therefore supply chain management is important to the Group's provision of quality construction work. We have well-established procedures regarding the selection and control of subcontractors and supplier partners. The Selection of Subcontractor and Supplier Policy documents our procedures in selecting suppliers for projects, and requires cautious assessment of suppliers based on criteria like reputation, capability, work quality, experience and other relevant factors.

During the course of project we continue to monitor supplier performance, and adopt adequate control measures to ensure that the purchased product conforms to project specifications. Every year, we evaluate supplier performance to help determine if the supplier qualifies to stay in our Approved Subcontractors/Suppliers List. Supplier behaviours are guided by the Supplier Code of Conduct and site visits are performed to confirm their compliance to the questionnaire.

##### *Encouraging Good Labour Practice*

Not only are we committed to treating our own people fairly and with respect, we also require our construction subcontractors to follow sound labour practices. At a minimum, we expect our subcontractors to operate with integrity, treat their people fairly and ensure compliance with all applicable laws and regulations. We will hold regular meetings with subcontractors to ensure they and their workers align with our environmental protection policy.

##### *Supporting Local Subcontractors*

We choose to work with subcontractors in Hong Kong whenever possible. Throughout 2018, all of our subcontractors are located in Hong Kong. We believe that in doing so, we contribute to the local economy. We will also assess the viability of incorporating more medium or even social enterprises in our supply chain to promote local entrepreneurship.

### 社會責任(續)

#### 供應鏈管理(續)

##### *土木工程及建築供應鏈*

於建築項目中，我們需與不同的分包商及供應商合作。因此，供應鏈管理對於本集團提供優質建築工程至關重要。我們擁有成熟的分包商及供應商夥伴甄選及控制程序。分包商及供應商甄選政策列明我們為項目甄選供應商的程序，並規定根據聲譽、能力、工作質素、經驗及其他相關因素等標準對供應商作出審慎評估。

於項目過程中，我們繼續監督供應商表現，並採取充足的控制措施確保所購買的產品符合項目規格。我們會每年評估供應商的表現，以助決定有關供應商是否合資格繼續名列我們的認可分包商／供應商名單。供應商行為受供應商行為守則指引，我們會進行實地考察以確認彼等符合考察。

##### *鼓勵良好勞工常規*

我們不僅致力於以公平及尊重的態度對待我們本身的員工，我們亦要求工程分包商遵循良好的勞工常規。我們期望分包商最低限度以誠信經營、公平對待其員工及確保遵守所有適用法律及法規。我們將與分包商舉行定期會議，確保其及其工人遵守我們的環保政策。

##### *支持本地分包商*

我們盡可能選擇與香港分包商合作。於二零一五年全年，我們的所有分包商均位於香港。我們相信，這可為本地經濟作出貢獻。我們亦將評估將更多中型甚或社會企業融入我們供應鏈中的可行性，以促進本地企業的發展。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Supply chain management (Continued)

##### *Construction Worker Safety*

We have a stringent occupational health and safety management system that meets the OHSAS 18001 standard. We will conduct safety assessment on our subcontractors to ensure all constructions are undertaken in a safe manner. Regular meetings are held between our project manager and subcontractors to discuss a variety of matters including the health and safety aspects of the project.

Prior to construction project commencement:

- Conduct safety assessment on subcontractor and the project
- Site safety induction training specific to the conditions of individual sites

During the project:

- Communications are frequently held to enhance alertness of workers
- Meetings with subcontractors and perform site visit to keep track on progress and quality of work

### 社會責任(續)

#### 供應鏈管理(續)

##### *建築工人的安全*

我們設有嚴格的職業健康及安全管理系統，符合OHSAS 18001標準。我們將對分包商進行安全評估，確保所有工程均以安全方式承接。我們的項目經理會與分包商進行定期會議，以討論包括項目的健康及安全方面等事宜。

展開工程項目前：

- 對分包商及項目進行安全評估
- 就個別工地的環境提供特定工地安全入職培訓

項目期間：

- 保持經常溝通以提高工人警覺性
- 與分包商舉行會議，並進行工地考察，以緊貼工程進度及質量



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Product responsibility of Chongqing automotive production base

Product responsibility is one of the critical concerns of the Group at all time. We believe that our commitment to enhancing the quality of products is instrumental in maintaining our overall reputation. We are committed to providing customers with quality and safe products. All new joined employees are required to participate compulsory training program to ensure they are well trained for their position and understand the product standard of the Group. We also conduct stringent quality assurance programs and quality control procedures. All automotive engines must be tested for their safety and quality before selling to ensure they meet specific safety standards under the industry regulations. In case of any noncompliance or material quality issues found on our products, we also have relevant task force to handle.

The Group is well aware that high-quality products are essential to long-term business development, and hence, all products of the Group are subject to quality inspection procedures. Chongqing production base apply the three guarantees policy on sale of automotive engine, parts and components in accordance with national standards, which provides warranty on all the automotive engine, parts and components as a commitment to after-sales service. The quality inspection procedures are as follows:

- The Group will only purchase raw materials from suppliers with a product quality certificate;
- Upon completion of production, the products will be sent to the Inspection Unit of the Quality Department to verify their safety and quality;
- A verification report will be issued by the Inspection Unit upon completion of the verification;
- Only the qualified products will be launched to the market for sales; and
- The rejected products and verification reports will be verified again after such products are refurbished.

### 社會責任(續)

#### 重慶汽車生產基地產品責任

產品責任一直是本集團的關注重點之一。我們相信，致力提高產品質量有助維護我們的整體聲譽。我們致力於為客戶提供優質及安全的產品。所有新入職員工均須參加強制性的培訓項目，以確保彼等能勝任崗位要求及了解本集團的產品標準。我們亦實行嚴格的質量保證計劃及質量控制程序。所有汽車發動機於銷售前必須進行安全及質量測試，確保符合行業規定的特定安全標準。若產品出現任何不合規或重大質量問題，我們亦有專責團隊進行處理。

本集團深明生產優質的產品是支持業務長遠發展的要素，故所有本集團的產品均須經過質量檢測程序。重慶生產基地對所銷售發動機及零部件按國家標準實行三包政策，保證產品售後服務體系。質量檢測程序如下：

- 供貨商提供的原材料都需要有產品合格驗證書，本集團才會購買；
- 產品製作完成後，會送往質量部檢驗科驗證其安全及質量；
- 完成驗證後，檢驗科會出具驗證報告；
- 驗證合格的產品，才會推出市場售賣；及
- 被拒絕的產品及驗證報告，在產品整修後再驗證。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Quality Management of Civil Engineering and Construction Business in Hong Kong

We believe that our commitment to enhancing the quality of our management and construction works is instrumental in maintaining our overall reputation. In pursuit of quality, we implement and operate a quality management system in accordance with the requirements of ISO 9001.

To ensure delivery of quality work to our customers, our project team members are well trained in implementing our quality control measures which comprise monitoring, verifying and validating the construction, installation works and materials before delivery of completed project works to our customers. Regular inspection will be conducted by our project team members to ensure that the work completed conforms to the specifications and requirements set out in the relevant contract.

Meanwhile, the Group recognises the importance of its supplier and customers' personal data protection. The Group has established stringent guidelines to protect and monitor personal data and privacy. Personal data of our suppliers and customers are treated as highly confidential and accessible only by authorised personnel. Internal trainings were organized in order to ensure employees have well understanding of those policies so that relevant guidelines could smoothly enact. We are also devoted to protect intellectual property rights and trademarks of our suppliers to support their business interests and confidentiality.

#### Anti-corruption

The Group is committed to providing quality products and services to customers and all employees must perform duties at the highest level of integrity, commitment and professionalism. The Group has implemented policies on anti-corruption in order to prevent, detect and report misconduct. The Group also provide guidance for all employees which are made for the purpose of setting out the standard of behavior we expected for our employees, such as acceptance/offer of gifts or entertainment during the course of soliciting business, conflict of interest and outside employment. The Group encourages and enables employees to raise serious and material concerns on anti-corruption and in case there is any doubts. All reporting will be treated as confidential and in a sensitive manner. At the same time, the Group also welcomes communication and consultation. With the implementation of clear policies, the Group reported no bribery nor corruption cases in both 2018 and 2017.

### 社會責任(續)

#### 香港土木工程及建造業務品質管理

我們相信我們致力提升管理及建造工程的質素有助維持整體聲譽。為追求質素，我們按照ISO 9001的要求落實並執行品質管理系統。

為確保向客戶提供優質服務，我們的項目團隊成員已經就實施品質管理措施(包括在向客戶交付已完工項目前監控、核實及證實建造、安裝工程及物料)接受充足培訓。我們的項目團隊成員亦會定期視察以確保已完成的工程符合載於相關合約的規格及要求。

同時，本集團深明保護供應商及客戶個人資料的重要性。本集團已制定嚴格的個人資料及私隱保護及監察指引。供應商及客戶的個人資料被視為高度機密，只有獲授權人員才能閱取。我們已組織內部培訓，確保僱員充分了解有關政策，保證有關指引能夠順利實施。我們亦致力保護供應商的知識產權及商標，以支持其商業利益及保密資訊的維護。

#### 反貪污

本集團致力為客戶提供優質的產品及服務，要求所有僱員在履行職責過程中依循最高的誠信、承諾及專業標準。本集團已實施有關防止、發現及舉報不當行為的反貪污政策。我們亦提供針對全體僱員的指引，列明我們期望每名僱員遵守的行為標準，例如有關於招攬業務過程中接受／提供禮物或款待、利益衝突及受僱於外間機構的標準。本集團鼓勵並提供渠道讓僱員提出嚴重及實質性的反貪污問題及任何相關的疑問。所有舉報均會保密及審慎處理。同時，本集團亦歡迎進行溝通及諮詢。於二零一八年及二零一七年兩個年度，憑藉實施清晰的政策，本集團並無有關賄賂或貪污案件。



# Environmental, Social and Governance Report

## 環境·社會及管治報告

### SOCIAL RESPONSIBILITY (Continued)

#### Community

##### *Community investment*

We understand well the importance of making a positive contribution to the communities where the Group operates, and sees the interests of the communities as one of its social responsibilities. The Group supports a harmonious and sustainable working environment. Concerning the needs of local community, the Group creates job opportunities in our main operating site located in Chongqing by employing over 300 local residents there.

We encourage our employees to actively participate in charitable activities at all time. In the coming year, we target to engage different community groups to support and add value to communities. We will also invest our money into communities whenever possible.

#### OUTLOOK

We would like to take this opportunity to extend our sincere gratitude to our employees, suppliers, shareholders and other stakeholders for their long-term support and trust to the Group. The feedbacks from these parties are of great value to us in forming our business strategy to focus on their needs. "Excellence is not a destination; it is a continuous journey that never ends". Although we believe that our performance has granted positive recognition in the current financial period, there is still more to be done. In the coming year, we will continue to strive to implement the best practices in corporate social responsibility to advance the global sustainability agenda at large.

### 社會責任(續)

#### 社區

##### *社區投資*

我們深知對本集團經營所在社區作出積極貢獻的重要性，並將社區利益視作社會責任之一。本集團支持和諧而可持續的工作環境。考慮到本地社區的需求，本集團在我們位於重慶的主要經營場所僱用超過300名本地居民，為當地創造就業機會。

我們一直鼓勵僱員積極參與慈善活動。來年，我們計劃攜手不同社區團體以支持及為社區增值。我們亦將在可能情況下向社區投資資金。

#### 展望

我們藉此機會衷心感謝我們的員工、供應商、股東及其他權益人對本集團一直以來的支持和信任。上述各方的寶貴反饋意見，可促使我們更好地因應其需要制定業務策略。「卓越不是一個終點，對卓越的追求永無止境」。儘管我們對本財政期間的表現十分認可，但還有更多工作要做。於來年，我們將繼續努力落實企業社會責任的最佳實踐，推動實現全球可持續發展議程。



To the shareholders of Bisu Technology Group International Limited

*(Incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of Bisu Technology Group International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 105 to 231, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致比速科技集團國際有限公司列位股東

*(於開曼群島註冊成立的有限公司)*

## 意見

我們已審核列載於第105至231頁比速科技集團國際有限公司(以下簡稱「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表，及截至該日止年度的綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公允地反映貴集團於二零一八年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。



# Independent Auditor's Report

## 獨立核數師報告

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 in the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$703,767,000 during the year ended 31 December 2018 and, as of that date, had net liabilities of HK\$92,959,000. This conditions, along with other matters as set forth in note 2, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### 意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們就該等準則承擔的責任在本報告「核數師就審計綜合財務報表承擔的責任」部分中闡述。根據香港會計師公會的《專業會計師道德守則》(「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

### 與持續經營有關的重大不明朗因素

我們茲提述綜合財務報表附註2，當中列明 貴集團於截至二零一八年十二月三十一日止年度招致虧損淨額703,767,000港元，且於該日有負債淨額92,959,000港元。這種情況連同附註2所載的其他事宜，顯示存在重大不明朗因素，可能對 貴集團持續經營的能力構成重大疑問。我們的意見未有就此事宜作出修訂

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。就下文各事項而言，有關吾等審核時處理此等事項的描述僅適用於此等情況。

吾等已履行本報告「核數師就審計綜合財務報表承擔的責任」一節所述的責任，包括與此等事項相關之責任。據此，吾等的審計範圍包括旨在回應吾等對綜合財務報表進行重大錯誤陳述風險評估的程序的表現。審核程序(包括為處理下列事項而進行的程序)的結果為吾等就隨附綜合財務報表發表審核意見提供了基礎。

### KEY AUDIT MATTERS (Continued)

#### Key audit matter

#### How our audit addressed the key audit matter

#### *Impairment assessment of goodwill, intangible assets and property, plant and equipment*

As at 31 December 2018, the Group had goodwill, intangible assets and property, plant and equipment amounting to HK\$297,552,000, HK\$88,618,000 and HK\$37,574,000, respectively, relating to the cash-generating unit of the development, production and sale of the Automotive Engines Business (the "Automotive Engines CGU"). In accordance with HKAS 36 *Impairment of Assets*, management of the Company is required to test goodwill for impairment annually. Management of the Company is also required to determine whether there are any impairment indicators for the intangible assets and property, plant and equipment with reference to the recoverable amount of the Automotive Engines CGU.

A provision for impairment of goodwill and intangible assets of HK\$174,933,000 and HK\$430,928,000 respectively, in respect of the Group's Automotive Engines CGU was made for the year ended 31 December 2018.

We focused on this area because this impairment assessment is based on the recoverable amount of the Automotive Engines CGU, which is determined by a value in use calculation, which requires significant management's judgement with respect to a pre-tax cash flow projection based on the financial budget approved by management covering a five-year period. The projection is largely based on management's expectations and estimates of future results of sale of automotive engines.

Disclosures in relation to goodwill, intangible assets and property, plant and equipment are included in notes 4, 14, 15 and 16 to the consolidated financial statements.

Our procedures in relation to management's judgements used in the impairment assessment of the Group's Automotive Engines CGU included:

- Understanding, evaluating and testing the key controls over the preparation and approval of the cash flows forecast;
- Assessing the competency, objectivity and independent of the external valuer used by management,
- Discussing with the external valuer their work scope, and assessing the appropriateness of the valuation methodology used based on our industry knowledge and market practices;
- Assessing reasonableness of the key assumption used by the external valuer and management such as revenue growth rate, terminal growth rate and discount rate by comparing these assumptions against relevant market data and industry research;
- Comparing the current year actual results with the prior year forecasted results prepared by management for the automotive engines business to ascertain the reliability of management's forecast; and
- Testing the arithmetical accuracy on the value in use calculation of the automotive engines business.



# Independent Auditor's Report

## 獨立核數師報告

### 關鍵審計事項(續)

#### 關鍵審計事項

#### 我們的審計如何處理關鍵審計事項

##### 商譽、無形資產及物業、機器及設備減值評估

於二零一八年十二月三十一日，貴集團就開發、生產及銷售汽車發動機業務的現金生產單位（「汽車發動機現金生產單位」）擁有商譽、無形資產及物業、機器及設備分別為297,552,000港元、88,618,000港元及37,574,000港元。根據香港會計準則第36號資產減值，貴公司管理層須每年測試商譽減值。貴公司管理層亦須參照汽車發動機現金生產單位的可收回金額釐定無形資產及物業、機器及設備是否出現減值跡象。

截至二零一八年十二月三十一日止年度已就 貴集團的汽車發動機現金生產單位作出分別為174,933,000港元及430,928,000港元的商譽及無形資產減值撥備。

我們專注於此方面乃由於該減值評估基於汽車發動機現金生產單位的可收回金額，而該可收回金額乃按使用價值計算法釐定，此須管理層作出重大判斷，內容有關根據管理層所批准五年期財務預算作出的稅前現金流預測。該預測主要依據管理層對日後銷售汽車發動機業績的預期及估計。

有關商譽、無形資產及物業、機器及設備的披露資料載於綜合財務報表附註4、14、15及16。

我們就管理層於 貴集團汽車發動機現金生產單位減值評估中所用判斷的程序包括：

- 了解、評價及測試編製及批准現金流量預測的主要監控；
- 評估管理層所用外部估值師的資格、客觀性及獨立性；
- 與外部估值師討論其工作範圍，並根據我們的行業知識和市場常規，評估所用估值方法的適當性；
- 評估外部估值師及管理層所用主要假設的合理性，例如收益增長率、終端增長率及折現率，方法為對照相關市場數據及行業研究，比較該等假設；
- 比較本年度實際業績與管理層去年就汽車發動機業務編製的預測業績，以確認管理層的預測可靠性；及
- 測試汽車發動機業務的使用價值計算的算術準確性。

### KEY AUDIT MATTERS (Continued)

| Key audit matter  | How our audit addressed the key audit matter  |
|---|---|
| <i>Recoverability of accounts and bills receivables</i>   |   |
| <p>As at 31 December 2018, accounts and bills receivables amounted to HK\$517,254,000, which accounted for a significant amount in the consolidated financial statements. In assessing the recoverability of accounts and bills receivables, management exercised significant judgements to evaluate the collectability from individual customers after taking into account their creditworthiness, whether they have financial difficulties, experience of default or delinquency in interest or principal payments, the probability that they will enter bankruptcy, aging analysis and forecast of future events and economic conditions which may impact the recoverability of trade receivables. The judgements applied by management have a significant impact on the level of provision required for accounts and bills receivables.</p> <p>Disclosures in relation to accounts and bills receivables are included in notes 4 and 21 to the consolidated financial statements.</p> | <p>Our procedures in relation to management's judgements used in the recoverability of accounts and bills receivables included:</p> <ul style="list-style-type: none"><li>— Understanding and evaluating the operating effectiveness of key internal controls which govern credit control, debt collection and estimate of expected credit losses;</li><li>— Testing on a sample basis the ageing of accounts and bills receivables as at year end;</li><li>— In respect of accounts and bills receivables balances which are past due, additional procedures were performed to evaluate their historical progress payment records, settlement plan, assessing whether the customers are experiencing financial difficulties, default or delinquency in principal payments, and assessing the probability that the customers will enter bankruptcy with reference to available information;</li><li>— Evaluating the level of provision made by management for accounts and bills receivables using forward-looking and historical information; and</li><li>— Assessing the competency, objectivity and independent of the external valuer used by management and discussing with the external valuer their work scope, and assessing the appropriateness of the valuation methodology.</li></ul> |



# Independent Auditor's Report

## 獨立核數師報告

### 關鍵審計事項(續)

#### 關鍵審計事項

#### 我們的審計如何處理關鍵審計事項

##### 應收賬款及應收票據的可收回性

於二零一八年十二月三十一日，應收賬款及應收票據為517,254,000港元，佔綜合財務報表重大金額。於評估應收賬款及應收票據之可收回程度時，管理層行使重大判斷，評估可從個別客戶收回的程度，其中已考慮彼等的信用水平、彼等是否有財務困難、利息或本金付款違約或拖欠經驗、彼等將申請破產之可能性、賬齡分析及預測可能對貿易應收款項的可收回程度有影響之未來事件及經濟狀況。管理層應用的判斷對應收賬款及應收票據所需的撥備程度有重大影響。

有關應收賬款及應收票據的披露資料載於綜合財務報表附註4及21。

我們就管理層於應收賬款及應收票據的可收回性中所用判斷的程序包括：

- 了解及評價規管信貸控制、收債及估計預期信貸虧損的主要內部監控的操作成效；
- 取樣測試應收賬款及應收票據於年末的賬齡；
- 就已逾期之應收賬款及應收票據結餘，作出額外程序，則參考可用資料，評估其過往付款記錄進度、結付計劃、評估客戶是否經歷財務困難、本金付款違約或拖欠，以及評估客戶將申請破產的可能性；
- 使用前瞻性及過往資料，評估管理層就應收賬款及應收票據作出之撥備水平；及
- 評估管理層使用的外部估值師的適任程度、客觀程度及獨立性及與外部估值師討論彼等的工作範圍，並評估估值方法的適當程度。

### KEY AUDIT MATTERS (Continued)

| Key audit matter   | How our audit addressed the key audit matter   |
|--|--|
| <i>Revenue recognition contributed from construction works</i>   |  |
| <p>During the year ended 31 December 2018, the Group has recognised contract revenue from civil engineering and construction works of HK\$466,900,000. Revenue from fixed price contract work is recognised progressively over time using the output method, based on direct measurement of the value of contract work performed, provided that the value of contract work performed can be measured reliably. The value of contract work performed is measured according to the completion of specific detailed components as set out in the contract. Variation in contract work are recognised as contract revenue to the extent that the modification has been approved by the parties to the contracts and it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group reviews and revises in the budget prepared for each construction contract as the contract progresses.</p> <p>When determining the total budgeted costs, significant estimation is required and management makes reference to information such as current or recent offers from subcontractors and suppliers, variation orders received from customers and estimation on project material costs, labour costs and other costs for the completion of the projects provided by the quantity survey department.</p> <p>We identified revenue recognition of construction assets as a key audit matter because there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations. In addition, significant management's judgement is involved in estimating the total budgeted contract costs used in determination of the contract costs recognised. Any variations in estimates on the total budgeted contract costs will affect the contract costs to be recognised.</p> <p>Disclosures in relation to revenue and contract assets are included in notes 4, 6 and 20 to the consolidated financial statements.</p> | <p>Our procedures to assess the revenue recognition of contract revenue and costs included:</p> <ul style="list-style-type: none"> <li>— Evaluating the operating effectiveness of key internal controls which govern revenue recognition of construction contracts;</li> <li>— Evaluating management's estimation of budgeted contract costs directly related to a contract, which included staff costs, subcontracting costs, materials and other costs to be incurred for the relevant project;</li> <li>— Inspecting contracts, on a sample basis, to assess whether management recognised the related revenue and costs in accordance with the Group's accounting policies;</li> <li>— Conducting site visits to projects in progress and discussing with the Group management and project managers the physical status of the projects in progress with reference to the specifications in the contracts;</li> <li>— Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts and variation orders (if any), progress report, photographs of completed projects, invoices and bank-in slips for settled balances and whether the related revenue had been recognised in accordance with the Group's revenue recognition policies;</li> <li>— Obtaining confirmations, on a sample basis, from major contract customers and suppliers of the Group to confirm revenue and costs recognised during the year. For unreturned confirmations, performing alternative procedures by comparing details with contracts, bank-in slips and other underlying project related documentation; and</li> <li>— Testing management's processes of budget estimation and payment of construction costs, and compared last year's budget against current year's budget and actual costs incurred for the contracts.</li> </ul> |



# Independent Auditor's Report

## 獨立核數師報告

### 關鍵審計事項(續)

#### 關鍵審計事項

#### 我們的審計如何處理關鍵審計事項

##### 來自建築工程的收益確認

截至二零一八年十二月三十一日止年度，本集團自土木工程及建造工程確認合約收益466,900,000港元。來自固定價格合約工程的收益根據已執行合約工程的直接價值計量，使用輸出法隨著時間累進確認，前提是已執行的合約工程的價值能夠可靠地計量。已執行合約工程的價值，乃按合約所載具體細節部分之完成度計量。倘合約訂約方已批准修訂，則合約工程變動確認為合約收益，而經確認累計收益金額的重大撥回極可能不會發生。本集團隨合約進行而審閱及修訂就各建造合約編製之預算。

釐定預算成本總額時需要作出重大估計，且管理層參考分包商及供應商於目前或最近提供的價格、自客戶接獲的修改指令及工料測量部就項目重大成本、勞工成本及完成項目所需的其他成本提供的估計。

我們將將建築合約的收益確認為關鍵審計事項，原因是存在管理層為達到特定目標或期望而操控收益確認時間的既定風險。此外，釐定已確認合約成本時所用預算合約成本總額的估計涉及重大管理層判斷。預算合約成本總額估計的任何變化將影響將予確認的合約成本。

有關收益及合約資產的披露資料載於綜合財務報表附註4、6及20。

我們就評估合約收益及成本確認的程序包括：

- 評價規管建築合約收益確認的主要內部監控的操作成效；
- 評價管理層對與合約直接有關的預算合約成本的估計，當中包括員工成本、分包成本、材料及相關項目將予產生的其他成本；
- 抽樣檢查合約，以評估管理層是否根據貴集團的會計政策確認相關收益及成本；
- 對在建項目進行實地視察，並參照合約規格與貴集團管理層及項目經理討論在建項目的實質狀態；
- 抽樣比較年內錄得的收益交易與相關合約及變更指令(如有)、進度報告、已完成項目圖片、發票及已結算結餘的銀行存入收條，並評估相關收益是否根據貴集團的收益確認政策確認；
- 抽樣向貴集團主要合約客戶及供應商取得確認函，以肯定年內所確認的收益及成本。就未交回的確認函而言，進行替代程序，比較細節與合約、銀行收條及與相關項目有關的其他文件；及
- 測試管理層就預算估計及支付建築成本的程序，並比較去年的預算與本年度的預算和就合約實際產生的成本。

# Independent Auditor's Report

## 獨立核數師報告

### OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on these statements on 21 March 2018.

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### 其他事宜

貴集團截至二零一七年十二月三十一日止年度的綜合財務報表已由另一名核數師審核，彼於二零一八年三月二十一日就此等報表發表了無保留意見。

### 年報中的其他資料

貴公司董事需對其他資料負責。其他資料包括年報中的資料，但不包括綜合財務報表及我們就此發出的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對其他資料發表任何形式的鑒證結論。

結合我們對綜合財務報表進行之審計，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資料有重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責遵照香港會計師公會頒佈的《香港財務報告準則》及《香港公司條例》的披露規定，編製反映真實及公平意見的綜合財務報表，並負責進行董事認為必要的有關內部控制，以確保綜合財務報表的編製並無因欺詐或錯誤引致的重大錯誤陳述。

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團綜合財務報告過程的責任。



# Independent Auditor's Report

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對整體綜合財務報表是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告，除此之外本報告別無其他目的。我們不會就本報告之內容向任何其他人士承擔或接受責任。

合理保證是高水平的保證，但不能保證按《香港審計準則》進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或滙總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，並於審計全過程中保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及取得充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審計相關的內部控制，以於環境中設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露資料的合理性。

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### 核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提醒使用者對綜合財務報表中的相關披露資料的關注。假若有關的披露資料不足，則須修改我們的意見。我們的結論是基於截至核數師報告日止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允反映交易和事項。
- 就貴集團中實體或業務活動的財務資料獲取充分、適當的審計證據，以對綜合財務報表發表意見。我們負責貴集團審計的指導、監督和執行。我們對審計意見承擔全部責任。

我們與審核委員會溝通了(其中包括)計劃的審計範圍、時間安排、重大審計發現等事項，包括我們在審計期間識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通所有合理地被認為會影響我們獨立性的關係和其他事項，以及在適用的情況下，相關的防範措施。



# Independent Auditor's Report

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Cheng Po Yuen.

Zenith CPA Limited  
Certified Public Accountants  
Cheng Po Yuen  
Practising Certificate Number : P04887  
Hong Kong  
28 March 2019

### 核數師就審計綜合財務報表承擔的責任(續)

從與審核委員會溝通的事項中，我們決定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們會在核數師報告中描述這些事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人是鄭保元先生。

誠豐會計師事務所有限公司  
執業會計師  
鄭保元  
執業證書編號：P04887  
香港  
二零一九年三月二十八日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收入表

Year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

|   |                             | Notes<br>附註 | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|-----------------------------|-------------|----------------------------------|----------------------------------|
| <b>REVENUE</b>  | <b>收入</b>                   | 6           | <b>743,414</b>                   | 2,026,599                        |
| Cost of sales   | 銷售成本                        |             | (731,632)                        | (1,837,649)                      |
| Gross profit  | 毛利                          |             | 11,782                           | 188,950                          |
| Other income and gains, net   | 其他收入及收益淨額                   | 6           | 86,357                           | 26,241                           |
| Administrative expenses   | 行政開支                        |             | (180,834)                        | (52,109)                         |
| Research and development costs  | 研發成本                        |             | (6,163)                          | (23,140)                         |
| Finance costs   | 財務費用                        | 7           | (75,107)                         | (67,139)                         |
| Impairment of goodwill  | 商譽減值                        | 15          | (174,933)                        | —                                |
| Impairment of intangible assets   | 無形資產減值                      | 16          | (430,928)                        | —                                |
| Changes in fair value of a financial asset at fair value through profit or loss                     | 按公允值透過損益列賬之金融資產公允值變動        | 17          | —                                | (2,911)                          |
| <b>(LOSS)/PROFIT BEFORE TAX</b>   | <b>除稅前(虧損)/溢利</b>           | 8           | <b>(769,826)</b>                 | 69,892                           |
| Income tax credit/(expense)   | 所得稅抵免/(支出)                  | 11          | 66,059                           | (32,179)                         |
| <b>(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT</b>                              | <b>母公司擁有人應佔年內(虧損)/溢利</b>    |             | <b>(703,767)</b>                 | 37,713                           |
| <b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>  | <b>其他全面(虧損)/收入</b>          |             |                                  |                                  |
| Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods: | 於後續期間可能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                 |             | (56,699)                         | 113,529                          |
| <b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>   | <b>年內其他全面(虧損)/收入</b>        |             | <b>(56,699)</b>                  | 113,529                          |



# Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收入表

Year ended 31 December 2018

截至二零一八年十二月三十一日止年度

|   |                         | Notes<br>附註 | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|-------------------------|-------------|----------------------------------|----------------------------------|
| TOTAL COMPREHENSIVE (LOSS)/<br>INCOME ATTRIBUTABLE TO<br>OWNERS OF THE PARENT | 母公司擁有人應佔全面<br>(虧損)/收入總額 |             | (760,466)                        | 151,242                          |
| (LOSS)/EARNINGS PER SHARE<br>ATTRIBUTABLE TO OWNERS OF<br>THE PARENT          | 母公司擁有人應佔每股<br>(虧損)/盈利   | 13          |                                  |                                  |
| Basic (HK cents)  | 基本(港仙)                  |             | (351.9)                          | 18.9                             |
| Diluted (HK cents)  | 攤薄(港仙)                  |             | (351.9)                          | 16.6                             |

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2018  
於二零一八年十二月三十一日

|   |                   | Notes | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|-------------------|-------|----------------------------------|----------------------------------|
|   |                   | 附註    |                                  |                                  |
| <b>NON-CURRENT ASSETS</b>                         | <b>非流動資產</b>      |       |                                  |                                  |
| Property, plant and equipment                     | 物業、機器及設備          | 14    | 38,592                           | 44,816                           |
| Goodwill  | 商譽                | 15    | 297,552                          | 498,343                          |
| Intangible assets                                 | 無形資產              | 16    | 88,618                           | 556,230                          |
| Accounts and bills receivables                    | 應收賬款及應收票據         | 21    | 256,395                          | —                                |
| Deposits  | 按金                | 22    | —                                | 566                              |
| <b>Total non-current assets</b>                   | <b>非流動資產總值</b>    |       | <b>681,157</b>                   | <b>1,099,955</b>                 |
| <b>CURRENT ASSETS</b>                             | <b>流動資產</b>       |       |                                  |                                  |
| Inventories                                       | 存貨                | 18    | 106,804                          | 62,776                           |
| Gross amount due from customers for contract work | 應收客戶的合約<br>工程款總額  | 19    | —                                | 66,530                           |
| Contract assets                                   | 合約資產              | 20    | 197,521                          | —                                |
| Accounts and bills receivables                    | 應收賬款及應收票據         | 21    | 260,859                          | 1,193,132                        |
| Prepayments, deposits and other receivables       | 預付款項、按金及<br>其他應收款 | 22    | 34,078                           | 18,536                           |
| Cash and cash equivalents                         | 現金及現金等值物          | 23    | 26,971                           | 68,623                           |
| <b>Total current assets</b>                       | <b>流動資產總值</b>     |       | <b>626,233</b>                   | <b>1,409,597</b>                 |
| <b>CURRENT LIABILITIES</b>                        | <b>流動負債</b>       |       |                                  |                                  |
| Accounts payable                                  | 應付賬款              | 24    | 340,760                          | 669,677                          |
| Tax payable                                       | 應付稅項              |       | 2,776                            | 13,210                           |
| Other payables and accruals                       | 其他應付款及預提費用        | 25    | 87,728                           | 121,342                          |
| Interest-bearing bank and other borrowings        | 計息銀行及其他借款         | 26    | 64,255                           | 46,433                           |
| Convertible bonds                                 | 可換股債券             | 27    | —                                | 387,665                          |
| <b>Total current liabilities</b>                  | <b>流動負債總值</b>     |       | <b>495,519</b>                   | <b>1,238,327</b>                 |
| <b>NET CURRENT ASSETS</b>                         | <b>流動資產淨值</b>     |       | <b>130,714</b>                   | <b>171,270</b>                   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>      | <b>資產總值減流動負債</b>  |       | <b>811,871</b>                   | <b>1,271,225</b>                 |



# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2018

於二零一八年十二月三十一日

|  |                   | Notes<br>附註 | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--|-------------------|-------------|----------------------------------|----------------------------------|
| <b>NON-CURRENT LIABILITIES</b>                     | <b>非流動負債</b>      |             |                                  |                                  |
| Other payables and accruals                        | 其他應付款及預提費用        | 25          | 7,944                            | —                                |
| Interest-bearing other borrowings                  | 計息借款              | 26          | 6,000                            | —                                |
| Convertible bonds                                  | 可換股債券             | 27          | 352,411                          | —                                |
| Promissory notes                                   | 承兌票據              | 28          | 512,387                          | 473,918                          |
| Deferred tax liabilities                           | 遞延稅項負債            | 29          | 26,088                           | 94,693                           |
| <b>Total non-current liabilities</b>               | <b>非流動負債總值</b>    |             | <b>904,830</b>                   | <b>568,611</b>                   |
| <b>Net (liabilities)/assets</b>                    | <b>(負債)/資產淨值</b>  |             | <b>(92,959)</b>                  | <b>702,614</b>                   |
| <b>EQUITY</b>                                      | <b>權益</b>         |             |                                  |                                  |
| <b>Equity attributable to owners of the parent</b> | <b>母公司擁有人應佔權益</b> |             |                                  |                                  |
| Share capital                                      | 股本                | 30          | 2,000                            | 2,000                            |
| Equity component of convertible bonds              | 可換股債券之權益部分        | 27          | 375,576                          | 390,716                          |
| Reserves   | 儲備                | 32          | (470,535)                        | 309,898                          |
| <b>(Deficiency in assets)/total equity</b>         | <b>(資產虧絀)/總權益</b> |             | <b>(92,959)</b>                  | <b>702,614</b>                   |

Lam Wah  
林華  
Director  
董事

Xing Bin  
邢濱  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 December 2018

截至二零一八年十二月三十一日止年度

|   |                         | Attributable to owners of the parent<br>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      | (Accumulated loss)/ retained profits | (Deficiency in assets)/ total equity |
|   |                         | 股本   | 股份溢價          | 法定盈餘公積金                   | 外匯波動儲備                       | 可換股債券之權益部分                            | 購股權儲備                     | (累計虧損)/ 保留溢利                         | (資產虧絀)/ 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                                  |
|   |                         |  |               | (note 32(a))<br>(附註32(a)) |                              |                                       | (note 32(b))<br>(附註32(b)) |                                      |                                      |
| At 1 April 2017   | 於二零一七年四月一日              | 2,000  | 45,486        | 22,924                    | (78,895)                     | 390,716                               | 6,395                     | 162,746                              | 551,372                              |
| Profit for the year                                       | 本年度溢利                   | —  | —             | —                         | —                            | —                                     | —                         | 37,713                               | 37,713                               |
| Other comprehensive income for the year:                  | 本年度其他全面收入：              |  |               |                           |                              |                                       |                           |                                      |                                      |
| Exchange differences on translation of foreign operations | 換算海外業務的匯兌差額             | —  | —             | —                         | 113,529                      | —                                     | —                         | —                                    | 113,529                              |
| Total comprehensive income for the year                   | 本年度全面收入總額               | —  | —             | —                         | 113,529                      | —                                     | —                         | 37,713                               | 151,242                              |
| Equity-settled share option arrangements (note 31)        | 股權結算購股權安排(附註31)         | —  | —             | —                         | —                            | —                                     | (6,395)                   | 6,395                                | —                                    |
| Transfer from retained profits                            | 轉移自保留溢利                 | —  | —             | 11,939                    | —                            | —                                     | —                         | (11,939)                             | —                                    |
| At 31 December 2017                                       | 於二零一七年十二月三十一日           | 2,000  | 45,486*       | 34,863*                   | 34,634*                      | 390,716                               | —                         | 194,915*                             | 702,614                              |
| Effect of adoption HKFRS 9 (note 3.2)                     | 採納香港財務報告準則第9號之影響(附註3.2) | —  | —             | —                         | —                            | —                                     | —                         | (19,967)                             | (19,967)                             |
| At 1 January 2018 (restated)                              | 於二零一八年一月一日(經重列)         | 2,000  | 45,486        | 34,863                    | 34,634                       | 390,716                               | —                         | 174,948                              | 682,647                              |
| Loss for the year   | 本年度虧損                   | —  | —             | —                         | —                            | —                                     | —                         | (703,767)                            | (703,767)                            |
| Other comprehensive loss for the year:                    | 本年度其他全面虧損：              |  |               |                           |                              |                                       |                           |                                      |                                      |
| Exchange differences on translation of foreign operations | 換算海外業務的匯兌差額             | —  | —             | —                         | (56,699)                     | —                                     | —                         | —                                    | (56,699)                             |
| Total comprehensive income for the year                   | 本年度全面收入總額               | —  | —             | —                         | (56,699)                     | —                                     | —                         | (703,767)                            | (760,466)                            |
| Extinguishment of convertible bonds                       | 消除可換股債券                 | —  | —             | —                         | —                            | (15,140)                              | —                         | —                                    | (15,140)                             |
| Transfer to retained profits*                             | 轉移至保留溢利*                | —  | —             | (34,863)                  | —                            | —                                     | —                         | 34,863                               | —                                    |
| Transfer from retained profits                            | 從保留溢利轉移                 | —  | —             | 1,085                     | —                            | —                                     | —                         | (1,085)                              | —                                    |
| At 31 December 2018                                       | 於二零一八年十二月三十一日           | 2,000  | 45,486*       | 1,085*                    | (22,065)*                    | 375,576                               | —                         | (495,041)*                           | (92,959)                             |

\* These reserve accounts comprise the consolidated negative reserve of HK\$470,535,000 (2017: positive of HK\$309,898,000) in the consolidated statement of financial position.

\* 此等儲備賬目包括於綜合財務狀況表中的綜合負儲備470,535,000港元(二零一七年：正309,898,000港元)。

# Transfer of statutory reserve to retained profits as a result of dividend distribution between subsidiaries.

# 因附屬公司之間股息分派而將法定儲備轉至保留溢利。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 December 2018

截至二零一八年十二月三十一日止年度

|   | Notes<br>附註 | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|-------------|----------------------------------|----------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |             |                                  |                                  |
| (Loss)/profit before tax  |             | (769,826)                        | 69,892                           |
| Adjustments for:  |             |                                  |                                  |
| Finance costs   | 7           | 75,107                           | 67,139                           |
| Interest income   | 6           | (7)                              | (7)                              |
| Depreciation  | 8           | 6,398                            | 5,742                            |
| Amortisation of intangible assets   | 8           | 26,371                           | 61,754                           |
| Loss on disposal of items of property, plant and equipment                      | 6           | 209                              | —                                |
| Changes in fair value of a financial asset at fair value through profit or loss | 17          | —                                | 2,911                            |
| Gain on modification of promissory notes  | 6           | —                                | (15,160)                         |
| Gain on extinguishment of convertible bonds                                     | 27          | (80,757)                         | —                                |
| Impairment of goodwill  | 15          | 174,933                          | —                                |
| Impairment of intangible assets   | 16          | 430,928                          | —                                |
|   |             | (136,644)                        | 192,271                          |
| Increase in inventories   |             | (44,028)                         | (8,390)                          |
| Decrease/(increase) in gross amount due from customers for contract work        |             | 66,530                           | (39,410)                         |
| Increase in contract assets   |             | (198,166)                        | —                                |
| Decrease in accounts and bills receivables                                      |             | 656,556                          | 272,490                          |
| Increase in prepayments, deposits and other receivables                         |             | (14,976)                         | (2,842)                          |
| Decrease in accounts payable  |             | (328,917)                        | (312,335)                        |
| Decrease in other payables and accruals   |             | (25,670)                         | (37,221)                         |
| Cash (used in)/generated from operations  |             | (25,315)                         | 64,563                           |
| Interest received   |             | 7                                | 7                                |
| Interest paid   |             | (6,275)                          | (4,152)                          |
| PRC corporate income tax paid   |             | (12,697)                         | (48,192)                         |
| Hong Kong profits tax (paid)/refunded   |             | (12)                             | 3,177                            |
| Net cash flows (used in)/from operating activities                              |             | (44,292)                         | 15,403                           |

# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

|   | Notes<br>附註                           | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|---------------------------------------|----------------------------------|----------------------------------|
| <b>CASH FLOWS FROM INVESTING<br/>ACTIVITIES</b>   | <b>投資業務產生的現金流量</b>                    |                                  |                                  |
| Additions of items of property,<br>plant and equipment  | 添置物業、機器及設備項目                          | (2,491)                          | (2,132)                          |
| Proceeds from disposal of items of property,<br>plant and equipment                                       | 出售物業、機器及設備項目<br>所得款項                  | 5                                | —                                |
| Net cash flows used in investing activities   | 投資業務使用的現金流量淨額                         | (2,486)                          | (2,132)                          |
| <b>CASH FLOWS FROM FINANCING<br/>ACTIVITIES</b>   | <b>融資業務產生的現金流量</b>                    |                                  |                                  |
| New interest-bearing bank and other<br>borrowings   | 新增計息銀行及其他借款                           | 22,490                           | 26,433                           |
| Repayment of interest-bearing bank and<br>other borrowings  | 償還計息銀行及其他借款                           | (3,933)                          | —                                |
| Net cash flows from financing activities  | 融資業務產生的<br>現金流量淨額                     | 18,557                           | 26,433                           |
| <b>NET (DECREASE)/INCREASE IN CASH<br/>AND CASH EQUIVALENTS</b>   | <b>現金及現金等值物(減少)/<br/>增加淨額</b>         | <b>(28,221)</b>                  | <b>39,704</b>                    |
| Cash and cash equivalents at<br>beginning of year/period  | 年初/期初的現金及<br>現金等值物                    | 68,623                           | 24,899                           |
| Effect of foreign exchange rate changes, net  | 外匯匯率變動影響淨額                            | (18,696)                         | 4,020                            |
| <b>CASH AND CASH EQUIVALENTS<br/>AT END OF YEAR/PERIOD</b>  | <b>年末/期末的現金及<br/>現金等值物</b>            | <b>21,706</b>                    | <b>68,623</b>                    |
| <b>ANALYSIS OF BALANCES OF CASH AND<br/>CASH EQUIVALENTS AS STATED IN<br/>THE STATEMENT OF CASH FLOWS</b> | <b>現金流量表所列之<br/>現金及現金等值物<br/>結餘分析</b> |                                  |                                  |
| Cash and bank balances  | 現金及銀行結餘                               | 23 26,971                        | 68,623                           |
| Bank overdrafts   | 銀行透支                                  | 26 (5,265)                       | —                                |
| Cash and cash equivalents as stated in the<br>statement of cash flows                                     | 現金流量表所列之現金及<br>現金等值物                  | 21,706                           | 68,623                           |



# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION

Bisu Technology Group International Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is located at 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 reporting period, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the following principal activities:

- Development, production and sale of the 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.

### 1. 公司及集團資料

比速科技集團國際有限公司(「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位於 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。

報告期間，本公司及其附屬公司(統稱「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)。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION (Continued)

#### Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

| Company name<br>公司名稱   | Place of<br>incorporation/<br>registration and<br>business<br>註冊成立／登記<br>及營業地點 | Nominal value of<br>issued ordinary share<br>capital<br>已發行普通股<br>股本的面值 | Percentage<br>of equity<br>attributable to<br>the Company<br>本公司應佔<br>權益百分比 |                | Principal activities<br>主要業務  |
|--|--|---|---|----------------|---|
|  |  |   | Direct<br>直接  | Indirect<br>間接 |   |
| Chongqing Bisu Yunbo<br>Motor Technology<br>Limited** ("Bisu Yunbo")<br>重慶比速雲博動力科技有限<br>公司* (「比速雲博」) | People's Republic<br>of China<br>("PRC")<br>中華人民共和國<br>(「中國」)                  | RMB60,000,000<br>人民幣60,000,000元   | —   | 100            | Development,<br>production and<br>sale of automotive<br>engines<br>開發、生產及<br>銷售汽車發動機                    |
| Excel Engineering Company<br>Limited<br>怡益工程有限公司   | Hong Kong<br>香港  | HK\$23,288,000<br>23,288,000港元  | —   | 100            | Civil engineering<br>works and building<br>construction and<br>maintenance works<br>土木工程以及樓宇<br>建造及保養業務 |
| Excel Construction<br>Development Limited  | Hong Kong<br>香港  | HK\$1<br>1港元  | —   | 100            | Leasing of equipment<br>for construction<br>works<br>租賃工程設備   |

\* Registered as a limited liability company under the PRC law.

# The English name of this company represents the best effort made by the management of the Company to directly translate its Chinese name as no official English name has been registered.

### 1. 公司及集團資料(續)

#### 有關附屬公司之資料

本公司之主要附屬公司詳情如下：

| Principal activities<br>主要業務  | Percentage<br>of equity<br>attributable to<br>the Company<br>本公司應佔<br>權益百分比 |                | Nominal value of<br>issued ordinary share<br>capital<br>已發行普通股<br>股本的面值 | Place of<br>incorporation/<br>registration and<br>business<br>註冊成立／登記<br>及營業地點 | Company name<br>公司名稱   |
|---|---|----------------|---|--|--|
|   | Direct<br>直接  | Indirect<br>間接 |   |  |  |
| Development,<br>production and<br>sale of automotive<br>engines<br>開發、生產及<br>銷售汽車發動機                    | 100   | —              | RMB60,000,000<br>人民幣60,000,000元   | People's Republic<br>of China<br>("PRC")<br>中華人民共和國<br>(「中國」)                  | Chongqing Bisu Yunbo<br>Motor Technology<br>Limited** ("Bisu Yunbo")<br>重慶比速雲博動力科技有限<br>公司* (「比速雲博」) |
| Civil engineering<br>works and building<br>construction and<br>maintenance works<br>土木工程以及樓宇<br>建造及保養業務 | 100   | —              | HK\$23,288,000<br>23,288,000港元  | Hong Kong<br>香港  | Excel Engineering Company<br>Limited<br>怡益工程有限公司   |
| Leasing of equipment<br>for construction<br>works<br>租賃工程設備   | 100   | —              | HK\$1<br>1港元  | Hong Kong<br>香港  | Excel Construction<br>Development Limited  |

\* 根據中國法律註冊為有限公司。

# 由於並無註冊正式英文名稱，故此公司之英文名稱乃由本公司管理層盡最大努力直接自其中文名稱翻譯。



# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION (Continued)

#### Information about subsidiaries (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year/period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

### 2. BASIS OF PRESENTATION

Despite the Group incurred a net loss of HK\$703,767,000 for the year ended 31 December 2018; and the Group has net liabilities of HK\$92,959,000, amount due to a shareholder of HK\$7,500,000, interest-bearing bank and other borrowing of HK\$64,255,000, convertible bonds with an aggregate principal amount of HK\$390,000,000 and the carrying amount of promissory notes of HK\$512,387,000 as at 31 December 2018, in the opinion of the directors, the Group will have sufficient working capital to finance its operation and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group and after taking into consideration the following:

- (i) supplemental letters to loan agreements were signed with its lenders subsequent to the end of reporting period, which agreed to extend the repayment dates of outstanding loan amounts of HK\$31,500,000, HK\$7,600,000 and HK\$5,000,000 as at 31 December 2018, to 1 August 2020, 27 September 2020 and 23 July 2020, respectively;
- (ii) the holder of convertible bonds (“CB”) and promissory notes (“PN”) has agreed to extend the maturity date of the existing CB and PN (which are both currently due on 20 February 2020), upon the request by the Company;

### 1. 公司及集團資料(續)

#### 有關附屬公司之資料(續)

上表列出董事認為主要影響本年度／本期間業績或組成本集團絕大部分資產淨值之本公司附屬公司。董事認為，列出其他附屬公司之資料將會使篇幅過於冗長。

### 2. 編制基準

儘管本集團於截至二零一八年十二月三十一日止年度產生虧損淨額703,767,000港元；及本集團於二零一八年十二月三十一日擁有負債淨額92,959,000港元、應付一名股東7,500,000港元、計息銀行及其他借貸64,255,000港元、可換股債券本金總額390,000,000港元及承兌票據賬面值512,387,000港元，董事認為，根據本集團之現金流量預測及經考慮以下各項，本集團擁有充足營運資金以撥付其營運所需及應對其不久將來到期應付之財務責任：

- (i) 放款人於報告期末後簽立貸款協議的補充函件，同意將於二零一八年十二月三十一日為數31,500,000港元、7,600,000港元及5,000,000港元的未償還貸款償還日期分別延長至二零二零年八月一日、二零二零年九月二十七日及二零二零年七月二十三日；
- (ii) 可換股債券(「可換股債券」)及承兌票據(「承兌票據」)持有人同意按本公司要求將現有可換股債券及承兌票據(兩者均於二零二零年二月二十日到期)的到期日延長；

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 2. BASIS OF PRESENTATION (Continued)

- (iii) subsequent to the end of reporting period, a major shareholder of the Company has agreed to provide continuous financial support to the Group as and when required, and not to demand for repayment of the amount due by the Group until it is in the position to repay without impairing its liquidity and financial position;
- (iv) subsequent to the end of reporting period, a 5-year purchasing plan was signed with its major customers, with this 5-year strategic plan and the prioritisation of fundings and effort by the directors, the Group expects to restore automotive engines segment's revenue in scale comparable to 2016 and 2017 throughout these years;
- (v) A five-party agreement was signed by our largest customer of the Automotive Engine Business with, among others, the local government and their shareholders pursuant to which a new company shall be established as a platform for procurement and new funding shall be provided to the new procurement platform to support the resumption of normal production for the customers of the Automotive Engines Business; and
- (vi) various cost control measures have been taken by the Group to tighten the costs of operations and various general and administrative expense.

The directors have reviewed the Group's cash flow forecast prepared by management which covers a period of 12 months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2018 on a going concern basis.

### 2. 編制基準(續)

- (iii) 於報告期末後，本公司一名主要股東已同意其將繼續適時提供財務支援予本集團，且其在能夠不影響其流動資金及財務狀況的情況下償還應付彼等的款項之前，不會要求本集團償還到期款項；
- (iv) 於報告期末後，主要客戶簽訂一項5年採購計劃，鑒於此5年策略計劃及董事按優先次序撥付資金及所作出努力，本集團預期汽車發動機分部收入於此等年度將可恢復至與二零一六年及二零一七年相若的水平；
- (v) 汽車發動機業務的最大客戶與(其中包括)本地政府及彼等股東簽立五方協議，據此將成立一間新公司作為採購平台，並會為新採購平台提供資金以助恢復汽車發動機業務客戶的日常生產；及
- (vi) 本集團已採取各種成本控制措施以收緊營運成本及各種一般及行政開支。

董事已審閱由管理層編製本集團涵蓋報告期末起計12個月期間的現金流量預測。經考慮上述計劃及措施後，彼等認為本集團將具備充足營運資金以撥付其營運及在其財務責任於可見未來到期時履行有關責任。因此，董事認為按持續基準編製本集團截至二零一八年十二月三十一日止年度的綜合財務報表屬恰當。



# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 3.1 BASIS OF PREPARATION

These financial information have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

### 3.1 編製基準

該等財務資料乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例之披露規定而編製。該等財務報表乃根據歷史成本記賬法編製。

除另有說明者外，該等財務資料以港元(「港元」)呈列，而所有價值均已湊整至最接近千位(「千港元」)。

#### 綜合基準

綜合財務報表包括本公司及其附屬公司截至二零一八年十二月三十一日止年度之財務報表。附屬公司指本公司直接或間接控制的實體(包括結構化實體)。當本集團通過參與被投資方的相關活動而承擔可變回報的風險或有權享有可變回報，並且有能力運用對被投資方的權力(即是使本集團目前有能力主導被投資方的相關活動的現時權利)影響該等回報時，即取得控制權。

當本公司直接或間接擁有少於被投資方大多數的表決或類似權利，在評估其是否擁有對被投資方的權力時，本集團會考慮所有相關事實和情況，包括：

- (a) 與被投資方其他表決權持有者的合約安排；
- (b) 其他合約安排產生的權利；及
- (c) 本集團的表決權及潛在表決權。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 3.1 BASIS OF PREPARATION (Continued)

#### Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 3.1 編製基準(續)

#### 綜合基準(續)

附屬公司的財務報表採用與本公司一致的會計政策及相同報告期間編製。附屬公司的業績自本集團取得控制權之日期起綜合，並繼續綜合直至控制權終止之日為止。

損益及其他全面收入的各組成部分乃歸屬於本集團母公司擁有人及非控股權益，即使此舉引致非控股權益結餘為負數。所有集團內公司間之資產及負債、權益、收入、開支及本集團成員公司間交易相關之現金流均於綜合賬目時全數抵銷。

倘事實及情況反映上文所述三項控制權因素其中一項或多項有變，則本集團會重估是否仍然控制被投資方。附屬公司擁有權益的變動(並無失去控制權)於入賬時列作權益交易。

倘本集團失去對一間附屬公司之控制權，則其終止確認(i)該附屬公司之資產(包括商譽)及負債、(ii)任何非控股權益之賬面值及(iii)於權益內記錄之累計匯兌差額；及確認(i)所收代價之公允值、(ii)所保留任何投資之公允值及(iii)損益中任何因此產生之盈餘或虧絀。先前於其他全面收入確認的本集團應佔成分會視乎情況，按倘本集團直接出售相關資產或負債所要求的相同基準重新分類至損益或保留溢利。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

|  |  |
|--|--|
| Amendments to HKFRS 2                      | <i>Classification and Measurement of Share-based Payment Transactions</i>      |
| Amendments to HKFRS 4                      | <i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> |
| HKFRS 9                                    | <i>Financial Instruments</i>   |
| HKFRS 15                                   | <i>Revenue from Contracts with Customers</i>                                   |
| Amendments to HKFRS 15                     | <i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>        |
| Amendments to HKAS 40                      | <i>Transfers of Investment Property</i>  |
| HK(IFRIC)-Int 22                           | <i>Foreign Currency Transactions and Advance Consideration</i>                 |
| <i>Annual Improvements 2014-2016 Cycle</i> | Amendments to HKFRS 1 and HKAS 28  |

Other than as explained below, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

### 3.2 會計政策的變動及披露

本集團首次於本年度財務報表內採納下列新訂及經修訂之香港財務報告準則。

|                        |                                      |
|------------------------|--------------------------------------|
| 香港財務報告準則第2號(修訂)        | 股份支付交易的分類與計量                         |
| 香港財務報告準則第4號(修訂)        | 與香港財務報告準則第4號保險合約一併應用的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                                 |
| 香港財務報告準則第15號           | 與客戶之間的合約產生的收入                        |
| 香港財務報告準則第15號(修訂)       | 澄清香港財務報告準則第15號與客戶合約的收入               |
| 香港會計準則第40號(修訂)         | 轉讓投資物業                               |
| 香港(國際財務報告詮釋委員會)—詮釋第22號 | 外幣交易及預付代價                            |
| 二零一四年至二零一六年週期之年度改進     | 香港財務報告準則第1號及香港會計準則第28號(修訂)           |

除下文解釋者外，採納上述新訂及經修訂準則並無對此等財務報表造成重大財務影響。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Except for the amendments to HKFRS 4 and *Annual Improvements 2014–2016 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

- (a) Amendments to HKFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The amendments have had no impact on the financial position or performance of the Group as the Group does not have any cash-settled share-based payment transactions and has no share-based payment transactions with net settlement features for withholding tax.

### 3.2 會計政策的變動及披露(續)

除與編製本集團財務報表無關的香港財務報告準則第4號(修訂)及二零一四年至二零一六年週期之年度改進外，新訂及經修訂香港財務報告準則的性質及影響闡述如下：

- (a) 香港財務報告準則第2號(修訂)解決三大範疇：歸屬條件對現金結算的股份支付交易的計量的影響；以扣除一定金額的淨結算功能的股份支付交易的分類、以符合與股份支付相關的員工的稅務義務；會計處理對股份支付交易條款和條件的修改將其分類從現金結算轉為股權結算。修正案澄清，衡量股權結算的股份支付時用於歸屬條件的方法也適用於以現金結算的股份支付。修正案引發例外情況，以扣除淨股份結算功能的股權支付交易為滿足員工的納稅義務，在滿足某些條件的情況下，將一定金額作為股權結算的股份支付交易全部歸類。此外，修正案澄清，如果以現金結算的股份支付交易的條款和條件被修改成為股權結算的股份支付交易，則自修改之日起交易被視為權益結算交易。該等修訂對本集團的財務狀況或表現並無影響，因為本集團並無任何以現金結算的股份支付交易亦無具有以預扣稅淨額結算特徵的股份支付交易。



# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (b) 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.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

#### Classification and measurement

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

- The financial assets of the Group include cash and cash equivalent, accounts and bills receivables, financial assets including in prepayment, deposits and other receivables. Under HKAS 39, they are classified as loan and receivables. Upon adoption of HKFRS 9, these financial assets are reclassified as financial assets at amortised cost as at 1 January 2018.
- There has been no impact on the classification and measurement of the Group's financial liabilities as a result of the adoption of HKFRS 9.

### 3.2 會計政策的變動及披露(續)

- (b) 就二零一八年一月一日或之後開始的年度期間，香港財務報告準則第9號金融工具取代香港會計準則第39號金融工具：確認及計量，匯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。

除本集團已按未來適用法應用的對沖會計外，本集團已對二零一八年一月一日之適用期初結餘確認過渡調整。因此，比較資料並無重列並繼續根據香港會計準則第39號匯報。

#### 分類及計量

本集團金融資產及金融負債的新分類及計量如下：

- 本集團金融資產包括現金及現金等值物、應收賬款及應收票據、計入預付款項的金融資產、按金及其他應收款項。根據香港會計準則第39號，彼等被分類為貸款及應收款項。採納香港財務報告準則第9號後，該等金融資產重新分類為於二零一八年一月一日按已攤銷成本計量的金融資產。
- 採納香港財務報告準則第9號並無對本集團金融負債之分類及計量造成任何影響。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) (Continued)

#### Impairment

HKFRS 9 requires an expected credit losses (“ECL”) model, as opposed to an incurred credit loss model under HKAS 39. The ECL model requires an entity to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition. The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all contract assets, account and bills receivables.

Upon adoption of HKFRS 9, the Group has recognised the expected credit losses for accounts and bills receivables of HK\$19,322,000 and contract assets of HK\$645,000, which resulted in a decrease in retained earnings of HK\$19,967,000 as at 1 January 2018.

### 3.2 會計政策的變動及披露(續)

(b) (續)

#### 減值

與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損(「預期信貸虧損」)模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。本集團已應用香港財務報告準則第9號簡化方法，就所有合約資產、應收賬款及應收票據使用全期預期信貸虧損計量預期信貸虧損。

採納香港財務報告準則第9號時，本集團已就應收賬款及應收票據確認預期信貸虧損19,322,000港元以及合約資產645,000港元，導致二零一八年一月一日保留溢利及非控股權益減少19,967,000港元。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) (Continued)

#### Impairment (Continued)

The following table reconciles the aggregate opening impairment allowances under HKAS 39 to the ECL allowances under HKFRS 9. Further details are disclosed in notes 20 and 21 to the financial statements.

|   | Impairment allowances under HKAS 39 at 31 December 2017<br>於二零一七年十二月三十一日<br>根據香港會計準則第39號的<br>減值撥備<br>HK\$'000<br>千港元 | Re-measurement | ECL allowances under HKFRS 9 at 1 January 2018<br>於二零一八年一月一日根據<br>香港財務報告準則第9號的預期<br>信貸虧損撥備<br>HK\$'000<br>千港元 |
|---|--|----------------|---|
| Accounts and bills receivables<br>應收賬款及應收票據 | —  | 19,322         | 19,322  |
| Contract assets<br>合約資產                     | —  | 645            | 645   |

#### Hedge accounting

The adoption of the hedge accounting requirements of HKFRS 9 has had no impact on the Group's financial statements as the Group does not operate in any hedging activities.

### 3.2 會計政策的變動及披露(續)

(b) (續)

#### 減值(續)

下表載列根據香港會計準則第39號的期初減值撥備總額與根據香港財務報告準則第9號的預期信貸虧損撥備的對賬。更多詳情於財務報表附註20及21披露。

#### 對沖會計

採納香港財務報告準則第9號的對沖會計規定概無對本集團的財務報表造成影響，因為本集團並無進行對沖活動。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (c) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 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 principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in note 4 and 6 to the financial statements. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 3.4 to the financial statements.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 11, HKAS 18 and related interpretations.

### 3.2 會計政策的變動及披露(續)

- (c) 香港財務報告準則第15號及其修訂取代香港會計準則第11號*建築合約*、香港會計準則第18號*收入*及相關詮釋，而其適用(訂有有限的例外情況)於所有客戶合約收入。香港財務報告準則第15號訂立將與客戶之間的合約產生的收入入賬的新五步法模型。根據香港財務報告準則第15號，企業確認的收入應反映其向客戶轉讓已承諾商品或服務，其金額為預計有權向客戶收取的該商品或服務的對價。香港財務報告準則第15號內的原則為計量及確認收入提供更具架構的方法。該準則亦引進廣泛的定性及定量披露要求，包括總收入的分拆、有關履約義務的資料、合約資產和負債賬戶結餘於各期間的變動，以及重大判斷和估計。披露資料載於財務報表附註4及6。由於應用香港財務報告準則第15號，本集團已改變財務報表附註3.4所載收益確認的會計政策。

本集團已經以修訂後的追溯採納方法採納香港財務報告準則第15號。根據此方法，該準則既可以應用於初始應用日期的所有合約，也可以應用於此日未完成的合約。本集團已選擇將該準則應用於二零一八年一月一日尚未完成的合約。因此，比較資料並無重列及繼續根據香港會計準則第11號、香港會計準則第18號及相關詮釋匯報。

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## 財務報表附註

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二零一八年十二月三十一日

### 3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(c) (Continued)

Set out below are the amounts by which each financial statement line item was affected as at 1 January 2018 as a result of the adoption of HKFRS 15:

|  |            | Notes<br>附註 | Increase/<br>(decrease)<br>增加/(減少)<br>HK\$'000<br>千港元 |
|--|------------|-------------|---|
| <b>Assets</b>                                      | <b>資產</b>  |             |   |
| Gross amount due from customers for contract works | 應收客戶合約工程總額 | (i)         | (66,530)  |
| Accounts and bills receivables                     | 應收賬款及應收票據  | (ii)        | (175,761)   |
| Contract assets                                    | 合約資產       | (i), (ii)   | 242,291   |
| <b>Total assets</b>                                | <b>總資產</b> |             | —   |

Set out below are the amounts by which each financial statement line item was affected as at 31 December 2018 as a result of the adoption of HKFRS 15.

下文載列於二零一八年十二月三十一日因採納香港財務報告準則第15號而對各財務報表之單行項目造成影響之金額。

|   |                | Notes<br>附註 | Amounts prepared under<br>根據下列準則而編製之金額          |   |   |
|---|----------------|-------------|---|---|---|
|   |                |             | HKFRS 15<br>香港財務報告<br>準則第15號<br>HK\$'000<br>千港元 | Previous<br>HKFRS<br>前香港財務<br>報告準則<br>HK\$'000<br>千港元 | Increase/<br>(decrease)<br>增加/<br>(減少)<br>HK\$'000<br>千港元 |
| Gross amount due from customers for contract work | 應收客戶合約<br>工程總額 | (iii)       | —   | 22,585  | (22,585)  |
| Accounts and bills receivables                    | 應收賬款及<br>應收票據  | (iii)       | 517,254   | 692,190   | (174,936)   |
| Contract assets                                   | 合約資產           | (iii)       | 197,521   | —   | 197,521   |

# Notes to Financial Statements

## 財務報表附註

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### 3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(c) (Continued)

Notes:

- (i) Before the adoption of HKFRS 15, contract costs were recognised as an asset provided it was probable that they would be recovered. Such costs represented an amount due from the customers and were recorded as gross amount due from customers for contract work in the statement of financial position before the construction services were billed to customers. Upon the adoption of HKFRS 15, a contract assets is recognised when the Group performs by transferring goods or services to customers and the Group's right to consideration is conditional. Accordingly, the Group reclassified HK\$66,530,000 from gross amount due from customers for contract work to contract assets as at 1 January 2018.
- (ii) Before the adoption of HKFRS 15, retention receivables arising from construction contracts, that were condition on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts, were included in accounts and bills receivables. Upon adoption of HKFRS 15, retention receivables are reclassified to contract assets. Accordingly, the Group reclassified HK\$175,761,000 from accounts and bills receivables to contract assets as at 1 January 2018.
- (iii) As at 31 December 2018, the adoption of HKFRS 15 resulted in a decrease in accounts and bills receivables of HK\$174,936,000, a decrease in gross amount due from customers for contract work of HK\$22,585,000 and an increase in contract assets of HK\$197,521,000.

Other than described above, the adoption of HKFRS 15 has had no material impact to the results of the consolidated financial statements.

### 3.2 會計政策的變動及披露(續)

(c) (續)

附註：

- (i) 採納香港財務報告準則第15號前，合約成本獲確認為資產，惟彼等有可能將會收回。有關成本指應收客戶款項，並向客戶發出興建服務賬單前於財務報表記錄為應收客戶合約工程款項總額。採納香港財務報告準則第15號後，當本集團履行將貨品或服務轉讓予客戶，且本集團收取代價的權利為有條件，合約資產予以確認。因此，本集團將二零一八年一月一日應收客戶合約工程的總額66,530,000港元重新分類至合約資產。
- (ii) 採納香港財務報告準則第15號前，來自建築合約的應收保證金(即於合約訂明的若干期間內，客戶滿意服務質素的條件)已計入應收賬款及應收票據。採納香港財務報告準則第15號後，應收保證金重新分類為合約資產。因此，本集團將於二零一八年一月一日的應收賬款及應收票據175,761,000港元新分類至合約資產。
- (iii) 於二零一八年十二月三十一日，採納香港財務報告準則第15號，導致應收賬款及應收票據減少174,936,000港元，應收客戶合約工程款項總額22,585,000港元及合約資產增加197,521,000港元。

除上文所述者外，採納香港財務報告準則第15號對綜合財務報表之業績概無重大影響。



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### 3.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(d) HK(IFRIC)-Int 22 provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation has had no impact on the Group's financial statements as the Group's accounting policy for the determination of the exchange rate applied for initial recognition of non-monetary assets or non-monetary liabilities is consistent with the guidance provided in the interpretation.

### 3.2 會計政策的變動及披露(續)

(d) 香港(國際財務報告詮釋委員會) — 詮釋第22號就如何於應用香港會計準則第21號於實體以外幣收取或支付預付代價並確認非貨幣資產或責任之情況釐定交易日期提供指引。該詮釋澄清為確定初始確認相關資產、使用費用或收益(或其部分)時所使用匯率目的之交易日期乃為實體初始確認非貨幣性資產(如預付款項)或由預付代價之支付或收取產生之非貨幣負債(如遞延收入)之日期。倘確認有關項目有多項預付款項或預收款項,則實體必須確定每項預付款項或預收款項之交易日期。該詮釋對本集團的財務報表並無影響,因為本集團適用於非貨幣資產或非貨幣負債首次確認的匯率釐定的會計政策與詮釋訂明的指引一致。

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## 財務報表附註

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### 3.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

|  |   |
|--|---|
| Amendments to HKFRS 3                      | <i>Definition of a Business</i> <sup>2</sup>  |
| Amendments to HKFRS 9                      | <i>Prepayment Features with Negative Compensation</i> <sup>1</sup>  |
| Amendments to HKFRS 10 and HKAS 28 (2011)  | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup> |
| HKFRS 16                                   | <i>Leases</i> <sup>1</sup>  |
| HKFRS 17                                   | <i>Insurance Contracts</i> <sup>3</sup>   |
| Amendments to HKAS 1 and HKAS 8            | <i>Definition of Material</i> <sup>2</sup>  |
| Amendments to HKAS 19                      | <i>Plan Amendment, Curtailment or Settlement</i> <sup>1</sup>   |
| Amendments to HKAS 28                      | <i>Long-term Interests in Associates and Joint Ventures</i> <sup>1</sup>                                  |
| HK(IFRIC)-Int 23                           | <i>Uncertainty over Income Tax Treatments</i> <sup>1</sup>  |
| <i>Annual Improvements 2015-2017 Cycle</i> | Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 <sup>1</sup>   |

### 3.3 已頒佈但未生效之香港財務報告準則

本集團並未在此等財務報表內應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

|                                    |   |
|------------------------------------|---|
| 香港財務報告準則第3號(修訂)                    | 業務之釋義 <sup>2</sup>  |
| 香港財務報告準則第9號(修訂)                    | 具負補償的預付款特性 <sup>1</sup>                                       |
| 香港財務報告準則第10號及香港會計準則第28號(二零一一年)(修訂) | 投資者與其聯營公司或合營企業之資產出售或投入 <sup>4</sup>                           |
| 香港財務報告準則第16號                       | 租賃 <sup>1</sup>   |
| 香港財務報告準則第17號                       | 保險合約 <sup>3</sup>   |
| 香港會計準則第1號及香港會計準則第8號(修訂)            | 重大性之釋義 <sup>2</sup>   |
| 香港會計準則第19號(修訂)                     | 計劃修訂、縮減或結算 <sup>1</sup>                                       |
| 香港會計準則第28號(修訂)                     | 於聯營公司及合營企業的長期權益 <sup>1</sup>                                  |
| 香港(國際財務報告詮釋委員會)一詮釋第23號             | 所得稅處理的不確定性 <sup>1</sup>                                       |
| 二零一五年至二零一七年週期之年度改進                 | 修訂香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號 <sup>1</sup> |



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### 3.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2019
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2020
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>4</sup> No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

### 3.3 已頒佈但未生效之香港財務報告準則(續)

- <sup>1</sup> 適用於二零一九年一月一日或之後開始的年度期間
- <sup>2</sup> 適用於二零二零年一月一日或之後開始的年度期間
- <sup>3</sup> 適用於二零二一年一月一日或之後開始的年度期間
- <sup>4</sup> 尚未釐定強制生效日期，惟可予採納

下文載述有關預期將適用於本集團之該等香港財務報告準則之進一步資料。

香港財務報告準則第3號之修訂澄清及訂明有關業務釋義之額外指引。該等修訂釐清，對於視作一項業務的一整套活動及資產而言，其必須至少包含可共同對創造產出的能力做出重大貢獻的輸入資源及實質性過程。在不包含需要創造產出的所有輸入資源及過程的情況下，亦可視作一項業務存在。該等修訂移除了對市場參與者是否能夠取得業務及持續產出產品的評估。反之，其重心放在所取得的輸入資源及所取得的實質性過程是否共同對創造產出的能力做出重大貢獻。該等修訂亦縮小了產出的定義，集中在向客戶提供的商品或服務、投資收入或正常業務的其他收入。此外，該等修訂就評估所取得的過程是否具有實質提供指引，並引入選擇性公允價值集中度測試，以允許按簡化法評估所取得的一套業務活動及資產是否構成一項業務。本集團預期將自二零二零年一月一日起追溯性採納該等修訂。

### 3.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees — leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application.

### 3.3 已頒佈但未生效之香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港(國際財務報告詮釋委員會) — 詮釋第4號「釐定安排是否包括租賃」、香港(常務詮釋委員會) — 詮釋第15號「經營租賃 — 優惠」及香港(常務詮釋委員會) — 詮釋第27號「評估涉及租賃法律形式交易的內容」。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項可選擇的租賃確認豁免 — 低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號投資物業的定義，或與應用重估模型之一類物業、廠房及設備有關，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。香港財務報告準則第16號要求承租人及出租人作出較香港會計準則第17號所規定之更多披露。承租人課選擇使用全面回溯性或經修改回溯性方法應用該標準。本集團將自二零一九年一月一日採納香港財務報告準則第16號。本集團計劃採納香港財務報告準則第16號的過渡性條文以按二零一九年一月一日的保留盈利期初結餘調整的方式確認初次採納的累計影響及不會重列比較資料。此外，本集團計劃將新規定應用於先前應用香港會計準則第17號時識別為租賃的合約並按使用初次應用日期的本集團遞增借款率折現的餘下租賃付款現值計量租賃負債。使用權資產將按就緊接初次應用日期前財務狀況表內已確認租賃相關的任何預付或累計租賃付款金額作出調整後的租賃負債金額計量。本集團擬對初次應用日期止租期於12個月內終止的租約使用該準則所允許的豁免。



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### 3.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The total operating lease commitments of the Group in respect of leased premises as at 31 December 2018 are set out in note 36 to the financial statements.

The management of the Group expects that the adoption of HKFRS 16 is unlikely to result in significant impact on the Group's result but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated financial statements as right-of-use assets and lease liabilities.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

### 3.3 已頒佈但未生效之香港財務報告準則(續)

本集團於二零一八年十二月三十一日有關租賃物業之經營租賃承擔總額載於財務報表附註36。

本集團管理層預期採納香港財務報告準則第16號不大可能對本集團業績產生重大影響但預期該等租賃承擔之若干部分將須於綜合財務報表內確認為使用權資產及租賃負債。

香港會計準則第1號及香港會計準則第8號之修訂規定重大性的新釋義。新釋義列明，倘可合理預期對資料遺漏、錯誤陳述或陳述不明會影響一般用途財務報表的主要使用者基於該等財務報表作出的決策，則有關資料視作重大資料。該等修訂釐清，重大性將取決於資料的性質或大小。倘可合理預期對資料的錯誤陳述會影響主要使用者所作的決策，則視為重大錯誤陳述。本集團預期將自二零二零年一月一日起追溯性採納該等修訂。該等修訂預期不會對本集團財務報表造成重大影響。

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### 3.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

### 3.3 已頒佈但未生效之香港財務報告準則(續)

香港(國際財務報告詮釋委員會) — 詮釋第23號闡述當處理稅務涉及影響應用香港會計準則第12號之不確定性(俗稱「不確定稅務狀況」)時之(即期及遞延)所得稅之會計處理。該詮釋不適用於香港會計準則第12號範圍以外之稅項或徵費，亦不具體包括與不確定稅務處理相關之利息及罰款之規定。該解釋具體針對(一)實體是否分開考慮不確定稅務處理；(二)主體對稅務機關審查稅務處理所作假設；(三)實體如何釐定應課稅利潤或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；(四)實體如何考慮事實及情況之變化。該詮釋應以全面回溯並不使用後見之明或連同應用之累積影響(作為初次應用之日期之期初股本之調整項目)回溯地應用，並無須重述比較資料。本集團預期將於二零一九年一月一日起事前採納該等修訂。該詮釋預期不會對本集團財務報表造成重大影響。



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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

### 3.4 主要會計政策概要

#### 合營業務權益

合營業務乃擁有共同控制權之各方享有與該安排相關之資產權利及負債義務之共同安排。共同控制乃按照安排約定對某項安排所共有隻控制，共同控制僅在當相關活動需要共同享有控制之各方作出一致同意決定時存在。

本集團確認與其於合營業務權益相關之：

- 資產，包括其應佔共同持有之任何資產；
- 負債，包括其應佔共同承擔之任何負債；
- 銷售其應佔合營業務產出之收入；
- 其應佔合營業務銷售產出之收入；及
- 支出，包括其應佔共同發生之任何支出。

與本集團合營業務權益相關的資產、負債、收入及支出乃按適用於相關資產、負債、收入及支出的香港財務報告準則入賬。

### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

### 3.4 主要會計政策概要(續)

#### 業務合併及商譽

業務合併乃使用收購法入賬。所轉讓的代價乃以收購日期的公允值計量，該公允值為本集團所轉讓的資產、本集團對被收購方前擁有人承擔的負債及本集團發行以換取被收購方控制權的股本權益於收購日期的公允值的總和。就各業務合併而言，本集團選擇是否以公允值或應佔被收購方可識別資產淨值的比例，計量被收購方的非控股權益，即賦予其持有人在清盤時按比例分佔資產淨額的現時所有權權益。所有其他非控股權益部分按公允值計量。收購相關成本於產生時支銷。

當本集團收購一項業務時，其會根據合約條款、於收購日期的經濟環境及相關條件評估所承擔的金融資產及負債，以作出適當的分類及指定用途，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘業務合併分階段完成，則先前所持股本權益會於收購日期按公允值重新計量，而任何所致收益或虧損將於損益確認。

收購方擬轉讓的任何或然代價於收購日期按公允值確認。分類為資產或負債的或然代價按公允值計量，公允值變動於損益確認。分類為權益的或然代價毋須重新計量，期後結算在權益中入賬。



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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations and goodwill (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

### 3.4 主要會計政策概要(續)

#### 業務合併及商譽(續)

商譽初步按成本計量，即轉讓代價、確認為非控股權益的金額及本集團此前持有的被收購方股權的任何公允值之和超出本集團所收購可識別資產淨值及所承擔負債的部分。倘該代價及其他項目之和低於所收購資產淨值的公允值，有關差額在重估後於損益確認為廉價收購收益。

初步確認後，商譽按成本減任何累計減值損失計量。商譽每年或於有事件或情況變動表明賬面值可能減值時更頻繁地進行減值測試。本集團每年於十二月三十一日進行商譽減值測試。就減值測試而言，於業務合併時收購的商譽自收購日起分配至預期將從合併協同效應受益之本集團各現金產生單位或現金產生單位組別，而不論本集團之其他資產或負債是否已被分配至該等單位或單位組別。

減值數額通過評估商譽所屬的現金產生單位(現金產生單位組別)的可收回金額而釐定。倘現金產生單位(現金產生單位組別)的可收回金額低於賬面值，則確認減值虧損。就商譽所確認的減值虧損不會於後續期間撥回。

倘商譽已被分配至某現金產生單位(或現金產生單位組別)，而該單位內的部分業務被出售，與被出售業務有關的商譽將於釐定出售的收益或虧損時計入該業務的賬面值。在此等情況下被出售的商譽按被出售業務的相對價值及保留的現金產生單位部分計量。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

### 3.4 主要會計政策概要(續)

#### 非金融資產減值

倘存在減值跡象，或當資產須進行年度減值測試時(存貨、建造合約資產及金融資產除外)，則會估計資產的可收回金額。資產的可收回金額按資產或現金產生單位的使用價值與其公允值減出售成本兩者中的較高者計算，並就個別資產釐定，除非資產產生的現金流入在很大程度上並不獨立於其他資產或資產組合所產生者，而在此情況下，可收回金額就資產所屬的現金產生單位釐定。

只有當資產的賬面值超過其可收回金額時，方會確認減值虧損。評估使用價值時，會採用反映對貨幣時間價值及該資產特有風險的當時市場評價的稅前貼現率將該估計未來現金流量折算為現值。減值虧損乃於其在與減值資產功能一致的有關開支類別產生的期間在損益扣除。

於各報告期間期末會評估是否有跡象顯示過往確認的減值虧損可能已不存在或有所減少。如有此等跡象，則會估計可收回金額。只有在釐定資產的可收回金額中所用的估計發生改變時，才會撥回過往確認的資產減值虧損(不包括商譽)，然而，撥回金額不得高於倘資產於以前年度未有確認減值虧損所釐定的賬面值(扣除任何折舊／攤銷)。該減值虧損的撥回在其產生期間計入損益。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Related parties

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

- (a) the party is a person or a close member of that person's family and that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### 3.4 主要會計政策概要(續)

#### 關聯方

在下列情況下，有關人士被視為本集團的關聯方：

- (a) 該人士為個人或與該個人關係密切的家庭成員，且該個人：
  - (i) 對本集團擁有控制權或共同控制權；
  - (ii) 對本集團擁有重大影響力；或
  - (iii) 為本集團或本集團母公司的主要管理人員的成員；

或

- (b) 該人士為適用以下任何情況的實體：
  - (i) 該實體及本集團為同一集團的成員；
  - (ii) 某實體為另一實體的聯營公司或合營企業(或為該另一實體的母公司、附屬公司或同系附屬公司)；
  - (iii) 該實體及本集團為同一第三方的合營企業；
  - (iv) 某實體為第三方的合營企業且另一實體為該第三方的聯營公司；
  - (v) 該實體為就本集團或與本集團關聯的任何實體的僱員福利所設的離職後福利計劃；
  - (vi) 該實體受(a)項所界定的個人控制或共同控制；
  - (vii) (a)(i)項所界定的個人對該實體有重大影響力或為該實體(或該實體的母公司)的主要管理人員的成員；及
  - (viii) 該實體或其所屬集團內任何成員公司為本集團或其母公司提供主要管理人員服務。

# Notes to Financial Statements

## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

|  |            |
|--|------------|
| Leasehold improvements                   | 20%        |
| Machinery and equipment                  | 10% to 24% |
| Furniture, fixtures and office equipment | 20% to 33% |
| Motor vehicles                           | 24%        |

### 3.4 主要會計政策概要(續)

#### 物業、機器及設備及折舊

物業、機器及設備(除在建工程外)按成本減累計折舊及任何減值虧損列賬。物業、機器及設備項目的成本包括其購買價及任何使資產達致其運轉狀態及地點作其擬定用途的直接應佔成本。

物業、機器及設備項目已投入營運後所產生的支出，如維修及保養等，一般於其產生期間從損益中扣除。倘符合確認標準，則就主要檢查產生的支出會於作為重置的資產賬面值中撥充資本。倘物業、機器及設備的重要部分須不時更換，則本集團會將有關部分確認為具有特定使用年期的個別資產並將其相應折舊。

折舊乃使用直線法按其估計可使用年期撇銷每項物業、機器及設備項目的成本至其殘值。就此而言採用的主要年率如下：

|              |         |
|--------------|---------|
| 租賃改善         | 20%     |
| 機器及設備        | 10%至24% |
| 傢俬、固定裝置及辦公設備 | 20%至33% |
| 汽車           | 24%     |



# Notes to Financial Statements

## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment and depreciation (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents machineries in the process of installation, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of installation and capitalised borrowing costs on related borrowed funds during the period of installation. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

### 3.4 主要會計政策概要(續)

#### 物業、機器及設備及折舊(續)

倘一項物業、機器及設備的各部分具有不同的可使用年期，則該項目的成本乃依照合理基準在多個部分之間分配，而每部分會分開折舊。殘值、可使用年期及折舊方法會至少於各財政年度年末檢討及調整(倘適用)。

一項物業、機器及設備(包括初始確認的任何重要部分)在出售時或預期不會從其使用或出售獲得未來經濟利益時解除確認。於解除確認資產的年度在損益確認的出售或報廢的任何盈虧為相關資產出售所得款項淨額與其賬面值之間的差額。

在建工程是指在建造過程中的機器設備，以成本減去任何減值虧損列示，不計折舊。成本包括建設期間的相關借款直接建設成本和資本化借款費用。在建工程建成後可以重新分類為適當類別的物業、機器和設備，並準備使用。

# Notes to Financial Statements

## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

#### *Customer contracts*

Customer contracts secured on the date of acquisition are recognised as cost of goods sold under the unit of production method which is based on the volume of production in each reporting period as a proportion of the total estimated units of production for the relevant customer contracts over the contract period.

#### *Research and development costs*

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### 3.4 主要會計政策概要(續)

#### 無形資產(商譽除外)

分開收購的無形資產於初步確認時按成本計量。自業務合併所收購無形資產的成本即收購日期的公允值。無形資產的可使用年期乃評估為有限或無限。具有有限年期的無形資產其後於可使用經濟年期攤銷，並於該無形資產出現可能減值跡象時作減值評估。具有有限可使用年期的無形資產的攤銷年期及攤銷方法須至少於各財政年度年末作檢討。

#### *客戶合約*

於收購日期抵押的客戶合約以基於各報告期間之產量的生產單位法按於合約期內相關客戶合約之估計總生產單位之比例確認為已售商品成本。

#### *研發費用*

所有研究費用均計入當期損益。

只有本集團能夠證明完成無形資產的技術可行性使其能夠使用或出售，其完成意圖及其使用或出售資產的能力才能資本化和推遲開發新產品項目支出，資產如何產生未來的經濟效益，完成項目的資源可用性以及計量開發過程中可靠支出的能力。不符合這些標準的產品開發支出在發生時計入當期損益。



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## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

#### Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

### 3.4 主要會計政策概要(續)

#### 租賃

實質上轉移了資產所有權(合法業權除外)的絕大部分回報及風險予本集團之租賃列作融資租賃。設立融資租賃之初，租賃資產成本按最低租金付款的現值撥充資本，並與責任(利息部分除外)一併列賬以反映購買及融資狀況。根據資本化融資租賃持有的資產(包括融資租賃項下的預付土地租賃款項)計入物業、機器及設備，並於資產租期與估計使用年期兩者中之較短期間折舊。該等租賃的財務費用自損益扣除，以便計算租期內的固定定期費率。

倘資產所有權之絕大部分回報及風險仍由出租人承擔，則租賃作為經營租賃列賬。倘本集團為出租人，本集團根據經營租賃出租之資產計入非流動資產，而根據經營租賃應收之租金按租賃期限以直線法計入損益。倘本集團為承租人，根據經營租賃應付之租金(扣除從出租人收取的任何獎勵後)按租賃期限以直線法自損益扣除。

#### 投資及其他金融資產(於二零一八年一月一日前適用香港會計準則第39號下的政策)

##### *初始確認及計量*

於初始確認時，金融資產分類為其後按攤銷成本。

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## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

##### *Initial recognition and measurement (Continued)*

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts and bills receivables and contract assets that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

### 3.4 主要會計政策概要(續)

#### 投資及其他金融資產(於二零一八年一月一日前適用香港會計準則第39號下的政策)(續)

##### *初始確認及計量(續)*

於初始確認時，金融資產的分類取決於該項金融資產的現金流特點及本集團管理該項資產時業務模式。除並無重大融資成分或本集團已應用實際權宜方法以不調整重大融資成分影響的應收賬款及應收票據及合約資產外，本集團初始按公允值加(倘屬並非按公允值透過損益列賬之金融資產)交易成本計量金融資產。不包括重大融資部分或本集團已就其應用實際權宜方法的貿易應收款項，則遵守下文「收益確認(自二零一八年一月一日起適用)」所載政策按根據香港財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公允值計入其他全面收入進行分類及計量，需產生純粹為支付本金及未償還本金利息(純粹為支付本金及利息)的現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量的方式。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。

所有常規金融資產買賣須於買賣日期(即本集團進行買賣資產的日期)確認。常規買賣是須於法規或市場慣例所定的普遍時限內交付資產的金融資產買賣。



# Notes to Financial Statements

## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

##### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss and loans and receivables, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

### 3.4 主要會計政策概要(續)

#### 投資及其他金融資產(於二零一八年一月一日前適用香港會計準則第39號下的政策)(續)

##### *後續計量*

視乎分類而定，金融資產的後續計量如下：

按攤銷成本列值的金融資產(債務工具)

倘滿足以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

按攤銷成本列值的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益中確認。

#### 投資及其他金融資產(於二零一八年一月一日前適用香港會計準則第39號下的政策)

##### *初始確認及計量*

金融資產於初始確認時分類為按公允值透過損益列賬之金融資產以及貸款及應收款(按適用者)。本集團在初始確認其金融資產時釐定其分類。當金融資產被初始確認時，其以公允值加上歸因於收購金融資產的交易成本計量，惟按公允值透過損益列賬之金融資產則除外。

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## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

##### *Initial recognition and measurement (Continued)*

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

##### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

### 3.4 主要會計政策概要(續)

#### 投資及其他金融資產(於二零一八年一月一日前適用香港會計準則第39號下的政策)(續)

##### *初始確認及計量(續)*

凡以常規方式買賣金融資產，均於交易日(即本集團承諾買賣資產的日期)進行確認。以常規方式買賣乃指按照市場規定或慣例一般指定的期間內交割資產的金融資產買賣。

##### *後續計量*

金融資產之後續計量視乎其以下分類而定：

*按公允值透過損益列賬之金融資產*  
按公允值透過損益列賬之金融資產包括持作買賣之金融資產以及於初步確認時指定為按公允值透過損益列賬之金融資產。金融資產如購入以於短期賣出，則分類為持作買賣金融資產。除非衍生工具(包括個別嵌入式衍生工具)指定作為有效對沖工具(定義見香港會計準則第39號)，否則亦列為持作買賣。

*按公允值透過損益列賬之金融資產*  
按公允值於財務狀況表列賬，其公允值之正數淨變動則於損益中呈列作其他收入及收益，而公允值之負數淨變動於損益中呈列作財務費用。該等公允值淨變動並無包括該等金融資產賺取的任何股息或利息，其根據下文「收益確認」(於二零一八年一月一日前適用)所載政策確認。

於初步確認時指定為按公允值透過損益列賬之金融資產，只於初步確認當日在符合香港會計準則第39號所定準則下方指定為按公允值透過損益列賬。



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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

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

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

### 3.4 主要會計政策概要(續)

#### 投資及其他金融資產(於二零一八年一月一日前適用香港會計準則第39號下的政策)(續)

##### *按公允值透過損益列賬之金融資產(續)*

倘經濟特點及風險與主合約並無密切關連，而主合約並非持作交易或指定按公允值透過損益列賬，則主合約內之嵌入式衍生工具入賬作獨立衍生工具，並以公允值計賬。該等嵌入式衍生工具按公允值計量，而公允值變動則於損益表確認。重新評估僅在合約條款出現變動致使現金流量出現大幅修改，或金融資產自按公允值計量並透過損益列賬之類別重新分類，方在有需要時根據合約作出。

##### *貸款及應收款*

貸款及應收款為有固定或可以釐定付款額，而在活躍市場上沒有報價的非衍生金融資產。初始計量後，該等資產其後採用實際利率法以攤銷成本減任何減值撥備計量。計算攤銷成本時，應考慮收購的任何折讓或溢價，且包括構成實際利率不可或缺部分的費用或成本。按實際利率計算的攤銷計入損益中的其他收入及收益。自減值產生的虧損在損益中的貸款融資成本及應收款的其他開支確認。

### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### 3.4 主要會計政策概要(續)

解除確認金融資產(自二零一八年一月一日起適用香港財務報告準則第9號下的政策及於二零一八年一月一日前適用香港會計準則第39號下的政策)

當下列情況出現時，金融資產(或(倘適用)金融資產的一部分或一組類似金融資產的一部分)乃被大致上解除確認(即從本集團的綜合財務狀況表剔除)：

- 從資產收取現金流量的權利已屆滿；或
- 本集團已轉讓其從資產收取現金流量的權利，或根據「轉付」安排，已承擔向第三方在無嚴重延遲的情況下全數支付已獲取現金流量的義務；並且：(a)本集團已轉讓資產的絕大部分風險及回報，或(b)本集團並無轉讓或保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

當本集團已轉讓其從資產收取現金流量的權利或已訂立轉付安排，本集團將評估其是否已保留該資產擁有權的風險及回報以及已保留的程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產的控制權，該項已轉讓資產將以本集團持續參與的程度為限予以確認。在該情況下，本集團亦確認相關的負債。該項已轉讓資產及相關負債按反映本集團已保留的權利和義務的基準計量。

以經轉讓資產擔保方式的持續參與按資產原賬面值與本集團可能被要求償還的代價的最高金額之間的較低者計量。



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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

##### *General approach*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

### 3.4 主要會計政策概要(續)

#### 金融資產減值(自二零一八年一月一日起適用香港財務報告準則第9號下的政策)

本集團確認對並非按公允值計入損益的所有債務工具預期信貸虧損的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

##### *一般方法*

預期信貸虧損分兩個階段進行確認。就自初始確認起未有顯著增加的信貸風險而言，預期信貸虧損提供予由未來12個月內可能發生違約事件而導致的信貸虧損(12個月預期信貸虧損)。就自初始確認起經已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須計提虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險是否自初始確認以來已大幅增加。評估時，本集團比較於報告日期金融工具產生的違約風險與於初始確認日期金融工具產生的違約風險，並考慮毋須過高成本或努力即可獲得的合理及支持資料，包括過往及前瞻資料。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

##### *General approach (Continued)*

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for accounts and bills receivables and contract asset which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowances is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

### 3.4 主要會計政策概要(續)

#### 金融資產減值(自二零一八年一月一日起適用香港財務報告準則第9號下的政策)(續)

##### *一般方法(續)*

本集團認為倘合約付款逾期90日，即屬金融資產違約。然而，於若干情況，倘內部或外部資料顯示本集團不大可能收回全部未付合約金額(未計及本集團持有的任何信貸增加措施)，本集團亦可能視為屬金融資產違約。倘無合理預期可收回合約現金流，即撇銷金融資產。

按攤銷成本計量的金融資產須根據一般方法減值及其就預期信貸虧損計量分類為以下階段，惟貿易應收款項及應收票據以及合約資產除外，其應用下文詳述的簡化方法。

第1階段 — 自初始確認以來信貸風險並無大幅增加的金融工具及其虧損撥備計量為等同12個月預期信貸虧損金額

第2階段 — 自初始確認以來信貸風險已大幅增加但並非信貸減值金融資產的金融工具及其虧損撥備計量為等同全年期預期信貸虧損金額

第3階段 — 於報告日期已為信貸減值的金融資產(但並非於購買或產生時已信貸減值)及其虧損撥備計量為等同全年期預期信貸虧損金額



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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

##### *Simplified approach*

For accounts and bills receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For account and bills receivables and contract assets that contain a significant financing component, the Group chooses as its accounting policy to adopt the general approach in calculating ECLs with policies as described above.

### 3.4 主要會計政策概要(續)

#### 金融資產減值(自二零一八年一月一日起適用香港財務報告準則第9號下的政策)(續)

##### *簡化方法*

就並無重大融資成分或本集團已應用實際權宜方法以不調整重大融資成分影響的應收賬款及應收票據以及合約資產而言，本集團計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團並無追蹤信貸風險變動，而是於各報告日期根據全年期預期信貸虧損確認虧損撥備。本集團已確立根據其過往信貸虧損經驗的撥備矩陣，已就債務人及經濟環境特有的前瞻因素作調整。

就含有重大融資成分的應收賬款及應收票據及合約資產而言，本集團計算預期信貸虧損時採納一般方法連同上述政策以作為其會計政策。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)

The Group assesses at the end of each of the reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

### 3.4 主要會計政策概要(續)

#### 金融資產減值(於二零一八年一月一日前適用香港會計準則第39號下的政策)

本集團於各報告期末評估是否存在任何客觀證據表明一項金融資產或一組金融資產出現減值。倘於資產初始確認後發生一件或多件事件，對該金融資產或該組金融資產的估計未來現金流量產生影響，而有關影響能夠可靠地估計，則存在減值。減值證據的跡象可包括債務人或一組債務人面對重大財務困難，不履行或拖欠利息或本金的支付，他們有可能將進行破產或進行其他財務重組，以及有可觀察數據表明估計未來現金流量將會顯著減少，例如，與拖欠相聯繫的欠款或經濟狀況改變。

#### *按攤銷成本列值的金融資產*

對於按攤銷成本列值的金融資產，本集團首先會單獨評估個別有重要影響的金融資產是否存在減值，或對個別並無重要影響的金融資產進行組合評估。倘本集團確定沒有客觀證據顯示經個別評估的金融資產(無論有否重要影響)存在減值，則將該資產歸入一組具有相似信貸風險特徵的金融資產，並進行組合減值評估。已進行個別減值評估並確認或繼續確認減值虧損的資產，將不會納入組合減值評估。

已識別的任何減值虧損金額乃以資產的賬面值與估計未來現金流量的現值(不包括尚未發生的未來信貸虧損)之間的差額計量。估計未來現金流量的現值按金融資產的原有實際利率(即初始確認時計算的實際利率)貼現。



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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

##### *Financial assets carried at amortised cost (Continued)*

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

#### Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

##### *Initial recognition and measurement*

Financial liabilities are classified as loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities include accounts and other payables, interest-bearing bank and other borrowings, convertible bonds and promissory notes.

### 3.4 主要會計政策概要(續)

#### 金融資產減值(於二零一八年一月一日前適用香港會計準則第39號下的政策)(續)

##### *按攤銷成本列值的金融資產(續)*

資產的賬面值乃透過使用撥備賬抵減，虧損金額在損益賬確認。利息收入繼續採用就計量減值虧損而用以將未來現金流量貼現的利率按減少後的賬面值累計。當實際上已沒有希望在未來收回，且所有抵押品已變現或轉讓予本集團時，則貸款及應收款連同任何相關撥備予以一併撇銷。

倘在後續期間，估計減值虧損金額因為在確認減值後發生的事件而增加或減少，則過往確認的減值虧損會透過撥備賬調整而增加或減少。倘撇銷金額在其後被收回，則收回金額會計入損益賬的其他開支。

#### 金融負債(自二零一八年一月一日起適用香港財務報告準則第9號下的政策及於二零一八年一月一日前適用香港會計準則第39號下的政策)

##### *初始確認及計量*

金融負債乃分類為貸款及借款。本集團在初始確認其金融負債時釐定分類。

所有金融負債按公允值進行初始確認並扣除直接歸屬的交易成本。

本集團金融負債包括應付賬款及其他應付款項、計息銀行及其他借貸、可換股債券及承兌票據。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (Continued)

#### *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

#### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

### 3.4 主要會計政策概要(續)

金融負債(自二零一八年一月一日起適用香港財務報告準則第9號下的政策及於二零一八年一月一日前適用香港會計準則第39號下的政策)(續)

#### *後續計量*

金融負債的後續計量視乎其下列分類而定：

#### *貸款及借貸*

於首次確認後，計息貸款及借款其後以實際利率法按攤銷成本計量，惟貼現之影響甚微則除外，在此情況下，則按成本列賬。有關收益及虧損於負債取消確認時，透過以實際利率進行之攤銷過程中在損益表確認。

攤銷成本經計及收購之任何折讓或溢價，以及屬於實際利率組成部分之費用或成本後計算。實際利率攤銷已計入損益表之財務費用內。



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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (Continued)

#### *Convertible bonds*

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

### 3.4 主要會計政策概要(續)

金融負債(自二零一八年一月一日起適用香港財務報告準則第9號下的政策及於二零一八年一月一日前適用香港會計準則第39號下的政策)(續)

#### *可換股債券*

可換股債券中顯示負債特徵的部分，在扣除交易成本後在財務狀況表中確認為負債。發行可換股債券時，採用同等非可換股債券的市值，釐定負債部分的公允值；該數額按攤銷成本基準持續列為長期負債，直至於換股或贖回時註銷為止。所得款項餘款分配至已確認的換股期權，扣除交易成本後計入股東權益。於其後年度，換股期權的賬面值不會重新計量。交易成本乃根據首次確認該等工具時，所得款項於負債及權益部分的分配攤分至可換股債券的負債及權益成份。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

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

**Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and, an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

### 3.4 主要會計政策概要(續)

**解除確認金融負債(自二零一八年一月一日起適用香港財務報告準則第9號下的政策及於二零一八年一月一日前適用香港會計準則第39號下的政策)**

當負債下的責任被解除、取消或到期時，金融負債將被解除確認。

當現有金融負債被同一貸款人的另一項條款顯著有別的負債取代，或現有負債的條款經大幅修訂的時候，此種互換或修訂被視作解除確認原有負債並確認新負債，各自賬面值之間的差額在損益確認。

**金融工具的互相抵銷(自二零一八年一月一日起適用香港財務報告準則第9號下的政策及於二零一八年一月一日前適用香港會計準則第39號下的政策)**

當以現時可予強制執行法定權利將已確認金額互相抵銷，並且擬按淨值基準結算或同時變現資產和清償負債時，金融資產及金融負債會互相抵銷，而淨值乃在財務狀況表內列報。

#### **存貨**

存貨按成本及可變現淨值之較低者計賬。成本按加權平均法計算，而就進行中之工程及成品而言，包括直接材料成本、直接勞工成本及經常性開支之適當部分。可變現淨值乃基於估計售價減完成及出售將產生的任何估計成本。



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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits and assets similar in nature to cash, which are not restricted as to use.

#### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

### 3.4 主要會計政策概要(續)

#### 現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括手頭現金及活期存款，以及可隨時兌換為已知數額現金的短期高流動性投資，有關項目須承受的價值變動風險較低且期限較短（一般於購入後三個月內到期），並減除須應要求償還並構成本集團現金管理不可或缺部分的銀行透支。

就綜合財務狀況表而言，現金及現金等值物包括手頭現金及銀行存款，包括定期存款及與現金性質類似且用途不受限制的資產。

#### 所得稅

所得稅包括即期稅項及遞延稅項。與在損益賬以外確認的項目有關的所得稅，乃在損益以外的其他全面收入或直接在權益中確認。

即期稅項資產及負債，乃以於各報告期末已執行的或實質上已執行的稅率（及稅法）為基礎，考慮到本集團經營所在國家的當前詮釋及慣例，按預期將從稅務機關返還或支付予稅務機關的金額計量。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income tax (Continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

### 3.4 主要會計政策概要(續)

#### 所得稅(續)

於報告期末在資產及負債的稅基與其就財務報告而言的賬面值之間的所有暫時性差額，須按負債法計提遞延稅項。

所有應課稅暫時性差額均會確認為遞延稅項負債，除非：

- 當遞延稅項負債乃因初始確認商譽或不屬業務合併交易的資產或負債而產生，並且於交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對於涉及與附屬公司之投資相關的應課稅暫時性差額，若撥回暫時性差額的時間可以受到控制，並且暫時性差額有可能不會在可預見未來撥回。

所有可扣減的暫時性差額、承前未用稅項抵免及任何未用稅務虧損，均會確認為遞延稅項資產。遞延稅項資產的確認以將有可能以應課稅溢利抵扣可扣減的暫時性差額、承前未用稅項抵免及未用稅務虧損的金額為限，除非：

- 當有關自可扣減暫時性差額的遞延稅項資產乃自初始確認不屬業務合併交易的資產或負債而產生，並且於交易時對會計溢利或應課稅溢利或虧損均無影響；及



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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income tax (Continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxable authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets expected to be settled or recovered.

### 3.4 主要會計政策概要(續)

#### 所得稅(續)

- 對於與附屬公司的投資相關的可扣減暫時性差額，遞延稅項資產僅於暫時性差額有可能將在可預見未來撥回並且將會出現可利用暫時性差額予以抵扣的應課稅溢利時，方會確認。

遞延稅項資產的賬面值於各報告期末進行檢討，並以預期不會再出現足夠的應課稅溢利以動用全部或部分遞延稅項資產時為限予以調低。尚未確認的遞延稅項資產於各報告期末重新評估，並以可能有足夠的應課稅溢利用以收回全部或部分遞延稅項資產時為限予以確認。

遞延稅項資產及負債乃以於各報告期末已執行的或實質上已執行的稅率(及稅法)為基礎，按預期在變現資產或償還負債的期間應用的稅率計算。

倘及僅倘本集團存在法律上可予強制執行的權利將即期稅項資產及即期稅項負債抵銷，而遞延稅項資產及遞延稅項負債與同一應課稅機關及同一應課稅實體，或有意按淨基礎償還即期稅項負債及資產或同時變現及償付於遞延稅項負債或資產預期被償付或收回的各未來期間的資產及負債的不同應課稅實體所徵收的所得稅有關，則遞延稅項資產與遞延稅項負債互相抵銷。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

#### Revenue recognition (applicable from 1 January 2018)

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

- (a) Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.
- (b) Revenue from provision of construction services is classified by the Group as a construction contract with the contract relates to work on civil engineering and construction assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

### 3.4 主要會計政策概要(續)

#### 政府補助

倘有合理保證可收取政府補助並將符合所有附帶條件，則會按公允值確認補助。倘有關補助涉及開支項目，其將於計劃補助的成本(擬予以補償)支銷期間按系統基準確認為收入。

#### 收益確認(自二零一八年一月一日起適用)

客戶合約收益於商品或服務控制權轉讓至客戶時按可反映本集團預期將就該等商品或服務換得之代價金額確認。

- (a) 銷售貨品之收益應於資產控制權轉移至客戶時(一般為交付貨品時)獲確認。
- (b) 來自提供建造之收益獲本集團分類為與受客戶控制之土木工程及建造資產工程有關的建造合約，因此，本集團的建造活動設置或提升受客戶控制之資產。



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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition (applicable from 1 January 2018) (Continued)

(b) (Continued)

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the output method, based on the direct measurement of the value of contract work performed, provided that the value of contract work performed can be measured reliably. The value of contract work performed is measured according to the completion of specific detailed components as set out in the contract. Variations in contract work are recognised as contract revenue to the extent that the modification has been approved by the parties to the contracts and it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered;

- (c) Interest income is recognised on the accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.
- (d) Consultancy service fee income is recognised over the schedule period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

### 3.4 主要會計政策概要(續)

#### 收益確認(自二零一八年一月一日起適用)(續)

(b) (續)

建築合約結果可合理計量時，合約收益按所執行合約工程的直接價值計量，利用輸出法隨時間累進確認，惟所執行合約工程的價值須能可靠計量。所執行合約工程的價值，乃按合約所載具體細節部分之完成度計量。倘合約訂約方已同批准修訂，則合約工程變動確認為合約收益，而經確認累計收益金額的重大撥回極可能不會發生。

合約結果不可合理計量時，收益僅在所產生的合約成本將予收回的情況下確認：

- (c) 利息收入，按預提基準採用實際利率法確認，方式為應用在金融工具的預期壽命或更短期間(如適用)將估計未來現金收入準確貼現至金融資產賬面淨值的利率。
- (d) 顧問服務費收入於預計期間按直線基準確認，因為客戶同時取得及消耗本集團提供的利益。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition (applicable before 1 January 2018)

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

- (a) Revenue from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- (b) Revenue from construction contracts, based on the percentage of completion basis, as further explained in the accounting policy for “Construction contracts (applicable before 1 January 2018)” below;
- (c) Rental income, on a time proportion basis over the lease terms.
- (d) Interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.
- (e) Consultancy service fee income, when the consultancy services are rendered.

#### Contract assets (applicable from 1 January 2018)

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### 3.4 主要會計政策概要(續)

#### 收益確認(於二零一八年一月一日前適用)

收入乃於經濟利益將有可能流入本集團及收入能夠可靠計算時按下列基準確認：

- (a) 來自銷售貨物的收入，倘擁有權的重大風險及回報已轉移至買方，惟本集團並不參與通常與擁有權相關之管理，亦無已售貨物的實際控制權；
- (b) 來自建造合約的收入，按完工百分比基準確認，於下文「建造合約」的會計政策(於二零一八年一月一日前適用)進一步詳述；
- (c) 租金收入，按租期以時間比例計算；
- (d) 利息收入，按預提基準採用實際利率法計算，方式為應用在金融工具的預期壽命或更短期間(如適用)將估計未來現金收入準確貼現至金融資產賬面淨值的利率；及
- (e) 於提供顧問服務時之顧問服務費收入。

#### 合約資產(自二零一八年一月一日起適用)

合約資產乃就換取已向客戶轉讓的貨品或服務而收取代價的權利。倘本集團於客戶支付代價或付款到期前將貨品或服務轉讓予客戶，則就附帶條件的已賺取代價確認合約資產。



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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### Contract costs (applicable from 1 January 2018)

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) 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.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

### 3.4 主要會計政策概要(續)

#### 合約負債(自二零一八年一月一日起適用)

合約負債指本集團因已向客戶收取代價(或代價款項已到期)，而須向客戶轉讓貨品或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付代價，則於作出付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時確認為收益。

#### 合約成本(自二零一八年一月一日起適用)

除資本化為存貨、物業、廠房及設備以及無形資產之成本外，倘符合所有以下條件，為履行客戶合約所產生之成本資本化為資產：

- (a) 與企業可明確識別的合約或預期合約直接相關的成本。
- (b) 生成或改進企業資源的成本，該資源將被用於在未來履行(或繼續履行)履約義務。
- (c) 預計將被收回的成本。

資本化合約成本按系統性基準(與確認相關資產的收益模式一致)於損益攤銷及扣除。其他合約成本於產生時支銷。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Construction contracts (applicable before 1 January 2018)

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised on the percentage of completion method, measured by reference to the percentage of certified value of work performed to date to the total contract sum of the relevant contracts.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from customers for contract work. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as accruals of costs for contract work.

#### Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the financial statements.

### 3.4 主要會計政策概要(續)

#### 建造合約(於二零一八年一月一日前適用)

合約收入包括已協定的合約金額及來自改建工程、索償額及獎勵金的適當款額。所產生的合約成本則包括直接材料、分包成本、直接勞工及適當比例的可變及固定建造間接成本。

固定價格建築合約的收入乃參考迄今為止已驗收工程價值佔相關合約總額的比例按完工百分比法確認。

倘管理層一旦預計於可見未來出現虧損，則就此計提撥備。倘迄今已產生的合約成本加已確認溢利減已確認虧損超過進度賬單款項，則有關結餘被視作應收客戶的合約工程款項。倘進度賬單款項超過迄今已產生合約成本加已確認溢利減已確認虧損，則有關餘額被視作應計合約工程成本。

#### 以股份為基礎付款

本公司運作購股權計劃，藉以向為本集團營運成功作出貢獻的合資格參與者提供激勵及回報。本集團的僱員(包括董事)按以股份為基礎付款的形式收取薪酬，據此僱員提供服務以作為股本工具的代價(「股權結算交易」)。

就授出與僱員之股權結算交易的成本乃經參考其於授出日期之公允值計算。公允值乃由外部估值師使用二項式模型釐定，有關進一步詳情載於財務報表附註31。



# Notes to Financial Statements

## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Share-based payments (Continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

### 3.4 主要會計政策概要(續)

#### 以股份為基礎付款(續)

股權結算交易之成本乃在僱員福利開支中連同相應權益增加，於達成表現及／或服務條件之期間內確認。於各報告期末直至歸屬日期就股權結算交易確認之累計開支反映歸屬期屆滿之程度及本集團對將會最終歸屬之股本工具數目之最佳估計。某一期間之損益之扣除或計入指於報告期起及報告期末確認之累計開支變動。

服務及非市場表現條件在釐定獎勵之授出日期公允值時均不予考慮，惟達成有關條件之可能性乃作為本集團有關將會最終歸屬之股本工具數目之最佳估計的一部分予以評估。市場表現條件反映於授出日期之公允值。獎勵所附帶之任何其他條件(但並無相關服務規定者)均被視為非歸屬條件。非歸屬條件均反映於獎勵之公允值，並引致獎勵之即時支銷，除非亦存在服務及／或表現條件。

就因非市場表現及／或服務條件未獲達成而最終並無歸屬之獎勵而言，一概不會確認任何開支。倘獎勵包括市場或非歸屬條件，則交易會被視為歸屬，而不論是否達成市場或非歸屬條件，惟須達成所有其他表現及／或服務條件。

# Notes to Financial Statements

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Share-based payments (Continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

#### Other employee benefits

##### *Paid leave carried forward*

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of the reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of each reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward.

### 3.4 主要會計政策概要(續)

#### 以股份為基礎付款(續)

於修改股權結算獎勵之條款時，倘達成獎勵之原有條款，則盡量確認最低開支，猶如有關係款未經修改。此外，會就任何增加以股份為基礎付款之總公允值之任何修改或於修改日期計量時另行有利於僱員之任何修改確認開支。

倘註銷股權結算獎勵，則其乃猶如已經於註銷日期歸屬處理，而尚未就獎勵確認之任何開支乃即時確認。此包括在本集團或僱員控制之內之在非歸屬條件未獲達成下之任何獎勵。然而，倘以新獎勵替代經註銷獎勵，並於其獲授出當日指定為替代獎勵，則有關經註銷及新獎勵乃按猶如其為原有獎勵之修改處理(載述於前一段)。

尚未行使購股權之攤薄影響乃在計算每股盈利時反映為額外股份攤薄。

#### 其他僱員福利

##### *結轉有薪假期*

本集團根據僱傭合約按曆年基準向其僱員提供有薪年假。在若干情況下，於報告期末尚未使用的假期准予結轉，並供相關僱員在下一年度使用。於各報告期末，就僱員在年內產生及結轉的有薪假期所涉及的預期未來成本預提費用。



# Notes to Financial Statements

## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Other employee benefits (Continued)

##### *Pension schemes*

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

The Group also operates a Mandatory Provident Fund Exempted Occupational Retirement Schemes Ordinance ("ORSO") retirement benefit scheme for those employees who are eligible to participate in the ORSO scheme. This scheme operates in a way similar to the MPF Scheme, except that when an employee leaves the scheme prior to his/her interest in the Group's employee contributions vesting fully, the ongoing contributions payable by the Group are reduced by the relevant amount of forfeited employer's contributions.

The employees of the Group's subsidiary which operates in PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentages of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

### 3.4 主要會計政策概要(續)

#### 其他僱員福利(續)

##### *退休福利計劃*

本集團按照強制性公積金計劃條例為所有合資格參與界定供款強制性公積金退休福利計劃的僱員辦理強積金計劃。供款按僱員底薪的某一百分比計算，於應按照強積金計劃的規則支付供款時在損益扣除。強積金計劃的資產由獨立管理基金持有並與本集團資產分開管理。當向強積金計劃供款時，本集團的僱主供款全數歸屬於僱員所得。

本集團亦為合資格參與職業退休計劃條例計劃的僱員辦理強制性公積金豁免職業退休計劃條例(「職業退休計劃條例」)退休福利計劃。該計劃以類似強積金計劃的方式運作，惟當僱員於本集團僱員供款全數歸屬前退出該計劃，則本集團須持續支付的供款以被沒收的僱主供款的相關金額予以扣減。

本集團於中國經營的附屬公司的僱員須參與地方市政營運的中央退休金計劃。此附屬公司須按其薪酬成本的若干比例向中央退休金計劃供款。供款於根據中央退休金計劃的規則應付時於損益扣除。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on these monetary items are also recorded in other comprehensive income.

### 3.4 主要會計政策概要(續)

#### 借貸成本

直接歸屬於購置、建造或生產合資格資產(即必須經過一段相當時間方可作擬定用途或出售的資產)的借貸成本，乃作為該等資產的一部分成本而撥充資本。當資產大致上可作擬定用途或出售時，有關借貸成本不再撥充資本。有待作合資格資產支出的專項借款當用作暫時性投資所賺取的投資收入，從已撥充資本的借貸成本中扣除。所有其他借貸成本於產生期間內支銷。借貸成本包括實體就借入資金所產生的利息及其他成本。

#### 外幣

該等財務報表以本公司之功能貨幣港元呈列。本集團各實體各自釐定其功能貨幣，而包括在各實體之財務報表之項目均以該功能貨幣計量。本集團實體錄得的外幣交易最初以各自於交易當日的適用功能貨幣匯率記錄入賬。以外幣列值的貨幣資產及負債，則按各報告期末通行的功能貨幣匯率換算。結算或換算貨幣項目產生之差額均於損益確認。

因結算或換算貨幣項目產生的所有匯兌差額於損益確認，惟就指定作為對沖本集團的海外業務投資淨額一部分的貨幣項目則除外。這些於其他全面收入確認，直至投資淨額已出售，此時累計金額乃重新分類至損益。就該等貨幣項目匯兌差額應佔的稅項支出及抵免亦計入其他全面收入內。



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## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currency of certain subsidiaries operating in the PRC is currency other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollar at the exchange rate prevailing at the end of the reporting period and their statements of profit or loss and other comprehensive income are translated into Hong Kong dollars at the weighted average exchange rate for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of the PRC subsidiaries are translated into Hong Kong dollars at the exchange rate ruling at the dates of the cash flows. Frequently recurring cash flows of the PRC subsidiaries which arise throughout the year are translated into Hong Kong dollars at weighted average exchange rates for the year.

### 3.4 主要會計政策概要(續)

#### 外幣(續)

按外幣歷史成本計量的非貨幣項目按首次交易日期的匯率換算。按外幣公允價值計量的非貨幣項目採用計量公允價值當日的匯率換算。換算按公允價值計量的非貨幣項目所產生收益或虧損被視為等同於確認該項目公允價值變動所產生收益或虧損(即於其他全面收入或損益內確認公允價值收益或虧損之項目之換算差額，亦分別於其他全面收入或損益中確認)。

於中國經營的若干附屬公司的功能貨幣為港元以外的貨幣。於報告期末，該等實體的資產和負債按報告期末通行的匯率換算為港元，而其損益及其他全面收入表則按該年度的加權平均匯率換算為港元。

由此產生的匯兌差額於其他全面收入確認，並於匯兌波動儲備累計。出售海外業務時，與該項海外業務有關的其他全面收入部分於損益中確認。

收購海外業務產生的任何商譽及對收購產生的資產及負債賬面值作出的任何公允價值調整作海外業務的資產及負債處理，並按收市匯率換算。

就綜合現金流量表而言，海外附屬公司的現金流量按現金流量日期的匯率換算為港元。海外附屬公司於年內經常產生的現金流量則按該年度的加權平均匯率換算為港元。

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#### 4. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The major judgements, estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

##### Revenue recognition of construction contracts

Revenue from construction contracts are recognised over time. The revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. Until this point is reached the related contract assets disclosed in the note 20 do not include profit which the Group might eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

In the comparative period, revenue from construction contracts was subject to such estimation uncertainty. In addition, the contract assets arising from construction contracts were included as gross amount due from customers for contract work and were disclosed in note 19, rather than note 20.

#### 4. 主要會計估計

編製本集團財務報表需要管理層作出會影響收入、開支、資產和負債的報告金額及其隨附的披露的估計和假設，並披露或然負債。然而，有關該等假設及估計的不確定性，可能導致須就未來對受影響資產或負債的賬面值作出重大調整的結果。

以下描述存在對財務報表確認金額具最重大影響及可能引致資產及負債之賬面值於下一個財政年度須予以重大調整的重大風險之主要判斷、估計及假設。

##### 建築合約之收益確認

建築合約收益隨時間確認。確認未竣工項目的收益及溢利依靠估計合約的總結果值及迄今已竣工工程。根據本集團最近經驗及本集團所承辦建築活動的性質，本集團已作出其認為工程進展理想的時點估計，故此，合約結果值可合理計量。直至達到此時點為止，附註20所披露的相關合約資產並不包括本集團可最終從迄今已竣工工程變現的溢利。此外，總成本或收益方面的實際結果值可高於或低於報告期末的估計值，此事會影響日後年度確認為迄今記賬金額的調整之收益及溢利。

於比較期間，合約工程收益受相關計算不確認因素影響。此外，產生自建築合約的合約資產已入賬為應收客戶合約工程款項總額，並於附註19而非附註20中披露。



# Notes to Financial Statements

## 財務報表附註

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### 4. SIGNIFICANT ACCOUNTING ESTIMATES (Continued)

#### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2018 was HK\$297,552,000. Further details are given in note 15.

#### Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

### 4. 主要會計估計(續)

#### 商譽減值

本集團至少按年基準評估商譽是否出現減值。該過程需要估計獲分配商譽的現金產生單位的使用價值。本集團須於估計使用價值時對現金產生單位的預期未來現金流量作出估計，亦須選用合適的貼現率以計算該等現金流量的現值。於二零一八年十二月三十一日，商譽的賬面值為297,552,000港元。進一步詳情載於附註15。

#### 非金融資產(商譽除外)減值

於各報告期末，本集團評估所有非金融資產是否有任何減值跡象。當有跡象表明未必能收回賬面值時，非金融資產會進行減值測試。當資產或現金產生單位的賬面值超過其可收回金額(即其公允值減出售成本及使用價值兩者中的較高者)時，則存在減值。公允值減出售成本根據按公平原則進行具有約束力的類似資產出售交易所得的數據或可觀察市場價格減去出售資產的增量成本而計算。當計算使用價值時，管理層須估計預期未來來自資產或現金產生單位的現金流量，同時選擇適當的貼現率計算該等現金流量的現值。

# Notes to Financial Statements

## 財務報表附註

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#### 4. SIGNIFICANT ACCOUNTING ESTIMATES (Continued)

##### Provision for expected credit loss on accounts and bills receivables and contract assets

The Group assesses on a forward looking basis the expected credit losses associated with its accounts and bills receivables and contract assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. Significant estimates and judgements are required in determining the probability-weighted amount that is not recoverable and the forecast of future economic conditions. The information about ECLs on the Group's contract assets and accounts and bills receivables is disclosed in notes 20 and 21 to the financial statements, respectively.

#### 4. 主要會計估計(續)

##### 應收賬款及票據及合約資產的預期信貸虧損撥備

本集團以前瞻性基準評估其應收賬款及應收票據及合約資產的預期信用損失。適用的減值方法取決於信貸風險是否顯著增加。為進行評估，本集團將於報告日期之金融工具的違約風險與於初始確認日期之金融工具的違約風險進行比較，考慮合理且可支持的信息，而這些信息無需過多的成本或努力即可獲得並能表明自初始確認以來信用風險是顯著增加的。在確定不可收回的概率加權數量和未來經濟狀況的預測時，需要進行重大估計和判斷。有關本集團合約資產及應收賬款及應收票據之預期信貸虧損資料分別披露於財務報表附註20及21。



# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 5. 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 sale of automotive engines
- 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 allocation 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 as well as head office and corporate expenses are excluded from such measurement.

### 5. 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
- 土木工程及建造分部 — 土木工程項目以及樓宇建造及保養工程

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以及總辦事處及企業費用。

# Notes to Financial Statements

## 財務報表附註

31 December 2018  
二零一八年十二月三十一日

### 5. SEGMENT INFORMATION (Continued)

### 5. 分部資料(續)

|  |                      | Automotive engines<br>汽車發動機      |                                  | Civil engineering and construction<br>土木工程及建造 |                                  | Total<br>總計                      |                                  |
|--|----------------------|----------------------------------|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
|  |                      | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 | 2018<br>二零一八年<br>HK\$'000<br>千港元              | 2017<br>二零一七年<br>HK\$'000<br>千港元 | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
| Segment revenue  | 分部收入                 | 276,514                          | 1,478,266                        | 466,900                                       | 548,333                          | 743,414                          | 2,026,599                        |
| Segment results  | 分部業績                 | (746,607)                        | 147,880                          | (9,074)                                       | 1,236                            | (755,681)                        | 149,116                          |
| Corporate and unallocated income   | 企業及未分配收入             |                                  |                                  |   |                                  | 80,757                           | 15,160                           |
| Corporate and unallocated expenses   | 企業及未分配開支             |                                  |                                  |   |                                  | (19,795)                         | (27,245)                         |
| Finance costs  | 財務費用                 |                                  |                                  |   |                                  | (75,107)                         | (67,139)                         |
| (Loss)/profit before tax   | 除稅前(虧損)/溢利           |                                  |                                  |   |                                  | (769,826)                        | 69,892                           |
| Other segment information:   | 其他分部資料:              |                                  |                                  |   |                                  |                                  |                                  |
| Bank interest income   | 銀行利息收入               | 6                                | 2                                | 1   | 5                                | 7                                | 7                                |
| Impairment of goodwill   | 商譽減值                 | (174,933)                        | —                                | —   | —                                | (174,933)                        | —                                |
| Impairment of intangible assets  | 無形資產減值               | (430,928)                        | —                                | —   | —                                | (430,928)                        | —                                |
| (Impairment)/reversal of impairment of accounts and bills receivables, net | 應收賬款及應收票據(減值)/減值撥回淨額 | (125,256)                        | —                                | 126   | —                                | (125,130)                        | —                                |
| Reversal of impairment of contract assets                                  | 合約資產減值撥回             | —                                | —                                | 232   | —                                | 232                              | —                                |
| Provision for inventories  | 存貨撥備                 | (3,963)                          | —                                | —   | —                                | (3,963)                          | —                                |
| Depreciation   | 折舊                   | (5,547)                          | (4,502)                          | (677)   | (578)                            | (6,224)                          | (5,080)                          |
| Amortisation of intangible assets  | 無形資產攤銷               | (26,371)                         | (61,754)                         | —   | —                                | (26,371)                         | (61,754)                         |
| Capital expenditure  | 資本支出                 | (1,593)                          | (2,065)                          | (466)   | (36)                             | (2,059)                          | (2,101)                          |



# Notes to Financial Statements

## 財務報表附註

31 December 2018

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### 5. SEGMENT INFORMATION (Continued)

#### Geographical information

##### (a) Revenue from external customers

|           |    | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|-----------|----|----------------------------------|----------------------------------|
| PRC       | 中國 | 276,514                          | 1,478,266                        |
| Hong Kong | 香港 | 466,900                          | 548,333                          |
|           |    | 743,414                          | 2,026,599                        |

The revenue information above is based on the locations of the customers.

上述收入資料乃基於客戶所在地。

##### (b) Non-current assets

|           |    | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|-----------|----|----------------------------------|----------------------------------|
| PRC       | 中國 | 680,139                          | 1,098,206                        |
| Hong Kong | 香港 | 1,018                            | 1,749                            |
|           |    | 681,157                          | 1,099,955                        |

The non-current asset information above is based on the locations of assets.

上述非流動資產資料乃基於資產所在地。

### 5. 分部資料(續)

#### 地區資料

##### (a) 來自外部客戶的收入

|           |    | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|-----------|----|----------------------------------|----------------------------------|
| PRC       | 中國 | 276,514                          | 1,478,266                        |
| Hong Kong | 香港 | 466,900                          | 548,333                          |
|           |    | 743,414                          | 2,026,599                        |

上述收入資料乃基於客戶所在地。

##### (b) 非流動資產

|           |    | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|-----------|----|----------------------------------|----------------------------------|
| PRC       | 中國 | 680,139                          | 1,098,206                        |
| Hong Kong | 香港 | 1,018                            | 1,749                            |
|           |    | 681,157                          | 1,099,955                        |

上述非流動資產資料乃基於資產所在地。

# Notes to Financial Statements

## 財務報表附註

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### 5. SEGMENT INFORMATION (Continued)

#### Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the year/period, is set out below:

|                         |                  | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|-------------------------|------------------|----------------------------------|----------------------------------|
| Customer A <sup>#</sup> | 客戶A <sup>#</sup> | 111,651                          | 608,296                          |
| Customer B <sup>#</sup> | 客戶B <sup>#</sup> | 131,921                          | 733,617                          |
| Customer C <sup>*</sup> | 客戶C <sup>*</sup> | 165,952                          | N/A 不適用 <sup>®</sup>             |
| Customer D <sup>*</sup> | 客戶D <sup>*</sup> | 84,039                           | N/A 不適用 <sup>®</sup>             |

<sup>#</sup> These customers are under the automotive engines segment.

<sup>\*</sup> These customers are under the civil engineering and construction segment.

<sup>®</sup> The corresponding revenue of these customers are not disclosed as it individually did not contribute over 10% of the Group total revenue for that year.

Except for the aforesaid, no revenue from a single external customer accounted for 10% or more of the Group's revenue.

### 5. 分部資料(續)

#### 主要客戶的資料

來自各主要客戶的收入佔本集團於年內/期內收入的10%或以上，如下所示：

|                         |                  | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|-------------------------|------------------|----------------------------------|----------------------------------|
| Customer A <sup>#</sup> | 客戶A <sup>#</sup> | 111,651                          | 608,296                          |
| Customer B <sup>#</sup> | 客戶B <sup>#</sup> | 131,921                          | 733,617                          |
| Customer C <sup>*</sup> | 客戶C <sup>*</sup> | 165,952                          | N/A 不適用 <sup>®</sup>             |
| Customer D <sup>*</sup> | 客戶D <sup>*</sup> | 84,039                           | N/A 不適用 <sup>®</sup>             |

<sup>#</sup> 該等客戶為汽車發動機分部之客戶。

<sup>\*</sup> 該等客戶屬土木工程及建造分部；

<sup>®</sup> 該等客戶的相應收入並無披露，因其個人貢獻本集團該年總收入不超過10%。

除上述者外，概無來自單一外部客戶收入佔本集團收入的10%或以上。

### 6. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

|  |      | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--|------|----------------------------------|----------------------------------|
| <i>Revenue from contracts with customers</i> 與客戶之間的合約產生的收入 |      | 743,414                          | —                                |
| Sales of goods   | 銷售貨物 | —                                | 1,478,266                        |
| Construction contracts                                     | 建造服務 | —                                | 548,333                          |
|  |      | 743,414                          | 2,026,599                        |

### 6. 收入、其他收入及收益淨額

收入之分析如下：

|  |      | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--|------|----------------------------------|----------------------------------|
| <i>Revenue from contracts with customers</i> 與客戶之間的合約產生的收入 |      | 743,414                          | —                                |
| Sales of goods   | 銷售貨物 | —                                | 1,478,266                        |
| Construction contracts                                     | 建造服務 | —                                | 548,333                          |
|  |      | 743,414                          | 2,026,599                        |

# Notes to Financial Statements

## 財務報表附註

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二零一八年十二月三十一日

### 6. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

(i) Disaggregated revenue information:

For the year ended 31 December 2018

### 6. 收入、其他收入及收益淨額 (續)

(i) 分拆收入資料：

截至二零一八年十二月三十一日  
止年度

| Segments                                    | 分部              | Automotive engines<br>汽車發動機<br>HK\$'000<br>千港元 | Civil engineering and construction<br>土木工程及建造<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|-----------------|--|--|--------------------------------|
| Type of goods or services                   | 貨物或服務類別         |  |  |                                |
| Sales of goods                              | 貨物銷售            | 276,514  | —  | 276,514                        |
| Construction services                       | 建造服務            | —  | 77,134   | 77,134                         |
| Civil engineering services                  | 土木工程服務          | —  | 389,766  | 389,766                        |
| Total revenue from contracts with customers | 與客戶之間的合約產生的收入總額 | 276,514  | 466,900  | 743,414                        |
| Geographical markets                        | 地區市場            |  |  |                                |
| Hong Kong                                   | 香港              | —  | 466,900  | 466,900                        |
| PRC   | 中國              | 276,514  | —  | 276,514                        |
| Total revenue from contracts with customers | 與客戶之間的合約產生的收入總額 | 276,514  | 466,900  | 743,414                        |
| Timing of revenue recognition               | 確認收益的時間         |  |  |                                |
| Goods transferred at a point of time        | 於某一時間點轉移之貨物     | 276,514  | —  | 276,514                        |
| Services transferred over time              | 隨時間轉移之服務        | —  | 466,900  | 466,900                        |
|   |                 | 276,514  | 466,900  | 743,414                        |

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 6. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

#### (ii) Performance obligations

Information about the Group's performance obligation is summarised below:

##### *Sales of goods*

The performance obligation is satisfied upon delivery of goods and payment is generally due with 60 to 90 days from delivery.

##### *Construction and civil engineering services*

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

### 6. 收入、其他收入及收益淨額 (續)

#### (ii) 履約責任

有關本集團履約責任之資料概述如下：

##### *銷售商品*

履約責任於交付商品後達成及付款通常須於交付後60至90日內結付。

##### *建造及土木工程服務*

履約責任隨提供服務而達成及付款通常於賬單日期起30日內結付。付款的一定比例由客戶保留至保留期結束，因為本集團收取最終付款的權利以客戶於合約所訂某個期間內信納服務質量為條件。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 6. REVENUE, OTHER INCOME AND GAINS, NET (Continued) 6. 收入、其他收入及收益淨額 (續)

|  |                  | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--|------------------|----------------------------------|----------------------------------|
| <b>Other income and gains, net</b>                         | <b>其他收入及收益淨額</b> |                                  |                                  |
| Interest income  | 利息收入             | 7                                | 7                                |
| Consultancy fee income                                     | 顧問費收入            | 1,580                            | 2,120                            |
| Rental income  | 租金收入             | —                                | 5,150                            |
| Government subsidies*                                      | 政府補助*            | 4,154                            | 2,475                            |
| Loss on disposal of items of property, plant and equipment | 出售物業、機器及設備項目的虧損  | (209)                            | —                                |
| Gain on extinguishment of convertible bond                 | 註銷可換股債券之收益       | 80,757                           | —                                |
| Gain on modification of promissory notes                   | 修改承兌票據之收益        | —                                | 15,160                           |
| Sundry income  | 雜項收入             | 68                               | 1,329                            |
|  |                  | <b>86,357</b>                    | <b>26,241</b>                    |

\* Various governments grants have been received mainly for the business development in Chongqing Province, Mainland China. There are no unfulfilled conditions or contingencies relating to these subsidies.

\* 主要就中國內地重慶省及香港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然事件。

### 7. FINANCE COSTS

An analysis of finance costs is as follows:

### 7. 財務費用

財務費用分析如下：

|                                       |            | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---------------------------------------|------------|----------------------------------|----------------------------------|
| Interest on bank and other borrowings | 銀行及其他借款利息  | 6,275                            | 4,152                            |
| Interest on promissory notes          | 承兌票據利息     | 38,469                           | 35,140                           |
| Imputed interest on convertible bonds | 可換股債券之推算利息 | 30,363                           | 27,847                           |
|                                       |            | <b>75,107</b>                    | <b>67,139</b>                    |

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### 8. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

### 8. 除稅前(虧損)/溢利

本集團之除稅前(虧損)/溢利已扣除/(計入)下列各項：

|  | Notes<br>附註 | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--|-------------|----------------------------------|----------------------------------|
| Cost of sales:   |             |                                  |                                  |
| Cost of inventories sold   |             | 250,429                          | 1,244,429                        |
| Amortisation of intangible assets  | 16          | 26,371                           | 61,754                           |
| Contract costs   |             | 454,832                          | 531,466                          |
|  |             | <b>731,632</b>                   | <b>1,837,649</b>                 |
| Research and development costs   |             | 6,163                            | 23,140                           |
| Impairment of accounts and bills receivables*  | 21          | 125,130                          | —                                |
| Reversal of impairment of contract assets*   | 20          | (232)                            | —                                |
| Provision for inventories#   |             | 3,963                            | —                                |
| Depreciation**   | 14          | 6,398                            | 5,742                            |
| Auditor's remuneration   |             | 1,700                            | 2,080                            |
| Employee benefit expense (excluding directors' and chief executive's remuneration — note 9)##: |             | 38,733                           | 46,440                           |
| Minimum lease payments under operating leases  |             | 3,157                            | 3,948                            |

\* The impairment of accounts and bills receivables and reversal of impairment of contract assets for the year are included in "administrative expenses" in the consolidated statement profit or loss and other comprehensive income.

\* 年內應收賬款及應收票據減值以及合約資產減值撥回計入綜合損益及其他全面收益表內的「行政開支」。

# The provision for inventories for the year is included in "cost of sales" in the consolidated statement profit or loss and other comprehensive income.

# 年內存貨撥備計入綜合損益及其他全面收益表內的「銷售成本」。

\*\* The depreciation of HK\$4,366,000 (2017: HK\$4,109,000) for the year included in "cost of inventories sold" provided above.

\*\* 年內折舊4,366,000港元(二零一七年: 4,109,000港元)計入上文所載「已售存貨成本」。

## The employee benefit expense of HK\$13,509,000 (2017: HK\$26,544,000) for the year included in "contract costs" provided above.

## 年內僱員福利開支13,509,000港元(二零一七年: 26,544,000港元)計入上文所載「合約成本」。

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### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

### 9. 董事及最高行政人員酬金

根據聯交所證券上市規則、《香港公司條例》第383(1)(a)、(b)、(c)及(f)條以及《公司(披露董事利益資料)規例》第2部披露之年內董事及最高行政人員酬金如下：

|   |                  | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Fees  | 袍金               | 432                              | 432                              |
| Other emoluments:   | 其他薪酬：            |                                  |                                  |
| Salaries, allowances and benefits in kind                   | 薪金、津貼及實物利益       | 8,819                            | 11,760                           |
| Pension scheme contributions (defined contribution schemes) | 退休福利計劃供款(定額供款計劃) | 47                               | 51                               |
|   |                  | 8,866                            | 11,811                           |
|   |                  | 9,298                            | 12,243                           |

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### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

|                    | Notes<br>附註 | Salaries, allowances and benefits |            | Pension scheme contributions | Equity-settled share option expense | Total remuneration |
|--------------------|-------------|-----------------------------------|------------|------------------------------|-------------------------------------|--------------------|
|                    |             | Fees                              | in kind    |                              |                                     |                    |
|                    |             | 袍金                                | 薪金、津貼及實物利益 | 退休福利計劃供款                     | 股權結算購股權費用                           | 總酬金                |
|                    |             | 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                |
| 2018               | 二零一八年       |                                   |            |                              |                                     |                    |
| Ms. Chu Yin Yin    | 朱燕燕女士 (i)   | 131                               | —          | —                            | —                                   | 131                |
| Mr. Yip Tai Him    | 葉棣謙先生       | 144                               | —          | —                            | —                                   | 144                |
| Mr. Chan Kai Wing  | 陳繼榮先生       | 144                               | —          | —                            | —                                   | 144                |
| Mr. Leung Tsz Wing | 梁子榮先生 (ii)  | 13                                | —          | —                            | —                                   | 13                 |
|                    |             | 432                               | —          | —                            | —                                   | 432                |

Notes:

- (i) Resigned on 28 November 2018
- (ii) Appointed on 28 November 2018

附註：

- (i) 於二零一八年十一月二十八日辭任
- (ii) 於二零一八年十一月二十八日獲委任

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### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (a) Independent non-executive directors (Continued)

|                   |          | Salaries,<br>allowances<br>and benefits<br>in kind | Pension<br>scheme<br>contributions | Equity-settled<br>share option<br>expense | Total<br>remuneration |     |
|-------------------|----------|--|------------------------------------|---|-----------------------|-----|
|                   | Fees     | 袍金<br>及實物利益  | 退休福利<br>計劃供款                       | 購股權費用                                     | 總酬金                   |     |
|                   | 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                   |     |
| 2017              |          | 二零一七年  |                                    |   |                       |     |
| Ms. Chu Yin Yin   |          | 朱燕燕女士  | 144                                | —   | —                     | 144 |
| Mr. Yip Tai Him   |          | 葉棟謙先生  | 144                                | —   | —                     | 144 |
| Mr. Chan Kai Wing |          | 陳繼榮先生  | 144                                | —   | —                     | 144 |
|                   |          |  | 432                                | —   | —                     | 432 |

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

年內(二零一七年:無),並無其他應付獨立非執行董事薪酬。

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### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (b) Executive directors and a non-executive director

### 9. 董事及最高行政人員酬金 (續)

#### (b) 執行董事及非執行董事

|                        |       |       | Salaries,<br>allowances<br>and benefits | Pension<br>scheme | Equity-<br>settled<br>share option | Total         |              |
|------------------------|-------|-------|---|-------------------|------------------------------------|---------------|--------------|
|                        |       | Notes | Fees                                    | in kind           | contributions                      | expense       | remuneration |
|                        |       | 附註    | 袍金                                      | 薪金、津貼<br>及實物利益    | 退休福利<br>計劃供款                       | 股權結算<br>購股權費用 | 總酬金          |
|                        |       |       | 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          |
| 2018                   | 二零一八年 |       |   |                   |                                    |               |              |
| Executive directors    | 執行董事  |       |   |                   |                                    |               |              |
| Mr. Lo Kin Ching       | 勞建青先生 | (i)   | —                                       | 5,740             | 9                                  | —             | 5,749        |
| Mr. Wong Hin Shek      | 王顯碩先生 | (ii)  | —                                       | 2,387             | 16                                 | —             | 2,403        |
| Mr. Xing Bin           | 邢濱先生  |       | —                                       | 390               | 18                                 | —             | 408          |
| Mr. Lam Wah            | 林華先生  | (iii) | —                                       | 89                | 2                                  | —             | 91           |
|                        |       |       | —                                       | 8,606             | 45                                 | —             | 8,651        |
| Non-executive director | 非執行董事 |       |   |                   |                                    |               |              |
| Mr. Wong Hin Shek      | 王顯碩先生 | (ii)  | —                                       | 213               | 2                                  | —             | 215          |
|                        |       |       | —                                       | 8,819             | 47                                 | —             | 8,866        |

Notes:

- (i) Retired as executive director and ceased to be the Chairman on 12 June 2018
- (ii) Re-designated as non-executive director and resigned as chief executive officer on 28 November 2018
- (iii) Appointed on 12 November 2018

附註：

- (i) 於二零一八年六月十二日退任執行董事及不再為主席
- (ii) 於二零一八年十一月二十八日調任為非執行董事及辭任行政總裁
- (iii) 於二零一八年十一月十二日獲委任

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### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (c) Executive directors (Continued)

|                     |       | Notes | Fees                  | Salaries, allowances and benefits in kind | Pension scheme contributions | Equity-settled share option expense | Total remuneration     |
|---------------------|-------|-------|-----------------------|---|------------------------------|-------------------------------------|------------------------|
|                     |       | 附註    | 袍金<br>HK\$'000<br>千港元 | 薪金、津貼及實物利益<br>HK\$'000<br>千港元             | 退休福利計劃供款<br>HK\$'000<br>千港元  | 股權結算購股權費用<br>HK\$'000<br>千港元        | 總酬金<br>HK\$'000<br>千港元 |
| 2017                | 二零一七年 |       |                       |   |                              |                                     |                        |
| Executive directors | 執行董事  |       |                       |   |                              |                                     |                        |
| Mr. Lo Kin Ching    | 勞建青先生 | (i)   | —                     | 8,000                                     | 15                           | —                                   | 8,015                  |
| Mr. Wong Hin Shek   | 王顯碩先生 | (ii)  | —                     | 2,400                                     | 18                           | —                                   | 2,418                  |
| Mr. Xing Bin        | 邢濱先生  |       | —                     | 360                                       | 18                           | —                                   | 378                    |
| Ms. Liu Yan         | 劉妍女士  | (iii) | —                     | 1,000                                     | —                            | —                                   | 1,000                  |
|                     |       |       | —                     | 11,760                                    | 51                           | —                                   | 11,811                 |

Notes:

- (i) Appointed on 1 March 2017
- (ii) Ceased to be the Chairman on 1 March 2017
- (iii) Resigned on 1 March 2017

附註：

- (i) 於二零一七年三月一日獲委任
- (ii) 於二零一七年三月一日不再擔任主席
- (iii) 於二零一七年三月一日辭任

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### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2017: Nil).

### 10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2017: two) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining three (2017: three) non-director, highest paid employees for the year/period are as follows:

### 9. 董事及最高行政人員酬金 (續)

於年內，概無董事放棄或同意放棄任何酬金安排(二零一七年：無)。

### 10. 五名最高薪酬僱員

於年內，五名最高薪酬僱員包括兩名(二零一七年：兩名)董事，彼等的酬金詳情載於上文附註9。於年內／期內，其餘三名(二零一七年：三名)最高薪酬而非董事的僱員的酬金詳情如下：

|   |            | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|------------|----------------------------------|----------------------------------|
| Salaries, allowances and benefits in kind | 薪金、津貼和實物福利 | 5,726                            | 5,262                            |
| Discretionary performance-related bonuses | 與表現掛鈎的酌情花紅 | 2,946                            | 2,100                            |
| Pension scheme contributions              | 退休福利計劃供款   | 192                              | 138                              |
|   |            | <b>8,864</b>                     | <b>7,500</b>                     |

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### 10. FIVE HIGHEST PAID EMPLOYEES (Continued)

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

|                                |                             | 2018<br>二零一八年 | 2017<br>二零一七年 |
|--------------------------------|-----------------------------|---------------|---------------|
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至<br>1,500,000港元 | —             | 1             |
| HK\$1,500,001 to HK\$2,500,000 | 1,500,001港元至<br>2,500,000港元 | 1             | —             |
| HK\$2,500,001 to HK\$3,000,000 | 2,500,001港元至<br>3,000,000港元 | 1             | 1             |
| HK\$3,500,001 to HK\$4,000,000 | 3,500,001港元至<br>4,000,000港元 | 1             | 1             |
|                                |                             | 3             | 3             |

### 11. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI. Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Bisu Yunbo, a wholly-owned subsidiary of the Group in the PRC, is subject to a preferential corporate income tax ("CIT") rate of 15% (2017: 15%).

### 10. 五名最高薪酬僱員(續)

酬金介乎下列組別的最高薪酬而非董事的僱員人數如下：

### 11. 所得稅

根據開曼群島及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。香港利得稅已根據本年度內自香港產生之估計應課稅溢利按16.5%之稅率(二零一七年：16.5%)作出撥備。本集團於中國之全資附屬公司比速雲博須按優惠企業所得稅(「企業所得稅」)率15%繳稅(二零一七年：15%)。

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### 11. INCOME TAX (Continued)

### 11. 所得稅(續)

|  |               | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--|---------------|----------------------------------|----------------------------------|
| Current charge for the year            | 年度即期費用        |                                  |                                  |
| Hong Kong profits tax                  | 香港利得稅         | —                                | 12                               |
| PRC CIT                                | 中國企業所得稅       | 2,546                            | 31,434                           |
| Deferred (note 29)                     | 遞延(附註29)      | (68,605)                         | 733                              |
| Total tax (credit)/charge for the year | 年度稅項(抵免)/支出總額 | (66,059)                         | 32,179                           |

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory/applicable rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

以本公司及其大部分附屬公司所在的司法權區之法定/適用稅率計算的除稅前(虧損)/溢利適用的稅項開支與以實際稅率計算的稅項開支之對賬如下:

|  |                    | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| (Loss)/profit before tax   | 除稅前(虧損)/溢利         | (769,826)                        | 69,892                           |
| At the statutory/applicable rates of different jurisdictions               | 按不同司法權區之法定/適用稅率計算  | (129,877)                        | 30,336                           |
| Withholding tax on the distributable profits of the Group's PRC subsidiary | 本集團中國附屬公司可分配利潤的預扣稅 | —                                | 10,000                           |
| Lower tax rate enacted by local authority                                  | 地方當局製定的較低稅率        | 13,333                           | (20,967)                         |
| Income not subject to tax  | 毋須課稅的收入            | (14,041)                         | (2,505)                          |
| Expenses not deductible for tax  | 不可扣稅開支             | 64,464                           | 15,512                           |
| Others   | 其他                 | 62                               | (197)                            |
| Tax (credit)/charge  | 稅項(抵免)/開支          | (66,059)                         | 32,179                           |

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### 12. DIVIDEND

The directors do not recommend the payment of any final dividend in respect of the year (2017: Nil).

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

The calculation of the basic (loss)/earnings per share amounts is based on the loss for the year attributable to owners of the parent of HK\$703,767,000 (2017: profit of HK\$37,713,000) and the weighted average number of ordinary shares in issue during the reporting period.

The calculation of the diluted (loss)/earnings per share amounts is based on the (loss)/profit for the year attributable to the owners of the parent, adjusted to reflect the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted (loss)/earnings per share are based on:

### 12. 股息

董事不建議就本年度派付任何末期股息(二零一七年：無)。

### 13. 母公司擁有人應佔每股(虧損)/盈利

每股基本(虧損)/盈利乃根據母公司擁有人應佔年內虧損703,767,000港元(二零一七年：溢利37,713,000港元)及報告期間已發行普通股之加權平均數計算。

每股攤薄(虧損)/盈利乃基於母公司擁有人應佔年內(虧損)/溢利計算，並經調整以反映可換股債券利息。用於計算之普通股加權平均數為每股基本(虧損)/盈利計算中使用的年內已發行普通股數目，且普通股加權平均數乃假設按零代價發行，視為行使或轉換所有攤薄潛在普通股為普通股。

每股基本及攤薄(虧損)/盈利的計算基於：

|   |                                 | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|---------------------------------|----------------------------------|----------------------------------|
| (Loss)/earnings   | (虧損)/盈利                         |                                  |                                  |
| (Loss)/profit attributable to owners of the parent, used in basic (loss)/earnings per share calculation | 用於計算每股基本(虧損)/盈利的母公司擁有人應佔(虧損)/溢利 | (703,767)                        | 37,713                           |
| Interest on convertible bonds   | 可換股債券之利息                        | 30,363                           | 27,847                           |
| (Loss)/profit attributable to owners of the parent before interest on convertible bonds                 | 扣除可換股債券利息前母公司擁有人應佔(虧損)/溢利       | (734,129)                        | 65,560                           |

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### 13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT (Continued)

The calculations of basic and diluted (loss)/earnings per share are based on:

### 13. 母公司擁有人應佔每股(虧損)/盈利(續)

每股基本及攤薄(虧損)/盈利的計算基於：

|  |                          | Number of shares<br>股數 |               |
|--|--------------------------|------------------------|---------------|
|  |                          | 2018<br>二零一八年          | 2017<br>二零一七年 |
| Shares   | 股份                       |                        |               |
| Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation | 用於計算每股基本盈利之年內已發行普通股加權平均數 | 200,000,000            | 200,000,000   |
| Effect of dilution – weighted average number of ordinary shares:   | 攤薄影響普通股之加權平均數：           |                        |               |
| Share options  | 購股權                      | —                      | 30,877        |
| Convertible bonds  | 可換股債券                    | —                      | 195,000,000   |
| Weighted average number of ordinary shares in issue during the year used in diluted earnings per share calculation   | 用於計算每股攤薄盈利之年內已發行普通股加權平均數 | 200,000,000            | 395,030,877   |

The computation of diluted loss per share for the year ended 31 December 2018 does not assume the impact of the convertible bonds outstanding since their assumed conversion would result in a decrease in loss per share.

截至二零一八年十二月三十一日止年度之每股攤薄虧損計算並不假設行使本公司之尚未行使購股權及轉換可換股票據，原因為其假設轉換將導致每股虧損減少。

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### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、機器及設備

|  |                          | Leasehold improvements | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Construction in progress | Total    |
|--|--------------------------|------------------------|-------------------------|--|----------------|--------------------------|----------|
|  |                          | 租賃改善                   | 機器及設備                   | 傢俬、固定裝置及辦公設備                             | 汽車             | 在建工程                     | 總計       |
|  |                          | 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      |
| 31 December 2018                                     | 二零一八年十二月三十一日             |                        |                         |  |                |                          |          |
| At 31 December 2017 and 1 January 2018:              | 於二零一七年十二月三十一日及二零一八年一月一日: |                        |                         |  |                |                          |          |
| Cost   | 成本                       | 428                    | 52,053                  | 4,337                                    | 1,340          | 1,850                    | 60,008   |
| Accumulated depreciation                             | 累計折舊                     | (206)                  | (12,170)                | (1,561)                                  | (1,255)        | —                        | (15,192) |
| Net carrying amount                                  | 賬面淨值                     | 222                    | 39,883                  | 2,776                                    | 85             | 1,850                    | 44,816   |
| At 1 January 2018, net of accumulated depreciation   | 於二零一八年一月一日，扣除累計折舊        | 222                    | 39,883                  | 2,776                                    | 85             | 1,850                    | 44,816   |
| Additions  | 添置                       | 432                    | 482                     | 1,122                                    | 436            | 19                       | 2,491    |
| Disposals  | 出售                       | (211)                  | —                       | (3)                                      | —              | —                        | (214)    |
| Transfer   | 轉讓                       | —                      | 1,760                   | —  | —              | (1,760)                  | —        |
| Depreciation provided during the year (note 8)       | 年內折舊撥備(附註8)              | (94)                   | (5,455)                 | (758)                                    | (91)           | —                        | (6,398)  |
| Exchange realignment                                 | 匯兌調整                     | —                      | (1,906)                 | (106)                                    | —              | (91)                     | (2,103)  |
| At 31 December 2018, net of accumulated depreciation | 於二零一八年十二月三十一日，扣除累計折舊     | 349                    | 34,764                  | 3,031                                    | 430            | 18                       | 38,592   |
| At 31 December 2018:                                 | 於二零一八年十二月三十一日:           |                        |                         |  |                |                          |          |
| Cost   | 成本                       | 388                    | 51,689                  | 5,278                                    | 1,558          | 18                       | 58,931   |
| Accumulated depreciation                             | 累計折舊                     | (39)                   | (16,925)                | (2,247)                                  | (1,128)        | —                        | (20,339) |
| Net carrying amount                                  | 賬面淨值                     | 349                    | 34,764                  | 3,031                                    | 430            | 18                       | 38,592   |

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### 14. PROPERTY, PLANT AND EQUIPMENT (Continued)

### 14. 物業、機器及設備(續)

|   |                              | Leasehold<br>improvements | Machinery<br>and<br>equipment | Furniture,<br>fixtures<br>and office<br>equipment | Motor<br>vehicles | Construction<br>in progress | Total    |
|---|------------------------------|---------------------------|-------------------------------|---|-------------------|-----------------------------|----------|
|   |                              | 租賃改善                      | 機器及設備                         | 傢俬、固定裝<br>置及辦公設備                                  | 汽車                | 在建工程                        | 總計       |
|   |                              | 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      |
| 31 December 2017  | 二零一七年<br>十二月三十一日             |                           |                               |   |                   |                             |          |
| At 1 January 2017:                                      | 二零一七年一月一日:                   |                           |                               |   |                   |                             |          |
| Cost  | 成本                           | 428                       | 48,004                        | 2,999   | 1,314             | 1,404                       | 54,149   |
| Accumulated depreciation                                | 累計折舊                         | (120)                     | (6,584)                       | (955)   | (1,227)           | —                           | (8,886)  |
| Net carrying amount                                     | 賬面淨值                         | 308                       | 41,420                        | 2,044   | 87                | 1,404                       | 45,263   |
| At 1 January 2017, net of<br>accumulated depreciation   | 於二零一七年一月一日，<br>扣除累計折舊        | 308                       | 41,420                        | 2,044   | 87                | 1,404                       | 45,263   |
| Additions   | 添置                           | —                         | 120                           | 40  | 26                | 1,946                       | 2,132    |
| Transfer  | 轉讓                           | —                         | 530                           | 1,157   | —                 | (1,687)                     | —        |
| Depreciation provided during the year<br>(note 8)       | 年內折舊撥備(附註8)                  | (86)                      | (5,052)                       | (576)   | (28)              | —                           | (5,742)  |
| Exchange realignment                                    | 匯兌調整                         | —                         | 2,865                         | 111   | —                 | 187                         | 3,163    |
| At 31 December 2017, net of<br>accumulated depreciation | 於二零一七年<br>十二月三十一日，<br>扣除累計折舊 | 222                       | 39,883                        | 2,776   | 85                | 1,850                       | 44,816   |
| At 31 December 2017:                                    | 於二零一七年<br>十二月三十一日:           |                           |                               |   |                   |                             |          |
| Cost  | 成本                           | 428                       | 52,053                        | 4,337   | 1,340             | 1,850                       | 60,008   |
| Accumulated depreciation                                | 累計折舊                         | (206)                     | (12,170)                      | (1,561)   | (1,255)           | —                           | (15,192) |
| Net carrying amount                                     | 賬面淨值                         | 222                       | 39,883                        | 2,776   | 85                | 1,850                       | 44,816   |

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### 15. GOODWILL

|                               |          | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|-------------------------------|----------|----------------------------------|----------------------------------|
| Cost and net carrying amount: | 成本及賬面淨值： |                                  |                                  |
| At 1 January                  | 於一月一日    | 498,343                          | 463,257                          |
| Impairment during the year    | 年內減值     | (174,933)                        | —                                |
| Exchange realignment          | 匯兌調整     | (25,858)                         | 35,086                           |
| At 31 December                | 於十二月三十一日 | 297,552                          | 498,343                          |

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.

#### 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 21.42% (2017: 24.48%). Management has determined the growth rate with reference to the sales volume stipulated in the 5-year purchasing plans signed with its major customers of the Automotive Engine Business, the Automotive Engine Sales Framework Agreements and Supplemental Agreements (as defined in note 16), and the historical performance of these customers to fulfill their purchasing plans. The cash flow projections of the Automotive Engines CGU beyond the five-year period of financial budgets are extrapolated using a growth rate of 2.5% (2017: 2.5%), 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 unit.

### 15. 商譽

就進行減值測試而言，透過業務合併所收購的商譽被分配至汽車發動機業務現金產生單位（「汽車發動機現金產生單位」）。

#### 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21.42%（二零一七年：24.48%）。管理層釐定增長率時已參考與其主要汽車發動機業務客戶簽署的五年採購計劃內訂明的銷量、汽車發動機銷售框架協議及補充協議（定義見附註16）及該等客戶過往就履行採購計劃的表現。五年期後財政預算中汽車發動機現金產生單位的現金流量預測使用2.5%（二零一七年：2.5%）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單位的特定風險。

### 15. GOODWILL (Continued)

#### Impairment test of goodwill (Continued)

Assumptions were used in the value in use calculation of the Automotive Engines CGU for 31 December 2018 and 2017. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

*Sales growth rates* — The sales growth rates on product types of the Group are estimated with reference to the sales volume stipulated in the 5-year purchasing plans, and the historical performance of these customers.

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

During the year, 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 calculation in accordance with HKAS 36 *Impairment of Assets* with reference to a valuation performed by Moore Stephens Advisory Services Limited, an independent professionally qualified valuer. The income approach was considered to be the most appropriate valuation approach in the valuation.

In the opinion of the directors, the reason for the impairment loss was mainly attributable to the financial performance of Automotive Engines Business was less than expected for the year ended 31 December 2018 because a significant decrease in revenue in the Automotive Engines Business from HK\$1,478,266,000 in 2017 to HK\$276,514,000 for the year. Such decline was primarily attributable to a decline of China's overall automobiles and sport utility vehicle ("SUV") markets, as well as the financial difficulties encountered by the vehicle and vehicle parts manufacturing customers of the Group (the "Automotive Engines Business Customers"), which caused the sales orders from these customers have decrease sharply during the second half of 2018.

### 15. 商譽(續)

#### 商譽之減值測試(續)

計算二零一八年及二零一七年十二月三十一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參考五年採購計劃內訂明的銷量及該等客戶的過往表現估計。

*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。

年內，本集團就汽車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號資產減值採用使用價值計算之商譽減值測試結果並參考獨立專業合資格估值師馬施雲諮詢有限公司進行的估值而作出。收入法被視為於估值中的最適合估值方法。

董事認為，減值虧損主要由於汽車發動機業務於截至二零一八年十二月三十一日止年度的財務表現未如理想，乃由於汽車發動機業務的收入由二零一七年年度的1,478,266,000港元大幅減至本年度276,514,000港元。該減幅主要由於中國整體汽車及運動型多用途車(「運動型多用途車」)市場縮減，而且本集團的汽車及汽車部件製造客戶(「汽車發動機業務客戶」)遇到財務困難，致使來自該等客戶的銷售訂單於二零一年下半年大幅減少。

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### 16. INTANGIBLE ASSETS

### 16. 無形資產

|  |                      | Customer contracts<br>客戶合約<br>HK\$'000<br>千港元 |
|--|----------------------|---|
| <b>31 December 2018</b>                        | <b>二零一八年十二月三十一日</b>  |   |
| Net carrying amount:                           | 賬面淨值：                |   |
| At 1 January 2018                              | 於二零一八年一月一日           | 556,230                                       |
| Amortisation provided during the year (note 8) | 年內已撥備的攤銷(附註8)        | (26,371)                                      |
| Impairment during the year                     | 年內減值                 | (430,928)                                     |
| Exchange realignment                           | 匯兌調整                 | (10,313)                                      |
| <b>At 31 December 2018</b>                     | <b>於二零一八年十二月三十一日</b> | <b>88,618</b>                                 |
| At 31 December 2018:                           | 於二零一八年十二月三十一日：       |   |
| Cost   | 成本                   | 669,741                                       |
| Accumulated amortisation and impairment        | 累計攤銷及減值              | (581,123)                                     |
| Net carrying amount                            | 賬面淨值                 | 88,618  |
| <b>31 December 2017</b>                        | <b>二零一七年十二月三十一日</b>  |   |
| Net carrying amount:                           | 賬面淨值：                |   |
| At 1 January 2017                              | 於二零一七年一月一日           | 569,171                                       |
| Amortisation provided during the year (note 8) | 年內已撥備的攤銷(附註8)        | (61,754)                                      |
| Exchange realignment                           | 匯兌調整                 | 48,813  |
| <b>At 31 December 2017</b>                     | <b>於二零一七年十二月三十一日</b> | <b>556,230</b>                                |
| At 31 December 2017:                           | 於二零一七年十二月三十一日：       |   |
| Cost   | 成本                   | 706,393                                       |
| Accumulated amortisation                       | 累計攤銷                 | (150,163)                                     |
| Net carrying amount                            | 賬面淨值                 | 556,230                                       |

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### 16. INTANGIBLE ASSETS (Continued)

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 17) 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 period.

The recoverable amounts of the intangible assets were determined based on value in use calculation using cashflow projections of financial budgets covering to the customer contract period of the Automotive Engines Agreements and Supplemental Agreements extended to 2022 approved by management. Details of the assumption of impairment test of intangible assets are similar to the impairment test of goodwill which detailed in note 15 above.

### 17. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

### 16. 無形資產(續)

客戶合約指由汽車發動機集團(定義見附註17)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關連客戶訂立若干補充汽車發動機銷售框架協議(「補充協議」)，據此，客戶合約期已延長至二零二二年，並根據客戶最新生產需求調整先前約定發動機數量。客戶合約於相關合約期間根據生產單位法攤銷至損益。

無形資產的可收回金額乃使用經管理層批准涵蓋汽車發動機協議及補充協議(延長至二零二二年)客戶合約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。無形資產減值測試的詳情類似商譽的減值測試，詳情載於上文附註15。

### 17. 按公允值透過損益列賬之金融資產

|                      |               | Contingent consideration<br>— profit guarantee<br>或然代價 — 溢利保證<br>HK\$'000<br>千港元 |
|----------------------|---------------|--|
| At 1 January 2017    | 於二零一七年一月一日    | 2,911  |
| Change in fair value | 公允值變動         | (2,911)  |
| At 31 December 2017  | 於二零一七年十二月三十一日 | —  |



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

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 had 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 ended 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”).

In the event that the Total Guaranteed Profit had not been achieved, Power Expert shall compensate the Group. Details of the calculation of the compensation were set out in the Company’s announcement dated 31 December 2017 and the Company’s circular dated 20 March 2018. As at 31 December 2017, the directors of the Company determined that the fair value of the profit guarantee was HK\$Nil.

### 17. 按公允值透過損益列賬之金融資產(續)

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)(「總保證溢利」)。

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。於二零一七年十二月三十一日，本公司董事確認保證溢利之公允值為零港元。

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### 18. INVENTORIES

### 18. 存貨

|                  |       | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|------------------|-------|----------------------------------|----------------------------------|
| Raw materials    | 原材料   | 105,942                          | 26,441                           |
| Finished goods   | 製成品   | 862                              | 2,406                            |
| Goods in transit | 運輸中貨物 | —                                | 33,929                           |
|                  |       | <b>106,804</b>                   | <b>62,776</b>                    |

### 19. CONSTRUCTION CONTRACTS

### 19. 建造合約

|  |                         | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| Gross amount due from customers for contract work                              | 應收客戶的合約工程款總額            | —                                | 66,530                           |
| Contract costs incurred plus recognised profits less recognised losses to date | 已產生的合約成本加迄今的已確認溢利減已確認虧損 | —                                | 3,078,827                        |
| Less: Progress billings  | 減：進度賬單款項                | —                                | (3,012,297)                      |
|  |                         | <b>—</b>                         | <b>66,530</b>                    |

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### 20. CONTRACT ASSETS

### 20. 合約資產

|                               |                  | 31 December<br>2018<br>二零一八年<br>十二月三十一日<br>HK\$'000<br>千港元 | 1 January<br>2018<br>二零一八年<br>一月一日<br>HK\$'000<br>千港元 | 31 December<br>2017<br>二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元 |
|-------------------------------|------------------|--|---|--|
| Contract assets arising from: | 來自以下各項的<br>合約資產： |  |   |  |
| Construction services         | 建造服務             | 44,118   | 44,118  | —  |
| Civil engineering services    | 土木工程服務           | 153,816  | 198,173   | —  |
|                               |                  | 197,934  | 242,291   | —  |
| Impairment                    | 減值               | (413)  | (645)   | —  |
|                               |                  | 197,521  | 241,646   | —  |

Contract assets are initially recognised for revenue earned from construction services as the receipt of consideration is conditional on successful completion of construction. Included in contract assets for construction services are retention receivables. Upon completion of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to accounts receivable. The decrease in contract assets in 2018 was the result of the decrease in the provision of civil engineering services at the end of the year. As at the year ended 31 December 2018, HK\$413,000 was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 21 to the financial statements.

合約資產初步就自建築服務所賺取的收益確認，因為收取代價乃以成功完成建築工程為條件。建築服務的合約資產包含應收保證金。待客戶完成建築工程及接納後，確認為合約資產的金額重新分類至應收賬款。二零一八年的合約資產減少乃由於年末提供土木工程服務減少所致。截至二零一八年十二月三十一日止年度，413,000港元確認為合約資產預期信貸虧損撥備。本集團與客戶的交易條款及信貸政策披露於財務報表附註21。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 20. CONTRACT ASSETS (Continued)

The expected timing of recovery or settlement for contract assets as at 31 December 2018 is as follows:

|                              |              | HK\$'000<br>千港元 |
|------------------------------|--------------|-----------------|
| Within one year              | 一年內          | 172,972         |
| More than one year           | 超過一年         | 24,549          |
| <b>Total contract assets</b> | <b>總合約資產</b> | <b>197,521</b>  |

The movements in the loss allowance for impairment of contract assets are as follows:

合約資產減值虧損撥備變動如下：

|  |                  | 2018<br>二零一八年<br>HK\$'000<br>千港元 |
|--|------------------|----------------------------------|
| At beginning of year                         | 年初               | —                                |
| Effect of adoption of HKFRS 9                | 採納香港財務報告準則第9號之影響 | 645                              |
| At beginning of year (restated)              | 年初(經重列)          | 645                              |
| Reversal of impairment of losses<br>(note 8) | 減值虧損撥回(附註8)      | (232)                            |
| At end of year                               | 年末               | 413                              |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the accounts receivable as the contract assets and the accounts receivable are from the same customer bases. The provision rates of contract assets are based on days past due of accounts receivables of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

於各報告日期使用撥備矩陣進行減值分析，以計量預期信貸虧損。計量合約資產預期信貸虧損的撥備比率乃基於該等應收賬款，因為合約資產及應收賬款來自相同客戶基礎。而合約資產的撥備比率乃基於具有相類似虧損模式的不同客戶組別(即按地區、產品類別、客戶類別及評級)的應收賬款逾期日數。計算反映了可能性加權結果、貨幣的時間價值及於報告日期可取得的有關過往事件、現時狀況及未來經濟狀況預測的合理及有憑證資料。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 20. CONTRACT ASSETS (Continued)

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

As at 31 December 2018

|                                    |              |
|------------------------------------|--------------|
| Expected credit loss rate 預期信貸虧損比率 | 0.03%–9.85%  |
|                                    | HK\$'000 千港元 |
| Gross carrying amount 賬面總值         | 197,934      |
| Expected credit losses 預期信貸虧損      | 413          |

### 21. 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 30 days. The payment terms for receivables arising from sales of automotive engines are mainly on credit and the credit period is generally 90 days. The payment terms of bills receivable are stipulated in the relevant bills and their maturity periods normally range from 90 to 180 days. The carrying amounts of accounts and bills receivables approximate to their fair values.

### 20. 合約資產(續)

下文列載使用撥備矩陣計算的本集團合約資產的信貸風險資料：

於二零一八年十二月三十一日

### 21. 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的應收賬款。合約工程應收賬款的付款方法於有關合約中訂明，而信貸期一般為30日。來自銷售汽車發動機的應收賬款的付款方法以信貸為主，而信貸期一般為90日。應收票據的付款條款於相關票據內訂明，其到期時間一般介乎90至180日。應收賬款及應收票據的賬面值與其公允值相若。

|                      |         | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|----------------------|---------|----------------------------------|----------------------------------|
| Accounts receivable  | 應收賬款    | 178,221                          | 1,191,019                        |
| Bills receivable     | 應收票據    | 483,485                          | 2,113                            |
|                      |         | 661,706                          | 1,193,132                        |
| Impairment           | 減值      | (144,452)                        | —                                |
|                      |         | 517,254                          | 1,193,132                        |
| Represented by:      | 呈列為：    |                                  |                                  |
| — non-current assets | — 非流動資產 | 256,395                          | —                                |
| — current assets     | — 流動資產  | 260,859                          | 1,193,132                        |
|                      |         | 517,254                          | 1,193,132                        |

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 21. ACCOUNTS AND BILLS RECEIVABLES (Continued)

As at 31 December 2017, retentions receivable included in accounts receivable amounted to HK\$175,761,000 and were repayable on terms ranging from two to three years.

During the year, the Group has re-negotiated with the Automotive Engines Business Customers on the repayment terms of the outstanding accounts and bills receivables amounted to HK\$592,615,000, in which those customers have agreed to undertake to repay their outstanding amounts by 12-month instalments basis commencing from 1 July 2019. As a result, certain of accounts and bills receivables in total of HK\$256,395,000 was reclassified from current assets to non-current assets as the Group is expected to recover such receivables more than one year as at the end of reporting period.

In view of the aforementioned and the fact that the Group's accounts receivable relate to a few number of major customers, there is concentration of credit risk and further details are discussed in note 41 to the financial statements.

The ageing analysis of the accounts receivable as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

|               |       | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---------------|-------|----------------------------------|----------------------------------|
| 1 to 3 months | 一至三個月 | 146,768                          | 1,039,876                        |
| 4 to 6 months | 四至六個月 | 2,390                            | 150,379                          |
| Over 6 months | 六個月以上 | 2,272                            | 764                              |
|               |       | <b>151,430</b>                   | <b>1,191,019</b>                 |

### 21. 應收賬款及應收票據(續)

於二零一七年十二月三十一日，應收賬款中包含的應收保留金為175,761,000港元，還款期介乎兩至三年。

於截至二零一八年十二月三十一日止年度，本集團與汽車發動機業務客戶就償還未結應收賬款及應收票據592,615,000港元進行商討，據此，該等客戶承諾自二零一九年七月起分12期按月償還有關未結款項。故此，若干應收賬款及應收票據合計256,000港元由流動資產重新分類至非流動資產，因於報告期末本集團預期將於超過一年以上收回有關應收款項。

鑒於上述情況及本集團之應收賬款與少數幾名主要客戶相關，故具有信貸集中風險，進一步詳情於財務報表附註41討論。

於報告期末，應收賬款按發票日期及扣除虧損撥備後之賬齡分析如下：

# Notes to Financial Statements

## 財務報表附註

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二零一八年十二月三十一日

### 21. ACCOUNTS AND BILLS RECEIVABLES (Continued)

The maturity profile of bills receivable, based on the issue date and net of loss allowance, is as follows:

|                |       | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|----------------|-------|----------------------------------|----------------------------------|
| Up to 3 months | 最多三個月 | —                                | 2,113                            |
| 4 to 6 months  | 四至六個月 | 184,936                          | —                                |
| Over 6 months  | 六個月以上 | 180,888                          | —                                |
|                |       | <b>365,824</b>                   | <b>2,113</b>                     |

The movements in the loss allowance for impairment of accounts and bills receivables are as follows:

|                                 |                      | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---------------------------------|----------------------|----------------------------------|----------------------------------|
| At beginning of year            | 年初                   | —                                | —                                |
| Effect of adoption of HKFRS 9   | 採納香港財務報告準則<br>第9號之影響 | 19,322                           | —                                |
| At beginning of year (restated) | 年初(經重列)              | 19,322                           | —                                |
| Impairment losses (note 8)      | 減值虧損(附註8)            | 125,130                          | —                                |
| At end of year                  | 年末                   | <b>144,452</b>                   | —                                |

### 21. 應收賬款及應收票據(續)

應收票據根據發行日期及扣除虧損撥備後的到期組合列載如下：

應收賬款及應收票據減值虧損撥備變動如下：

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 21. ACCOUNTS AND BILLS RECEIVABLES (Continued)

#### Impairment under HKFRS 9 for the year ended 31 December 2018

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts and bills receivables. The Group determines the provision for expected credit losses by grouping together accounts and bills receivables with similar credit risk characteristics and collectively assessing them for likelihood of recovery, taking into account prevailing economic conditions. For accounts and bills receivables relating to accounts which are long overdue with significant amounts or known insolvencies, financial difficulties or non-response to collection activities, they are assessed individually for impairment allowance.

Set out below is the information about the credit risk exposure on the Group's accounts and bills receivables using a provision matrix:

As at 31 December 2018

|                           |          |              |
|---------------------------|----------|--------------|
| Expected credit loss rate | 預期信貸虧損比率 | 0.00%-24.82% |
|                           |          | HK\$'000 千港元 |
| Gross carrying amount     | 賬面總值     | 661,706      |
| Expected credit losses    | 預期信貸虧損   | 144,452      |

### 21. 應收賬款及應收票據(續)

#### 根據香港財務報告準則第9號截至二零一八年十二月三十一日止年度之減值

本集團採納香港財務報告準則第9號簡化方法計量預期信貸虧損，就應收賬款及合約資產使用全期預期虧損撥備。為評估預期信貸虧損，本集團按照相同的信貸風險特徵對應收賬款及票據分組及考慮目前經濟情況，集體評估收回的可能性。對於已過期且金額重大的應收賬款及票據之賬戶，或已知無力償債、有財務困難或對收款活動無回應之賬戶，則會單獨評估減值準備。

下文列載使用撥備矩陣計算的本集團應收賬款及應收票據的信貸風險資料：

於二零一八年十二月三十一日



# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 21. ACCOUNTS AND BILLS RECEIVABLES (Continued)

Impairment under HKAS 39 for the year ended  
31 December 2017

The ageing analysis of the accounts receivable as at  
31 December 2017 that were not individually nor collectively  
considered to be impaired under HKAS 39 is as follows:

### 21. 應收賬款及應收票據(續)

根據香港會計準則第39號截至二  
零一七年十二月三十一日止年度  
之減值

根據香港會計準則第39號於二零一  
七年十二月三十一日並無個別或整體  
上認為減值的應收賬款賬齡分析  
如下：

|                               |          | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|-------------------------------|----------|----------------------------------|
| Past due but not impaired:    | 逾期但並無減值： |                                  |
| 1 to 3 months past due        | 逾期一至三個月  | 154,384                          |
| 4 to 6 months past due        | 逾期四至六個月  | 236                              |
| Over 6 months past due        | 逾期超過六個月  | 199                              |
|                               |          | 154,819                          |
| Neither past due nor impaired | 既無逾期亦無減值 | 1,036,200                        |
|                               |          | 1,191,019                        |

# Notes to Financial Statements

## 財務報表附註

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二零一八年十二月三十一日

### 21. ACCOUNTS AND BILLS RECEIVABLES (Continued)

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

As at 31 December 2017, accounts receivable that were past due but not impaired related to a few number of major customers that have a good track record with the Group. Based on past experience, the directors were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

For the year ended 31 December 2018, the Group endorsed certain bills receivable accepted by banks in PRC (the "Derecognised Bills") to certain of its suppliers in order to settle the accounts payable due to such suppliers with a carrying amount in aggregate of RMB666,703,000 (2017: RMB1,767,000,000) (equivalent to HK\$791,069,000 (2017: HK\$2,037,000,000)). The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated accounts payable. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant. During the years ended 31 December 2017 and 2018, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

### 21. 應收賬款及應收票據(續)

既無逾期亦無減值的應收賬款與多名主要客戶相關，彼等近期並無欠繳記錄。

於二零一七年十二月三十一日，逾期但並無減值的應收賬款乃有關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，根據香港會計準則第39號，該等結餘無須計提減值準備，因有關信用質素並無重大撥備，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。

於截至二零一八年十二月三十一日止年度，本集團向其若干供應商背書內地銀行接納的若干應收票據（「已終止確認票據」），以償還應付該等供應商賬面值為人民幣666,703,000元（二零一七年：人民幣1,767,000,000元）（相當於791,069,000港元）（二零一七年：2,037,000,000港元）應付賬款。已終止確認票據於報告期末一至六個月內到期。根據中華人民共和國票據法，倘內地銀行違約，已終止確認票據持有人有權向本集團求助（「持續牽涉事件」）。董事認為，本集團已轉移已終止票據大部分風險及回報。因此，其已終止確認已終止確認票據及相關應付賬款及全部賬面值。本集團就已終止確認票據之持續牽涉事件所帶來虧損的最大風險以及購回該等已終止確認票據至未貼現現金流等於彼等賬面值。董事認為，本集團就已終止確認票據之持續牽涉事件的公允值並非重大。截至二零一七年及二零一八年十二月三十一日止年度，本集團並無確認任何於已終止確認票據轉讓日期的任何收益或虧損。於本年度或往後累計時間內，概無就持續牽涉事件確認損益。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

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### 22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

|                                |          | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--------------------------------|----------|----------------------------------|----------------------------------|
| Prepayments                    | 預付款項     | 517                              | 990                              |
| Deposits and other receivables | 按金及其他應收款 | 33,561                           | 18,112                           |
|                                |          | 34,078                           | 19,102                           |
| Less: Non-current portion      | 減：非即期部分  | —                                | (566)                            |
| Current portion                | 即期部分     | 34,078                           | 18,536                           |

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default. The carrying amounts of other receivables and deposits approximate to their fair values.

上述資產既無逾期亦無減值。上述結餘包含的金融資產乃與近期並無欠繳記錄的應收款有關。其他應收款及按金的賬面值與其公允值相若。

### 23. CASH AND CASH EQUIVALENTS

|                        |         | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|------------------------|---------|----------------------------------|----------------------------------|
| Cash and bank balances | 現金及銀行結餘 | 26,971                           | 68,623                           |

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to HK\$1,597,000 (2017: HK\$40,492,000). The RMB is not freely convertible into other currencies, however, under PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

### 23. 現金及現金等值物

於報告期末，本集團以人民幣計值的現金及銀行結餘達1,597,000港元（二零一七年：40,492,000港元）。人民幣不得自由兌換為其他貨幣，惟根據中國《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

# Notes to Financial Statements

## 財務報表附註

31 December 2018

二零一八年十二月三十一日

### 23. CASH AND CASH EQUIVALENTS (Continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The cash and cash equivalents are deposited with banks with high credit ratings and no recent history of default.

### 24. ACCOUNTS PAYABLE

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

|                 |       | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|-----------------|-------|----------------------------------|----------------------------------|
| Within 3 months | 三個月內  | 101,069                          | 663,081                          |
| 4 to 6 months   | 四至六個月 | 28,187                           | 4,217                            |
| Over 6 months   | 超過六個月 | 211,504                          | 2,379                            |
|                 |       | 340,760                          | 669,677                          |

At 31 December 2018, retentions payable included in accounts payable amounted to HK\$13,348,000 (2017: HK\$13,103,000) and were 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.

### 23. 現金及現金等值物(續)

銀行現金按基於每日銀行存款利率釐定的浮動利率賺取利息。視乎本集團的即時現金需要，短期定期存款的期限介乎一日至三個月不等，並按各短期定期存款利率賺取利息。現金及現金等值物存放於信用評級高及近期並無欠繳記錄的銀行。

### 24. 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：

於二零一八年十二月三十一日，應付賬款中包含的應付保留款項為13,348,000港元(二零一七年：13,103,000港元)，一般介乎兩至三年內結算。應付賬款的賬面值與其公允值相若。

應付賬款為免計利息，一般介乎7至120日內結算。支付條款於有關合約中訂明。



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## 財務報表附註

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### 25. OTHER PAYABLES AND ACCRUALS

### 25. 其他應付款及預提費用

|                                     |                 |             | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|-------------------------------------|-----------------|-------------|----------------------------------|----------------------------------|
|                                     |                 | Notes<br>附註 |                                  |                                  |
| Accruals of costs for contract work | 合約工程成本的<br>預提費用 |             | 52,333                           | 63,867                           |
| Other payables                      | 其他應付款           | (a)         | 17,504                           | 38,782                           |
| Accruals                            | 預提費用            |             | 16,115                           | 12,693                           |
| Due to a shareholder                | 應付一名股東款項        | (b)         | 7,500                            | 6,000                            |
| Due to a director                   | 應付一名董事款項        | (c)         | 2,220                            | —                                |
|                                     |                 |             | <b>95,672</b>                    | <b>121,342</b>                   |
| Represented by:                     | 代表：             |             |                                  |                                  |
| — non-current liabilities           | — 非流動負債         |             | 7,944                            | —                                |
| — current liabilities               | — 流動負債          |             | 87,728                           | 121,342                          |
|                                     |                 |             | <b>95,672</b>                    | <b>121,342</b>                   |

The carrying amounts of other payables and accruals approximate to their fair values.

其他應付款及預提費用的賬面值與其公允值相若。

Notes:

附註：

- (a) Other payables are non-interest-bearing and are expected to be settled within one to two years.
- (b) The amount was unsecured, interest-free and repayable within three years.
- (c) The amount was unsecured, interest-free and no fixed terms of repayment.

- (a) 其他應付款不計息及預期將於一至兩年內結付。
- (b) 該款項為無抵押、免息及應於三年內償還。
- (c) 該款項為無抵押、免息及並無固定還款期。

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### 26. INTEREST-BEARING BANK AND OTHER BORROWINGS

### 26. 計息銀行及其他借款

|                             |            | 2018<br>二零一八年  |                  |                 | 2017<br>二零一七年  |                 |                 |
|-----------------------------|------------|--|------------------|-----------------|--|-----------------|-----------------|
|                             |            | Contractual<br>interest<br>rate (%)<br>per annum<br>合約年利率<br>(%)                   | Maturity<br>到期日  | HK\$'000<br>千港元 | Contractual<br>interest<br>rate (%)<br>per annum<br>合約年利率<br>(%) | Maturity<br>到期日 | HK\$'000<br>千港元 |
| <b>Current</b>              | <b>流動</b>  |  |                  |                 |  |                 |                 |
| Bank overdrafts — unsecured | 銀行透支—無抵押   | The Hong Kong dollar prime rate – 1% or HIBOR + 1%<br>銀行港元最優惠利率 – 1% 或香港銀行同業拆息+ 1% | On demand<br>按要求 | 5,265           | —  | N/A<br>不適用      | —               |
| Bank loans — unsecured      | 銀行貸款 — 無抵押 | HIBOR + 1.75% to 2.5%<br>香港銀行同業拆息 + 1.75%至2.5%                                     | 2019<br>二零一九年    | 7,490           | HIBOR + 2.5%<br>香港銀行同業拆息 + 2.5%                                  | 2018<br>二零一八年   | 3,933           |
| Other loans — unsecured     | 其他貸款 — 無抵押 | 10% – 12%  | 2019<br>二零一九年    | 51,500          | 5% – 12%   | 2018<br>二零一八年   | 42,500          |
|                             |            |  |                  | 64,255          |  |                 | 46,433          |
| <b>Non-current</b>          | <b>非流動</b> |  |                  |                 |  |                 |                 |
| Other loans — unsecured     | 其他貸款 — 無抵押 | 5%   | 2020<br>二零二零年    | 6,000           | —  | —               | —               |
|                             |            |  |                  | 70,255          |  |                 | 46,433          |

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## 財務報表附註

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### 26. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes:

- (a) The Group's overdraft facilities amounting to HK\$6,000,000 (2017: HK\$6,000,000), of which HK\$5,265,000 (2017: Nil) had been utilised as at the end of the reporting period.
- (b) The Group's interest-bearing bank and other borrowings are repayable within one to two years.
- (c) A corporate guarantee was given by the Company for the outstanding balance of bank loans of HK\$12,755,000 (2017: HK\$3,933,000) as at 31 December 2018.
- (d) All borrowings are in Hong Kong dollars.

### 27. CONVERTIBLE BONDS

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

### 26. 計息銀行及其他借款(續)

附註：

- (a) 本集團的透支融資額度為6,000,000港元(二零一七年：6,000,000港元)，於報告期末，其中5,265,000港元(二零一七年：無)已使用。
- (b) 本集團的銀行及其他計息借款須於一至兩年內償還。
- (c) 本公司就於二零一八年十二月三十一日尚未償還銀行貸款結餘12,755,000港元(二零一七年：3,933,000港元)提供企業擔保。
- (d) 所有借款以港元計值。

### 27. 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<br>負債部分<br>HK\$'000<br>千港元 | Equity component<br>權益部分<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|-------------------------|--|---|--------------------------------|
| At 1 January 2017                           | 於二零一七年一月一日              | 359,818  | 390,716                                     | 750,534                        |
| Interest expense (note 7)                   | 利息開支(附註7)               | 27,847   | —   | 27,847                         |
| At 31 December 2017 and 1 January 2018      | 於二零一七年十二月三十一日及二零一八年一月一日 | 387,665  | 390,716                                     | 778,381                        |
| Interest expense (note 7)                   | 利息開支(附註7)               | 30,363   | —   | 30,363                         |
| Gain on extinguishment of convertible bonds | 消除可換股債券之收益              | (65,617)                                       | (15,140)                                    | (80,757)                       |
| At 31 December 2018                         | 於二零一八年十二月三十一日           | <b>352,411</b>                                 | <b>375,576</b>                              | <b>727,987</b>                 |

# Notes to Financial Statements

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### 27. CONVERTIBLE BONDS (Continued)

The details of the outstanding principal amount of the convertible bonds is as follows:

### 27. 可換股債券(續)

有關尚未償還可換股債券本金額詳情如下：

|   |  | HK\$'000<br>千港元 |
|---|--|-----------------|
| At 1 January 2017, 31 December 2017,<br>1 January 2018 and 31 December 2018 | 於二零一七年一月一日、<br>二零一七年十二月三十一日、<br>二零一八年一月一日及<br>二零一八年十二月三十一日 | 390,000         |

A reconciliation of the principal amount of the convertible bonds to their fair value upon completion of the Engines Acquisition is as follows:

發動機收購完成後，可換股債券本金額與其公允值之對賬如下：

|                       |       | HK\$'000<br>千港元 |
|-----------------------|-------|-----------------|
| Principal amount      | 本金額   | 390,000         |
| Fair value adjustment | 公允值調整 | 336,698         |
| Fair value            | 公允值   | 726,698         |

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.

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日（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（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可換股債券金額將立即被註銷。



# Notes to Financial Statements

## 財務報表附註

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### 27. CONVERTIBLE BONDS (Continued)

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"). As a result of CB Extension, the liability and equity component was extinguished by approximately HK\$65,617,000 and HK\$15,140,000, respectively, based on revaluation upon the date of execution on 13 March 2019, and resulted that the convertible bonds were reclassified from current liabilities to non-current liabilities during the year. The revaluation was carried out by Moores Stephens Advisory Services Limited, an independent professional valuer. On the other hand, the carrying amount has been charged with imputed interest, the outstanding principal amount of the convertible bonds remained to HK\$390,000,000 for the year ended 31 December 2018 with maturity date on 4 February 2020. No convertible bonds were converted during the year ended 31 December 2017 and 2018 and the outstanding principal amount of the convertible bonds was HK\$390,000,000. 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 at 31 December 2017, 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. During the year, the convertible bonds have been released to Power Expert on 6 August 2018. Details of which was set out in the announcement of the Company dated 6 August 2018.

### 27. 可換股債券(續)

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」)。由於可換股債券延長，根據二零一九年三月十三日(簽立日期)之重新估值，負債及權益部份分別註銷約65,617,000港元及15,140,000港元，導致年內可換股債券由流動負債重新分類至非流動負債。重新估值由獨立專業估值師Moores Stephens Advisory Services Limited進行。另一方面，賬面值已扣除推算利息，截至二零一八年十二月三十一日止年度可換股債券的尚未償還本金額為390,000,000港元，到期日為二零二零年二月四日。於截至二零一七年及二零一八年十二月三十一日止年度概無轉換可換股債券及可換股債券尚未償還本金額為390,000,000港元。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。

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，本金總額達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。於年內，可換股債券已於二零一八年八月六日向巧能環球發放。相關詳情載於本公司日期為二零一八年八月六日之公告。

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### 28. PROMISSORY NOTES

### 28. 承兌票據

|             |      | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|-------------|------|----------------------------------|----------------------------------|
| First Note  | 第一票據 | 216,908                          | 199,893                          |
| Second Note | 第二票據 | 295,479                          | 274,025                          |
|             |      | <b>512,387</b>                   | <b>473,918</b>                   |

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. 4 February 2018.

On 31 December 2017, the Company has 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. The gain on modification of promissory notes amounted to HK\$15,160,000 was recognised as other income for the year ended 31 December 2017. 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.

於二零一六年二月四日，本公司向巧能環球為受益人發行兩批承兌票據，面值為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（即二零一八年二月四日）的到期日償還。

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至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。修改承兌票據之收益為15,160,000港元於截至二零一七年十二月三十一日止年度確認為其他收入。更多詳情載於本公司日期為二零一七年十二月三十一日之公告及本公司日期為二零一八年三月二十日之通函。

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。

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## 財務報表附註

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### 28. PROMISSORY NOTES (Continued)

As at 31 December 2017, 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 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. During the year, the promissory notes have been released to Power Expert on 6 August 2018. Details of which was set out in the announcement of the Company date 6 August 2018.

### 29. DEFERRED TAX

The movements in deferred tax liabilities during the year are as follows:

### 28. 承兌票據(續)

於二零一七年十二月三十一日，總面值達410,000,000港元之承兌票據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等於或者超過第一項保證溢利及第二項保證溢利，則於各期間發出核數師證明後，面值達174,250,000港元及235,750,000港元之承兌票據將發放予巧能環球。於年內，承兌票據已於二零一八年八月六日向巧能環球發放。相關詳情載於本公司日期為二零一八年八月六日之公告。

### 29. 遞延稅項

年內遞延稅項負債的變動情況如下：

|   |                         | Withholding tax | Depreciation allowance in excess of related depreciation | Fair value adjustments arising from acquisition of subsidiaries | Total           |
|---|-------------------------|-----------------|--|---|-----------------|
|   |                         | 預扣稅             | 超過相關折舊的折舊免稅額   | 收購附屬公司產生的公允值調整  | 總額              |
|   |                         | HK\$'000<br>千港元 | HK\$'000<br>千港元  | HK\$'000<br>千港元   | HK\$'000<br>千港元 |
| At 1 January 2017   | 於二零一七年一月一日              | 3,349           | 15   | 90,596  | 93,960          |
| Deferred tax charged/(credited) to profit or loss during the year (note 11) | 年內在損益扣除/(計入)的遞延稅項(附註11) | 10,000          | (4)  | (9,263)   | 733             |
| At 31 December 2017 and 1 January 2018                                      | 於二零一七年十二月三十一日及二零一八年一月一日 | 13,349          | 11   | 81,333  | 94,693          |
| Deferred tax credited to profit or loss during the year (note 11)           | 年內在損益計入的遞延稅項(附註11)      | —               | (10)   | (68,595)  | (68,605)        |
| At 31 December 2018   | 於二零一八年十二月三十一日           | 13,349          | 1  | 12,738  | 26,088          |

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### 29. DEFERRED TAX (Continued)

At 31 December 2018, the Group has tax losses arising in Hong Kong of HK\$23,752,000 (2017: HK\$23,783,000). Subject to the final assessment of the Hong Kong Inland Revenue Department, these tax losses are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in PRC of HK\$1,734,000 (2017: HK\$1,771,000) that will expire in five years for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding tax on dividends distributed by those subsidiaries established in PRC in respect of earnings generated from 1 January 2008.

Deferred tax has not been recognised for withholding taxes that would be payable on certain unremitted earnings that are subject to withholding tax of one of the Group's subsidiaries established in PRC. In the opinion of the directors, it is not probable that these subsidiaries will distribute such unremitted earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised amounting to HK\$323,632,000 (2017: HK\$281,030,000) as at 31 December 2018.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

### 29. 遞延稅項(續)

於二零一八年十二月三十一日，本集團在香港所產生的稅項虧損為23,752,000港元(二零一七年：23,783,000港元)。取決於香港稅務局的最終評估，這些稅項虧損可以無限期用以抵銷虧損公司的未來應課稅溢利。本集團在中國的稅項虧損為1,734,000港元(二零一七年：1,771,000港元)，將在五年內到期，抵銷虧損公司未來應課稅溢利。

並無就該等虧損確認遞延稅項資產，原因為不太可能有應課稅溢利可用以抵銷稅項虧損。

根據中國企業所得稅法，於中國成立的外資企業須就向外方投資者宣派的股息提撥10%預扣稅項。該要求由二零零八年一月一日起生效，並應用於二零零七年十二月三十一日後產生的溢利。若中國與外方投資者所屬司法權區有稅務協定，則可應用較低預扣稅稅率。對本集團而言，適用稅率為10%。因此，本集團有責任就該等於中國成立的附屬公司於二零零八年一月一日起產生的溢利所分派的股息繳納預扣稅。

本集團在中國設立的一間附屬公司的若干未匯出收益須繳納預扣稅，惟尚未就該等應付預扣稅確認遞延稅項。董事認為，該等附屬公司不太可能在可預見的將來分配有關未匯出收益。於二零一八年十二月三十一日，與於中國內地附屬公司投資有關且尚未確認遞延稅項負債暫時性差額總額為323,632,000港元(二零一七年：281,030,000港元)。

本公司向股東派付股息並無所得稅後果。

# Notes to Financial Statements

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### 30. SHARE CAPITAL

#### Shares

|   |  | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|--|----------------------------------|----------------------------------|
| Issued and fully paid:  | 已發行及繳足：  |                                  |                                  |
| 200,000,000 (2017: 200,000,000)<br>ordinary shares of HK\$0.01 each | 200,000,000股<br>(二零一七年：<br>200,000,000股)<br>每股面值0.01港元<br>的普通股 | 2,000                            | 2,000                            |

#### Share options

Details of the Company's share option scheme are included in note 31 to the financial statements.

### 31. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed on 24 March 2016, the shareholders of the Company approved the adoption of a new share option scheme (the "Scheme"). Unless otherwise terminated or amended, the Scheme will remain in force for 10 years from the date of adoption.

The purpose of the Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include full-time or part-time employees, including any executive directors 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. The Scheme became effective on 29 March 2016 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

### 30. 股本

#### 股份

|   | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|----------------------------------|----------------------------------|
| Issued and fully paid:  |                                  |                                  |
| 200,000,000 (2017: 200,000,000)<br>ordinary shares of HK\$0.01 each | 2,000                            | 2,000                            |

#### 購股權

本公司購股權計劃詳情載於財務報表附註31。

### 31. 購股權計劃

根據於二零一六年三月二十四日通過之普通決議案，本公司股東批准採納新購股權計劃（「該計劃」）。除非另行終止或修訂，否則該計劃將自採納日期起計10年維持生效。

該計劃之目的為向為本集團營運成功作出貢獻之合資格參與者提供激勵及回報。該計劃之合資格參與者包括全職及兼職僱員，包括本集團之任何執行董事；及本集團之任何業務或合營企業夥伴、承包商、代理或代表、諮詢人、顧問、供應商、生產商或持牌人、客戶、獲發牌人（包括任何子獲發牌人）或分銷商、業主或租戶（包括任何子租戶）或董事會單獨酌情認為已經或可能會對本集團作出貢獻之任何人士。該計劃於二零一六年三月二十九日生效，而除非另行取消或修訂，否則將自該日起維持生效達10年。

### 31. SHARE OPTION SCHEME (Continued)

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the total number of shares of the Company in issue as at the date when the Scheme was approved by the shareholders of the Company in a general meeting, which is a total of 20,000,000 shares available for issue under the Scheme. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive officer or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and ends on a date which is not later than 10 years from the date of the offer of the share options.

The exercise price of the share options is determinable by the directors, but should not be less than the highest of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange daily quotation sheet on the date of grant of share options; (ii) the average of the closing prices of the shares of the Company as stated on the Hong Kong Stock Exchange for the 5 trading days immediately preceding the date of the offer; and (iii) the nominal value of the shares of the Company.

### 31. 購股權計劃(續)

現時可根據該計劃授出之未行使購股權最高數目為相等於(在其獲行使後)本公司於該計劃獲本公司股東在股東大會上批准當日之已發行股份總數的10%之數額，即根據計劃可予發行合共20,000,000股股份。每名合資格參與者於任何12個月期間內根據該計劃可獲發行之股份的最高數目為不得超過本公司於任何時候已發行股份的1%。凡進一步授出超出該限額之購股權均須經股東在股東大會上批准。

購股權可授予本公司之董事、行政總裁或主要股東或任何彼等之聯繫人，惟須事先經獨立非執行董事批准。此外，任何於任何12個月期間內授予本公司之主要股東或獨立非執行董事或任何彼等之聯繫人而超出本公司於任何時候已發行股份的0.1%或總值(按本公司股份於授出日期之價格計)超過5百萬港元之購股權均須經股東在股東大會上事先批准。

授出購股權之要約可於要約日期起計21天內，於承授人支付名義代價合共1港元後予以接納。已授出購股權之行使期可由董事釐定，並在不遲於購股權要約當日起計10年之日完結。

購股權之行使價可由董事釐定，惟不得少於下列之最高者：(i)於授出購股權日期在香港聯交所每日報價表所列之本公司股份收市價；(ii)於緊接要約日期前5個交易日在香港聯交所所列之本公司股份平均收市價；及(iii)本公司股份之面值。



# Notes to Financial Statements

## 財務報表附註

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### 31. SHARE OPTION SCHEME (Continued)

For the years ended 31 December 2017 and 2018, no share option has been granted by the Company and there are no outstanding share option of the Company as at 31 December 2017 and 2018.

### 32. RESERVES

The amounts of the Group's reserves and the movements therein for the reporting period are presented in the consolidated statement of changes in equity.

#### (a) Statutory surplus reserve

Transfers from retained profits to the statutory surplus reserve were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC.

For the entities concerned, the statutory surplus reserve can be used to cover previous years' losses, if any, and may be converted into capital in proportion to equity holders' existing equity holdings, provided that the balance after such conversion is not less than 25% of their registered capital.

#### (b) Share option reserve

It represents the fair value of share options vested which are yet to be exercised, as further explained in the accounting policy of share-based payments in note 3.4 to the financial statements. The amount will either be transferred to the share premium account when the related share options are exercised, or transferred to retained profits should the related share options lapse or be forfeited.

### 31. 購股權計劃(續)

截至二零一七年及二零一八年十二月三十一日止年度，本公司概無授出購股權，故於二零一七年及二零一八年十二月三十一日，本公司並無尚未行使購股權。

### 32. 儲備

本集團於報告期的儲備數額及其變動於綜合權益變動表呈列。

#### (a) 法定盈餘儲備

保留利潤轉撥至法定盈餘儲備乃根據中國相關規則和法規以及本公司在中國成立的附屬公司的組織章程細則作出。

就有關實體而言，法定盈餘儲備可用作抵補過往年度虧損(如有)，亦可按權益持有人現時的持股比例轉換為股本，惟於有關轉換後的結餘不得少於其註冊資本的25%。

#### (b) 購股權儲備

購股權儲備由已歸屬、尚未行權的購股權之公允值構成，詳見本財務報表附註3.4對以股份為基礎付款的會計政策的解釋。相關購股權行使後，該儲備中相應金額轉入股份溢價賬，或者相關購股權失效或被沒收後，轉入保留溢利。

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## 財務報表附註

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### 33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Major non-cash transactions

During the year, the Group has endorsed bills receivable to settle the accounts payable in an aggregate of RMB666,703,000 (2017: RMB1,767,000,000) (equivalent to HK\$791,069,000 (2017: HK\$2,037,000,000)).

#### (b) Changes in liabilities arising from financing activities

### 33. 綜合現金流量表附註

#### (a) 主要非現金交易

年內，本集團已背書應收票據，以償還總額為人民幣666,703,000元(二零一七年：人民幣1,767,000,000元)(相當於791,069,000港元)(二零一七年：2,037,000,000港元)的應付賬款。

#### (b) 來自融資業務的負債變動

|   |               | 2018<br>二零一八年  |   |   |
|---|---------------|--|---|---|
|   |               | Interest-bearing bank and other borrowings<br>計息銀行及其他借貸<br>HK\$'000<br>千港元 | Convertible bonds<br>可換股債券<br>HK\$'000<br>千港元 | Promissory notes<br>承兌票據<br>HK\$'000<br>千港元 |
| At 1 January 2018                           | 於二零一八年一月一日    | 46,433   | 387,665                                       | 473,918                                     |
| Changes from financing cash flows           | 融資現金流量變動      | 23,822   | —   | —   |
| Accrued interest expense                    | 應計利息開支        | —  | 30,363  | 38,469                                      |
| Gain on extinguishment of convertible bonds | 消除可換股債券之收益    | —  | (65,617)                                      | —   |
| At 31 December 2018                         | 於二零一八年十二月三十一日 | 70,255   | 352,411                                       | 512,387                                     |

# Notes to Financial Statements

## 財務報表附註

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### 33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities (Continued)

|  |               | 2017<br>二零一七年  |   |   |
|--|---------------|--|---|---|
|  |               | Interest-bearing bank and other borrowings<br>計息銀行及其他借貸<br>HK\$'000<br>千港元 | Convertible bonds<br>可換股債券<br>HK\$'000<br>千港元 | Promissory notes<br>承兌票據<br>HK\$'000<br>千港元 |
| At 1 January 2017                        | 於二零一七年一月一日    | 20,000   | 359,818                                       | 453,938                                     |
| Changes from financing cash flows        | 融資現金流量變動      | 26,433   | —   | —   |
| Accrued interest expense                 | 應計利息開支        | —  | 27,847  | 35,140                                      |
| Gain on modification of promissory notes | 修改承兌票據之收益     | —  | —   | (15,160)                                    |
| At 31 December 2017                      | 於二零一七年十二月三十一日 | 46,433   | 387,665                                       | 473,918                                     |

### 33. 綜合現金流量表附註(續)

(b) 來自融資業務的負債變動(續)

### 34. JOINT OPERATION

Particulars of the Group's joint operation as at 31 December 2018 are as follows:

| Name of joint operation<br>共同經營名稱          | Form of business structure<br>業務架構形式 | Place of operation<br>經營場所 | Percentage of attributable interest of the Group<br>本集團權益應佔百分比 |   | Principal activities<br>主要業務 |
|--|--------------------------------------|----------------------------|--|---|------------------------------|
|  |                                      |                            | 2018<br>二零一八年<br>%<br>(note (a))<br>(附註(a))                    | 2017<br>二零一七年<br>%<br>(note (b))<br>(附註(b)) |                              |
| EXCEL – LANON Joint Venture<br>怡益 – 亮雅合營企業 | Body unincorporated<br>非屬法團的團體       | Hong Kong<br>香港            | 51   | 51  | Construction<br>建築工程         |

### 34. 共同經營

有關本集團於二零一八年十二月三十一日的共同經營詳情如下：

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## 財務報表附註

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### 34. JOINT OPERATION (Continued)

- (a) Under the joint venture agreement, the joint operators have contractually agreed sharing of control over the relevant activities of this body unincorporated, hence this body unincorporated is jointly controlled by the Group and the other joint operator. Furthermore, the joint venture agreement specifies that the Group and other party to the joint arrangement have rights to the assets and obligations to the liabilities relating to the joint arrangement in accordance with the attributable interest of the Group as disclosed above and the interest attributable to the other joint operator respectively, therefore the body unincorporated is classified as a joint operation.
- (b) The joint operation is principally engaged in construction work to carry out the provision of barrier-free access facilities for highway structures in Hong Kong.

### 35. CONTINGENT LIABILITIES

- (a) At 31 December 2018, the guarantees given by the Group to certain banks and a licensed corporation in respect of performance bonds in favour of certain contract customers amounted to HK\$15,044,000 (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 subcontractors 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.

### 34. 共同經營(續)

- (a) 根據合營企業協議，共同經營人具合約性協定共享該非公司法人的相關業務的控制權，因此，該非公司法人乃由本集團及其他共同經營人共同控制。此外，合營企業協議列明本集團及共同協議中其他人士根據上述所披露本集團應佔權益及其他共同經營人應佔權益分別擁有有關合營安排的資產權利及負債義務，因此，該非公司法人分類為共同經營。
- (b) 合營經營主要從事建築工程，為道路構築物提供無障礙通道設施。

### 35. 或然負債

- (a) 於二零一八年十二月三十一日，本集團就給予若干合約客戶之履約保證而向若干銀行及一所持牌企業提供的擔保為15,044,000港元(二零一七年：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、業績及經營構成任何重大不利影響。

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## 財務報表附註

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### 36. OPERATING LEASE ARRANGEMENTS

#### As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

|   |                    | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|--------------------|----------------------------------|----------------------------------|
| Within one year                         | 一年內                | 2,563                            | 5,262                            |
| In the second to fifth years, inclusive | 第二至第五年<br>(包括首尾兩年) | 1,762                            | 296                              |
|   |                    | 4,326                            | 5,558                            |

### 37. COMMITMENTS

In addition to the operating lease commitments detailed in note 36 above, the Group had the following capital commitments at the end of the reporting period:

|   |                       | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|-----------------------|----------------------------------|----------------------------------|
| Contracted, but not provided for<br>plant and machinery | 有關機器及設備的<br>已訂約但未撥備承擔 | 52                               | 700                              |

### 36. 經營租賃安排

#### 作為承租人

本集團根據經營租賃安排租用若干辦公室物業。經協商後的物業租賃年期介乎一至三年。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃於下列日期到期應付的未來最低租金總額如下：

### 37. 承擔

除上述附註36所載經營租賃承擔外，本集團在報告期末有以下資本承擔：

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### 38. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the reporting period:

|  |                      | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Transactions with related companies controlled by a director of the Company: | 與本公司一名董事控制的關聯公司進行交易： |                                  |                                  |
| Corporate service fee paid   | 已付企業服務費              | 737                              | 1,028                            |
| Financial advisory fee paid  | 已付財務顧問費              | —                                | 250                              |

The transactions were conducted on terms and conditions mutually agreed between the relevant parties.

交易乃按有關各方相互協定的條款及條件進行。

- (b) Outstanding balances with related parties

Balances with related parties are included in notes 25 to the financial statements.

- (b) 與關聯方的未清償結餘

與關聯方的結餘載列於財務報表附註25。

- (c) Compensation of key management personnel of the Group

Further details of the compensation of key management personnel of the Group are included in notes 9 and 10 to the financial statements.

- (c) 本集團主要管理人員的報酬

有關本集團主要管理人員報酬的進一步詳情載於財務報表附註9及10。



# Notes to Financial Statements

## 財務報表附註

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### 39. FINANCIAL INSTRUMENTS BY CATEGORY

As at 31 December 2018, all the Group's financial assets and liabilities were financial assets at amortised cost (2017: loans and receivables) and financial liabilities at amortised cost, respectively.

### 40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, current portion of accounts and bills receivables, accounts payable, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings and convertible bonds approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the director and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the directors. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### 39. 金融工具分類

於二零一八年十二月三十一日，本集團所有金融資產及負債均為按攤銷成本計值之金融資產(二零一七年：貸款及應收款)。

### 40. 金融工具之公允值及公允值層級

由於現金及銀行結餘、應收賬款及應收票據即期部分、應付賬款、包含在預付款項、按金及其他應收款之金融資產、包含在其他應付款及預提費用之金融負債、計息銀行及其他借貸及可換股債券大多於短期內到期，故管理層認為該等工具之公允值與其賬面值相若。

本集團由董事領導的財務部負責釐定金融工具公允值計量政策及程式。財務部直接向董事及審核委員會報告。於各報告日期，財務部分析金融工具價值變動並釐定估值時適用的主要參數。估值由董事審閱及批准。估值過程及結果由審核委員會每年討論兩次以進行中期及年度財務報告。

金融資產及負債的公允值乃按該工具可由自願各方在現有交易(強制或清算銷售除外)中可交換的金額計入。

# Notes to Financial Statements

## 財務報表附註

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### 40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The following methods and assumptions were used to estimate the fair values:

The fair values of the liability portion of convertible bonds and promissory notes have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for convertible bonds and promissory notes as at 31 December 2018 and 31 December 2017 was assessed to be insignificant.

The Group did not have any financial assets or liabilities measured at fair value as at 31 December 2018 and 31 December 2017.

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include accounts and bills receivables, other receivables, prepayments and deposits, accounts and other payables, cash and cash equivalents, promissory notes and convertible bonds. Details of these financial instruments are disclosed in the respective notes to the financial statements.

The Group's ordinary activities expose it to various financial risks, including foreign currency risk, credit risk and liquidity risk. The risks associated with financial instruments and the policies on how to mitigate these risks are described below. Management monitors closely the Group's exposures to financial risks to ensure appropriate measures are implemented in a timely and effective manner.

### 40. 金融工具之公允值及公允值層級(續)

以下為用作估計公允值的方法及假設：

可換股債券及承兌票據負債部分之公允值已按具有類似條款、信貸風險及剩餘期限的工具目前可用的利率折讓預期未來現金流量計算。本集團於二零一八年十二月三十一日及二零一七年十二月三十一日對可換股債券及承兌票據的自有不履約風險被評為不重大。

於二零一八年十二月三十一日及二零一七年十二月三十一日，本集團並無任何按公允值計量的金融資產或負債。

### 41. 財務風險管理目標及政策

本集團的主要金融工具包括應收賬款及應收票據、其他應收款、預付款項及按金、應付賬款及其他應付款、現金及現金等值物、承兌票據及可換股債券。該等金融工具的詳情於財務報表內各項有關附註披露。

本集團在日常業務過程中面對多種財務風險，包括外幣風險、信貸風險及流動資金風險。有關金融工具的風險以及如何減低該等風險的政策均在下文描述。管理層嚴密監察本集團所面對的財務風險，以確保及時及有效地採取適當措施。



# Notes to Financial Statements

## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Foreign currency risk

Foreign currency risk means the risk on the fluctuation of fair value or future cash flows of financial instruments which arose from changes in exchange rates.

The Group's civil engineering and construction business is located in Hong Kong and is transacted and settled in HK\$ while the Group's Automotive Engines CGU is located in PRC and is transacted and settled in RMB. Accordingly, the directors considered that the Group's foreign currency risk is insignificant.

#### Credit risk

The Group's credit risk is primarily attributable to bank balances, accounts and bills receivables and contract assets. The Group's maximum credit risk exposure at the end of the reporting period in the event of other parties failing to perform their obligations is represented by the carrying amount of each financial asset as stated in the consolidated statement of financial position.

For the maximum exposure as at 31 December 2017, management monitored the creditworthiness and payment patterns of each debtor closely and on an ongoing basis. It was the Group's policy that all customers of automotive engines who wished to trade on credit terms and subject to credit verification procedures. The Group's accounts receivable from contract work represent interim payments or retentions certified by the customers under terms as stipulated in the contracts and the Group did not hold any collateral over these receivables. As the Group's customers in respect of contract work primarily consist of government departments and developers or owners with strong financial backgrounds, management considers that the risk of irrecoverable receivables from contract work was not significant.

At 31 December 2018, the Group had concentrations of credit risk as 46% (2017: 38%) of the total accounts and bills receivables were due from the Group's largest external customer and 85% (2017: 82%) of the total accounts and bills receivables were due from the Group's five largest external customers.

### 41. 財務風險管理目標及政策(續)

#### 外幣風險

外幣風險指因匯率變動而產生的金融工具的公允值或未來現金流量波動風險。

本集團之土木工程及建造業務位於香港，並以港元交易及結算，而本集團之汽車發動機現金產生單位乃位於中國，並以人民幣交易及結算。因此，董事認為本集團面對的外幣風險乃微不足道。

#### 信貸風險

本集團的信貸風險主要來自銀行結餘、應收賬款及應收票據以及合約資產。倘若其他相關各方未能履行其義務，本集團於報告期結束時面對的最高信貸風險相當於各金融資產在綜合財務狀況表中所列的賬面值。

就截至二零一七年十二月三十一日的最大風險，管理層會持續地密切監察各債務人的信譽度及還款模式。本集團的政策為所有願意按信貸期買賣的汽車發動機客戶進行買賣，並須進行信貸認證程序。本集團的合約工程應收賬款指根據合約內訂明條款支付的中期付款或經客戶核實的保留款項，而本集團並不就該等應收款持有任何抵押品。由於本集團的合約工程客戶主要為政府部門以及財力雄厚的開發商或業主，管理層認為不能收回收約工程應收款的風險不大。

於二零一八年十二月三十一日，本集團存在若干信貸風險集中的情況，應收賬款及票據總額中的46%（二零一七年：38%）來自本集團的最大外部客戶，而應收賬款及票據總額中的85%（二零一七年：82%）則來自本集團的五大外部客戶。

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## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Credit risk (Continued)

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018.

|  |                         | 12-month ECLs<br>12個月預期<br>信貸虧損    |                                    | Lifetime ECLs<br>全期預期信貸虧損          |  | HK\$'000<br>千港元 |
|--|-------------------------|------------------------------------|------------------------------------|------------------------------------|--|-----------------|
|  |                         | Stage 1<br>第一階段<br>HK\$'000<br>千港元 | Stage 2<br>第二階段<br>HK\$'000<br>千港元 | Stage 3<br>第三階段<br>HK\$'000<br>千港元 | Simplified<br>approach<br>簡化法<br>HK\$'000<br>千港元 |                 |
| Contract assets*   | 合約資產*                   | —                                  | —                                  | —                                  | 197,521  | 197,521         |
| Accounts and bills receivables*  | 應收賬款及應收票據*              | —                                  | —                                  | —                                  | 517,254  | 517,254         |
| Financial assets included in<br>prepayments, deposits and other<br>receivables | 計入預付款、其他應收款<br>按金及的金融資產 |                                    |                                    |                                    |  |                 |
| — Normal**   | — 正常**                  | 34,078                             | —                                  | —                                  | —  | 34,078          |
| — Doubtful**   | — 呆賬**                  | —                                  | —                                  | —                                  | —  | —               |
| Cash and cash equivalents  | 現金及現金等值物                |                                    |                                    |                                    |  |                 |
| — Not yet past due   | — 尚未逾期                  | 26,971                             | —                                  | —                                  | —  | 26,971          |
|  |                         | 61,049                             | —                                  | —                                  | 714,775  | 775,824         |

\* For accounts and bills receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix.

\*\* The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to the "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

### 41. 財務風險管理目標及政策(續)

#### 信貸風險(續)

於二零一八年十二月三十一日的最大風險及年末的階段

下表列載基於本集團信貸政策的二零一八年十二月三十一日的信貸質素及最大信貸風險(主要以過往逾期資料為依據, 除非在並無過多成本或工作的情況下可取得其他資料), 及年末的階段分類。

\* 本集團使用簡化法計算減值的應收賬款及應收票據及合約資產, 乃基於撥備矩陣的資料。

\*\* 尚未逾期及並無資料表示金融資產自初次確認起信貸風險大幅升高, 計入預付款按金及其他應收款的金融資產的信貸質素視作「正常」。否則, 金融資產的信貸質素視作「呆賬」。

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## 財務報表附註

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二零一八年十二月三十一日

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Liquidity risk

The Group's policy is to monitor regularly the current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term. In addition, banking facilities have been put in place for contingency purposes.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on rates as at the end of the reporting period) and the earliest date that the Group could be required to repay:

|   |                   | Within<br>1 year or<br>on demand<br>一年內或須<br>應要求償還<br>HK\$'000<br>千港元 | Between<br>1 and 2 years<br>一至二年<br>HK\$'000<br>千港元 | Between<br>2 and 5 years<br>二至五年<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|-------------------|---|---|---|--------------------------------|
| 31 December 2018  | 二零一八年<br>十二月三十一日  |   |   |   |                                |
| Accounts payable  | 應付賬款              | 329,490   | 5,522   | 5,748   | 340,760                        |
| Accruals of costs for contract works                          | 預提合約工程成本          | 52,333  | —   | —   | 52,333                         |
| Financial liabilities included in other payables and accruals | 計入其他應付款及預提費用之金融負債 | 19,279  | 445   | 7,500   | 27,224                         |
| Interest-bearing bank and other borrowings                    | 計息銀行及其他借款         | 65,253  | 6,013   | —   | 71,266                         |
| Convertible bonds   | 可換股債券             | —   | 390,000   | —   | 390,000                        |
| Promissory notes  | 承兌票據              | —   | 557,600   | —   | 557,600                        |
|   |                   | 466,355   | 959,580   | 13,248  | 1,439,183                      |

### 41. 財務風險管理目標及政策(續)

#### 流動資金風險

本集團的政策為定期監察現時及預期流動資金需求，以確保其維持足夠現金儲備及來自主要金融機構的足夠融資額度，從而滿足其短期及長期的流動資金需求。此外，本集團會安排銀行信貸額，以備不時之需。

下表詳列本集團的金融負債於報告期結束時的剩餘合約期，其乃根據合約未貼現現金流量(包括按合約利率或(如屬浮動利率)根據於報告期結束時的利率計算的利息付款)及本集團可能須償還的最早日期得出：

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## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Liquidity risk (Continued)

#### 流動資金風險(續)

|  |                       | Within<br>1 year or<br>on demand<br>一年內或須<br>應要求償還<br>HK\$'000<br>千港元 | Between<br>1 and 2 years<br>一至二年<br>HK\$'000<br>千港元 | Between<br>2 and 5 years<br>二至五年<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|-----------------------|---|---|---|--------------------------------|
| 31 December 2017   | 二零一七年<br>十二月三十一日      |   |   |   |                                |
| Accounts payable   | 應付賬款                  | 659,516   | 4,159   | 6,002   | 669,677                        |
| Accruals of costs for contract work                              | 預提合約工程成本              | 63,867  | —   | —   | 63,867                         |
| Financial liabilities included in other<br>payables and accruals | 計入其他應付款及<br>預提費用之金融負債 | 44,782  | —   | —   | 44,782                         |
| Interest-bearing bank and other<br>borrowings                    | 計息銀行及其他借款             | 46,433  | —   | —   | 46,433                         |
| Convertible bonds  | 可換股債券                 | 390,000   | —   | —   | 390,000                        |
| Promissory notes   | 承兌票據                  | —   | —   | 557,600   | 557,600                        |
|  |                       | 1,204,598   | 4,159   | 563,602   | 1,772,359                      |

As explained in note 2 to the financial statement, the directors have adopted or plan to adopt certain measures in order to improve the Group's financial and cash flow positions and to maintain the Group's as a going concern.

#### Capital management

The primary objective of the Group's capital management policy is to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The directors review the capital structure on a periodical basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital and will balance the Group's overall capital structure through new share issues as well as raising new debts or repayment of existing debts.

誠如財務報表附註2所闡述，董事已採取或計劃採取若干措施，以改善本集團的財務及現金流量狀況，以及維持本集團持續經營。

#### 資金管理

本集團資金管理政策的主要目標為確保本集團能持續經營，同時透過優化債務與股本結構謀求利益相關者回報最大化。

董事會定期檢討資本架構。作為此項檢討工作的一部分，董事考慮資金成本及與各類資金相關的風險，並將透過新股發行及新增債務或償還現有債務來平衡本集團的整體資本架構。

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## 財務報表附註

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### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net cash and bank balances divided by the total capital. Net debts are calculated as the total of interest-bearing bank and other borrowings, liability component of the convertible bonds and promissory notes less cash and cash equivalents. Total capital refers to equity attributable to owners of the parent. The gearing ratio as at 31 December 2018 and 31 December 2017 was as follows:

|  |                | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Interest-bearing bank and other borrowings   | 計息銀行及其他借款      | 64,255                           | 46,433                           |
| Liability component of the convertible bonds | 可換股債券的負債部分     | 352,411                          | 387,665                          |
| Promissory notes                             | 承兌票據           | 512,387                          | 473,918                          |
| Less: Cash and cash equivalents              | 減：現金及現金等值物     | (26,971)                         | (68,623)                         |
| <b>Net debts</b>                             | <b>淨負債</b>     | <b>902,082</b>                   | <b>839,393</b>                   |
| Equity attributable to owners of the parent  | 母公司擁有人應佔權益     | (92,959)                         | 702,614                          |
| <b>Gearing ratio (%)</b>                     | <b>槓桿比率(%)</b> | <b>NA*</b><br>不適用                | <b>119%</b>                      |

\* The gearing ratio as at 31 December 2018 is not available because the Group reported a negative equity attributable to owners of the parent as at 31 December 2018.

#### 資金管理(續)

本集團運用槓桿比率監控資本，而槓桿比率乃按現金及銀行結餘淨值除以資本總額計算。債務淨額則按計息銀行及其他借款、可換股債券的負債部分及承兌票據的總額減現金及現金等值物計算。資本總額指母公司擁有人應佔權益。於二零一八年十二月三十一日及二零一七年十二月三十一日的槓桿比率如下：

\* 於二零一八年十二月三十一日之槓桿比率無法取得，因為本集團於二零一八年十二月三十一日錄得負向的母公司擁有人應佔權益。

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## 財務報表附註

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二零一八年十二月三十一日

### 42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

### 42. 本公司之財務狀況表

有關本公司於報告期末之財務狀況表之資料如下：

|   |               | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|---|---------------|----------------------------------|----------------------------------|
| <b>NON-CURRENT ASSETS</b>                   |               |                                  |                                  |
|   | <b>非流動資產</b>  |                                  |                                  |
| Property, plant and equipment               | 物業、機器及設備      | 7                                | 245                              |
| Investments in subsidiaries                 | 於附屬公司之投資      | —                                | —                                |
| Total non-current assets                    | 非流動資產總值       | 7                                | 245                              |
| <b>CURRENT ASSETS</b>                       |               |                                  |                                  |
|   | <b>流動資產</b>   |                                  |                                  |
| Due from subsidiaries                       | 應收附屬公司款項      | 582,626                          | 1,188,761                        |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款 | 1,845                            | 2,376                            |
| Cash and cash equivalents                   | 現金及現金等值物      | 427                              | 38                               |
| Total current assets                        | 流動資產總值        | 584,898                          | 1,191,175                        |

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### 42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued) 42. 本公司之財務狀況表(續)

|  |                    | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| <b>CURRENT LIABILITIES</b>                   | <b>流動負債</b>        |                                  |                                  |
| Other payables and accruals                  | 其他應付款及預提費用         | 17,976                           | 14,928                           |
| Interest-bearing other borrowings            | 計息其他借款             | 51,500                           | 42,500                           |
| Convertible bonds                            | 可換股債券              | —                                | 387,665                          |
| Total current liabilities                    | 流動負債總額             | 69,476                           | 445,093                          |
| <b>NET CURRENT (LIABILITIES)/ASSETS</b>      | <b>流動(負債)/資產淨值</b> | 515,422                          | 746,082                          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> | <b>資產總值減流動負債</b>   | 515,429                          | 746,327                          |
| <b>NON-CURRENT LIABILITIES</b>               | <b>非流動負債</b>       |                                  |                                  |
| Other payables                               | 其他應付款項             | 7,944                            | —                                |
| Interest-bearing other borrowings            | 計息其他借款             | 6,000                            | —                                |
| Convertible bonds                            | 可換股債券              | 352,411                          | —                                |
| Promissory notes                             | 承兌票據               | 512,387                          | 473,918                          |
| Deferred tax liabilities                     | 遞延稅項負債             | 2                                | 2                                |
| Total non-current liabilities                | 非流動負債總額            | 878,744                          | 473,920                          |
| Net (liabilities)/assets                     | (負債)/資產淨值          | (363,315)                        | 272,407                          |
| <b>EQUITY</b>                                | <b>權益</b>          |                                  |                                  |
| Share capital                                | 股本                 | 2,000                            | 2,000                            |
| Equity component of convertible bonds        | 可換股債券之權益部分         | 375,576                          | 390,716                          |
| Reserves (note)                              | 儲備(附註)             | (740,891)                        | (120,309)                        |
| (Deficiency in assets)/total equity          | (資產虧絀)/總權益         | (363,315)                        | 272,407                          |

Lam Wah  
林華  
Director  
董事

Xing Bin  
邢濱  
Director  
董事

# Notes to Financial Statements

## 財務報表附註

31 December 2018  
二零一八年十二月三十一日

### 42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

### 42. 本公司之財務狀況表(續)

附註：

本公司之儲備概要如下：

|  |                         | Share premium   | Equity component of convertible bonds<br>可換股債券之權益部分 | Share option reserve<br>購股權儲備 | Accumulated losses<br>累計虧損 | Total<br>總計     |
|--|-------------------------|-----------------|---|-------------------------------|----------------------------|-----------------|
|  |                         | HK\$'000<br>千港元 | HK\$'000<br>千港元                                     | HK\$'000<br>千港元               | HK\$'000<br>千港元            | HK\$'000<br>千港元 |
| At 1 January 2017  | 於二零一七年一月一日              | 45,486          | 390,716   | 6,395                         | (98,278)                   | 344,319         |
| Total comprehensive loss for the year                            | 年內全面綜合虧損總額              | —               | —   | —                             | (73,912)                   | (73,912)        |
| Transfer of share option reserve upon the lapse of share options | 於購股權失效後轉撥購股權儲備          | —               | —   | (6,395)                       | 6,395                      | —               |
|  |                         | 45,486          | 390,716   | —                             | (165,795)                  | 270,407         |
| At 31 December 2017 and 1 January 2018                           | 於二零一七年十二月三十一日及二零一八年一月一日 | 45,486          | 390,716   | —                             | (165,795)                  | 270,407         |
| Total comprehensive loss for the year                            | 年內全面虧損總額                | —               | —   | —                             | (620,582)                  | (620,582)       |
| Extinguishment of convertible bonds                              | 註銷可換股債券                 | —               | (15,140)  | —                             | —                          | (15,140)        |
| At 31 December 2018  | 於二零一八年十二月三十一日           | 45,486          | 375,576   | —                             | (786,377)                  | (365,315)       |

### 43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2019.

### 43. 批准財務報表

財務報表於二零一九年三月二十八日獲董事會批准及授權刊發。

# Five-Year Financial Summary

## 五年財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years/period, as extracted from the Group's published financial statements, is set out below.

本集團過去五個財政年度／期間之業績、資產及負債概要(摘錄自本集團已刊發財務報表)載列如下。

### RESULTS

### 業績

|   |                         | Year ended<br>31 December<br>2018<br>截至<br>二零一八年<br>十二月三十一日<br>止年度<br>HK\$'000<br>千港元 | Year ended<br>31 December<br>2017<br>截至<br>二零一七年<br>十二月三十一日<br>止年度<br>HK\$'000<br>千港元 | Nine months ended<br>31 December<br>2016<br>截至<br>二零一六年<br>十二月三十一日<br>止九個月<br>HK\$'000<br>千港元 | Year ended<br>31 March<br>2016<br>截至<br>二零一六年<br>三月三十一日<br>止年度<br>HK\$'000<br>千港元 | Year ended<br>31 March<br>2015<br>截至<br>二零一五年<br>三月三十一日<br>止年度<br>HK\$'000<br>千港元 |
|---|-------------------------|---|---|---|---|---|
| Revenue   | 收入                      | 743,414   | 2,026,599   | 2,145,926   | 609,335   | 702,856   |
| (Loss)/profit before tax  | 除稅前(虧損)/溢利              | (769,826)   | 69,892  | 124,783   | (32,349)  | 19,052  |
| Income tax credit/(expense)   | 所得稅抵免/(支出)              | 66,059  | (32,179)  | (34,631)  | (774)   | (3,178)   |
| (Loss)/profit and total comprehensive (loss)/income for the year/period | 年/期內(虧損)/溢利及全面(虧損)/收入總額 | (703,767)   | 37,713  | 90,152  | (33,123)  | 15,874  |

### ASSETS, LIABILITIES AND TOTAL EQUITY

### 資產、負債及總權益

|                                     |            | 31 December<br>2018<br>於二零一八年<br>十二月三十一日<br>HK\$'000<br>千港元 | 31 December<br>2017<br>於二零一七年<br>十二月三十一日<br>HK\$'000<br>千港元 | 31 December<br>2016<br>於二零一六年<br>十二月三十一日<br>HK\$'000<br>千港元 | 31 March<br>2016<br>於二零一六年<br>三月三十一日<br>HK\$'000<br>千港元 | 31 March<br>2015<br>於二零一五年<br>三月三十一日<br>HK\$'000<br>千港元 |
|-------------------------------------|------------|---|---|---|---|---|
| Total assets                        | 總資產        | 1,307,390   | 2,509,552   | 2,594,815   | 1,702,936   | 376,040   |
| Total liabilities                   | 總負債        | (1,400,349)   | (1,806,938)   | (2,043,443)   | (1,169,985)   | (149,913)   |
| (Deficiency in assets)/total equity | (資產虧絀)/總權益 | (92,959)  | 702,614   | 551,372   | 532,951   | 226,127   |

